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**PELICAN CENTER FOR CHILDREN AND FAMILIES**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

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Postlethwaite & Netterville

A Professional Accounting Corporation

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**PELICAN CENTER FOR CHILDREN AND FAMILIES**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Pelican Center for Children and Families

### Report on the Financial Statements

We have audited the accompanying financial statements of Pelican Center for Children and Families (the Organization) (a nonprofit organization), which comprise the statements of financial position as of September 30, 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 financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' 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 Organization'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 Organization'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 Pelican Center for Children and Families as of September 30, 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 Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer on page 12 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 March 8, 2019, on our consideration of the Organization'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 the Organization's internal control over financial reporting and compliance.

*Postlethwaite & Netterville*

Metairie, Louisiana  
March 8, 2019

**PELICAN CENTER FOR CHILDREN AND FAMILIES**  
**NEW ORLEANS, LOUISIANA**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF SEPTEMBER 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b><u>ASSETS</u></b>		
Current assets:		
Cash	\$ 293,618	\$ 240,356
Grants receivable	240,628	129,524
Total current assets	<u>534,246</u>	<u>369,880</u>
Equipment, net	<u>2,489</u>	<u>2,626</u>
Total assets	<u><u>\$ 536,735</u></u>	<u><u>\$ 372,506</u></u>

**LIABILITIES AND NET ASSETS**

Current liabilities:		
Accrued expenses	<u>\$ 75,433</u>	<u>\$ 45,792</u>
Total current liabilities	<u>75,433</u>	<u>45,792</u>
Total liabilities	<u>75,433</u>	<u>45,792</u>
Net assets:		
Unrestricted	<u>461,302</u>	<u>326,714</u>
Total net assets	<u>461,302</u>	<u>326,714</u>
Total liabilities and net assets	<u><u>\$ 536,735</u></u>	<u><u>\$ 372,506</u></u>

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

**PELICAN CENTER FOR CHILDREN AND FAMILIES**  
**NEW ORLEANS, LOUISIANA**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

	<b>2018</b>	<b>2017</b>
<b><u>REVENUES AND SUPPORT:</u></b>		
Grants	\$ 871,375	\$ 665,635
Conference, net of related expenses of \$100,688 and \$105,340 for years ended September 30, 2018 and 2017, respectively	21,100	1,679
In-kind contributions	14,393	14,393
Total revenues and other support	906,868	681,707
<b><u>EXPENSES:</u></b>		
Program services	661,148	660,411
Management and general	111,132	82,960
Total expenses	772,280	743,371
Change in net assets	134,588	(61,664)
<b><u>NET ASSETS AT BEGINNING OF YEAR</u></b>	326,714	388,378
<b><u>NET ASSETS AT END OF THE YEAR</u></b>	\$ 461,302	\$ 326,714

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

**PELICAN CENTER FOR CHILDREN AND FAMILIES**  
**NEW ORLEANS, LOUISIANA**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

	<b>2018</b>			<b>2017</b>		
	<b>Program Services</b>	<b>Management and General</b>	<b>Total</b>	<b>Program Services</b>	<b>Management and General</b>	<b>Total</b>
Professional services	\$ 621,328	\$ 104,438	\$ 725,766	\$ 618,230	\$ 77,662	\$ 695,892
Operating services	39,303	6,606	45,909	41,628	5,229	46,857
Supplies	517	88	605	553	69	622
Total	<u>\$ 661,148</u>	<u>\$ 111,132</u>	<u>\$ 772,280</u>	<u>\$ 660,411</u>	<u>\$ 82,960</u>	<u>\$ 743,371</u>

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

**PELICAN CENTER FOR CHILDREN AND FAMILIES**  
**NEW ORLEANS, LOUISIANA**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 134,588	\$ (61,664)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,016	932
Changes in operating assets and liabilities:		
Change in grants receivable	(111,104)	194,200
Change in accrued expenses	29,641	(52,606)
Net cash provided by operating activities:	<u>54,141</u>	<u>80,862</u>
 <b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchases of equipment	(879)	-
Net cash used in investing activities:	<u>(879)</u>	<u>-</u>
 Net increase in cash	53,262	80,862
 Cash, beginning of year	<u>240,356</u>	<u>159,494</u>
 Cash, end of year	<u>\$ 293,618</u>	<u>\$ 240,356</u>

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

# PELICAN CENTER FOR CHILDREN AND FAMILIES

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### Organization

The Pelican Center for Children and Families (the Organization) is a non-profit corporation incorporated on January 31, 2013 under the laws of the State of Louisiana. The Organization's mission is to encompass all Louisiana Court Improvement Program (CIP) activities and provide for formalized, interdisciplinary and collaborative work agreements with relevant child welfare stakeholders throughout the state, with a goal of improving global outcomes for children.

#### Basis of Presentation

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

#### 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 certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

#### Classification of Net Assets

Financial Accounting Standards Board Codification No. 958 entitled "Not-For-Profit Entities" requires that net assets and changes in net assets be reported for three classifications - permanently restricted, temporarily restricted and unrestricted - based on the existence or absence of donor imposed restrictions to a particular purpose or time. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. At September 30, 2018 and 2017, the Organization had no temporarily restricted net assets.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Organization pursuant to those stipulations. At September 30, 2018 and 2017, the Organization had no permanently restricted net assets.

## PELICAN CENTER FOR CHILDREN AND FAMILIES

### NOTES TO FINANCIAL STATEMENTS

#### 1. Summary of Significant Accounting Policies (continued)

##### Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Organization maintains cash in bank accounts which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

##### Grants Receivable

Grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to grants receivable. At September 30, 2018 and 2017, there was no allowance for bad debt recorded.

##### Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$200 and expenditures for repairs and improvements that materially prolong the useful lives of assets capitalized. Equipment is recorded at historical cost or, if donated, at the approximate fair value at the date of donation. Depreciation of these assets is provided on the straight-line basis over their estimated useful lives of five years.

##### Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Revenues from federal and state grants are recorded when the Organization has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by the Organization, or when otherwise earned under the terms of the grants.

# PELICAN CENTER FOR CHILDREN AND FAMILIES

## NOTES TO FINANCIAL STATEMENTS

### **1. Summary of Significant Accounting Policies (continued)**

#### Contributed Goods and Services

The Organization occupies an office space under an agreement with the Louisiana Bar Foundation at no charge. In-kind revenue of \$14,393 was recognized for the years ended September 30, 2018 and 2017.

Members of the Organization's board of directors and other volunteers have made significant contributions of their time to assist in the Organization's operations and related charitable programs. The value of this contributed time is not recognized in these financial statements as it does not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

#### Recent Accounting Pronouncements

On August 18, 2016, FASB issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. Under the ASU, the number of net asset classes is decreased from three to two; enhanced disclosures of underwater endowments are required; reporting of expenses by function and nature, as well as an analysis of expenses by both function and nature is required; and qualitative information in the notes to the financial statements on how it manages its liquid available resources and liquidity risks is required. This ASU is effective for the fiscal year ending September 30, 2019, and the Organization expects the adoption of this ASU to have no material impact on total net assets.

In June 2018, the FASB issued ASU No. 2018-08 "Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made" to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This ASU will be effective for the fiscal year ending September 30, 2020. The Organization is currently assessing the impact of this pronouncement on its financial statements.

The FASB has issued ASU 2014-09, Revenue from Contracts with Customers, to update its revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The standard may be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. This ASU will be effective for the fiscal year ending September 30, 2020. The Organization is currently assessing the impact of this pronouncement on its financial statements.

**PELICAN CENTER FOR CHILDREN AND FAMILIES**

**NOTES TO FINANCIAL STATEMENTS**

**2. Equipment**

Equipment as of September 30, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
Equipment	\$ 5,542	\$ 4,663
Less: accumulated depreciation	<u>(3,053)</u>	<u>(2,037)</u>
	<u>\$ 2,489</u>	<u>\$ 2,626</u>

Depreciation expense for the years ended September 30, 2018 and 2017 totaled \$1,016 and \$932, respectively.

**3. Income Taxes**

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. Accordingly, no provision for income taxes on related income has been included in the financial statements.

The Organization applies the accounting guidance related to accounting for uncertainty in income taxes, which sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. The Organization recognizes the effect of income tax positions only if the positions are more likely than not of being sustained. Recognized income tax positions are recorded at the largest amount that is greater than 50% likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs. The Organization has evaluated its position regarding the accounting for uncertain income tax positions and does not believe that it has any material uncertain tax positions.

**4. Contingencies**

**Grant Programs**

The Organization participates in state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Organization has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of September 30, 2018 and 2017 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Organization.

**PELICAN CENTER FOR CHILDREN AND FAMILIES**

**NOTES TO FINANCIAL STATEMENTS**

**4. Contingencies (continued)**

Significant Grants

For the years ended September 30, 2018 and 2017, \$851,704 and \$665,635, respectively, of the Organization's financial assistance was federal and state funds received by the Louisiana Supreme Court, passed through to the Organization, or received by the Louisiana Department of Children and Families, passed through Southeastern University to the Organization. Management believes that the Organization is in compliance with the provisions of these grants and that the findings of an audit, if any, would not have a material impact on the financial statements.

**5. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 8, 2019, and determined that there were no subsequent events requiring disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

**SUPPLEMENTARY INFORMATION**

**PELICAN CENTER FOR CHILDREN AND FAMILIES**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY  
HEAD OR CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**Agency Head Name:** Mark Harris, Executive Director

<b>Purpose</b>	<b>Amount</b>
Salary (contract payments)	\$154,825
Benefits-insurance	N/A
Benefits-retirement	N/A
Benefits	N/A
Car allowance	N/A
Vehicle provided by government	N/A
Per diem	N/A
Reimbursements	N/A
Travel in state field	\$1,906
Registration fees	N/A
Conference travel (in state & out of state)	\$5,907
Continuing professional education fees	N/A
Housing	N/A
Unvouchered expenses	N/A
Special meals	N/A

See accompanying independent auditors' report.

**INDEPENDENT AUDITORS' 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**

Board of Directors  
Pelican Center for Children and Families

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 Pelican Center for Children and Families (the Organization), which comprise the statement of financial position as of September 30, 2018, and the related statements of activities and changes in net assets, 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 March 8, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization'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 Pelican Center for Children and Families' 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.

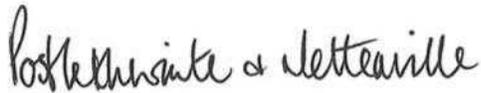
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatements, 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.



Metairie, Louisiana  
March 8, 2019

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**PELICAN CENTER FOR CHILDREN AND FAMILIES**  
**NEW ORLEANS, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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**PELICAN CENTER FOR CHILDREN AND FAMILIES**  
**NEW ORLEANS, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of Pelican Center for Children and Families  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Pelican Center for Children and Families (Pelican Center) and the Louisiana Legislative Auditor (LLA) (specified users) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2017 through September 30, 2018. The Pelican Center'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 performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*no exception noted*". If not, then a description of the exception ensues. Additionally, certain procedures listed below may not have been performed in accordance with guidance provided by the Louisiana Legislative Auditor, the specified user of the report. For those procedures, "procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity" is indicated.

***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 entity's operations):
  - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget  
**No exception noted.**
  - 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.  
**No exception noted.**
  - c) *Disbursements*, including processing, reviewing, and approving  
**No exception noted.**

***Written Policies and Procedures (continued)***

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- d) *Receipts*, 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 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).

**No exception noted.**

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

**Not applicable - Pelican Center does not have any employees.**

- 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

**No exception noted.**

- 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)

**Not applicable - Pelican Center does not have any credit cards.**

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

**No exception noted.**

- 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 - Pelican Center is a nonprofit and does not have any employees.**

- 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 - Pelican Center does not have any debt.**

***Board or Finance Committee***

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2. Obtain and inspect the board/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.

**No exception noted.**

- 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 exception 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.

**Not applicable – Pelican Center is not a governmental entity.**

### ***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:

**Procedure was not performed due to no exceptions occurring for this procedure in the prior year.**

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statements closing date (e.g., initialed and dated, electronically logged);

**Procedure was not performed due to no exceptions occurring for this procedure in the prior year.**

- 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

**Procedure was not performed due to no exceptions occurring for this procedure in the prior year.**

- 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.

**Procedure was not performed due to no exceptions occurring for this procedure in the prior year.**

### *Collections*

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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).

**A listing of deposit sites was provided and included one deposit site. No exceptions were noted as result of performing this procedure.**

**From the listing provided, we selected the one deposit site and performed the procedures below.**

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 listing of collection locations for the deposit site selected in procedure #4 was provided and included a total of one collection location. No exceptions were noted as a result of performing this procedure.**

**From the listing provided, we selected the one collection location for the deposit site. Review of Pelican Center's written policies and procedures or inquiry with contract workers regarding job duties was performed in order to perform the procedures below.**

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

**No exception 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 exception 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 exception 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 exception noted.**

*Collections (continued)*

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6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

**No exception noted.**

7. Randomly select two deposit dates from the 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:

**Pelican Center only has one bank account. We selected two deposit dates from that bank account. We obtained supporting documentation for the two deposit dates and performed the procedures below.**

- a) Observe that receipts are sequentially pre-numbered.

**Pelican Center started maintaining sequentially pre-numbered receipts in March 2018. Therefore, for one deposit date selected there were no sequentially pre-numbered receipts.**

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**Pelican Center started maintaining sequentially pre-numbered receipts in March 2018. Therefore, for one deposit date selected there were no sequentially pre-numbered receipts. As such, we were unable to perform the procedure for that deposit date. No exceptions noted for other deposit date selected.**

- c) Trace the deposit slip total to the actual deposit per the bank statement.

**No exception 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).

**Pelican Center started maintaining sequentially pre-numbered receipts in March 2018. Therefore, for one deposit date selected there were no sequentially pre-numbered receipts. As such, we were unable to perform the procedure for that deposit date. No exception noted for other deposit date selected.**

- e) Trace the actual deposit per the bank statement to the general ledger.

**No exception 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).

**The listing of locations that process payments for the fiscal period was provided and included one location. No exceptions were noted as a result of performing this procedure.**

**From the listing provided, we selected the one location and performed the procedures below.**

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:

**The listing of contract workers involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.**

**Review of Pelican Center's written policies and procedures or inquiry with contract workers regarding job duties was performed in order to perform the procedures below.**

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

**No exception noted.**

- b) At least two employees are involved in processing and approving payments to vendors.

**No exception 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 exception 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.

**Exception noted. Due to the small size of the organization, the individual responsible for processing payments is also responsible for mailing checks.**

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

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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 listing of non-payroll disbursements for the payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.**

**From the listing provided, we randomly selected 5 disbursements and performed the procedures below.**

- a) Observe that the disbursement matched the related original invoice/billing statement.

**No exception 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 exception noted.**

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

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**Procedures 11 through 13 are not applicable as the Pelican Center does not have credit cards/debit cards/fuel cards/P-cards.**

*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:

**Procedure was not performed due to no exceptions occurring for this procedure in the prior year.**

- 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)).

**Procedure was not performed due to no exceptions occurring for this procedure in the prior year.**

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

**Procedure was not performed due to no exceptions occurring for this procedure in the prior year.**

- 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).

**Procedure was not performed due to no exceptions occurring for this procedure in the prior year.**

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Procedure was not performed due to no exceptions occurring for this procedure in the prior year.**

***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:

**A listing of all agreements/contracts for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.**

**From the listing provided, we randomly selected 5 contracts and performed the procedures below.**

- 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.

**None of the 5 contracts selected were required to be bid in accordance with the Louisiana 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).

**No exception noted.**

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

**No exception 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 exception noted.**

***Payroll and Personnel***

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**Procedures 16 through 19 are not applicable as the Pelican Center does not have any employees.**

***Ethics***

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**Procedure 20 is not applicable as the Pelican Center is a nonprofit and does not have any employees.**

***Debt Service***

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**Procedures 21 and 22 are not applicable as the Pelican Center is a nonprofit and has no bonds or notes outstanding.**

***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.

**No misappropriations of public funds or assets based on inquiry of management.**

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.

**There is no physical premises for Pelican Center since they do not have employees. The contract workers conduct work from their personal offices. The notice is posted on the Pelican Center's website.**

***Corrective Action***

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Management actively reviewed and revised its policies and procedures and made diligent efforts to remedy the identified exceptions noted in the prior year report. Revised policies and procedures were reviewed by the Pelican Center Board of Directors at a meeting held on March 9, 2018 and implemented shortly thereafter. Therefore, Pelican Center started maintaining sequentially pre-numbered receipts in March 2018 and had one exception for one deposit date selected prior to that date.



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.

*Postlethwaite & Netterville*

Metairie, Louisiana  
March 8, 2019