

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.

FINANCIAL REPORT

June 30, 2017 and 2016



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Metro Centers for Community Advocacy, Inc.
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June 30, 2017

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Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
Suite 350
Metairie, Louisiana 70005

(504) 833-2436
(504) 484-0807 (fax)
www.CRIcpa.com

Independent Auditors' Report

Board of Directors of
Metro Centers for Community Advocacy, Inc.
Jefferson, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Metro Centers for Community Advocacy, Inc. ("MCCA") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 audits 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 auditors' 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 auditors consider internal control relevant to MCCA'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 MCCA'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 MCCA as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenues and expenses by program on page 14 and 15 and the schedule of compensation, benefits, and other payments to agency head on page 16 are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards on page 21, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards*, is presented for purposes of additional analysis and is also 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 December 15, 2017 on our consideration of MCCA'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 MCCA's internal control over financial reporting and compliance.

Carri Riggs & Ingram, L.L.C.

December 15, 2017



Financial Statements

Metro Centers For Community Advocacy, Inc.
Statements of Financial Position

<i>As of June 30,</i>	2017	2016
Assets		
Current Assets		
Cash and cash equivalents	\$ 513,993	\$ 653,186
Grants receivable	416,878	323,555
Prepays and other current assets	26,447	29,366
Total Current Assets	957,318	1,006,107
Non-Current Assets		
Beneficial interest in asset held by Greater New Orleans Foundation	63,405	61,100
Property and equipment, net	1,051,817	930,855
Total Non-Current Assets	1,115,222	991,955
Total Assets	\$ 2,072,540	\$ 1,998,062
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 61,238	\$ 62,537
Long term debt, current portion	24,999	24,999
Other liabilities	1,840	1,955
Total Current Liabilities	88,077	89,491
Long-Term debt, net of current portion	123,708	149,092
Net Assets		
Unrestricted	1,740,820	1,759,479
Temporarily restricted	119,935	-
Total Net Assets	1,860,755	1,759,479
Total Liabilities and Net Assets	\$ 2,072,540	\$ 1,998,062

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

Metro Centers For Community Advocacy, Inc.
Statement of Activities

For the year ended June 30,

2017

	Unrestricted	Temporarily Restricted	Total
Public Support, Grant Revenue, and Other Income			
Revenues and Other Support			
Grant appropriations- governmental	\$ 1,046,899	\$ -	\$ 1,046,899
Grant appropriations- non-governmental	222,518	147,500	370,018
Donations	111,689		111,689
In-kind contributions	202,626		202,626
Fundraising	9,096		9,096
Net assets released from restrictions	27,565	(27,565)	-
Total Revenues and Other Support	1,620,393	119,935	1,740,328
Other Income			
Realized and unrealized gains on investments	4,988	-	4,988
Interest income	1,073	-	1,073
Total Other Income	6,061	-	6,061
Total Public Support, Grant Revenue, and Other Income	1,626,454	119,935	1,746,389
Expenses			
Operating Expenses			
Program expenses	1,451,745	-	1,451,745
Management and general	193,368	-	193,368
Total Operating Expenses	1,645,113	-	1,645,113
CHANGES IN NET ASSETS	(18,659)	119,935	101,276
NET ASSETS- beginning of year	1,759,479	-	1,759,479
NET ASSETS- end of year	\$ 1,740,820	\$ 119,935	\$ 1,860,755

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

Metro Centers For Community Advocacy, Inc.
Statement of Activities

For the year ended June 30,

2016

	Unrestricted	Temporarily Restricted	Total
Public Support, Grant Revenue, and Other Income			
Revenues and Other Support			
Grant appropriations- governmental	\$ 900,409	\$ -	\$ 900,409
Grant appropriations- non-governmental	216,961	-	216,961
Donations	175,037	-	175,037
In-kind contributions	215,752	-	215,752
Fundraising	10,752	-	10,752
Total Revenues and Other Support	1,518,911	-	1,518,911
Other Income			
Rental income	700	-	700
Interest income	1,323	-	1,323
Total Other Income	2,023	-	2,023
Total Public Support, Grant Revenue, and Other Income	1,520,934	-	1,520,934
Expenses			
Operating Expenses			
Program expenses	1,258,811	-	1,258,811
Management and general	170,620	-	170,620
Total Operating Expenses	1,429,431	-	1,429,431
CHANGES IN NET ASSETS	91,503	-	91,503
NET ASSETS- beginning of year	1,667,976	-	1,667,976
NET ASSETS- end of year	\$ 1,759,479	\$ -	\$ 1,759,479

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

Metro Centers For Community Advocacy, Inc.
Statements of Cash Flows

<i>For the years ended June 30,</i>	2017	2016
Cash flows from operating activities		
Change in net assets	\$ 101,276	\$ 91,503
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation expense	68,801	32,926
Realized and unrealized (gains) losses and interest on investments	(2,305)	7,479
(Increase) decrease in operating assets:		
Grants receivable	(93,323)	(102,620)
Prepays and other current assets	2,919	(4,537)
Increase (decrease) in operating liabilities:		
Accounts payable and other liabilities	(1,414)	8,953
Net cash provided by operating activities	75,954	33,704
Cash flows from investing activities		
Purchase of property and equipment	(189,763)	(138,821)
Net cash used in investing activities	(189,763)	(138,821)
Cash flows from financing activities		
Principal payments on notes payable	(25,384)	(909)
Net cash used in financing activities	(25,384)	(909)
Net decrease in cash and cash equivalents	(139,193)	(106,026)
Cash and cash equivalents, beginning of year	653,186	759,212
Cash and cash equivalents, end of year	\$ 513,993	\$ 653,186
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ 4,706	\$ 538
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Purchase of property and equipment	\$ -	\$ 175,000
Long-term debt	-	(175,000)
	\$ -	\$ -

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

Metro Centers for Community Advocacy, Inc. Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization and Programs

Metro Centers for Community Advocacy, Inc. (“MCCA”) is a not-for-profit organization that provides assistance to victims of domestic violence, sexual assault and stalking. MCCA maintains outreach offices in Jefferson Parish, St. Tammany Parish, the River Parishes, and Orleans Parish. MCCA offers the opportunity for victims to receive counseling services, to obtain legal advocacy from advocates employed by the organization, and to obtain legal assistance for temporary restraining orders. MCCA also operates three temporary housing shelters in Jefferson Parish, providing both emergency and transitional housing to victims of domestic violence, sexual assault and stalking.

Basis of Accounting

The financial statements of MCCA have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The Financial Accounting Standards Board is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles.

Basis of Presentation

Financial statement presentation follows the reporting requirements of the Financial Accounting Standards ASC (FASB ASC 958), which establishes external financial reporting for not-for-profit organizations that include three basic financial statement classifications of resources into three separate classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets depending on the existence and/or nature of any donor restrictions.

1. Unrestricted Net Assets – limited only by the broad limits resulting from the nature of the organization, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws and limits resulting from contractual agreements with suppliers, creditors and others entered into by the organization in the course of its business. For the years ended June 30, 2017 and 2016, Unrestricted Net Assets totaled \$1,740,820 and \$1,759,479, respectively.
2. Temporarily Restricted Net Assets – assets whose restrictions lapse with the passage of time or the satisfaction of a donor imposed restriction. For the years ended June 30, 2017 and 2016, Temporarily Restricted Net Assets consisted of \$119,935 and \$0, respectively, of advanced collections of non-governmental grants.
3. Permanently Restricted Net Assets – assets whose restrictions do not lapse with the passage of time and cannot be lifted by the satisfaction of a donor imposed restriction. There were no Permanently Restricted Net Assets for the years ended June 30, 2017 and 2016.

The classification of net assets into the three separate groupings described above is based on criteria established by the Financial Accounting Standards Board, which are not necessarily consistent with regulations of the Internal Revenue Service concerning restrictions on donations.

Metro Centers for Community Advocacy, Inc.
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-kind Contributions

In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. MCCA recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. MCCA receives services from a large number of volunteers who give significant amounts of their time to the MCCA's programs but which do not meet the criteria for financial statement recognition. The programs for which the contributed services were used are reflected in the schedules of revenue and expenses by program.

Revenue Recognition of Contributions

MCCA records contributions it receives as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. MCCA receives contributions in the form of "grants" and as cash and noncash donations.

Contributions that are restricted by the donor, are reported as an increase in unrestricted net assets if the restrictions expire in the reporting period in which the contribution is recognized. For all other donor-restricted contributions, MCCA will record an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or when the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

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

Property and Equipment

Acquisitions of property and equipment in excess of \$3,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of the donation. Depreciation is computed using the straight-line method over five years for vehicles, three years for furniture and equipment, ten years for leasehold improvements and twenty-seven and one half years for buildings. The cost of land is not depreciated. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statement of activities for the period.

Metro Centers for Community Advocacy, Inc.
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The cost of repairs and maintenance is charged to expense as incurred; significant renewals and betterments are capitalized. Deductions are made of retirements resulting from renewals or betterments.

Income Taxes

MCCA is operating under Section 501c(3) of the Internal Revenue Code, and is exempt from federal, state and local income taxes on all revenues not related to business activities.

Accordingly, no provision for income taxes is included in the financial statements. This organization has been classified as an organization that is not a private foundation under Section 509(A). MCCA had no business activities in fiscal years ended June 30, 2017 and 2016.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of June 30, 2017 and 2016, MCCA believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Cash and Cash Equivalents

For the purpose of the Statements of Cash Flows, MCCA considers all unrestricted cash and other highly liquid investments, which can be converted into known amounts of cash and have a maturity period of ninety days or less at the time of purchase to be cash equivalents.

Accrued Compensated Absences

MCCA allows the accrual of vacation and sick leave on all full-time employees who have successfully completed six (6) months of employment at a rate of seven (7) hours of vacation and sick time per month. Thereafter, any regular full-time employee who has successfully completed the one-year probation will be allowed to earn one (1) vacation day and sick day at the end of each month. However, if an employee does not use their vacation time, this time is not accrued for the following calendar year.

Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. MCCA's policy is to charge costs to the specific programs and supporting services benefited. Accordingly, expenses specifically identifiable to a function are charged directly to that function. Management and general expenses include those expenses that

Metro Centers for Community Advocacy, Inc.
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

are not directly identifiable with any specific function but provide for the overall support and direction of MCCA.

Grants Receivable

Grants receivable consists of amounts due from various granting agencies for grants and cost reimbursement programs. These amounts are presented at fair value and management estimates that all are collectible.

Investments

In accordance with the Not-for-Profit Entities Topic of the FASB Accounting Standards Codification, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair value in the statement of financial position. Unrealized and realized gains and losses are included in the change in net assets.

Dividend and interest income is accrued when earned.

Fair Value Measurements

Accounting Standard Codification (ASC) *Fair Value Measurements* establishes a framework for measuring fair value in accordance with Generally Accepted Accounting Principles (GAAP) and disclosures about the fair value measurements. The valuation hierarchy is based upon the reliability of inputs to the valuation of an asset or liability on the measurement date. The three levels of the fair value hierarchy are described below:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 -Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

Metro Centers for Community Advocacy, Inc.
Notes to the Financial Statements

NOTE 2 – PREPAID EXPENSES

Prepaid expenses were comprised of prepayments of health, general liability, auto and property insurance and amounted to \$25,922 and \$29,366, respectively, at June 30, 2017 and 2016.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment as of June 30 was as follows:

	2017	2016
Land	\$ 197,795	\$ 197,795
Building	1,034,916	860,468
Vehicles	31,167	58,265
Equipment and Furnishings	161,307	148,091
Total	1,425,185	1,264,619
Less: Accumulated Depreciation	373,368	333,764
Property and Equipment, Net	\$1,051,817	\$ 930,855

For the years ended June 30, 2017 and 2016, depreciation expense was \$68,801 and \$32,926, respectively.

NOTE 4 – LONG-TERM DEBT

MCCA's long-term debt is as follows:

As of June 30,	2017	2016
Note payable to a bank, dated April 25, 2016, with a maturity date of May 1, 2023, principal payable in 11 monthly installments of \$909 and 1 installment each May of \$15,000, plus interest each month at a rate of 2.99%, secured by real property with a net book value of \$173,794.	\$ 148,707	\$ 174,091
Total debt	148,707	174,091
Current maturities of long-term debt	(24,999)	(24,999)
Long-term debt	\$ 123,708	\$ 149,092

Metro Centers for Community Advocacy, Inc.
Notes to the Financial Statements

NOTE 4 – LONG-TERM DEBT (CONTINUED)

Principal payments for future fiscal years are as follows:

2018	\$ 24,999
2019	24,999
2020	24,999
2021	24,999
2022	24,999
Thereafter	23,712
	<u>\$ 148,707</u>

Interest expense on long-term debt for the years ended June 30, 2017 and 2016 was \$4,706 and \$538, respectively.

NOTE 5 – LINE OF CREDIT

MCCA has an unsecured line of credit agreement with an available balance of \$15,000 which carries an interest rate of 7.75%. The agreement has an open maturity date. As of June 30, 2017 and 2016, there were no outstanding borrowings against this line of credit.

NOTE 6 – AGENCY ENDOWMENT FUND

During the year ended June 30, 2012, MCCA entered into an Agency Endowment Fund with the Greater New Orleans Foundation (the Foundation). This fund is accounted for under guidance from Financial Accounting Standards Board Codification Topic 958 (Formerly Statement of Financial Accounting Standard (SFAS) No. 136) and is described as "...a charitable fund established by a nonprofit agency for the benefit of the nonprofit agency." Under the terms of the agreement between MCCA and the Foundation, the Foundation will distribute a portion of the earnings of the fund back to the nonprofit agency annually. These distributions are subject to the endowment fund spending policy. Under this spending policy, the Foundation makes available on an annual basis 4% of the 12-quarter rolling average market value of the funds. The cutoff for the calculation is September 30th of each year and all new endowment funds must be invested for four (4) full quarters prior to December 31st of each year in order for any appropriation to be made available. If the donor would like to begin awarding grants prior to such time, the Foundation will permit the donor to make a contribution as a pass-through contribution to the fund the first year's grant-making.

The funds transferred to the Foundation are subject to the Foundation's variance power. MCCA's investment in this fund at June 30, 2017 was \$63,405 and at June 30, 2016 was \$61,100 (which was proportionally invested within the pooled account at 30% in Level 1, 57% in Level 2 and 13% in Level 3 investments). MCCA's investment in the fund is reported as "Beneficial interest in asset held by Greater New Orleans Foundation" on the statements of financial position.

Metro Centers for Community Advocacy, Inc. Notes to the Financial Statements

NOTE 7 – LEASE COMMITMENTS

MCCA leases its Jefferson Parish East Bank building in which the administrative offices and a shelter are housed. MCCA does not pay rent at this location and the lease is renewable on a year to year basis. Total in-kind contributions for rent at this location amounted to \$87,570 for each of the years ended June 30, 2017 and 2016. Additionally, in-kind contributions for rent includes \$20,220 and \$4,020, respectively, for the years ended June 30, 2017 and 2016, related to individual office space donated by various governmental agencies and other not-for-profits on an “as need” basis to meet with customers of MCCA services.

NOTE 8 – CONCENTRATIONS

A substantial portion of MCCA’s support and revenue is derived from grants for the programs conducted. The various grants are approved on a year-to-year basis. Any unexpended grant funds or unauthorized expenditures must be refunded. MCCA received approximately 76% and 70%, respectively, of its total revenues from Federal and State grantors for the years ended June 30, 2017 and 2016.

Custodial credit risk is the risk that in the event of a bank failure, MCCA’s deposits may not be returned to it. The Federal Deposit Insurance Corporation (“FDIC”) insures all deposits owned by a corporation, partnership or unincorporated association at the same bank up to \$250,000. As of June 30, 2017, MCCA did not carry any balances in excess of \$250,000. As of June 30, 2016, MCCA carried balances in excess of \$250,000 with one financial institution.

NOTE 9 – CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time, although MCCA expects any such amounts to be immaterial.

NOTE 10 – RISK MANAGEMENT

MCCA is exposed to various risks of loss related to torts; theft of, damage of, and destruction of assets; errors and omissions; and natural disasters for which the organization carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

NOTE 11 – BOARD OF DIRECTORS’ COMPENSATION

The Board of Directors serves and directs MCCA on a voluntary basis. The Board does not receive compensation.



**Metro Centers for Community Advocacy, Inc.
Notes to the Financial Statements**

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 15, 2017, and determined that no other events have occurred that require disclosure.



Supplementary Information

Metro Centers for Community Advocacy, Inc.
Schedule of Revenue and Expenses by Program
For the Year Ended June 30, 2017

	Program Expenses			Total Program Expenses	Management and General	Fundraising	Totals
	La Voz	Sexual Assault	Domestic Violence Assistance				
Income							
Grant appropriations - governmental	\$ 87,385	\$ 143,511	\$ 816,005	\$ 1,046,899	\$ -	\$ -	\$ 1,046,899
Grant appropriations - non-governmental	-	20,707	349,311	370,018	-	-	370,018
Donations	-	26,368	85,321	111,689	-	-	111,689
In-kind contributions	16,200	3,000	183,426	202,626	-	-	202,626
Fundraising	-	-	-	-	-	9,096	9,096
Rental income	-	-	-	-	-	-	-
Other income	-	-	6,061	6,061	-	-	6,061
Total Income	\$ 103,585	\$ 193,586	\$ 1,440,124	\$ 1,737,293	\$ -	\$ 9,096	\$ 1,746,389
Expenses							
Personnel	\$ -	\$ 135,062	\$ 610,105	\$ 745,167	\$ 76,871	\$ -	\$ 822,038
Travel and entertainment	5,340	866	6,048	12,254	2,166	-	14,420
Operating costs	-	18,219	143,477	161,696	46,074	-	207,770
Equipment costs	-	4,136	9,992	14,128	1,426	-	15,554
Supplies	2,548	3,217	28,742	34,507	1,016	-	35,523
Other costs	79,497	19,716	129,384	228,597	49,784	-	278,381
Investment	-	-	-	-	-	-	-
Depreciation	-	9,370	50,120	59,490	9,311	-	68,801
Total expense	87,385	190,586	977,868	1,255,839	186,648	-	1,442,487
In-kind expenses							
In-kind contributions expense	16,200	3,000	176,706	195,906	6,720	-	202,626
Total in-kind expenses	16,200	3,000	176,706	195,906	6,720	-	202,626
Total Expenses	\$ 103,585	\$ 193,586	\$ 1,154,574	\$ 1,451,745	\$ 193,368	\$ -	\$ 1,645,113

Metro Centers for Community Advocacy, Inc.
Schedule of Revenue and Expenses by Program
For the Year Ended June 30, 2016

	<u>Program Expenses</u>			<u>Management and General</u>	<u>Fundraising</u>	<u>Totals</u>
	<u>Domestic Violence Assistance</u>	<u>Sexual Assault</u>	<u>Total Program Expenses</u>			
Income						
Grant appropriations - governmental	\$ 794,692	\$ 105,717	\$ 900,409	\$ -	\$ -	\$ 900,409
Grant appropriations - non-governmental	187,643	29,318	216,961	-	-	216,961
Donations	149,733	25,304	175,037	-	-	175,037
In-kind contributions	186,228	8,832	195,060	20,692	-	215,752
Fundraising	-	-	-	-	10,752	10,752
Rental income	-	-	-	700	-	700
Other income	-	-	-	1,323	-	1,323
Total Income	\$ 1,318,296	\$ 169,171	\$ 1,487,467	\$ 22,715	\$ 10,752	\$ 1,520,934
Expenses						
Personnel	\$ 558,725	\$ 125,503	\$ 684,228	\$ 77,154	\$ -	\$ 761,382
Travel and entertainment	5,499	2,036	7,535	669	-	8,204
Operating costs	158,928	19,566	178,494	25,333	-	203,827
Equipment costs	28,844	1,478	30,322	1,599	-	31,921
Supplies	31,963	636	32,599	4,750	-	37,349
Other costs	96,865	1,750	98,615	37,998	-	136,613
Investment	-	-	-	1,457	-	1,457
Depreciation	22,588	9,370	31,958	968	-	32,926
Total expense	903,412	160,339	1,063,751	149,928	-	1,213,679
In-kind expenses						
In-kind rent	75,430	3,000	78,430	13,160	-	91,590
In-kind clothing and supplies	24,717	-	24,717	-	-	24,717
Volunteers	86,081	5,832	91,913	7,532	-	99,445
Total in-kind expenses	186,228	8,832	195,060	20,692	-	215,752
Total Expenses	\$ 1,089,640	\$ 169,171	\$ 1,258,811	\$ 170,620	\$ -	\$ 1,429,431

Metro Centers for Community Advocacy, Inc.
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2017

Agency Head Name: Darlene Santana, Executive Director

<i>Purpose</i>	<i>Amount</i>
Salary	\$ 76,089
Benefits-health insurance	8,290
Benefits-retirement	0
Deferred compensation	0
Workers comp	2,305
Benefits-life insurance	0
Benefits-long term disability	0
Benefits-Fica & Medicare	5,821
Car allowance	0
Vehicle provided by government	0
Cell phone	600
Dues	0
Vehicle rental	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	1,460
Unvouchered expenses	0
Meetings & conventions	0
Other	0
Total	\$ 94,565

**METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
STATE OF LOUISIANA
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2017**



Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
Suite 350
Metairie, Louisiana 70005

(504) 833-2436
(504) 484-0807 (fax)
www.CRIcpa.com

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 of
Metro Centers for Community Advocacy, Inc.
Jefferson, 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 Metro Centers for Community Advocacy, Inc. ("MCCA") (a nonprofit organization), which comprise the statement of financial position 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, and have issued our report thereon dated December 15, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered MCCA'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 MCCA's internal control. Accordingly, we do not express an opinion on the effectiveness of MCCA'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 MCCA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MCCA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MCCA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

December 15, 2017



Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
Suite 350
Metairie, Louisiana 70005

(504) 833-2436
(504) 484-0807 (fax)
www.CRIcpa.com

Independent Auditors' Report on Compliance for the Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Directors of
Metro Centers for Community Advocacy, Inc.
Jefferson, Louisiana

Report on Compliance for the Major Federal Program

We have audited Metro Centers for Community Advocacy, Inc.'s ("MCCA") (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 MCCA's major federal program for the year ended June 30, 2017. MCCA's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for MCCA's major federal program 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 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 MCCA'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 the major federal program. However, our audit does not provide a legal determination of MCCA's compliance.

Opinion on the Major Federal Program

In our opinion, MCCA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the its major federal program for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of MCCA 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 MCCA's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 MCCA'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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cam, Riggs & Ingram, L.L.C.

December 15, 2017

Metro Centers for Community Advocacy, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

FEDERAL GRANTOR / PASS-THROUGH AGENCY/PROGRAM TITLE	FEDERAL CFDA NUMBER	SUB-AWARD LOCAL GRANT NUMBER	FEDERAL EXPENDITURES
U.S. Department of Justice			
Passed through Louisiana Commission on Law Enforcement			
Rape Counseling - Orleans	16.575	2016-VA-GX-0074	\$ 44,418
Victims Assistance	16.575	2016-VA-GX-0074	281,148
			<u>325,566</u>
Domestic Violence Legal Asst	16.588	2016-WF-AX-0041	17,602
Sexual Assault	16.588	2016-WF-AX-0041	29,191
Sexual Assault Services Program	16.017	2016-KF-AX-0009	38,111
			<u>84,904</u>
Total U.S. Department of Justice			<u><u>410,470</u></u>
U.S. Department of Housing and Urban Development			
Passed through Jefferson Parish Department of Community Development Programs			
Emergency Shelter Grant	14.231	E-13-UC-22-0001	58,757
	14.231	E-13-UC-22-0001	7,265
	14.231	E-13-UC-22-0001	20,661
			<u>86,683</u>
Direct Award			
Transitional Housing for Battered Women and their Children	14.235	LA0090L6H031408	74,166
Total U.S. Department of Housing and Urban Development			<u><u>160,849</u></u>
U.S. Department of Health and Human Services			
Passed through Louisiana Department of Social Services Office of Community Services			
Family Violence Prevention and Services Program	93.671	360500570	211,354
Passed through Louisiana Foundation Against Sexual Assault (LaFASA)			
Rape Prevention and Education	93.136	58448	31,791
Passed through Substance Abuse and Mental Health Services Administration			
Drug-Free Communities Support Program Grants	93.276	1HZ79SP021561-01	87,385
Total U.S. Department of Health and Human Services			<u><u>330,530</u></u>
Total Expenditures of Federal Awards			<u><u>\$ 901,849</u></u>



Metro Centers for Community Advocacy, Inc.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Metro Centers for Community Advocacy, Inc. (“MCCA”) (a nonprofit organization) and is presented on the accrual basis of accounting. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting- Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. MCCA has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Metropolitan Center for Women and Children, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

A. SUMMARY OF AUDITORS' RESULTS

1. The Independent Auditors' Report expresses an unmodified opinion on the financial statements of Metro Centers for Community Advocacy, Inc. ("MCCA").
2. No material weakness or significant deficiency in internal control relating to the audit of the financial statements is reported in the 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*.
3. No instances of noncompliance material to the financial statements of MCCA are reported in the Report on Compliance for the Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
4. No material weakness or significant deficiency, relating to the audit, is reported in the Independent Auditors' Report on Compliance for the Major Program and on Internal Control over Compliance Required by The Uniform Guidance.
5. The Independent Auditors' Report on Compliance for the Major Program and on Internal Control over Compliance Required by the Uniform Guidance expresses an unmodified opinion on the major federal program.
6. There were no findings that are required to be reported in accordance with the Uniform Guidance.
7. The program tested as a major program for the year ended June 30, 2017 was:

<u>Program Title</u>	<u>CFDA Number</u>
Victims Assistance Program	16.575
8. The threshold for distinguishing between Type A and Type B programs was \$750,000.
9. MCCA qualified as a low-risk auditee under the Uniform Guidance.

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

None noted.

C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

None Noted

D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM

None Noted



**Metropolitan Center for Women and Children, Inc.
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2017**

SECTION I. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

No findings noted for the year ended June 30, 2016.

SECTION II. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

No findings noted for the year ended June 30, 2016.



Carr, Riggs & Ingram, LLC
111 Veterans Memorial Blvd.
Suite 350
Metairie, Louisiana 70005

(504) 837-9116
(504) 837-0123(fax)
www.CRIcpa.com

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors of
Metro Centers for Community Advocacy
and the Louisiana Legislative Auditor
Jefferson, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Board of Directors of Metro Centers for Community Advocacy ("MCCA") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures ("AUPs) for the fiscal period July 1, 2016 through June 30, 2017. MCCA 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 the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

Results: Policy appears to appropriately address the required elements above.

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Results: Policy appears to appropriately address the required elements above.

- c) **Disbursements**, including processing, reviewing, and approving

Results: Policy appears to appropriately address the required elements above.

- d) **Receipts**, including receiving, recording, and preparing deposits

Results: Policy appears to appropriately address the required elements above.

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

Results: Policy appears to appropriately address the required elements above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Results: Contracting policy does not exist.

Management Response: Management implemented a contracting policy at its October 11, 2017 board meeting. The contracting policy includes the required elements above.

- 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, and (5) monitoring card usage

Results: Policy appears to appropriately address the required elements above.

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

Results: Policy appears to appropriately address the required elements above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

Results: Not applicable as MCCA is a nonprofit entity.

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: Not applicable as MCCA is a nonprofit entity.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Results: The MCCA board met in accordance with the board's policy.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Results: We noted that the entity is a corporation; therefore, there is no fund accounting and no budget to actual comparisons on the General Fund.

- 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: We noted that Board minutes did reference or include non-budgetary financial information for at least one meeting during the fiscal period.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Results: List of bank accounts and management's representation obtained.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Results: We noted bank reconciliations for all months for all accounts during the fiscal period.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Results: We noted that bank reconciliations included evidence that a member of management or a board member reviewed each bank reconciliation.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Results: There was documentation reflecting that management had researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Collections

- 5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Results: List of collection locations and management's representation obtained.

- 6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Results: Each person responsible for collecting cash is in compliance with above requirements.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal

process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Results: MCCA does appear to have a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers by a person who is not responsible for cash collections.

c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

1) Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Results: Based on the procedures performed, deposit records for the highest (dollar) week of cash collections the deposit took place within one day of collection.

2) Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Results: We noted daily cash collections were completely supported by documentation.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

Results: MCCA appears to have a process specifically defined to determine completeness of all collections for each revenue source and agency fund addition by a person who is not responsible for collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Results: We obtained the list and management's representation.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Results: Supporting documentation appears appropriate.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

- c) **Results:** We noted purchase orders were approved by a person who did not initiate the purchase.

- d) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Results: Based on the procedures performed on twenty-five (25) disbursements, no exceptions were noted.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Results: We noted that the person responsible for processing payments is in compliance with above requirements.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Results: We noted that persons with signatory authority or who make the final authorization for disbursements are in compliance with above requirements.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Results: We noted that persons with signatory authority are in compliance with above requirements.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Results: Not applicable. No signature stamp or signature machine use was noted.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

Results: We obtained the list and management's representation.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

Results: For all selections, we noted that there was evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Results: For all selections, no finance charges or late fees were assessed.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- 3) An original itemized receipt (i.e., identifies precisely what was purchased)
- 4) Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
- 5) Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Results: We noted that the selected credit card expenses were supported by required documentation noted above.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

Results: Transactions appear to be within MCCA's written policies based on the procedures performed.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results: Transactions appear to be for an appropriate business/public purpose based on based on the procedures performed.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Results: We obtained the listing of all travel and related expense reimbursements and management's representation.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Results: None appear to exceed the GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Results: We noted that each expense was reimbursed or prepaid in accordance with the written policies of MCCA based on the procedures performed.

b) Report whether each expense is supported by:

6) An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

7) Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

8) Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Results: We noted that each expense was reimbursed or prepaid in accordance with the written policies of MCCA based on the procedures performed.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results: No exceptions noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: We noted that written approval was missing on 2 expense reimbursements submitted.

Management's Response: Noncompliance resulted from the fact that only the Executive Director has responsibility for reviewing and approving expenses in writing and the Executive Director was on vacation during the time these two expense reimbursements were submitted. Management has plans to also give the Program Manager this responsibility to review and approve expenses in writing to prevent this noncompliance in the future.

Contracts

- 20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Results: We obtained the list of all contracts and management's representation.

- 21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Results: There were formal/written contracts noted with all five (5) contract vendors paid the most money during the fiscal period.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

9) If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

10) If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Results: MCCA is not a "public entity" as defined in R.S. 38:2211(A)(11); therefore, MCCA is not subject to the Louisiana Public Bid Law or Procurement Code.

c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Results: No contract amendments were noted.

d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

Results: For the payments selected, we noted that the invoice and related payment complied with the terms and conditions of the contract (where contracts existed).

e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Results: No Board approval requirement noted.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Results: We obtained the list of employees and management's representation.

a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Results: Payments appear to have been made in strict accordance with the terms and conditions of the employment contract.

b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Results: We noted no changes made to hourly pay rates/salaries during the fiscal period for the employees for which procedures were applied to.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Results: All selected employees documented their daily attendance and leave.

b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Results: We noted written documentation that supervisors approved attendance and leave of the selected employees.

c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Results: We noted appropriate written documentation that MCCA maintained written leave records on those selected employees that earn leave.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Results: We obtained a list and management's representation. The termination payments were made in accordance with MCCA's policy and approved by management based on the procedures performed.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Results: We noted that employee and employer portions of payroll taxes and retirement contributions were submitted to the applicable agencies by the required deadlines.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Results: Not applicable as MCCA is a nonprofit entity.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Results: Not applicable as MCCA is a nonprofit entity.

Debt Service

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Results: Not applicable as MCCA is a nonprofit entity.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Results: Not applicable as MCCA is a nonprofit entity.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Results: Not applicable as MCCA is a nonprofit entity.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: Management stated MCCA had no misappropriations of public funds or assets.

32. Provide verification that the entity has posted on its premises and website, the notice required by R.S. 24:523.1.

Results: MCCA does have the mentioned notice posted on their premises; however, it is not posted on their website.

Management's Response: Management plans to work with its information and technology department regarding posting the notice on its website.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Results: No exceptions observed or identified.

SUMMARY OF EXCEPTIONS (NOTED ABOVE):

Procedure #1 - Written Policies:

We noted that Metro Centers does not have a written contracting policy.

Management's Response: Management implemented a contracting policy at its October 11, 2017 board meeting. The contracting policy includes the required elements noted in Procedure #1 above.

Procedure #19 - Reimbursements:

We noted that written approval was missing on 2 expense reimbursements submitted.

Management's Response: Noncompliance resulted from the fact that only the Executive Director has responsibility for reviewing and approving expenses in writing and the Executive Director was on vacation during the time these two expense reimbursements were submitted. Management has plans to also give the Program Manager this responsibility to review and approve expenses in writing to prevent this noncompliance in the future.

Procedure #32 - Other:

We noted the notice required by R.S. 24:523.1 was not posted on Metro's website.

Management's Response: Management plans to work with its information and technology department regarding posting the notice on its website.

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.

Carly Riggs & Ingram, L.L.C.

December 19, 2017