

Crescent City Family Services, Inc.

Financial Reports

Years Ended December 31, 2018 And 2017

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PEDELAHORE & CO., LLP
Certified Public Accountants

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Crescent City Family Services, Inc. (a nonprofit organization, formerly Crescent City WIC Services, Inc.) which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and changes in net assets, functional expenses, 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 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 Crescent City Family Services, Inc. as of December 31, 2018 and 2017, 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 schedules of compensation, benefits and other payments to agency head or chief executive officer on page 14 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, 2019, on our consideration of Crescent City Family 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 Family 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 Family Services, Inc.'s internal control over financial reporting and compliance.



New Orleans, Louisiana
June 30, 2019

Crescent City Family Services, Inc.
Statements Of Financial Position
December 31, 2018 and 2017

	<u>Assets</u>	
	<u>2018</u>	<u>2017</u>
Current Assets		
Cash	\$ 61,050	\$ 25,307
Accounts receivable	<u>79,680</u>	<u>29,950</u>
Total current assets	<u>140,730</u>	<u>55,257</u>
 Property And Equipment		
Office furniture and equipment	58,094	58,094
Less: accumulated depreciation	<u>48,719</u>	<u>41,758</u>
	<u>9,375</u>	<u>16,336</u>
	<u>\$ 150,105</u>	<u>\$ 71,593</u>
 <u>Liabilities And Net Assets</u>		
 Current Liabilities		
Accounts payable	\$ 30,353	\$ 24,365
Accrued payroll	<u>28,291</u>	<u>24,726</u>
Total current liabilities	<u>58,644</u>	<u>49,091</u>
 Net Assets		
Net assets without donor restrictions	<u>91,461</u>	<u>22,502</u>
	<u>\$ 150,105</u>	<u>\$ 71,593</u>

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

Crescent City Family Services, Inc.
Statements Of Activities And Changes In Net Assets
Years Ended December 31, 2018 And 2017

	2018	2017
Changes In Net Assets Without Donor Restrictions:		
Support And Revenue		
Grants	\$ 684,545	\$ 745,085
Services	393,874	334,903
Donations/Sponsorships	4,105	7,651
Interest income	3	-
Total revenue	1,082,527	1,087,639
Expenses		
Program Services	912,209	1,018,407
Management and General	101,359	113,156
Total expenses	1,013,568	1,131,564
Changes In Net Assets Without Donor Restrictions	68,959	(43,925)
Net Assets, Beginning Of Year	22,501	66,426
Net Assets, End Of Year	\$ 91,460	\$ 22,501

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

Crescent City Family Services, Inc.
Statements Of Functional Expenses
Year Ended December 31, 2018

	Program Services	Management And General	Total
Salaries and wages	\$ 556,811	\$ 61,868	\$ 618,679
Rent	63,675	7,075	70,750
Contract labor	63,132	7,015	70,147
Payroll tax expense	42,682	4,743	47,425
Insurance	33,295	3,700	36,995
Office expense	22,464	2,496	24,960
Travel expense	20,528	2,281	22,809
Professional fees	14,976	1,664	16,640
Telephone expense	14,881	1,654	16,535
Event expenses	10,703	1,189	11,892
Payroll fees	10,357	1,151	11,508
Contributions to Grantee	10,305	1,145	11,450
Janitorial service and supplies	9,868	1,097	10,965
Utilities	9,664	1,074	10,738
Repairs and maintenance	6,609	734	7,343
Depreciation	6,265	696	6,961
Medical supplies	4,733	526	5,259
Miscellaneous	3,396	377	3,773
Computer and internet	2,385	265	2,650
Security expense	2,254	250	2,504
Uniforms	1,062	118	1,180
General administrative expense	904	101	1,005
Seminar and training	879	98	977
Interest expense	198	22	220
Bank charges	183	20	203
Advertising	-	-	-
	<u>\$ 912,209</u>	<u>\$ 101,359</u>	<u>\$ 1,013,568</u>

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

Crescent City Family Services, Inc.
Statements Of Functional Expenses
Year Ended December 31, 2017

	Program Services	Management And General	Total
Salaries and wages	\$ 569,134	\$ 63,237	\$ 632,371
Rent	71,730	7,970	79,700
Contract labor	97,359	10,818	108,177
Payroll tax expense	44,167	4,907	49,074
Insurance	51,202	5,689	56,891
Office expense	28,577	3,175	31,752
Travel expense	19,802	2,200	22,002
Professional fees	23,054	2,562	25,616
Telephone expense	16,249	1,806	18,055
Event expenses	8,282	920	9,202
Payroll fees	15,918	1,769	17,687
Contributions to Grantee	12,825	1,425	14,250
Janitorial service and supplies	14,186	1,576	15,762
Utilities	9,622	1,069	10,691
Repairs and maintenance	9,088	1,010	10,098
Depreciation	8,609	957	9,566
Medical supplies	4,871	541	5,412
Miscellaneous	1,560	173	1,733
Computer and internet	2,000	222	2,222
Security expense	2,741	305	3,046
Uniforms	211	23	234
General administrative expense	1,554	173	1,727
Seminar and training	2,009	223	2,232
Interest expense	228	25	253
Bank charges	220	24	244
Advertising	3,209	357	3,566
	<u>\$ 1,018,407</u>	<u>\$ 113,156</u>	<u>\$ 1,131,563</u>

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

Crescent City Family Services, Inc.
Statements Of Cash Flows
Years Ended December 31, 2018 And 2017

	2018	2017
Cash Flows From Operating Activities		
Change in net assets	\$ 68,959	\$ (43,924)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	6,961	9,566
(Increase) decrease in:		
Accounts receivable	(49,730)	(4,550)
Increase (decrease) in:		
Accounts payable and accrued expenses	9,553	(10,953)
Net cash provided (used) by operating activities	35,743	(49,861)
Cash Flows From Investing Activities		
Purchase of property and equipment	-	(4,868)
Net cash used by investing activities	-	(4,868)
Net Increase (Decrease) In Cash And Cash Equivalents	35,743	(54,729)
Cash and cash equivalents at beginning of year	25,307	80,036
Cash and cash equivalents at end of year	\$ 61,050	\$ 25,307

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

Crescent City Family Services, Inc.
Notes To Financial Statements
Years Ended December 31, 2018 And 2017

Note 1. Summary Of Significant Accounting Policies

Nature of Business

Crescent City Family Services, Inc. (the Organization, formerly Crescent City WIC Services, Inc.) 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.

Change of Name

The Organization changed its legal name to Crescent City Family Services, Inc. (formerly Crescent City WIC Services, Inc.) effective September 19, 2018 to more accurately reflect the services provided by the Organization.

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 two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Cash Equivalents

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

Crescent City Family Services, Inc.
Notes To Financial Statements
Years Ended December 31, 2018 And 2017

Note 1. Summary Of Significant Accounting Policies (continued)

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, 2018 and 2017, was \$6,961 and \$9,566, respectively.

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 years ended December 31, 2018 and 2017, are \$-0- and \$3,566, 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.

Crescent City Family Services, Inc.
Notes To Financial Statements
Years Ended December 31, 2018 And 2017

Note 1. Summary Of Significant Accounting Policies (continued)

Income Taxes (continued)

The Organization has adopted *FASB ASC 740-10, "Accounting for Uncertainty in Income Taxes."* Using that guidance, as of December 31, 2018, 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 statues of limitation on those returns. In general, the federal tax return has a three year statute of limitations.

Note 2. Commitments And Contingencies

The Organization leases an office site under a three year operating agreement at a monthly rental of \$4,000. The lease expires in April 2020, and contains a renewal option under similar terms as the original lease.

Future commitments under this lease are:

2019	\$48,000
2020	\$16,000

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. The monthly rental amount for this lease increased to \$2,300 beginning October 1, 2018.

Future commitments under this lease are:

2019	\$6,900
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Total rental expense for December 31, 2018 and 2017, was \$70,750 and \$79,700, respectively.

Pending Claims or Matters

Management feels there are no matters pending that require disclosure.

Crescent City Family Services, Inc.
Notes To Financial Statements
Years Ended December 31, 2018 And 2017

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. The grant is recognized as the required services are performed. Accordingly, revenue from the grant is recognized when earned and expenses 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	36%	100%
Healthy Start Initiative	63%	-

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 2018 and 2017 was \$-0-.

Note 6. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	<u>2018</u>	<u>2017</u>
Financial assets at year-end	<u>\$140,730</u>	<u>\$55,257</u>
Less those unavailable for general expenditures within one year:	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$140,730</u>	<u>\$55,257</u>

Crescent City Family Services, Inc.
Notes To Financial Statements
Years Ended December 31, 2018 And 2017

Note 6. Liquidity and Availability of Financial Assets (continued)

As part of the Organization's liquidity management, the Organization invests cash in excess of daily requirements in short term investments, typically savings accounts.

Note 7. Functional Allocation Of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting service benefitted.

Note 8. Subsequent Events

Management of the Organization has evaluated the events and transactions for potential recognition or disclosure through June 30, 2019, the date the financial statements were available to be issued.

Supplementary Information

Crescent City Family Services, Inc.
Schedules Of Compensation, Benefits And Other Payments To
Agency Head Or Chief Executive Officer
Years Ended December 31, 2018 And 2017

Agency Head Name: Mary Schultheis

Purpose	<u>2018</u>	<u>2017</u>
Salary	\$ 127,906	\$ 121,413
Conference travel	3,211	4,244
Benefits - insurance	8,286	7,111
Reimbursements	101	1,273
Registration fees	1,150	1,768
Per diem	550	550
Special meals	-	104
	<u>\$ 141,204</u>	<u>\$ 136,463</u>

Other Schedules and Information

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 Family 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 Family Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018, 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, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Crescent City Family 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 Family 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 Family 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 Family 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.



New Orleans, Louisiana
June 30, 2019

PEDELAHORE & CO., LLP

Certified Public Accountants

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 Directors
Crescent City Family Services, Inc.
Gretna, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Crescent City Family Services, Inc.'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 Crescent City Family Services, Inc.'s major federal programs for the year ended December 31, 2018. Crescent City Family Services, Inc.'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 Crescent City Family Services, Inc.'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 Crescent City Family Services, Inc.'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 Crescent City Family Services, Inc.'s compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, Crescent City Family Services, Inc. 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 Crescent City Family Services, Inc. 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 Crescent City Family Services, Inc.'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 Crescent City Family Services, Inc.'s internal control over compliance.

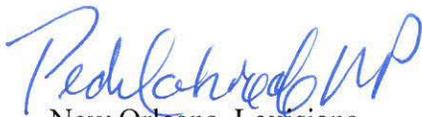
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Crescent City Family Services, Inc. as of and for the years ended December 31, 2018 and 2017, and have issued our report thereon dated June 30, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related 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 accounting standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements taken as a whole.



New Orleans, Louisiana
June 30, 2019

Crescent City Family Services, Inc.
Schedule Of Expenditures Of Federal Awards
For The Year Ended December 31, 2018

Grantor Program	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<i>Department of Health and Human Services</i>			
<i>Direct Program</i>			
Healthy Start Initiative	93.926		\$ 644,464
<i>Department of Health and Human Services</i>			
<i>Pass-Through Programs From:</i>			
State of Louisiana Department of Health and Hospitals: The Office of Minority Health	93.137	Unknown	16,923
Association of State and Territorial Directors of Health Promotion and Public Health Education: Lupus Education and Awareness for Patients, Professionals and Providers	93.137	Unknown	<u>3,621</u>
Total Department of Health and Human Services			<u>665,008</u>
<i>Department of Agriculture</i>			
<i>Pass-Through Programs From:</i>			
State of Louisiana Department of Health and Hospitals: Nutrition Program for Women, Infants and Children (WIC)	10.557	Unknown	<u>328,745</u>
Total Department of Agriculture			<u>328,745</u>
Total Expenditures of Federal Awards			<u>\$ 993,753</u>

Crescent City Family Services, Inc.
Notes To The Schedule Of Expenditures Of Federal Awards
Year Ended December 31, 2018

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal awards activity of Crescent City Family Services, Inc. under programs of the federal government for the year ended December 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Crescent City Family Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Crescent City Family Services, Inc.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Crescent City Family Services, Inc. did not elect to use the ten-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. Sub-recipients

No amounts were provided to sub-recipients.

Note 4. Other Disclosures

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the Organization’s casualty insurance policies.

Crescent City Family Services, Inc.
Summary Schedule Of Prior Year Findings
As of and for the Year Ended December 31, 2018

Crescent City Family Services, Inc. respectfully submits the following Schedule of Prior Year Audit Findings for the year ended December 31, 2018.

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

Crescent City Family Services, Inc.
Schedule of Findings and Questioned Costs
 As of and for the Year Ended December 31, 2018

Section I Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified: No
- Significant deficiency(ies) identified: None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified: No
- Significant deficiency(ies) identified: None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

U.S. Department of Health and Human Services
 93.926 Healthy Start Initiative

A type B program was classified as a major program for the 40% testing rule.

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No

Crescent City Family Services, Inc.
Schedule Of Findings And Questioned Costs
As of and for the Year Ended December 31, 2018

Section II Findings and Questioned Costs – Major Federal Award Program Audit

None

Section III Management Letter

None

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by Crescent City Family 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, 2018. 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 budgeting, purchasing, disbursements, contracting, payroll/personnel, and travel and expense reimbursement. No written policies address 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 each selected 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: N/A – These tests were not performed as there were no exceptions in 2017.

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: N/A – These tests were not performed as there were no exceptions in 2017.

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: N/A – These tests were not performed as there were no exceptions in 2017.

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: N/A – These tests were not performed as there were no exceptions in 2017.

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: N/A – These tests were not performed as there were no exceptions in 2017.

Contracts

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. 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: The Organization entered into contracts relative to professional services and lease agreements. The Organization did not enter into any contracts in which Louisiana Public Bid Law was applicable. All contracts were appropriately approved and contained the appropriate supporting invoices and payments as written in the contract. There were no amended contracts.

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: N/A – These tests were not performed as there were no exceptions in 2017.

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: N/A - 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: N/A - 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, 2019