

GENTILLY SENIOR CENTER, INC.

**FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

December 31, 2020

**CASCIO & SCHMIDT, LLC
Certified Public Accountants**

GENTILLY SENIOR CENTER, INC.

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CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Gentilly Senior Center, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Gentilly Senior Center, Inc. (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities 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 controls 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 audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gentilly Senior Center, Inc. as of December 31, 2020, 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.

Other Matters Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information which includes the combined statement of activities and schedule of compensation, benefits and other payments to agency head or chief executive officer, is not a required part of the basic 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 taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2020, on our consideration of Gentilly Senior Center, Inc.'s internal control over financial reporting and 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 Gentilly Senior Center, Inc.'s internal control over financial reporting and compliance.



Metairie, Louisiana
December 21, 2020

GENTILLY SENIOR CENTER, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2020

ASSETS

CURRENT ASSETS

Cash	\$ 15,683	
Grant receivable (Notes A4 and B)	<u>9,167</u>	
Total current assets	24,850	

Total assets		\$ <u>24,850</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 4,916	
Total current liabilities		\$ <u>4,916</u>

Total liabilities		4,916
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NET ASSETS (Note A-2 and F)

Without donor restrictions	6,796	
With donor restrictions	<u>13,138</u>	

Total net assets		<u>19,934</u>
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Total liabilities and net assets		\$ <u>24,850</u>
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The accompanying notes are an integral part of this statement.

GENTILLY SENIOR CENTER, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2020

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
REVENUES			
Grant appropriations (Note C)	\$ -	\$ 136,818	\$ 136,818
Other income	9,796	-	9,796
Net assets released from restrictions	<u>123,995</u>	<u>(123,995)</u>	<u>-</u>
Total Revenues	<u>133,791</u>	<u>12,823</u>	<u>146,614</u>
EXPENSES			
Salaries	91,918	-	91,918
Fringe benefits	7,046	-	7,046
Insurance	4,290	-	4,290
Professional services	10,800	-	10,800
Contract services	8,445	-	8,445
Program activities	1,477	-	1,477
Supplies	2,017	-	2,017
Postage	270	-	270
Telephone	625	-	625
Other	<u>2,052</u>	<u>-</u>	<u>2,052</u>
Total Expenses	<u>128,940</u>	<u>-</u>	<u>128,940</u>
INCREASE (DECREASE) IN NET ASSETS	4,851	12,823	17,674
NET ASSETS, BEGINNING OF YEAR	<u>1,945</u>	<u>315</u>	<u>2,260</u>
NET ASSETS, END OF YEAR	<u>\$ 6,796</u>	<u>\$ 13,138</u>	<u>\$ 19,934</u>

The accompanying notes are an integral part of this statement.

GENTILLY SENIOR CENTER, INC.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2020

Cash Flows from Operating Activities

Change in net assets	\$ 17,674
Changes in assets and liabilities:	
(Increase) in grant receivable	(5,000)
Increase in accounts payable and accrued liabilities	<u> 3</u>
Net Cash Provided by Operating Activities	<u>12,677</u>
Net increase in cash	12,677
Cash, at beginning of year	<u>3,006</u>
Cash, at end of year	\$ <u>15,683</u>

The accompanying notes are an integral part of this statement.

GENTILLY SENIOR CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the Corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follow.

1. Nature of Activities

Gentilly Senior Center, Inc. was organized to promote and effectuate the planning and delivery of community services and social services programs within various communities in the Parish of Orleans, and to mobilize such human financial resources as may be available to correct the social-economic deprivations affecting the area.

2. Presentation of Financial Statements

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide").

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors are considered donor restricted. Some donor restrictions are temporary in nature, those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

3. Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restrictions ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation.

GENTILLY SENIOR CENTER, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

4. Receivables

Unconditional promises to give are recognized as revenues or gains in the period in which the promise is made. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value based on expected cash flows. Conditional promises to give are not included as support until the conditions are substantially met. Contributions receivable consist primarily of promises to give from an affiliate identity and are generally considered to be fully collectible. If amounts become uncollectible, they will be charged to operations when that determination is made.

The corporation considers grants receivable to be fully collectible since the balance consists principally of payments due under contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

5. Property and Equipment

Gentilly Senior Center, Inc. records property acquisitions at cost. Donated assets are recorded as estimated value at date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. There was no depreciation expense for the year ended June 30, 2020.

It is the policy of the corporation to capitalize all property, and equipment with an acquisition cost in excess of \$1,000.

6. Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

7. Cash Equivalents

For the purpose of the statement of cash flows, the Corporation considers all investments with original maturities of three months or less to be cash equivalents.

8. Fair Values of Financial Instruments

Cash and cash equivalents carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those investments.

9. Functional Allocation of Expense

The expenses of providing program and other activities have been summarized on a functional basis in Note H to the financial statements. Certain of those expenses have been allocated among the program and supporting services benefitted based on estimates by management of the costs involved.

GENTILLY SENIOR CENTER, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

10. Subsequent Events

The subsequent events of the organization were evaluated through the date the financial statements were available to be issued December 21, 2020.

11. New Accounting Pronouncement:

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958)-Presentation of Financial Statements of Not-for Profit Entities*. The update addresses the complexity and understandability of the net asset classifications, deficiencies in information about liquidity, availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Gentilly Senior Center, Inc.'s financial statements are in conformity with ASU 2016-14.

NOTE B - GRANT RECEIVABLE

Grant receivable at June 30, 2020 consists of the following:

New Orleans Council on Aging, Inc. \$ 9,167

The Corporation's liquidity management policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE C - GRANT APPROPRIATIONS

Grants appropriations for the year ended June 30, 2020, are as follows:

<u>Governmental</u>	<u>Grant Award</u>	<u>Revenue Recognized</u>
New Orleans Council on Aging, Inc:		
Senior Center Program - GOEA	\$ 58,107	\$ 58,107
City of New Orleans - 2020	50,000	27,500
City of New Orleans - 2019	50,000	25,000
City of New Orleans - CDBG	26,211	<u>26,211</u>
		\$ <u>136,818</u>

NOTE D - INCOME TAXES

The corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

The corporation has adopted the provision of FASB ASC 740-10-25, which requires a tax position be recognized or derecognized on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The organization does not believe its financials statements include any uncertain positions.

SUPPLEMENTAL INFORMATION

GENTILLY SENIOR CENTER, INC.
COMBINED STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

	Senior Center <u>Program</u>	<u>General</u>	<u>Total</u>
REVENUE			
Grant appropriations	\$ 136,818	\$ -	\$ 136,818
Other income	<u>-</u>	<u>9,796</u>	<u>9,796</u>
Total	<u>136,818</u>	<u>9,796</u>	<u>146,614</u>
EXPENSES			
Salaries	89,131	2,787	91,918
Fringe benefits	5,188	1,858	7,046
Insurance	4,290	-	4,290
Professional services	10,800	-	10,800
Contract services	8,365	80	8,445
Program services	1,477	-	1,477
Supplies	1,797	220	2,017
Postage	270	-	270
Telephone	625	-	625
Other	<u>2,052</u>	<u>-</u>	<u>2,052</u>
Total	<u>123,995</u>	<u>4,945</u>	<u>128,940</u>
INCREASE (DECREASE) IN NET ASSETS	12,823	4,851	17,674
Net Assets, Beginning of Year	<u>315</u>	<u>1,945</u>	<u>2,260</u>
Net Assets, End of Year	\$ <u>13,138</u>	\$ <u>6,796</u>	\$ <u>19,934</u>

GENTILLY SENIOR CENTER, INC.

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

For the year ended June 30, 2020

Agency Head Name: Geralyn Labbe

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 50,310

CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
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PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
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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

To the Board of Directors
Gentilly Senior Center, Inc.

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 Gentilly Senior Center, Inc. (a nonprofit corporation) which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, and cash flows and for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements we considered Gentilly Senior Center, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gentilly Senior Center, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Gentilly Senior Center, Inc.'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in the internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. The significant deficiency is identified as item 2020-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gentilly Senior Center, Inc.'s financial statements are free of 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*.

Gentilly Senior Center, Inc's Response to Findings

Gentilly Senior Center, Inc.'s response to the finding identified in our audit is described in the accompany schedule of findings and responses. Gentilly Senior Center, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Standards Auditing* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for an other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Cassio F. Schmidt, LLC.

Metairie, Louisiana
December 21, 2020

GENTILLY SENIOR CENTER, INC.

SCHEDULE OF FINDINGS AND RESPONSES

For the year ended December 31, 2019

A. SIGNIFICANT DEFICIENCY

2020-001 Segregation of Duties

Condition: The organization consists of two persons. Accordingly, the organization is too small to effect a meaningful segregation of duties. All authorizations and approval of cash disbursements are performed by the Executive Director and all accounting functions are primarily performed by the program coordinator.

Criteria: The accounting functions should be performed by a few individual to assure proper segregation of duties.

Effect: The organization is unable to assure that its assets are properly safeguarded.

Recommendation: We recommend that the Board of Directors continue its significant involvement in the financial affairs of the corporation through review of monthly financial reports and periodic review of the corporation's day to day financial activities.

Response: See Corrective Action Plan.

B. STATUS OF PRIOR YEAR AUDIT FINDINGS

The prior year audit findings consists of the following:

<u>Significant Deficiencies</u>	<u>Resolved</u>	<u>Unresolved</u>	<u>Current Finding No.</u>
2019-001 Segregation of Duties		X	2020-001

**GENTILLY SENIOR CENTER, INC.
P.O. Box 6160
NEW ORLEANS, LA 70174
(504) 283-9040**

December 23, 2020

F.J. Cascio, CPA
3000 Kingman Street
Suite 104
Metairie, LA 70006

In response to the recent Audit Findings:

2020.001 Segregation of Duties

It is the intent of Management to keep our Board of Directors apprised of the corporation's financial condition at board meetings. The Board will be advised that financial information is available on a monthly basis for any member to review.

If you need further information, please do not hesitate to contact us.

Sincerely,



Geralyn Labbe, LMSW
Executive Director