METRO CENTERS FOR COMMUNITY ADVOCACY, INC.

FINANCIAL REPORT

JUNE 30, 2019 AND 2018

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.

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INDEPENDENT AUDITOR'S REPORT

November 6, 2019

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 statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 2019 financial statements referred to above present fairly, in all material respects, the financial position of Metro Centers for Community Advocacy, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adjustments to Prior Period Financial Statements

The financial statements of Metro Centers for Community Advocacy, Inc. as of June 30, 2018, were audited by other auditors whose report dated November 13, 2018, expressed an unmodified opinion on those financial statements. As discussed in Note 14 to the financial statements, MCCA has adjusted its 2018 financial statements to retrospectively apply the change in accounting principle for the implementation of FASB ASC 2016-14 Not-for-Profit Entities (Topic 958). The other auditors reported on the financial statements before the retrospective adjustment.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards, is presented for purposes of additional analysis and is 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 November 6, 2019 on our consideration of Metro Centers for Community Advocacy, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Metro Centers for Community Advocacy, Inc.'s internal control over financial reporting and compliance.

Duplantier, Hrapmann, Hogan and Maher, LLP

New Orleans, Louisiana

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

ASSETS

	2019	2018
Current Assets:		
Cash and cash equivalents	$ 360,997	$ 443,300
Grants receivable	587,237	425,132
Prepaids and other current assets	26,161	25,494
Total Current Assets	974,395	893,926
Non-Current Assets:		
Beneficial interest in asset held by Greater New Orleans Foundation	65,847	64,900
Property and equipment, net	958,103	1,036,885
Total Non-Current Assets	1,023,950	1,101,785
TOTAL ASSETS	$ 1,998,345	$ 1,995,711

LIABILITIES AND NET ASSETS

	2019	2018
Current Liabilities:		
Accrued expenses	$ 53,480	$ 28,296
Long-term debt, current portion	25,000	25,000
Total Current Liabilities	78,480	53,296
Long-Term Debt, net of current portion	74,091	99,212
Net Assets Without Donor Restrictions:		
Board-designated	65,847	64,900
Undesignated	1,779,927	1,778,303
	1,845,774	1,843,203
TOTAL LIABILITIES AND NET ASSETS	$ 1,998,345	$ 1,995,711

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

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenues and Other Support:		
Grant appropriations - governmental	1,227,400	1,006,437
Grant appropriations - non-governmental	216,520	314,190
Donations	173,536	146,483
In-kind contributions	662,431	744,238
Fundraising	5,549	5,776
Realized and unrealized gains	3,544	4,086
Interest income	1,173	811
Rental income	11,700	1,250
Other income	25,431	51,318
Total Revenues and Other Support	2,327,284	2,274,589
EXPENSES:		
Program Services	2,087,971	2,104,738
Supportive Services:		
Management and general	235,742	187,403
Fundraising	1,000	-
Total Expenses	2,324,713	2,292,141
Changes in Net Assets Without Donor Restrictions	2,571	(17,552)
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
BEGINNING OF YEAR	1,843,203	1,860,755
END OF YEAR	$ 1,845,774	$ 1,843,203

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

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

		Support Services		
	Program Services	Management & General	Fundraising	Total
Advertising	$ 430	$ -	$ -	$ 430
Audit and accounting	-	47,547	-	47,547
Client housing	35,486	-	-	35,486
Consultants and coordinators	289,573	-	-	289,573
Dues	-	4,396	-	4,396
Equipment repairs and maintenance	97,451	1,920	-	99,371
Insurance	51,013	6,611	-	57,624
Insurance - employees	54,290	22,047	-	76,337
Interest	-	3,533	-	3,533
Miscellaneous	14,318	8,424	-	22,742
Office supplies	5,941	8,203	-	14,144
Pest control	3,675	109	-	3,784
Postage and delivery	-	1,214	-	1,214
Printing	13,971	5,848	-	19,819
Rent	25	-	-	25
Salaries and wages	658,002	89,136	-	747,138
Supplies - food	20,674	-	1,000	21,674
Taxes - payroll	45,337	12,863	-	58,200
Telephone and internet	24,713	1,678	-	26,391
Travel and transportation	21,490	1,804	-	23,294
Utilities	29,094	1,684	-	30,778
Total expenses before depreciation and in-kind expenses	1,365,483	217,017	1,000	1,583,500
Depreciation	73,193	5,589	-	78,782
In-kind contribution expenses	649,295	13,136	-	662,431
	$ 2,087,971	$ 235,742	$ 1,000	$ 2,324,713

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

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	Program Services	Support Services: Management & General	Support Services: Fundraising	Total
Advertising	$ 1,100	$ -	$ -	$ 1,100
Audit and accounting	-	43,085	-	43,085
Client housing	16,731	-	-	16,731
Consultants and coordinators	292,574	-	-	292,574
Dues	-	7,459	-	7,459
Equipment repairs and maintenance	97,430	1,630	-	99,060
Insurance	63,662	2,666	-	66,328
Insurance - employees	48,756	8,238	-	56,994
Interest	-	4,848	-	4,848
Miscellaneous	20,567	1,485	-	22,052
Office supplies	3,117	5,271	-	8,388
Pest control	2,699	83	-	2,782
Postage and delivery	-	977	-	977
Printing	12,548	-	-	12,548
Rent	432	-	-	432
Salaries and wages	602,841	71,421	-	674,262
Supplies - food	17,132	-	-	17,132
Taxes - payroll	44,263	8,960	-	53,223
Telephone and internet	27,739	1,643	-	29,382
Travel and transportation	23,583	8,871	-	32,454
Utilities	32,658	2,365	-	35,023
Total expenses before depreciation and in-kind expenses	1,307,832	169,002	-	1,476,834
Depreciation	65,804	5,265	-	71,069
In-kind contribution expenses	731,102	13,136	-	744,238
	$ 2,104,738	$ 187,403	$ -	$ 2,292,141

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

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
STATEMENTS OF CASH FLOWS
JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 2,571	$ (17,552)
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation expense	78,782	71,068
Realized and unrealized (gains) losses on investments	(3,544)	(4,086)
(Increase) decrease in operating assets:		
Grants receivable	(162,105)	(8,254)
Prepaid and other current assets	(667)	953
Increase (decrease) in operating liabilities:		
Accrued expenses	25,184	(34,781)
Net cash provided by operating activities	(59,779)	7,348
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	-	(56,136)
Proceeds from sales of investments	2,597	2,591
Net cash used in investing activities	2,597	(53,545)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on note payable	(25,121)	(24,496)
Net cash used in financing activities	(25,121)	(24,496)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(82,303)	(70,693)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	443,300	513,993
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 360,997	$ 443,300
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the year for interest	$ 3,533	$ 4,848

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

NATURE OF OPERATIONS:

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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 recommendations of the Not-for-Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). In accordance with these standards, MCCA is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions – net assets available for general use and not subject to donor restrictions. This category also includes board-designated endowments.

- Board-designated endowed net assets include those for which donors gave MCCA variance power. The Board intends to spend from these assets only an amount allowable under its spending policy.

Net assets with donor restrictions – net assets representing contributed funds subject to specific donor-imposed restrictions contingent upon specific purpose or a specific passage of time.

Accounting standards provide that if the governing body of an organization has the ability to remove a donor restriction, the contributions should be classified as net assets without donor restrictions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

In-kind Contributions:

In-kind contributions are reflected as contributions recorded 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 a significant amount of their time to MCCA's programs and meet the criteria for financial statement recognition.

Revenue Recognition of Contributions:

MCCA records contributions it receives as with restrictions or without restrictions, 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 net assets – without restrictions if the restrictions expire in the reporting period in which the contribution is recognized. For donor-restricted contributions, MCCA will record an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends, or when the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions 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 recorded 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property and Equipment: (Continued)

The cost of repairs and maintenance is charged to expense as incurred; significant renewals and betterments are capitalized.

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. MCCA had no business activities during the fiscal years ended June 30, 2019 and 2018.

MCCA believes it has appropriate support for all tax positions taken, and as such, does not have any uncertain positions that are material to the financial statements.

Cash and Cash Equivalents:

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

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. Vacation and sick leave accrual rates are as follows:

Years of Service	Vacation Days	Sick Leave Days
1 - 4	10	10
5 - 9	15	10
10 +	20	10

If an employee does not use his or her vacation time, this time is not accrued for the following calendar year.

Advertising:

MCCA uses advertising to promote its programs. Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2019 and 2018 was $430 and $1,100, respectively.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Functional Allocation of Expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Those expenses which cannot be specifically identified by function type are allocated on a reasonable basis that is consistently applied. Salaries and benefits are allocated based on estimated time spent for each function. Travel, office/occupancy, depreciation, and other expenses are allocated to functions based on space usage.

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:

Investments in marketable securities with readily determinable fair values are valued at their fair value in the statements of financial position. Realized and unrealized gains and losses are included in the statements of activities and relate to MCCA's agency endowment fund. Dividends and interest are accrued when earned.

Fair Value Measurements:

Accounting Standards 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 identical to 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fair Value Measurements: (Continued)

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.

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

MCCA manages it liquidity by structuring its financial assets to be available as expenditures, liabilities and other obligations come due. The following table reflects MCCA's financial assets (cash and cash equivalents and grants receivable) as of June 30, 2019 and 2018, reduced by amounts not available for expenses within one year of the statement of financial position date, if any:

	2019	2018
Cash and cash equivalents	$ 360,997	$ 443,302
Grants receivable	587,237	425,132
Total	$ 948,234	$ 868,434

3. PROPERTY AND EQUIPMENT:

Property and equipment as of June 30 was as follows:

	2019	2018
Land	$ 197,795	$ 197,795
Building	1,063,914	1,063,914
Vehicles	31,167	31,167
Equipment and furnishings	190,544	190,544
Total	1,483,420	1,483,420
Less: accumulated depreciation	(525,317)	(446,535)
Property and Equipment, Net	$ 958,103	$ 1,036,885

For the years ended June 30, 2019 and 2018, depreciation expense was $78,782 and $71,069, respectively.

4. LONG-TERM DEBT:

As of June 30, MCCA's long-term debt is as follows:

	2019	2018
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.	$ 99,091	$ 124,212
Total debt	99,091	124,212
Current maturities of long-term debt	(25,000)	(25,000)
Long-term debt	$ 74,091	$ 99,212

Principal payments for future fiscal years are as follows:

2020	$ 24,999
2021	24,999
2022	24,999
2023	24,094
	$ 99,091

Interest expense and paid on long-term debt for the years ended June 30, 2019 and 2018 was $3,455 and $4,848, respectively.

5. LINE OF CREDIT:

MCCA has an unsecured line of credit agreement with an available balance of $15,000 as of June 30, 2019, which carries an interest rate of 10.00%. At June 30, 2018, the available balance was $50,000 with an interest rate of 7.75%. The agreement has an open maturity date. As of June 30, 2019 and 2018, there were no outstanding borrowings against this line of credit.

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 and is described as "...a charitable fund established by a nonprofit agency for the benefit of the nonprofit agency." The Foundation acts as a trustee and has a duty to hold and manage assets for the benefit of MCCA.

6. AGENCY ENDOWMENT FUND: (Continued)

Investment Return Objective, Risk Parameters and Strategies:

The primary financial objective of the Foundation is to increase the real purchasing power of endowment assets and income after accounting for endowment spending, inflation, and costs of investment management. Endowments are invested in a diversified asset mix that is intended to meet this objective. The Foundation's investments in marketable securities with readily determinable fair values are valued at their fair value in the statement of financial position. The Foundation has established a 5% real rate of return objective for the portfolio.

Spending Policy:

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. 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 for four (4) full quarters prior to December 31st of each year in order for any appropriation to be made available. The principal balance of $55,000 is retained by the Foundation and is not distributed to MCCA.

Endowment net asset composition by type of fund as of June 30, was as follows:

	2019	2018
Without Donor Restrictions		
Board-designated endowment funds	$ 65,847	$ 64,900

Changes in endowment net assets as of June 30, was as follows:

	2019	2018
Endowment net assets, beginning of year	$ 64,900	$ 63,405
Contributions	-	-
Investment return, net	3,544	4,086
Distributions	(2,597)	(2,591)
Endowment net assets, end of year	$ 65,847	$ 64,900

The funds transferred to the Foundation are subject to the Foundation's variance power. 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.

7. FAIR VALUE MEASUREMENTS:

MCCA's beneficial interest in the asset held by Greater New Orleans Foundation is considered a Level 2 investment as defined by FASB ASC 820. Level 2 investments are measured using quoted market prices for similar assets in active markets, using significant other observable inputs.

Fair values of assets measured at June 30, 2019 are as follows:

		Fair Value Measurements at the End of the Reporting Period Using
Recurring Fair Value Measurement:	Total	Significant Other Observable Inputs Level 2
Beneficial interest in assets held by Greater New Orleans Foundation	$ 65,847	$ 65,847

Fair values of assets measured at June 30, 2018 are as follows:

		Fair Value Measurements at the End of the Reporting Period Using
Recurring Fair Value Measurement:	Total	Significant Other Observable Inputs Level 2
Beneficial interest in assets held by Greater New Orleans Foundation	$ 64,900	$ 64,900

7. FAIR VALUE MEASUREMENTS: (Continued)

Following is a summary of investment return for the years ended June 30, 2019 and 2018:

	2018	2019
Interest income	$ 1,173	$ 811
Realized gains	3,182	1,122
Unrealized gains	362	2,964
Total investment return	$ 4,717	$ 4,897

8. 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, 2019 and 2018.

MCCA leases individual office space donated by various governmental agencies and other not-for-profits on an as needed basis to meet with customers of MCCA services. MCCA does not pay for rental of this space, which is reported as in-kind contributions in the statement of activities. In-kind contributions for rent was $25,620 for each of the years ended June 30, 2019 and 2018.

9. CONCENTRATIONS AND CREDIT RISK:

A substantial portion of MCCA's support and revenue is derived from grants for the grant funds or unauthorized expenditures must be refunded. MCCA received approximately 62% and 69%, respectively, of its total revenues from Federal, State and private grantors for the years ended June 30, 2019 and 2018.

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, 2019 and 2018, MCCA did not carry any balances in excess of $250,000.

10. 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.

11. 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.

12. BOARD OF DIRECTORS' COMPENSATION:

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

13. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 6, 2019, and determined that no other events have occurred that require disclosure.

14. NEW ACCOUNTING PRONOUNCEMENT:

On August 18, 2016, the FASB issued 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities.* MCCA has adjusted the presentation of its financial statements accordingly; applying the changes retrospectively to the comparative period presented. The new standards changed the following aspects of MCCA's financial statements:

- The unrestricted net assets have been renamed *net assets without donor restrictions*.
- The temporarily restricted net assets have been renamed *net assets with donor restrictions*.
- The financial statements include a new disclosure about liquidity and availability of financial assets (Note 2).

15. RECLASSIFICATIONS:

Certain June 30, 2018 amounts have been reclassified in order to conform to the June 30, 2019 financial statement presentation. The reclassifications had no effect on the net assets or revenues, expenses and changes in net assets.

METRO CENTER FOR COMMUNITY ADVOCACY, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2019

Agency Head Name: Darlene Santana, Executive Director

Purpose		Amount
Salary	$	82,089
Health insurance		9,158
Workers compensation		1,888
Cell phone		708
TOTAL	$	93,843

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

November 6, 2019

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 statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 6, 2019.

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 s*ignificant 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan and Maher, LLP

New Orleans, Louisiana

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE *UNIFORM GUIDANCE*

November 6, 2019

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, 2019. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the *Uniform Guidance* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 its major federal program for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed one instance of noncompliance, which is required to be reported in accordance with the *Uniform Guidance* and which is described in the accompanying schedule of findings and questioned costs as Item 2019-01. Our opinion on the major federal program is not modified with respect to this matter.

Metro Centers for Community Advocacy, Inc.'s response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Metro Centers for Community Advocacy, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan and Maher, LLP
New Orleans, Louisiana

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019

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				
Crime Victim Assistance	*	16.575	2017-VA-01/02-4369	$ 175,200
Crime Victim Assistance	*	16.575	2016-VA-02/01-3723	127,023
Crime Victim Assistance	*	16.575	2017-VA-01-4188	47,591
				349,814
Violence Against Women Formula Grants		16.588	2018-WF-4735	7,012
Violence Against Women Formula Grants		16.588	2017-WF-03-4121	9,311
Violence Against Women Formula Grants		16.588	2018-WF-03-4733	14,888
Violence Against Women Formula Grants		16.588	2017-WF-03-4191	12,582
				43,793
Sexual Assault Services Program		16.017	2018-KF-01-4742	22,338
Sexual Assault Services Program		16.017	2017-KF-01-4083	21,653
				43,991
Total U.S. Department of Justice				437,598
U.S. Department of Housing and Urban Development				
Passed through Jefferson Parish Department of Community Development Programs				
Emergency Solutions Grant Program		14.231	E-13-UC-22-0001	214,033
Total U.S. Department of Housing and Urban Development				214,033
U.S. Department of Health and Human Services				
Passed through Louisiana Department of Children and Family Services				
Family Violence Prevention and Service/Domestic Violence Shelter and Supportive Services		93.671		352,943
Passed through Substance Abuse and Mental Health Services Administration Drug-Free Communities Support Program Grants		93.276		120,212
Total U.S. Department of Health and Human Services				473,155
Louisiana Highway Safety Commission		N/A		38,235
Total Expenditures of Federal Awards				$ 1,163,021

* Major Program

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019

BASIS OF PRESENTATION:

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Metro Centers for Community Advocacy, Inc. ("MCCA") under programs of the federal government for the year ended June 30, 2019. The information presented 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Uniform Guidance*, wherein certain types of expenditures are not be allowable or are limited as to reimbursement.

2. INDIRECT COST RATE:

MCCA elected not to use the 10-percent de minimis indirect cost rate as allowed under the *Uniform Guidance*.

3. SUBRECIPIENTS:

Program Title	Federal CFDA Number	Amount Provided
Crime Victim Assistance	16.575	$ 349,814
Violence Against Women Formula Grants	16.588	43,793
Sexual Assault Services Program	16.017	43,991
Emergency Solutions Grant Program	14.231	214,033
Family Violence Prevention and Service/Domestic Violence Shelter and Supportive Services	93.671	352,943
Substance Abuse and Mental Health Services Administration Drug-Free Communities Support Program Grants	93.276	120,212
		$ 1,124,786

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019

SUMMARY OF AUDITOR'S RESULTS:

The opinion issued on the financial statements of Metro Centers for Community Advocacy, Inc., for the year ended June 30, 2019 was unmodified.

Internal Control over financial reporting:

Material weaknesses:	None noted.
Significant deficiencies:	None noted.

Noncompliance material to financial statements: None noted.

FEDERAL AWARDS:

Internal Control over major programs:

Material weaknesses:	None noted.
Significant deficiencies:	None noted.

Type of auditor's report issued on compliance for the major federal award program: unmodified.

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Title 2 U.S. Code of Federal Regulations (CFR) section 200.516(a): X yes ____ no

Identification of major program:

Program Title	CFDA Number	Amount Provided
Crime Victim Assistance	16.575	$ 349,814

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

Auditee qualified as low-risk auditee? X yes ____ no

FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

None

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

2019-01

Condition:

During the single audit testing, we noted MCCA's requests for reimbursements included supporting documentation for expenses submitted that had clerical errors.

Criteria:

The supporting documentation (timesheets) should agree to the amount charged to the grant.

Effect:

Not properly maintaining supporting documentation could result in grantors disallowing costs for reimbursement.

Recommendation:

We recommend Metro Centers for Community Advocacy, Inc. review supporting documentation to ensure it agrees to the amounts being charged to the grants and subsequently being requested for reimbursement.

Management's Response:

Metro Staff provided all services in compliance with the approved grants. Invoices to the grantors was correct. Clerical errors caused issues with the timesheet

SUMMARY OF PRIOR YEAR FINDINGS:

None

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES

JUNE 30, 2019

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

November 12, 2019

Board of Directors
Metro Centers for Community Advocacy, Inc.
and Louisiana Legislative Auditor

We have applied the procedures enumerated below which were agreed to by the Metro Centers for Community Advocacy, Inc. (MCCA) and the Louisiana Legislative Auditor on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed Upon Procedures for the year ended June 30, 2019. MCCA's management is responsible for the control and compliance areas identified in the Statewide Agreed Upon Procedures. 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.

Our procedures and associated results are as follows:

Written Policies and Procedures

1) Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories:

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

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

c) Disbursements, including processing, reviewing, and approving.

d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

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

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

g) Credit Cards, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage.

h) Travel and Expense Reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

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

k) Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

<u>Results:</u>

No findings were noted as a result of applying the procedures above.

This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the control and compliance areas identified in the Statewide Agreed Upon Procedures. 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 information and use of MCCA and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan and Maher, LLP

New Orleans, Louisiana