

**NEW ORLEANS FAMILY JUSTICE ALLIANCE**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

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## **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, 2018, 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, 2018, 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 28, 2019, 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 28, 2019

## **FINANCIAL STATEMENTS**

**NEW ORLEANS FAMILY JUSTICE ALLIANCE**  
**Statement of Net Position**  
**For the Year Ended December 31, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Assets:</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 13,680	\$ -	\$ 13,680
Accounts Receivable	2,170	-	2,170
Grants Receivable	267,582	51,048	318,630
Prepaid Expenses	750	-	750
<b>Total Current Assets</b>	<b>284,182</b>	<b>51,048</b>	<b>335,230</b>
<b>Fixed Assets, Net</b>	<b>825,180</b>	<b>-</b>	<b>825,180</b>
<b>Other Assets</b>			
Security Deposit	30,875	-	30,875
Closing Costs, net	6,015	-	6,015
<b>Total Other Assets</b>	<b>36,890</b>	<b>-</b>	<b>36,890</b>
<b>Total Assets</b>	<b>\$ 1,146,252</b>	<b>\$ 51,048</b>	<b>\$ 1,197,300</b>
<b>Liabilities and Net Assets:</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 30,002	\$ -	\$ 30,002
Accrued Expenses	2,151	-	2,151
Deferred Revenue	18,360	-	18,360
Fiscal Agent Liability	3,602	-	3,602
Line of Credit	51,000	-	51,000
Construction Loan	4,972	-	4,972
Note Payable	50,000	-	50,000
<b>Total Current Liabilities</b>	<b>160,087</b>	<b>-</b>	<b>160,087</b>
<b>Long Term Liabilities</b>			
Note Payable	30,000	-	30,000
<b>Total Long Term Liabilities</b>	<b>30,000</b>	<b>-</b>	<b>30,000</b>
<b>Total Liabilities</b>	<b>190,087</b>	<b>-</b>	<b>190,087</b>
<b>Net Assets</b>	<b>956,165</b>	<b>51,048</b>	<b>1,007,213</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,146,252</b>	<b>\$ 51,048</b>	<b>\$ 1,197,300</b>

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, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support:</b>			
Grant Revenue	\$ 2,000,715	\$ -	\$ 2,000,715
Cash Donations	174,742	4,800	179,542
United Way	55,713	25,000	80,713
Partner Rent	78,859	-	78,859
Service/Fee Income	4,839	-	4,839
Marriage & Civil Fees	79,990	-	79,990
Private Attorney Rent	2,100	-	2,100
In-Kind Donations	176,938	-	176,938
Interest Income	2	-	2
Private Foundation	-	68,500	68,500
PSH Rental Income	-	29,926	29,926
Net Assets Released from Restrictions	135,687	(135,687)	-
<b>Total Revenue and Support</b>	<b>2,709,585</b>	<b>(7,461)</b>	<b>2,702,124</b>
<b>Expenses:</b>			
Personnel Costs	1,694,210	-	1,694,210
Occupancy Costs	213,106	-	213,106
Professional Fees	44,491	-	44,491
Operating Costs	417,108	-	417,108
Direct Program Expenses	231,672	-	231,672
Insurance	24,979	-	24,979
Depreciation and Amortization	28,483	-	28,483
Interest Expense	7,930	-	7,930
Fundraising Expenses	5,257	-	5,257
<b>Total Expenses</b>	<b>2,667,236</b>	<b>-</b>	<b>2,667,236</b>
<b>Increase (Decrease) in Net Assets</b>	<b>42,349</b>	<b>(7,461)</b>	<b>34,888</b>
<b>Net Assets, Beginning of Year</b>	<b>913,816</b>	<b>58,509</b>	<b>972,325</b>
<b>Net Assets, End of Year</b>	<b>\$ 956,165</b>	<b>\$ 51,048</b>	<b>\$ 1,007,213</b>

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, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Cash Flows from Operating Activities:</b>			
Change in Net Assets	\$ 42,349	\$ (7,461)	\$ 34,888
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used) by Operating Activities			
Depreciation and Amortization	28,483	-	28,483
Increase in Accounts Receivable	(2,170)	-	(2,170)
Increase in Grants Receivable	(15,747)	7,461	(8,286)
Increase in Prepaid Expenses	(750)	-	(750)
Decrease in Accounts Payable	(9,184)	-	(9,184)
Decrease in Accrued Expenses	(15,324)	-	(15,324)
Increase in Fiscal Agent Liability	3,602	-	3,602
Increase in Deferred Revenue	19,760	-	19,760
<b>Net Cash (Used) by Operating Activities</b>	<b>51,019</b>	<b>-</b>	<b>51,019</b>
<b>Cash Flows from Investing Activities:</b>			
Purchases of Property and Equipment	(46,169)	-	(46,169)
<b>Net Cash (Used) by Investing Activities</b>	<b>(46,169)</b>	<b>-</b>	<b>(46,169)</b>
<b>Cash Flows from Financing Activities:</b>			
Payments on Line of Credit, net	(69,863)	-	(69,863)
Proceeds from Loan Payable	84,972	-	84,972
Loan closing costs	(6,332)	-	(6,332)
<b>Net Cash Provided by Financing Activities</b>	<b>8,777</b>	<b>-</b>	<b>8,777</b>
<b>Net (Decrease) in Cash and Cash Equivalents</b>	<b>13,627</b>	<b>-</b>	<b>13,627</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>53</b>	<b>-</b>	<b>53</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 13,680</b>	<b>\$ -</b>	<b>\$ 13,680</b>

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, 2018**

	2018			
	Direct Admin	Direct Program	Fundraising Expenses	Total
<b>Expenses</b>				
Personnel Costs	\$ 73,218	\$ 1,552,789	\$ 68,203	\$ 1,694,210
Occupancy Costs	9,210	195,317	8,579	213,106
Professional Fees	19,473	23,965	1,053	44,491
Operating Costs	18,410	397,793	905	417,108
Direct Program Costs	-	231,672	-	231,672
Insurance	1,191	23,788	-	24,979
Depreciation and Amortization	1,359	27,124	-	28,483
Interest Expense	378	7,552	-	7,930
Fundraising Expenses	-	-	5,257	5,257
	\$ 123,239	\$ 2,460,000	\$ 83,997	\$ 2,667,236

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

**NEW ORLEANS FAMILY JUSTICE ALLIANCE**  
**Notes to the Financial Statements**  
**December 31, 2018**

**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 Presentation**

The accompanying financial statements of New Orleans Family Justice Alliance have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

**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.

**Functional Expenses**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function, therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel costs, occupancy costs, operating costs, insurance, interest and depreciation which are allocated on the basis of estimates of time and effort.

**Supplemental Disclosure of Cash Flow Information:**

Cash paid during the year for:

Interest	\$7,930
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**NEW ORLEANS FAMILY JUSTICE ALLIANCE**  
**Notes to the Financial Statements**  
**December 31, 2018**

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

**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, 2018, 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, 2018, 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. Revenue received from grants by NOFJA are primarily cost-reimbursements grants whereby specified costs are reimbursed to NOFJA in performance of a specific program activity defined by the grant.

**Support and Revenue**

Contributions of cash and other assets are reported as without donor restrictions if they are received without restrictions or with donor restrictions if they are received with donor restrictions that limit the use of the donated assets, respectively. When a donor restrictions expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets release from restrictions. Contributions of donated non-cash assets are recorded at their fair value in the period received.

**NEW ORLEANS FAMILY JUSTICE ALLIANCE**  
**Notes to the Financial Statements**  
**December 31, 2018**

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

**Support and Revenue (continued)**

At December 31, 2018, there was \$51,048 of grants receivable and donor restricted net assets whose use were available for the following purpose:

Description	2018
Camp Hope	\$ 11,400
Materials & Brochures	15,513
Permanent Supportive Housing	235
Alternative Healing Therapies	20,500
Sexual Assault Funds	3,400
	\$ 51,048

For the year ended December 31, 2018, \$135,687 of net assets was released by incurring expenses satisfying the restricted purposes specified by the donors.

**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. Significant amount of time and services are donated to NOFJA by medical advocates, student interns, and board of trustees throughout the year to achieve program objectives.

**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, fifteen years for leasehold improvements, and 40 years for the building.

**NEW ORLEANS FAMILY JUSTICE ALLIANCE**  
**Notes to the Financial Statements**  
**December 31, 2018**

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

**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, 2018, 2017 and 2016. 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, 2018, 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, 2018**

**Note 3. Fixed Assets:**

The following is a summary of changes in Fixed Assets for the calendar year ended December 31, 2018:

	<u>Jan. 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Dec 31, 2018</u>
<b><u>Non Depreciable Assets</u></b>				
Construction in Process	\$ 9,499	\$ 1,351	--	\$ 10,850
Land	23,600	--	--	23,600
<b>Non Depreciable, Total</b>	<u>33,099</u>	<u>1,351</u>	<u>--</u>	<u>34,450</u>
<b><u>Depreciable Assets</u></b>				
Building	764,045	--	--	764,045
Leasehold Improvements	52,610	28,233	--	80,843
Computers & Equipment	--	16,585	--	16,585
Accumulated Depreciation	(42,577)	(28,166)	--	(70,743)
<b>Depreciable Assets, Net</b>	<u>774,078</u>	<u>16,652</u>	<u>--</u>	<u>790,730</u>
<b>Fixed Assets, Net</b>	<u>\$ 807,177</u>	<u>\$ 18,003</u>	<u>--</u>	<u>\$ 825,180</u>

Depreciation expense was \$28,166 for the year ending December 31, 2018.

**Note 4. Leases:**

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 renewal is for a term of five years commencing on June 18, 2017, for \$16,031.25 per month.

NOFJA signed a new ten year lease on October 1, 2018, for additional space commencing October 1, 2018 and expiring September 30, 2028, for \$6,589.00 per month. Future minimum lease payments required under this operating lease as of December 31, 2018, are:

<u>Year ending December 31,</u>	<u>Amount</u>
2019	\$ 271,443
2020	271,443
2021	271,443
2022	175,256
2023	79,068
Thereafter	<u>375,573</u>
Total	<u>\$ 1,444,226</u>

**NEW ORLEANS FAMILY JUSTICE ALLIANCE**  
**Notes to the Financial Statements**  
**December 31, 2018**

**Note 4. Leases: (Continued)**

Total rent expense for the year ended December 31, 2018, totaled \$213,106. The organization has the option to renew for an additional five years for \$5,785.88 per month.

**Note 5. Deferred Revenue:**

Deferred revenue is comprised of grant funds received in the amount \$9,336 from the Office on Violence Against Women, and \$9,024 from the Office for Victims of Crime. These amounts represent advance payments on grants for services that will be provided in 2019.

**Note 6. Line of Credit:**

NOFJA has a revolving line of credit with maximum borrowing of \$96,000 with a local financial institution, which it may draw upon to provide necessary working capital. Interest at a rate of 7.0% per annum accrues on the outstanding principal balance. The line of credit will mature on April 29, 2019. The line is secured by the building and land as shown in Note 3. The balance on the line of credit as of December 31, 2018, was \$51,000.

**Note 7. Loans Payable:**

In 2018, NOFJA opened a construction loan payable with a local financial institution. The terms of the loan allow NOFJA to take draws as construction costs are incurred. The total amount of credit available on the loan is \$150,000 and it bears interest at 6.5% per annum. The loan matures on April 30, 2034, and is collateralized by the building and land as shown in Note 3. The balance on the loan as of December 31, 2018, was \$4,972.

In 2018, NOFJA obtained private loans from two individuals. As of December 31, 2018 the balance due to the Executive Director was \$30,000 and the balance due to the spouse of a board member was \$50,000. Both loans are unsecured and non-interest bearing. The \$50,000 loan is due on demand and the \$30,000 loan is due in January 2020. (See Note 8)

**Note 8. Related Party Transactions:**

As of December 31, 2018, NOFJA owed the Executive Director \$30,000. The balance is unsecured, non-interest bearing and is due in January 2020.

During 2018, the Executive Director loaned NOFJA \$19,391.73 to purchase software and \$6,010.07 to purchase furniture. As of December 31, 2018 both loans were paid in full.

**NEW ORLEANS FAMILY JUSTICE ALLIANCE**  
**Notes to the Financial Statements**  
**December 31, 2018**

**Note 9. Liquidity:**

The following reflects the NOJFA's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of donor-imposed restrictions or advanced funding of grants.

Cash and Cash Equivalents	\$	13,680
Accounts Receivable		2,170
Grants Receivable		<u>318,630</u>
Total Financial Assets		334,480
Less:		
Amounts required to met donor restrictions		(51,048) See Note 2
Advanced grant funding received		<u>(18,360) See Note 5</u>
		(69,408)
<hr/>		
Financial Assets available to meet cash needs for general expenditures within one year	\$	<u><u>265,072</u></u>

NOJFA's working capital and cash flows variations are attributable to the length of time cash receipts from grant receivables are collected and seasonal variations of donations. NOFJA's primary source of support is from Federal, State and City grants. To manage liquidity NOJFA maintains a line of credit with a bank that is drawn upon as needed during the year to manage cash flow. See Note-6 for further description of this line.

**Note 10. Adaptation of New Accounting Standard:**

These financial statements were prepared in accordance with Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Non-for-Profit Entities*. This ASU was effective for fiscal years beginning after December 15, 2017. The adaptation of this ASU did not have any effect on beginning net assets or its components.

**Note 11. Subsequent Events:**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 28, 2019, no events occurred that require disclosure. No subsequent events occurring after June 28, 2019, have been evaluated for inclusion in these financial statements.

## **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, 2018**

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**Agency Head: Mary Claire Landry**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 90,002
Benefits-Insurance	6,703
Benefits-Life Insurance	146
Benefits-Dental and ST Disability	1,506
Travel	915
Benefits-FICA	<u>6,629</u>
Total	<u>\$ 105,901</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, 2018, 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 28, 2019.

### **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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

**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*.

**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.*

Camnetar & Co., CPAs  
a professional accounting corporation

Gretna, Louisiana  
June 28, 2019

# Camnetar & Co., CPAs

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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, 2018. 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, 2018.

## **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.

*Camnetar & Co.*

*Camnetar & Co., CPAs*  
a professional accounting corporation

Gretna, Louisiana  
June 28, 2019

**COMPLIANCE AND INTERNAL CONTROL SECTION**

**NEW ORLEANS FAMILY JUSTICE ALLIANCE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended December 31, 2018**

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Federal Expenditure
<b>United States Department of Justice</b>		
<i>(Passed through the Louisiana Commission on Law Enforcement)</i>		
<b>Violence Against Women Act</b>		
2016 Sexual Assault (SASP - Sexual Assault Prevention)	16.017	\$ 27,777
2016 STOP VAWA (Sexual Assault)	16.588	17,842
2016 STOP VAWA (Domestic Violence)	16.588	18,524
<b>Crime Victims Assistance</b>		
Crime Victims Assistance - Sexual Assault Services	16.575	382,489
Crime Victims Assistance - CAC Collaborative	16.575	59,207
Crime Victims Assistance - Forensic Program	16.575	203,925
Crime Victims Assistance - CDC	16.575	21,538
		<u>731,302</u>
<i>(Passed through Covenant House)</i>		
Collaborative Model to Combat Human Trafficking	16.320	43,751
<i>(Passed through the Southeast Legal Services Inc.)</i>		
Legal Assistance Services	16.524	17,772
<i>(Passed through the Office of Victims of Crime)</i>		
Crime Victim Assistance/Discretionary Grants: Poly-victimization Demonstration Initiative	16.582	233,416
Sexual Assault Rape Kits (SAKI)	16.582	61,265
<i>(Passed through City of New Orleans Health Department)</i>		
Blueprint for Safety	16.590	1,293
<i>(Passed through the Office of Violence Against Women)</i>		
Improving Criminal Justice Response	16.736	46,503
Transitional Housing for Victims of Domestic Violence	16.736	105,557
<i>(Passed through the Tulane University Domestic Violence Clinic)</i>		
Improving Criminal Justice Response	16.736	4,091
<b>United States Department of Justice</b>	<b>Total</b>	<b><u>\$ 1,244,950</u></b>
<b>United States Department of Health and Human Services</b>		
<i>(Passed through the LA Office of Public Health and LA Foundation Against Sexual Assault)</i>		
Rape Prevention Education	93.136	\$ 53,950
<i>(Passed through the State of LA Department of Children and Families)</i>		
Domestic Violence Services Shelter and Supportive Services	93.671	440,617
<b>United States Department of Health and Human Services</b>	<b>Total</b>	<b><u>\$ 494,567</u></b>
<b>United States Department of Housing and Urban Development</b>		
<i>(Passed through the City of New Orleans-Office of Community Development)</i>		
Federal Emergency Solutions Grant - ESG	14.231	161,675
<i>(Passed through Unity for the Homeless)</i>		
HOPWA/VAWA Demonstration Grant	14.241	\$ 65,036
<b>United States Department of Housing and Urban Development</b>	<b>Total</b>	<b><u>\$ 226,711</u></b>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>		<b><u>\$ 1,966,228</u></b>

**NEW ORLEANS FAMILY JUSTICE ALLIANCE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2018**

NOTE A - FISCAL PERIOD AUDITED

Single audit testing procedures were performed for program transactions occurring during the year ended December 31, 2018. 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, 2018**

We have audited the financial statements of the New Orleans Family Justice Alliance as of and for the year ended December 31, 2018, and have issued our report thereon dated June 28, 2019. 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, 2018, 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	382,489
Crime Victims Assistance - CAC Collaborative	16.575	59,207
Crime Victims Assistance - Forensic Program	16.575	203,925
Crime Victims Assistance - CDC	16.575	21,538

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, 2018**

**Section II Financial Statement Findings**

**A – Issues of Noncompliance**

None

**B – Significant Deficiencies**

None

**C – Material Weaknesses**

None

**Section III Federal Award Findings and Questioned Costs**

None

**NEW ORLEANS FAMILY JUSTICE ALLIANCE  
MANAGEMENT'S CORRECTIVE ACTION  
For The Year Ended December 31, 2018**

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

**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.

(Resolved)

**Section II – Internal Control and Compliance Material to Federal Awards**

None

**Section III – Management Letter**

None

**NEW ORLEANS FAMILY JUSTICE ALLIANCE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2018**

NOTE A - FISCAL PERIOD AUDITED

Single audit testing procedures were performed for program transactions occurring during the year ended December 31, 2018. 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, 2018**

We have audited the financial statements of the New Orleans Family Justice Alliance as of and for the year ended December 31, 2018, and have issued our report thereon dated June 28, 2019. 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, 2018, 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	382,489
Crime Victims Assistance - CAC Collaborative	16.575	59,207
Crime Victims Assistance - Forensic Program	16.575	203,925
Crime Victims Assistance - CDC	16.575	21,538

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, 2018**

**Section II Financial Statement Findings**

**A – Issues of Noncompliance**

None

**B – Significant Deficiencies**

None

**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, 2018**

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

**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.

(Resolved)

**Section II – Internal Control and Compliance Material to Federal Awards**

None

**Section III – Management Letter**

None

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## **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, 2018 through December 31, 2018. 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***

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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
    - *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.*

- c) **Disbursements**, including processing, reviewing, and approving
- *Written policies and procedures were obtained and address the functions noted above.*
- 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.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- *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 do no address (3) legal review and (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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- *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.
  - *Not applicable*
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
  - *Not applicable*

### ***Board or Finance Committee***

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2. Obtain and inspect the board/finance committee 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/finance committee 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.
    - *The board met with a quorum on a frequency in accordance with the Entity's bylaws.*
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, 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.*
    - *No exceptions noted.*

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.
- *This step not applicable. The Entity did not have a negative ending fund balance in the prior year.*

### **Bank Reconciliations**

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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:
- *Obtained a listing of client bank accounts from management and management's representation that the listing is complete.*
- 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);
- *Of the four bank accounts tested, two bank accounts did not have reconciliations prepared for the month tested. These bank accounts were a money market and savings account with balances of \$31.69 and \$19.46, respectively for the month of September 2018 with no transactions for the month..*
- As of December 31, 2018, both of these accounts were closed.*

### **Management's Response**

***We have closed these accounts.***

- 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 (e.g., initialed and dated, electronically logged); and

- *For all of the bank accounts tested, there was no evidence that someone outside of management who does not handle cash, issue checks, or post to ledger signed off on the reconciliations.*

*Compensating control of the entity includes having the bank reconciliations performed by an outside CPA firm who does not handle cash, issue checks, or post to the ledger.*

**Management's Response**

***Management will explore options that will allow a member of either management or the Board to review bank reconciliations. As a small entity we believe utilizing an outside CPA firm to reconcile our bank accounts is a sufficient compensating control.***

- 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.

- *No exception noted.*

**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. Randomly select 5 deposit sites (or all deposit sites if less than 5).

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

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. 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 (if no written policies or procedures, inquire of employees about their 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 cash drawers/registers.

- *No exceptions noted.*

- 
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - *No exceptions noted.*
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - *No exceptions noted.*
- 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, unless another employee verifies the reconciliation.
  - *No exceptions noted.*
- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
  - *No exceptions noted.*
- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
    - *The Entity does not use sequentially pre-numbered receipts for their collection documentation..*
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
    - *No exceptions noted.*
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
    - *No exceptions noted.*

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - *No exceptions noted.*
- e) Trace the actual deposit per the bank statement to the general ledger.
  - *No exceptions noted.*

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

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- 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).
  - *Obtained a listing of disbursements and management's representation that the listing is complete.*
- 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 (if the agency has no written policies and procedures, inquire of employees about their 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.
    - *No exceptions noted.*
  - b) At least two employees are involved in processing and approving payments to vendors.
    - *No exceptions noted.*
  - 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.
    - *No exceptions noted.*

- 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.
- *The Accountant, who does not have signatory authority, prints the checks and mails the checks after they are signed.*

**Management's Response**

***This is our procedure due to the size of our entity.***

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.
- *No exceptions noted.*
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
- *No exceptions noted.*

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

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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.
- *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.*
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:
- *The Entity had 3 active credit cards.*

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- 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. [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.)]
  - *For the statements examined, there were no initials or date reviewed by reviewer.*
  - **Management's Response**
  - ***We will implement a procedure to ensure the reviewer initials and dates the statement after review.***
- b) Observe that finance charges and late fees were not assessed on the selected statements.
  - *There were no finance charges and/or late fees assessed.*

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).
- *No exceptions noted.*

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

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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:
- *Listing of travel and expense reimbursements by person and management's representation that the listing is complete was obtained.*
- 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](http://www.gsa.gov)).
- *No exceptions noted.*

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- *No exceptions noted.*
- 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).
- *No exceptions noted.*
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
- *No exceptions noted.*

### ***Contracts***

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may 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:
- *Obtained a listing of all agreements/contracts initiated or renewed during the fiscal period and management's representation the listing is complete.*
- 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.
- *Contracts tested were not subject to the LA Public Bid 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).

- *Policy does not require Board approval on contracts. The policy does require the Board Treasurer approve contracts over \$40,000. No documented evidence of Board Treasurer approval.*

**Management's Response**

***Management will improve processes to ensure compliance with the policy regarding documentation of Board Treasurer approval of contracts over \$40,000.***

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

- *No exceptions noted*

- 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.

- *No exceptions noted*

**Payroll and Personnel**

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16. Obtain a listing of employees/elected officials 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.

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

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). (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.)

- *No exceptions noted.*

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

- *No exceptions noted.*

c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

- *No exceptions noted.*

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, 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.

- *No exceptions noted.*

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.

- *No exceptions noted.*

### ***Ethics (excluding nonprofits)***

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- *Not applicable*

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

### ***Debt Service***

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- *Not applicable*

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

***Other***

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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.

- *The Entity had no misappropriation of public funds or assets.*
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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.

- *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.*

*Compensation control of the entity included actively working with website provider to post the notice on their website.*

**Management's Response**

***We will continue to address this omission by our website provider***

## *Camnetar & Co., CPAs*

a professional accounting corporation

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.

*Camnetar & Co.*

*Camnetar & Co., CPAs*  
a professional accounting corporation

Gretna, Louisiana

June 28, 2019