



LUTHER SPEIGHT & COMPANY, LLC
Certified Public Accountants and Consultants

TREME' COMMUNITY EDUCATION PROGRAM, INC.
FINANCIAL STATEMENTS AND ACCOMPANYING
INDEPENDENT ACCOUNTANT'S REVIEW AND ATTESTATION REPORT

FOR THE YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

Independent Accountant's Review Report	1-2
Financial Statements	3-5
Notes to the Financial Statements	6-11
Current Year Findings	12-14
Schedule of Compensation, Benefits, And Other Payments to Agency Head Or Chief Executive Officer	15



LUTHER SPEIGHT & COMPANY, LLC
Certified Public Accountants and Consultants

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Treme' Community Education Program, Inc.

We have reviewed the accompanying statement of financial position of Treme' Community Education Program, Inc. (TCEP) (the Organization) as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

Accountant's Conclusion

Based on our review, except for the issue noted in the Known Departure From Accounting Principles Generally Accepted in the United States of America paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT (Continued)

Known Departure from Accounting Principles Generally Accepted in the U.S. of America

The organization recorded a prior period adjustment in the amount of \$101,628. This adjustment appeared related to cash receipts received during the current period resulting from prior year unrecorded reimbursement requests. The organization had not recorded grant receivable for the prior year and did not have adequate support for the transactions. Accordingly, we were unable to determine if the prior period adjustment was in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in blue ink, appearing to read "Luther Speight & Co". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Luther Speight & Company CPAs
New Orleans, LA
December 11, 2017

TREME' COMMUNITY EDUCATION PROGRAM, INC.

Statement of Financial Position

June 30, 2017

ASSETS

Assets:

Cash	\$ 27,723
Grants Receivable	103,041
Property and Equipment, Net	<u>1,391,292</u>
TOTAL ASSETS	<u>\$ 1,522,056</u>

LIABILITIES AND NET ASSETS

Liabilities:

Notes Payable To Related Party	<u>12,000</u>
TOTAL LIABILITIES	12,000

Net Assets:

Unrestricted	118,764
Investment in Fixed Assets	<u>1,391,292</u>
TOTAL NET ASSETS	<u>1,510,056</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,522,056</u>

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

TREME' COMMUNITY EDUCATION PROGRAM, INC.

Statement of Activities

For the Year Ended June 30, 2017

	Unrestricted
Support	
New Orleans Council on Aging	\$ 173,751
State of Louisiana	<u>103,041</u>
Total Support	276,792
Revenues	
Other Income	<u>20,744</u>
Total Revenues	20,744
Total Support and Revenues	<u>297,536</u>
Expenses	
Salaries and Related Benefits	175,251
Depreciation Expense	62,692
Insurance Expense	14,595
Professional Services	12,650
Repairs and Maintenance	6,773
Office & Program Supplies	5,491
Office Expenses	4,802
Equipment Leases	3,266
Communication Expenses	2,843
Meetings/Meals/Conferences	2,126
Miscellaneous Expenses	1,726
Printing Expenses	906
Storage Fees	831
Bank Fees and Interest Expense	732
Utilities Expense	601
Travel Expenses	578
Tax, Licenses and Fees	<u>155</u>
Total Expenses	<u>296,018</u>
Changes In Net Assets	1,518
Net Assets-Beginning of Year	1,406,910
Prior Period Adjustment (Note 13)	<u>101,628</u>
Net Assets-End of Year	<u><u>\$ 1,510,056</u></u>

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

TREME' COMMUNITY EDUCATION PROGRAM, INC.

**Statement of Cash Flows
For the Year Ended June 30, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 103,146
Depreciation Expense	62,692
Adjustments to reconcile net income to net cash:	
Increase in Grant Receivable	(103,041)
Decrease in Accounts Payable	<u>(4,400)</u>
Cash Provided by Operating Activities	58,397
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Fixed Assets	<u>(56,952)</u>
Cash Used by Investing Activities	(56,952)
CASH FLOWS FROM FINANCING ACTIVITIES	
Borrowings from Notes Payable from Related Party	<u>12,000</u>
Cash Provided by Financing Activities	<u>12,000</u>
Net Change in Cash	13,445
Cash - Beginning of Year	<u>14,278</u>
Cash - End of Year	<u><u>\$ 27,723</u></u>

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

TREME' COMMUNITY EDUCATION PROGRAM, INC.
Notes to the Financial Statements
June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

Treme' Community Education Program, Inc. (TCEP) is a nonprofit organization established to provide social services to residents of New Orleans, Louisiana. It was established and incorporated on May 31, 1996, to promote and effectuate the planning and delivery of community services and social service programs within the community. TCEP is organized to mobilize such human and financial resources as may be available to correct the socio-economic deprivations affecting the area and to avail itself to the community. The primary sources of funding for Treme Community Education Program, Inc. include the following: a) the U.S. Department of Health and Human Services funds passed through the State of Louisiana-Governor's Office of Elderly Affairs to the New Orleans Council on Aging and subawarded to Treme Community Education Program Inc.; and 2) the U.S. Department of Housing and Urban Development, Disaster Community Development Block Grants passed through the State of Louisiana-Office of Community Development (OCD), Disaster Recovery Unit (DRU) and awarded to Treme Community Education Program, Inc..

TCEP manages Harmony House, which is a senior citizen recreation center. The Center provides a variety of essential life support and cultural enrichment services to seniors who reside in various Wards of New Orleans.

Property and Equipment

TCEP follows the practice of capitalizing all purchase property and equipment over \$500. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific use.

In the case of explicit restrictions regarding their use and contributions, the donated assets are reported as restricted contributions. Absent of donor restrictions regarding how long those donated assets must be maintained, TCEP reports the expiration when the donated or acquired assets are placed in service as unrestricted by the donor.

Depreciation expense is computed using the straight-line method for all depreciable assets over their respective estimated-useful lives. For buildings, the useful life is estimated at forty (40) years. Equipment is estimated at five (5) years. Leasehold improvements are amortized over the shorter of the lease period or useful life.

TREME' COMMUNITY EDUCATION PROGRAM, INC.
Notes to the Financial Statements
June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment (Continued)

In accordance with TCEP's contract with the State, all property and equipment purchased become the property of the State upon completion or termination of its contract. As such, all property of the State upon completion or termination of its contract. As such, all property and equipment purchased with grant funds from the State are expensed in the year of acquisition, except where the asset is restricted to a specific use and/or service.

Income Taxes

TCEP is as a not-for-profit entity exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. TCEP's Form 990, *Return of Organization Exempt from Income Tax*, for the previous 3 years are subject to examination by the IRS.

Principles of Accounting

The financial statements of TCEP are prepared in accordance with accounting principles generally accepted in the United States of America on the accrual basis.

Basis of Presentation

For the year ended June 30, 2017, TCEP followed the requirements of the Financial Accounting Standards Board's Accounting Standards Codification (FASB ASC) Section 958-205 *Not-for-Profit Entities, Presentation of Financial Statements*, in the presentation of its financial statements. Under FASB ASC Section 958-205, TCEP is required to report, as applicable, information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted net assets. Unrestricted net assets include funds not subject to donor-imposed stipulations. Revenues received and expenses incurred in conducting the mission of TCEP are included in this category. TCEP has determined that any donor imposed restrictions for current or developing programs and activities are generally met within the operating cycle. In addition, TCEP is required to present a statement of cash flows. As such, the accompanying financial statements are presented in accordance with the requirement of FASB ASC Section 958-205.

Contributions

TCEP reports all contributions in accordance with the requirements of FASB ASC Section 958-605, *Not-for-Profit Entities, Revenue Recognition*. As such, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of donor restrictions.

TREME' COMMUNITY EDUCATION PROGRAM, INC.
Notes to the Financial Statements
June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unconditional Promises to Give

In accordance with FASB ASC Section 958-605, TCEP reports contributions as recognized when the donor makes a promise to give to TCEP that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

TCEP uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on management's analysis of specific promises made. At June 30, 2017, the allowance for uncollectible unconditional promises to give was \$0.

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 the reported amount of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, support and expenses during the reporting period. Actual results could differ from those estimates.

Cash

For the purposes of the Statement of Cash Flows, TCEP considers all investment purchases with a maturity of three months or less to be cash equivalents.

Interprogram Activities

Interprogram activities have been eliminated in the accompanying Statement of Financial Position.

NOTE 2 – CASH

At June 30, 2017, the carrying amount of TCEP's cash was \$27,723.

NOTE 3 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash, payables, and accrued expenses approximate fair value because of the short maturities of these items.

TREME' COMMUNITY EDUCATION PROGRAM, INC.
Notes to the Financial Statements
June 30, 2017

NOTE 4 – GRANT RECEIVABLE

The grant receivable amount of \$103,041 relate to amounts outstanding from the U.S. Department of Housing and Urban Development passed through the State of Louisiana, Office of Community Development, Disaster Recovery Unit.

NOTE 5– NOTES PAYABLE TO RELATED PARTIES

The amount payable to related parties (i.e., accountant-\$10,000; executive director \$2,000) is \$12,000. There were no written terms of repayment.

NOTE 6 – LEASES

On April 8, 2003, TCEP executed a fifty (50) year lease with the City of New Orleans for a portion of the square 289, Lot B for the rent amount of \$2,400 per year, payable in advance on the first of the month.

Under the lease agreement, the annual rent shall be increased every five years by fifteen percent (15%) of the prior year rental amount.

NOTE 7 – CONCENTRATION OF CREDIT RISK

The primary sources of funding for Treme Community Education Program, Inc. include the following: a) the U.S. Department of Health and Human Services funds passed through the State of Louisiana-Governor's Office of Elderly Affairs to the New Orleans Council on Aging subawarded to TCEP; and 2) the U.S. Department of Housing and Urban Development, Disaster Community Development Block Grants passed through the State of Louisiana-Office of Community Development (OCD), Disaster Recovery Unit (DRU) awarded to TCEP. If the amount of grant revenues received do not meet budgeted amount levels, TCEP's operating results could be adversely affected.

NOTE 8 – RISK MANAGEMENT

TCEP is exposed to various risks of less related to torts, theft of, damage to and destruction of assets, for which TCEP carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 9 – CONTINGENCIES AND COMMITMENTS

TCEP is subject to possible examination by regulatory agencies who determine compliance with laws regulations governing grants provided to TCEP. These examinations may result in required refunds from TCEP to regulatory agencies.

TREME' COMMUNITY EDUCATION PROGRAM, INC.
Notes to the Financial Statements
June 30, 2017

NOTE 10 – BUILDINGS AND EQUIPMENT, NET

At June 30, 2017, property and equipment consisted of the following:

	Balance	Additions	Balance
	July 1, 2016		June 30, 2017
	<u> </u>	<u> </u>	<u> </u>
Land and land improvements	\$ 15,115	\$ -	\$ 15,115
Building	514,938	-	514,938
Equipment	111,594	-	111,594
Van (Passenger)	-	56,952	56,952
Leasehold improvements	<u>1,192,525</u>	<u>-</u>	<u>1,192,525</u>
Sub-total	<u>1,834,172</u>	<u>56,952</u>	<u>1,891,124</u>
Less:			
Accumulated depreciation and amortization	<u>(437,140)</u>	<u>(62,692)</u>	<u>(499,832)</u>
Total	<u>\$ 1,397,032</u>	<u>\$ (5,740)</u>	<u>\$ 1,391,292</u>

NOTE 11 – PER DIEM TO BOARD MEMBERS

For the year ended June 30, 2017, the Board of Directors received no compensation in their capacity as directors.

TREME' COMMUNITY EDUCATION PROGRAM, INC.
Notes to the Financial Statements
June 30, 2017

NOTE 12 - DEPARTURES FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Accounting principles generally accepted in the United States of America require that the organization report on the accrual basis of accounting; the accrual basis of accounting method applies the matching principle by recording revenues and receivables when earned and expenses and payables when incurred. The organization recorded a prior period adjustment in the amount of \$101,628. This adjustment appeared related to cash receipts received during the current period resulting from prior year unrecorded reimbursement requests. The organization had not recorded grant receivable for the prior year and did not have adequate support for the transactions. Accordingly, we were unable to determine if the prior period adjustment was in accordance with accounting principles generally accepted in the United States of America.

NOTE 13 – PRIOR PERIOD ADJUSTMENT

Management determined that the prior period financial statements did not include grants receivable and grant revenue attributable to the U.S. Department of HUD, Disaster Community Development Block Grant award of \$101,628.

NOTE 14 – SUBSEQUENT EVENTS

TCEP is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition and/or disclosure in the accompanying financial statements. TCEP performed such an evaluation through January 4, 2018, the date on which the accompanying financial statements were available to be issued, and the organization noted no subsequent events or transactions that occurred requiring recognition and/or disclosure.

TREME' COMMUNITY EDUCATION PROGRAM, INC.
Current Year Findings
June 30, 2017

Finding #17-01: ATTESTATION REPORT NOT SUBMITTED TIMELY

CRITERIA:

Louisiana Revised Statute 24:513 requires that Agencies receiving federal, state, or local government funding from \$200,000 to \$500,000 are required to perform an attestation engagement by a CPA or local government or quasi-public agency within six months of the end of each fiscal year.

CONDITION:

Our examination indicated that the agency did not submit its financial report in the prescribed format including the appropriate attestations to the Legislative Auditor's Office within six (6) months of the end of the agency's fiscal year.

CAUSE:

The organization endured multiple changes in accountants during the fiscal year which affected the organization's ability to timely meet the La Revised Statute 24:513.

EFFECT:

The organization's review/attestation was not submitted prior to the six (6) month deadline.

RECOMMENDATION:

We recommend Treme Community Education Program engage its attestation service provider on a timely basis and provide oversight to assure the engagement is timely submitted to the Louisiana Legislative Auditor.

MANAGEMENT'S COMMENTS:

We will take the proper steps to maintain a relationship with the current CPA firm contracted to perform attestation services on a going forward basis in compliance with Louisiana Revised Statute 24:513.

TREME' COMMUNITY EDUCATION PROGRAM, INC.
Current Year Findings
June 30, 2017

Finding #17-02: GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

CRITERIA:

Accounting principles generally accepted in the United States of America require that the organization report on the accrual basis of accounting; the accrual basis of accounting method applies the matching principle by recording revenues and receivables when earned and expenses and payables when incurred.

CONDITION:

The organization recorded a prior period adjustment in the amount of \$101,628. This adjustment appeared related to cash receipts received during the current period resulting from prior year unrecorded reimbursement requests. The organization had not recorded grant receivable for the prior year and did not have adequate support for the transactions. Accordingly, we were unable to determine if the prior period adjustment was in accordance with accounting principles generally accepted in the United States of America.

CAUSE:

The organization endured multiple changes in accountants during the fiscal year which affected the organization's ability to timely detect and prevent material errors from occurring.

EFFECT:

Our review procedures indicated that the agency did not prepare and fairly present its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) for the fiscal year ended: June 30, 2017.

RECOMMENDATION:

We recommend that management design, implement, and maintain internal controls to prepare and present organizational financial statements in accordance to GAAP which are free from material misstatements.

MANAGEMENT'S COMMENTS:

Management will design, implement, and maintain internal controls to prepare and present organizational financial statements in accordance to GAAP which are free from material misstatements.

TREME' COMMUNITY EDUCATION PROGRAM, INC.
Current Year Findings
June 30, 2017

Finding #17-03: PREPARATION OF FINANCIAL STATEMENTS AND FEDERAL FINANCIAL REPORTING

CRITERIA:

The funding sources required that the records of the federal project funds be maintained separate from each other; that expenditures be kept in accordance with budget categories in the budget format; and that all services shall be provided in a manner consistent with State and Federal laws and regulations, and as set forth in the proposals and budgets which are made a part of the grant agreements; and that project cost is earned only when the cost is accrued.

CONDITION:

Our review procedures showed that the agency did not maintain its general ledger and prepare its financial statements in a manner that provided specific segregation of expenditures by grant program.

CAUSE:

The organization did not establish separate financial reporting for each grant.

EFFECT:

Because the organization did not maintain separate financial reporting for each grant/program, we were unable to reasonably determine if cost billed to each program is adequately supported.

RECOMMENDATION:

We recommend that management design, implement, and maintain internal controls to prepare and present organizational financial statements in accordance to the funding sources prescribed requirements.

MANAGEMENT'S COMMENTS:

Management will design, implement, and maintain internal controls to prepare and present organizational financial statements in accordance with the requirements mandated in each grant award.

TREME' COMMUNITY EDUCATION PROGRAM, INC.

Schedule of Compensation, Benefits, and Other
 Payments to Agency Head or Chief Executive Officer
 June 30, 2017

Agency Head Name: Norman Smith

Purpose	Amount
Salary	\$ 63,960.00
Benefits-insurance	
Benefits-retirement	
Benefits-<list any other here>	
Car allowance	
Vehicle provided by government	
Per diem	
Reimbursements	
Travel	
Registration fees	
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	

*an example of an unvouchered expense would be a travel advance



LUTHER SPEIGHT & COMPANY, LLC
Certified Public Accountants and Consultants

ATTESTATION REPORT
Treme Community Education Program, Inc.
 Independent Accountant's Report
 on Applying Agreed-Upon Procedures

To the Management of Treme Community Education Program, Inc.:

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Treme Community Education Program, Inc. (TCEP), and the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Treme Community Education Program Inc.'s compliance with certain laws and regulations during the twelve months ended June 30, 2017 included in the accompanying Louisiana Attestation Questionnaire. Management of Treme Community Education Program Inc. is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed 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.

Federal, State, and Local Awards

1. Determine the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Note: The organization did not individually report expenses by grant in its financial statements and/or general ledger. The organization's records did not establish independent accounting for all receipt and disbursement of monies derived from each grant agreement as required per each grant agreement. TCEP did not maintain the amount of federal, state, and local award expenditures for the fiscal year by grant and grant year. Below is how TCEP reported revenue under cost reimbursement contracts:

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
<u>U. S. Department of Health & Hospitals, Administration on Aging, State of Louisiana—Governor's Office of Elderly Affairs, subrecipient:New Orleans Council On Aging, subgrantee:TCEP</u>	2017	N/A	\$ 173,751
<u>U. S. Department of HUD, State of Louisiana, Office of Community Development, Disaster Recovery Unit, subrecipient:TCEP</u>	2017	14.218	\$ 103,041
Total Grant Revenue			\$ 276,792

2. For each federal, state, and local award, randomly select six disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

Because expenses were not separated by federal, state, and local award; we were unable to individually selected six (6) disbursements from each program. However, we selected a total six reimbursement requisitions which included payroll cost from multiple programs.

3. For the items selected in Procedure 2, trace the six disbursements from each award administered during the period under examination to supporting documentation as to proper amount and payee.

For the items selected in Procedure 2, because expenses were not separated by federal, state, and local award; we were unable to individually selected six (6) disbursements from each program. However, we selected a total of six reimbursement requisitions for testing which included time & effort records from multiple programs. Based on our testwork, it appears that payroll source documentation was proper in gross amount and made to the proper payee; however, we were unable to trace the allocation of time & effort per the timesheets to the respective financial reporting of each program.

4. For the items selected in Procedure 2, determine if the six disbursements from each award program administered during the period under examination, are properly coded to the correct fund and general ledger account.

For the items selected in Procedure 2, because expenses were not separated by federal, state, and local award; we were unable to individually select six (6) disbursements from each program; However, we selected a total of six reimbursement requisitions which included source documentation for multiple programs; as a result of our testwork, we were able to determine that cost was not properly coded to the correct fund(s) and general ledger account(s).

5. For the items selected in Procedure 2, determine whether the six disbursements from each award administered during the examination received approval from proper authorities.

For the items selected in Procedure 2, because expenses were not separated by federal, state, and local award; we were unable to individually select six (6) disbursements from each program; However, we selected a total of six reimbursement requisitions which included source documentation for multiple programs; based on our review, it appears that disbursements were approved from proper authorities.

6. For the items selected in Procedure 2: For federal awards, determine whether the disbursements complied with the applicable specific program compliance requirements summarized in the Uniform Guidance and for state and local awards, determine whether the disbursements comply with the grant agreement, relating to:

Activities Allowed or Unallowed;

For the items selected in Procedure 2, we were unable to determine compliance with the specific program compliance requirement: activities allowed or unallowed because we are unable to determine what costs is attributable to each grant program.

Allowable Costs/Cost Principles:

For the items selected in Procedure 2, we were unable to determine compliance with the specific program compliance requirement: allowable costs/cost principles because we are unable to determine what costs is attributable to each grant program.

Eligibility:

For the items selected in Procedure 2, we were unable to determine if the organization complied with eligibility requirements by grant/program.

Reporting:

We were unable to determine compliance with reporting requirements because the organization did not maintain separate financial reporting for each grant/program; however, we noted that the organization attached the following supporting documentation (i.e., time records, payroll journal, program activities performed by personnel) for the U.S. Department of HUD, State of La, Office of Community Development, Disaster Recovery Unit- *Reimbursement Reports* and for the U.S. Dept of Health and Human Services, State of La, Governor's Office of Elderly Affairs, GOEA Special Line Item Award-Request for Advances.

7. For the programs selected for testing in Procedure 2 that had been closed out during the period under review, compare the close-out report, when required, with the agency's financial records to determine whether the amounts agree.

For three contractual agreements between the New Orleans Council on Aging Area Agency on Aging and the Treme/Harmony House Senior Center, the Programs Titled: a). "Senior Center"; b). "GOEA Special Line Item"; and a Cooperative Endeavor Agreement Titled "Civic Affairs"; each grant had a grant ending date within the fiscal year; the organization did not have close-out reports for these awards; thus, we were unable to compare the close out report to the organization's financial records to determine whether the amounts agree.

Open Meetings

8. Examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law).

Treme Community Education Program, Inc. is only required to post a notice of each meeting and the accompanying agenda on the door of the Treme Community Education Program Inc.'s Harmony House community building. Although, management has asserted that the notices were properly posted; we could not find any evidence (i.e., notices, agendas) supporting such assertions.

Budget

9. For all grants exceeding five thousand dollars, determine that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

9. Budget (Continued)

It appears that Treme Community Education Program, Inc. provided comprehensive budgets to the applicable grantor agencies for the programs noted in item #2. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives to support program operations.

Prior Comments and Recommendations

10. Review any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

In the agreed-upon procedures engagement for the year ended June 30, 2016, we reported that the organization did not submit its financial report in the prescribed format to the Legislative Auditor's Office within six (6) months of the end of the organization's fiscal year end. This comment was unresolved and was repeated in this report (see below).

2017-01 Current Status: The Agency again did not submit its financial report in the prescribed format to the Legislative Auditor's Office within six (6) months of the end of the Agency's fiscal year.

Status of Prior Comments and Recommendations:

- a. Timesheets were signed but not approved by the supervisor; Current Status: Resolved
- b. Request of Advance or Reimbursement Reports available for review; Current Status: Resolved; the Request of Advance Reports and the Request for Reimbursement Reports were available for review; however, the Request of Advance Reports and the Request for Reimbursement Reports for multiple grants/programs do not appear to be adequately supported. See Finding #17-02: Generally Accepted Accounting Principles; See Finding #17-03; Preparation of Financial Statements and Federal Financial Reporting.
- c. Project close-out reports accurately prepared as of the date of review; Current Status: Unresolved.
- d. Retention of public meeting notices and agendas; Current Status: Unresolved

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Treme Community Education Program, Inc., the Legislative Auditor (State of Louisiana), and the applicable state and local grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in blue ink, appearing to read "Luther Speight & Co.", written in a cursive style.

Luther Speight & Co. CPAs
New Orleans, Louisiana
January 4, 2018

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

2/8/2018 (Date Transmitted)

Luther C Spright & Company Certified Public Accountants (CPA Firm Name)

1100 Poydras Street Suite 1225 (CPA Firm Address)

New Orleans, La 70163 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 04/30/17 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes [] No []

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes [] No []

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes [] No []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes [] No []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at <http://app1.la.state.la.us/lala.nsf>, to determine whether a non-profit agency is subject to the open meetings law.

Yes [] No []

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [] No []

Reporting

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [] No []

The previous responses have been made to the best of our belief and knowledge.

Secretary _____ Date

Treasurer _____ Date

President _____ Date



EXECUTIVE DIR 2/8/18