

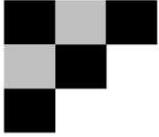
DISTRICT 2 COMMUNITY ENHANCEMENT CORPORATION

FINANCIAL STATEMENTS

JUNE 30, 2017

TABLE OF CONTENTS

	<u>Page</u>
Accountant's Review Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Budgetary Comparison Schedule	5
Notes to the Financial Statements	6-9
Management Discussion and Analysis	10-11
Payments to Agency Head	12
CPA Attestation Report	13-15
Louisiana Attestation Questionnaire	16-17



MICHELLE DIAZ CPA CFE LLC

1100 POYDRAS STREET SUITE 2900 NEW ORLEANS, LA 70163

OFC: (504) 522-7010 MDIAZ@CPACFE.COM FAX (504) 522-7015

Independent Accountant's Review Report

District 2 Community Enhancement Corporation
New Orleans, LA

We have reviewed the accompanying statement of financial position of District 2 Community Enhancement Corporation (D2CEC) as of and for the year ended June 30, 2017, and the related statement of activities and cash flows for the year then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

Accountant's Responsibility

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

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America requires the following supplementary information to be presented to supplement the basic financial statements:

- Budgetary Comparison Schedule (see page #5)
- Management's Discussion and Analysis (see pages #10 & 11)

Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the responsibility of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Other Supplementary Information

The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Michelle Diaz CPA CFE LLC

New Orleans, LA

December 31, 2017

DISTRICT 2 COMMUNITY ENHANCEMENT CORPORATION
Statement of Financial Position
June 30, 2017

ASSETS

Current Assets	
Cash	\$ 2,009
Receivables	9,010
Total Current Assets	<u>11,019</u>
Property and equipment- at Cost Less Accumulated Depreciation of \$326,807	<u>2,256,701</u>
Total Assets	<u><u>2,267,720</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities:	
Accounts and salaries payable & other accrued liabilities	89,224
Due to State of Louisiana	11,113
Notes Payable (due within one year)	26,270
Total Short Term Liabilities	<u>126,607</u>
Long Term Liabilities:	
Note Payable (due after one year)	<u>97,390</u>
Total Long Term Liabilities	
Total Liabilities	223,997

NET ASSETS

Unrestricted	2,043,723
Temporarily restricted	-
Permanently restricted	-
Total Net Assets	<u>2,043,723</u>
Total Liabilities and Net Assets	<u><u>\$2,267,720</u></u>

See accompanying notes and Accountant's report

DISTRICT 2 COMMUNITY ENHANCEMENT CORPORATION
Statement of Activities and Changes in Net Assets
Year Ended June 30, 2017

	<u>Unrestricted</u>	<u>Total Net Assets</u>
NET ASSETS, BEGINNING OF YEAR	\$ 2,050,348	\$ 2,050,348
<u>SUPPORT AND REVENUE:</u>		
Public Funds:		
Grants	354,117	354,117
Private Funds:		
Rental income	15,600	15,600
Donations	6,983	6,983
Total Support and Revenue	376,700	376,700
 <u>EXPENSES:</u>		
<u>Program Services (See Note 9):</u>		
Community and Cultural Enhancement	200,643	200,643
<u>Support Services (See Note 9):</u>		
General and Administration	182,682	182,682
Total Expenses	383,325	383,325
Change in Net Assets during the Year Ended June 30, 2017	(6,625)	(6,625)
NET ASSETS, END OF YEAR	\$ 2,043,723	\$ 2,043,723

See accompanying notes and Accountant's report

DISTRICT 2 COMMUNITY ENHANCEMENT CORPORATION
Statement of Cash Flows
Year Ended June 30, 2017

CASH FLOW FROM OPERATING ACTIVITIES

Change in net assets from Operations	\$	(6,625)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		80,067
Decrease in prepaid insurance		15,038
Increase in accounts receivable		(9,010)
Decrease in accounts payable and other liabilities		(21,122)
Net cash provided by operating activities		58,348

CASH FLOW USED IN INVESTING ACTIVITIES

Increase in fixed assets (building)		(44,616)
Net cash used in investing activities		(44,616)

CASH FLOWS USED IN FINANCING ACTIVITIES

Repayment of notes payable		(15,994)
Net cash used in financing activities		(15,994)

Net increase (decrease) in cash (2,262)

Cash - beginning of year 4,271

Cash - end of year \$ 2,009

See accompanying notes and Accountant's report

DISTRICT 2 COMMUNITY ENHANCEMENT CORPORATION
 Budgetary Comparison Schedule
 Year Ended June 30, 2017

	ACTUAL	BUDGET
Income		
FINO Grant	\$ 293,271	\$ 250,000
Capital Outlay Grant	44,616	17,500
City of New Orleans grants	16,230	9,500
Tenant rent	15,600	17,000
Private Donations	6,983	6,000
Total Income	376,700	300,000
Expense		
Salaries- Executive Director	59,499	58,000
Salaries- Program Staff	44,966	55,000
Marketing & Program Development Staff	43,228	420
Employer Taxes-Administrative Staff	2,950	4,500
Employer Taxes-Program Staff	1,391	4,950
Insurance	26,685	17,500
Instructional Staff / Class Facilitators	21,461	20,450
OVOV	19,722	20,000
Overhead	15,929	15,850
Accounting & Audit	14,095	14,000
Culminating Event	10,095	8,000
Groundskeeping & Janitorial	8,705	9,000
Student Supplies & Materials	8,429	8,400
NOLA Programs	8,205	8,000
Telephone	7,584	7,500
Interest	4,882	5,000
Equipment Rentals	2,191	2,200
Travel	1,532	5,500
Postage	890	1,025
Printing	760	1,000
Advertising	60	400
Depreciation (noncash item but included in budget)	80,067	75,000
Total Expenses	383,325	341,695
Revenue in Excess of Expenditures	\$ (6,625)	\$ (41,695)

See accompanying notes and Accountant's report

DISTRICT 2 COMMUNITY ENHANCEMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Note 1 – Summary of Activities and Significant Accounting Policies

The accounting and reporting policies of District 2 Community Enhancement Corporation (D2CEC) conform to the accounting principles generally accepted in the United States of America and the prevailing practices within the nonprofit industry. A summary of significant accounting policies is as follows:

A. Nature of Activities

District 2 Community Enhancement Corporation (“D2CEC”) was incorporated in July 2004 as a mechanism for convening and providing services to the diverse neighborhoods of Senate District 2 which includes New Orleans East and the Lower Ninth Ward, in Orleans Parish, New Orleans, Louisiana. The mission of D2CEC is to enhance the quality of life of residents of New Orleans East and the Lower Ninth Ward through advocacy, programming and organized community action.

B. Basis of Accounting

The financial statements of D2CEC have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

C. Basis of Presentation

D2CEC has adopted the Presentation of Financial Statements Topic of the FASB Accounting Standards Codification. Under the Presentation of Financial Statements Topic, the organization is required to report information regarding its financial position and activities according to three classes of net assets: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. Unrestricted net assets include those assets whose use of the assets is not restricted by donors, even though their use may be limited in other respects, such as by contract or board designation. All of the organization’s net assets are unrestricted.

D. Financial Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence of any donor restrictions. Contributions to D2CEC are typically unrestricted as was the case for all contributions received during the year ended June 30, 2017.

E. Contributed Services

During the year ended June 30, 2017, the value of contributed services meeting the requirements for recognition in the financial statements was not material and thus has not been recorded.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

G. Cash

All of D2CEC’s cash is comprised of FDIC-insured bank deposit accounts at a financial institution.

DISTRICT 2 COMMUNITY ENHANCEMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

H. Income Taxes

D2CEC is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements.

D2CEC applies the accounting guidance related to accounting for uncertainty in income taxes, which sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. The determination of whether or not a tax position has met the more-than-likely-than-not recognition threshold considers the facts, circumstances, and information available at the reporting date and is subject to management's judgment. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs. D2CEC has evaluated its position regarding the accounting for uncertain income tax positions and determined that it had no uncertain tax positions at June 30, 2017. With few exceptions, D2CEC is no longer subject to federal tax examination by tax authorities for years before 2013.

I. Property and Equipment

Property and Equipment are capitalized at cost. Additions, renewals, and betterments that increase the value or extend the lives of assets are capitalized. Replacements, maintenance, and repairs that do not increase the values or extend the lives of the respective assets are expenses as incurred. It is D2CEC's policy to capitalize expenditures for these items in excess of \$2,500. Lesser amounts are expensed. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on the straight-line method. 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 recognized as income for that period.

J. Revenue Recognition

For financial reporting, D2CEC recognizes all contributed support as income in the period received. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. Grant revenue is recognized as it is earned in accordance with approved contracts.

K. Functional Allocation of Expenses

The expense of providing the program and other activities has been summarized on a functional basis in Note 9. Certain of those expenses have been allocated among the program and supporting services based on estimates by management of the costs involved.

L. Receivables

D2CEC considers its Receivables to be fully collectable since the balance consists principally of payments due under state governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

Note 2 – Economic Dependency

D2CEC's revenue is derived primarily from funds provided through grants administered by the state of Louisiana. Approximately 90% of D2CEC's support for the year ended June 30, 2017 came from these grants. If significant budget cuts are made at the state level, the amount of funds D2CEC receives could be reduced significantly and have an adverse impact on its operations. At the time of completion of the examination of the organization's financial statements, management was not aware of any actions that would adversely affect the organization's grants and contracts for the current or next fiscal year.

DISTRICT 2 COMMUNITY ENHANCEMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Note 3 – Leases

D2CEC had no lease commitments as a Lessee. As a Lessor, D2CEC leased a portion of its office space to a private tenant from which it derived \$15,600 of rent during fiscal year ended June 30, 2017.

Note 4 – Grants and Grants Receivable

During the year, D2CEC recognized the following:

<u>AGENCY</u>	GRANT REVENUE <u>FYE 6/30/17</u>	GRANT RECEIVABLE <u>@ 6/30/17</u>
Louisiana Department of Economic Development	\$ 293,271	\$ 9,010
Louisiana Facility Planning and Control	\$ 44,616	\$ -
City of New Orleans-Total Community Action	\$ 4,980	\$ -
City of New Orleans- NORD	\$ 11,250	\$ -

Note 5 – Long Term Debt

D2CEC re-structured its prior line of credit with a local financial institution into a term loan which bears an interest rate of 8%, requires monthly payments of \$728 and in which \$59,105 was owed at June 30, 2017. The outstanding balance matures and is payable in full on March 29, 2020. The approximate maturities of the long term portion of this debt is as follows:

FYE June 30, 2018	\$ 3,985
FYE June 30, 2019	\$ 3,614
FYE June 30, 2020	\$51,506

Additionally, D2CEC has a long term auto note payable to Nissan Motor Acceptance Corp. which bears an interest rate of 4.89%, requires monthly payments of \$789, and in which \$49,555 was owed at June 30, 2017. The outstanding balance matures and is payable in full on May 6, 2023. The approximate maturities of the long term portion of this debt is as follows:

FYE June 30, 2018	\$ 7,285
FYE June 30, 2019	\$ 7,650
FYE June 30, 2020	\$ 8,032
FYE June 30, 2021	\$ 8,434
FYE June 30, 2022	\$ 8,856
FYE June 30, 2023	\$ 9,298

NOTE 6 – Board of Directors

D2CEC's Board of Directors is a voluntary board. Therefore, no compensation was paid to any member.

Note 7 – Contingencies

D2CEC receives a substantial portion of its revenues from government grants and contracts which are subject to audit. The final determination of amounts received under these programs generally is based upon allowable costs reported to and subject to audit by the grantor. Until such audits have been completed and final settlement reached, there is a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

DISTRICT 2 COMMUNITY ENHANCEMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Note 8– Property and Equipment

The following is a summary of property and equipment at June 30, 2017:

<u>Assets</u>	<u>Estimated useful lives</u>	<u>Amount</u>
Land	---	\$ 337,210
Building & Improvements	4-40	2,201,443
Furniture & equipment	5	7,334
Equipment	5	<u>37,521</u>
		2,583,508
Less accumulated depreciation		<u>(326,807)</u>
Total		\$2,256,701

The depreciation expense for the year ended June 30, 2017 totaled \$80,067. D2CEC expects to use all of its property and equipment for its program service activities.

Note 9 – Functional Expenses

The functional expenses for the year ended June 30, 2017 consist of the following:

Program services:

Fashion Institute of New Orleans (FINO)	\$172,717
One Vision One Voice (OVOV)	\$ 14,035
NOLA Youth Works/ NORD	\$ 8,205
Cultural/ Community enhancement	<u>\$ 16,886</u>
	\$200,643

Supportive services:

Management and General-FINO	\$ 82,694
Management and General-Other	\$ 19,921
Depreciation	<u>\$ 80,067</u>
	\$182,682
Total expenses	\$383,325

Note 10 – Evaluation of Subsequent Events

D2CEC has evaluated subsequent events through December 31, 2017, the date which the financial statements were available to be issued, and determined that the following disclosure is necessary: D2CEC, as Lessor, entered into a new lease for a portion of its office space with a private tenant which commenced November 1, 2017, has a term of thirteen (13) months, and from which D2CEC will derive \$2,250 per month in rent income.



December 31, 2017

MANAGEMENT DISCUSSION & ANALYSIS

The District 2 Community Enhancement Corporation (District 2) is a 501(c) 3 non-profit corporation which was organized in 2004 to enhance the quality of life for its citizens through advocacy, programming and organized community action. The programmatic areas of District 2 are: Education; Environmental Quality; Economic Development; and Community Cohesion.

Since our inception, District 2 has partnered with numerous community based organizations and private sector corporations around the state to provide a wide variety of educational and recreational services to the citizens of Southeast Louisiana. Its purpose is to have a positive impact on the lives of people in the community. District 2 has served and continues to serve as a catalyst to the community by bringing awareness to the many opportunities that exist in Louisiana and providing resources that empower, nurture, harvest, and replant.

Some of the many accomplishments of District 2 include:

- Securing a permanent home and the necessary resources to implement a variety of programs in the Greater New Orleans Community.
- The Execution of the Fashion Institute of New Orleans (FINO) program that maximizes the impact of the fashion and retail industry in New Orleans. The FINO program included classes, workshops and field trips that enhanced student's natural talent and provided training and business resources in the fashion and retail industries.
- The Execution of the One Vision One Voice program that it is cutting edge music education program designed to explore the concept of music education and allowed young people to write, publish and work in a fully operation pro-tools HD studio. Students participated in the engineering, marketing and promotions of music and music videos.
- District 2 CEC serviced over 200 young people this fiscal year.
- District 2 CEC also connected 25 students with real world employment experience.

As the State of Louisiana continues to strengthen its infrastructure, District 2 CEC continues to develop more creative and viable approaches to promoting learning.

7901 Crowder Blvd., Ste. A
New Orleans, LA 70127
Phone (504) 244-0090
Fax (504) 240-6661

FINANCIAL MANAGEMENT

D2CEC's Executive Director provides financial oversight of its operations. D2CEC contracts for the services of a bookkeeper to perform accounting duties associated with the daily operations of D2CEC. In addition, it contracts the services of an independent accountant to perform monthly bank reconciliations and reviews of the accounting records. D2CEC outsources its payroll processing to a national payroll administrator. Lastly, D2CEC contracts with an independent Certified Public Accountant to meet its compliance requirements with the Louisiana Audit Law.

FINANCIAL HIGHLIGHTS

OVERALL FINANCIAL POSITION

At June 30, 2017, D2CEC had assets totaling \$2,267,720 and liabilities totaling \$223,997 which resulted in net assets totaling \$2,043,723.

REVENUE

In fiscal year ended June 30, 2017, D2CEC's received \$354,117 in public funding; primarily from the State of Louisiana. Additionally, it received \$15,600 in tenant rent from the lease of a portion of its building and \$6,983 in private donations.

EXPENSES

During the fiscal year ended June 30, 2017, D2CEC incurred programmatic expenses which totaled \$200,643 and administrative expenses which totaled \$182,682; for a total of \$383,325.

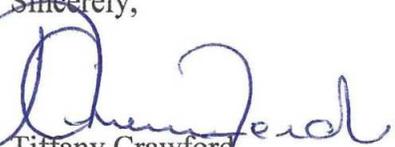
FIXED ASSETS

D2CEC's primary fixed asset is the building it owns at 7901 Crowder Blvd. in New Orleans, LA 70127 which has a book value of \$2,072,419 at June 30, 2017. Additionally, D2CEC owns other real estate, an automobile, furniture & fixtures which total \$511,089. At June 30, 2017, D2CEC had accumulated depreciation totaling \$326,807 on these fixed assets.

BOARD OF DIRECTORS

D2CEC is governed by a board of five members which consists of Tiffany Crawford, its President and Executive Director and four other individuals who volunteer their time to D2CEC. The Board meets quarterly to discuss and vote on all matters of significance to the operation of D2CEC.

Sincerely,



Tiffany Crawford
President / Executive Director

DISTRICT 2 COMMUNITY ENHANCEMENT CORPORATION

For the Year Ended June 30, 2017

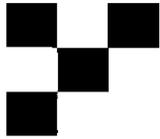
SUPPLEMENTARY INFORMATION REQUIRED BY LOUISIANA LAW

Schedule of Compensation, Benefits and Other Payments to Executive Director

Agency Head Name: Tiffany Crawford

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 70,962
Per diem reimbursements	256
Hotel reimbursement	450
Supplies reimbursements	458
Parking	<u>33</u>
	\$ 72,159

See accompanying notes and Accountant's report



MICHELLE DIAZ CPA CFE LLC

1100 POYDRAS STREET SUITE 2900 NEW ORLEANS, LA 70163

OFF: (504) 522-7010 MDIAZ@CPACFE.COM FAX (504) 522-7015

ATTESTATION REPORT

Independent Accountant's Report on Applying Agreed-Upon Procedures

To District 2 Community Enhancement Corporation
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by District 2 Community Enhancement Corporation (D2CEC) and the Louisiana Legislative Auditor (the specified parties), on D2CEC's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2017, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. D2CEC's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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:

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from D2CEC's management.

D2CEC represented that they received no federal government grant awards during the fiscal year ended June 30, 2017. D2CEC provided us with the following list of expenditures made for state and local grant awards received during the fiscal year ended June 30, 2017:

State or Local Grant Name	Grant Year	CFDA No.	Amount
FINO (LA Dept. of Economic Development)	FYE 6/30/17	N/A	\$293,271
Capital Outlay (LA Facility Planning and Control)	FYE 6/30/17	N/A	\$ 44,616
NOLA Youth Works (City of New Orleans)	FYE 6/30/17	N/A	\$ 4,980
NORDC Teen Summer Camp (City of New Orleans)	FYE 6/30/17	N/A	\$ 11,250
Total Expenditures			\$354,117

2. For each state and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

Each of the selected disbursements agreed to the amount and payee in the supporting documentation.

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

Each of the selected disbursements agreed to the amount and payee in the supporting documentation.

4. Report whether the selected disbursements were coded to the correct fund / general ledger account.

All of the disbursements were coded to the correct fund and general ledger account.

5. Report whether the selected disbursements were approved in accordance with D2CEC's policies and procedures.

D2CEC's policies and procedures state that the Executive Director must approve all disbursements. Documentation supporting each of the selected disbursements included the signature of the Executive Director.

6. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

Activities allowed or unallowed

We compared documentation for each of the selected disbursements with program compliance requirements related to services allowed or not allowed. No exceptions were noted.

Eligibility

We compared documentation for each of the selected disbursements with program compliance requirements related to eligibility. No exceptions were noted.

Reporting

We compared documentation for each of the selected disbursements with program compliance requirements related to reporting. No exceptions were noted.

7. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with D2CEC's financial records; and report whether the amounts in the close-out reports agree with D2CEC's financial records.

The selected disbursements included one state grant award that was closed out during the fiscal year. We compared the close-out report for this grant award with D2CEC's financial records. The amounts reported on the close-out report agreed with D2CEC's financial records in that the disbursements charged to the grant award were less than D2CEC's financial records. Disbursements indicated in D2CEC's financial records which would have been eligible for cost reimbursement but which exceeded the grant award were not charged to the grant.

Open Meetings

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions. Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at <http://app1.la.state.la.us/llala.nsf>, to determine whether a non-profit agency is subject to the open meetings law.

Management represented that D2CEC is not subject to the Open Meetings law.

Budget

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that D2CEC provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

D2CEC provided documentation that comprehensive budgets were submitted to the applicable federal grantor agency for the grants exceeding five thousand dollars. These budgets included the purpose and duration of the grant program and included specific goals, objectives and measures of performance.

Prior-Year Comments

10. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

Not applicable

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. 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 D2CEC's compliance with the foregoing matters. 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 D2CEC's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Louisiana Legislative Auditor as a public document.

Michelle Diaz CPA CFE LLC

New Orleans, LA
December 31, 2017

Attachments:

Signed LA Attestation Questionnaire

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

November 8, 2017

Michelle Diaz CPA CFE LLC
1100 Poydras Street #2900
New Orleans, LA 70163

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2017 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

Open Meetings

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

N/A Yes [] No []

Budget

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

Yes [] No []

Reporting

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

Yes [] No []

Prior-Year Comments

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

Yes [] No []

General

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

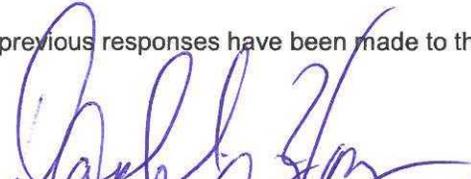
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period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

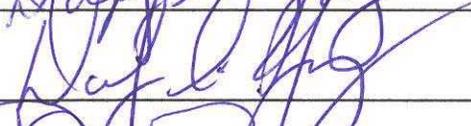
Yes [] No []

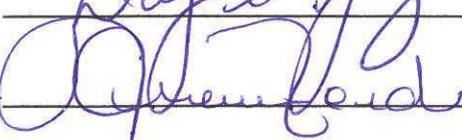
We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [] No []

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

 Secretary 11/8/17 Date

 Treasurer 11/8/17 Date

 President 11/8/17 Date