METRO CENTERS FOR COMMUNITY
ADVOCACY, INC.

FINANCIAL REPORT

JUNE 30, 2020 AND 2019

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.

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January 28, 2021

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

Report on the Financial Statements

We have audited the accompanying financial statements of Metro Centers for Community Advocacy, Inc. ("MCCA") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 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, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is 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 January 28, 2021, 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 solely 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 the effectiveness of Metro Centers for Community Advocacy, Inc.'s 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, 2020 AND 2019

ASSETS

	2020	2019
Current Assets:		
Cash and cash equivalents	$ 669,646	$ 360,997
Grants receivable	452,381	587,237
Prepaids and other current assets	26,118	26,161
Total Current Assets	1,148,145	974,395
Non-Current Assets:		
Beneficial interest in asset held by Greater New Orleans Foundation	63,948	65,847
Property and equipment, net	914,093	958,103
Total Non-Current Assets	978,041	1,023,950
TOTAL ASSETS	$ 2,126,186	$ 1,998,345

LIABILITIES AND NET ASSETS

	2020	2019
Current Liabilities:		
Accounts payable	$ 20,281	$ -
Accrued expenses	89,816	53,480
Refundable advances	11,160	-
Long-term debt, current portion	25,000	25,000
Total Current Liabilities	146,257	78,480
Long-Term Debt, net of current portion	49,091	74,091
Net Assets Without Donor Restrictions:		
Board-designated	63,948	65,847
Undesignated	1,866,890	1,779,927
	1,930,838	1,845,774
TOTAL LIABILITIES AND NET ASSETS	$ 2,126,186	$ 1,998,345

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, 2020 AND 2019

	2020	2019
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenues and Other Support:		
Grants:		
Governmental	$ 1,497,881	$ 1,227,400
Non governmental	190,191	216,520
Donations	212,173	173,536
In-kind contributions	366,296	662,431
Fundraising	4,177	5,549
Realized and unrealized gains	497	3,544
Interest income	1,170	1,173
Rental income	18,415	11,700
Other income	54,208	25,431
Total Revenues and Other Support	2,345,008	2,327,284
Expenses:		
Program Services	2,083,100	2,087,971
Supportive Services:		
Management and general	175,844	235,742
Fundraising	1,000	1,000
Total Expenses	2,259,944	2,324,713
Changes in Net Assets Without Donor Restrictions	85,064	2,571
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
BEGINNING OF YEAR	1,845,774	1,843,203
END OF YEAR	$ 1,930,838	$ 1,845,774

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, 2020

		Support Services		
	Program Services	Management & General	Fundraising	Total
Advertising	$ 25,305	$ -	$ -	$ 25,305
Audit and accounting	-	32,411	-	32,411
Client housing	57,959	-	-	57,959
Consultants and coordinators	368,198	-	-	368,198
Dues	-	4,651	-	4,651
Equipment repairs and maintenance	85,906	4,979	-	90,885
Insurance	58,580	4,307	-	62,887
Insurance - employees	79,452	12,286	-	91,738
Interest	-	2,872	-	2,872
Miscellaneous	47,692	8,744	-	56,436
Office supplies	5,887	4,134	-	10,021
Pest control	3,234	133	-	3,367
Postage and delivery	-	958	-	958
Printing	9,068	222	-	9,290
Rent	2,809	-	-	2,809
Salaries and wages	759,438	75,271	-	834,709
Supplies - food	15,887	-	1,000	16,887
Taxes - payroll	55,075	6,127	-	61,202
Telephone and internet	22,966	1,620	-	24,586
Travel and transportation	47,021	-	-	47,021
Utilities	34,686	1,860	-	36,546
Total expenses before depreciation and in-kind expenses	1,679,163	160,575	1,000	1,840,738
Depreciation	50,777	2,133	-	52,910
In-kind contribution expenses	353,160	13,136	-	366,296
	$ 2,083,100	$ 175,844	$ 1,000	$ 2,259,944

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

	Program Services	Support Services: Management & General	Support Services: 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.
STATEMENTS OF CASH FLOWS
JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 85,064	$ 2,571
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation expense	52,910	78,782
Realized and unrealized (gains) losses on investments	497	(3,544)
(Increase) decrease in operating assets:		
Grants receivable	134,856	(162,105)
Prepaid and other current assets	43	(667)
Increase (decrease) in operating liabilities:		
Accounts payable	20,281	-
Accrued expenses	36,336	25,184
Refundable advances	11,160	-
Net cash provided (used) by operating activities	341,147	(59,779)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(8,900)	-
Proceeds from sales of investments	1,402	2,597
Net cash (used) provided by investing activities	(7,498)	2,597
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on note payable	(25,000)	(25,121)
Net cash used in financing activities	(25,000)	(25,121)
NET CHANGE IN CASH AND CASH EQUIVALENTS	308,649	(82,303)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	360,997	443,300
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 669,646	$ 360,997
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the year for interest	$ 2,872	$ 3,533

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:

Management has determined that a portion of the grant funds received are contributions. MCCA recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Once the condition is met contributions are recorded as increases in net assets without donor restrictions or increases in net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without restrictions, and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor 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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property and Equipment: (Continued)

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. 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, 2020 and 2019.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Advertising:

MCCA uses advertising to promote its programs. Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2020 and 2019 was $25,305 and $430, respectively.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fair Value Measurements: (Continued)

Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

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, 2020 and 2019, reduced by amounts not available for expenses within one year of the statement of financial position date, if any:

	2020	2019
Cash and cash equivalents	$ 669,646	$ 360,997
Grants receivable	452,381	587,237
Total financial assets	$ 1,122,027	$ 948,234
Less: Board Designated Net Assets	(63,948)	(65,847)
Financial assets available to meet cash needs for general operating expenses within one year	$ 1,058,079	$ 882,387

3. PROPERTY AND EQUIPMENT:

Property and equipment as of June 30 was as follows:

	2020	2019
Land	$ 197,795	$ 197,795
Building	1,063,914	1,063,914
Vehicles	31,167	31,167
Equipment and furnishings	199,444	190,544
Total	1,492,320	1,483,420
Less: accumulated depreciation	(578,227)	(525,317)
Property and Equipment, Net	$ 914,093	$ 958,103

3. PROPERTY AND EQUIPMENT: (Continued)

For the years ended June 30, 2020 and 2019, depreciation expense was $52,910 and $78,782, respectively.

4. LONG-TERM DEBT:

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

	2020	2019
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 deposit accounts.	$ 74,091	$ 99,091
Total debt	74,091	99,091
Current maturities of long-term debt	(25,000)	(25,000)
Long-term debt	$ 49,091	$ 74,091

Principal payments for future fiscal years are as follows:

2021	$ 25,000
2022	25,000
2023	24,091
	$ 74,091

Interest expense and paid on long-term debt for the years ended June 30, 2020 and 2019 was $2,872 and $3,533, respectively.

5. LINE OF CREDIT:

MCCA has an unsecured line of credit agreement with an available balance of $15,000 as of June 30, 2020, which carries an interest rate of 10.00%. At June 30, 2019, the available balance was $50,000 with an interest rate of 7.75%. The agreement has an open maturity date. As of June 30, 2020 and 2019, 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.

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:

	2020	2019
Without Donor Restrictions		
Board-designated endowment funds	$63,948	$65,847

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

	2020	2019
Endowment net assets, beginning of year	$65,847	$64,900
Contributions	-	-
Investment return, net	699	3,544
Distributions	(2,598)	(2,597)
Endowment net assets, end of year	$63,948	$65,847

6. AGENCY ENDOWMENT FUND: (Continued)

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 are as follows:

Recurring Fair Value Measurement:	Total	Significant Other Observable Inputs Level 2
June 30, 2020		
Beneficial interest in assets held by Greater New Orleans Foundation	$ 63,948	$ 63,948
June 30, 2019		
Beneficial interest in assets held by Greater New Orleans Foundation	$ 65,847	$ 65,847

Following is a summary of investment return for the years ended June 30, 2020 and 2019:

	2020	2019
Interest income	1,170	1,173
Realized gains	1,191	3,182
Unrealized (losses) gains	(694)	362
Total investment return	$ 1,667	$ 4,717

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, 2020 and 2019.

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 $22,185 and $25,620 for the years ended June 30, 2020 and 2019, respectively.

9. CONCENTRATIONS AND CREDIT RISK:

A substantial portion of MCCA's support and revenue is derived from grants. For the years ending June 30, 2020 and 2019 approximately 72% and 62%, respectively, of its total revenues were from Federal, State and private grantors.

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, 2020 and 2019, the amount of cash on deposit that exceeded the FDIC coverage limits was $156,032 and $-, respectively.

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. CHANGE IN ACCOUNTING PRINCIPLE:

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies and improves guidance for contributions received and contributions made, and provides guidance to organizations on how to account for certain exchange transactions This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities.

The change in accounting principle was adopted on a modified prospective basis as of July 1, 2019. As a result, there was no cumulative-effect adjustment to opening net assets without donor restrictions or opening net assets with donor restrictions as of July 1, 2019. In comparison to the year ended June 30, 2019, the effect of adopting the new accounting principle was an increase in refundable advances and a decrease in grant revenues by $11,160 in the year ended June 30, 2020.

14. UNCERTAINTIES:

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which could possibly impact MCCA. Management has been unable to determine the effect on MCCA.

15. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 28, 2021, and determined that no other events have occurred that require disclosure.

METRO CENTER FOR COMMUNITY ADVOCACY, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2020

Agency Head Name: Darlene Santana, Executive Director

Purpose		Amount
Salary	$	84,552
Health insurance		10,206
Taxes - payroll		6,062
Workers compensation		1,995
Cell phone		846
TOTAL	$	103,661

DHHM
certified public accountants

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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*

January 28, 2021

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, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated January 28, 2021.

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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as item 20-01, that we consider to be significant deficiencies.

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*.

MCCA's Response to Findings

MCCA's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. MCCA'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 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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certified public
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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*

January 28, 2021

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, 2020. 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, 2020.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the *Uniform Guidance.*

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, 2020

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-GX-0055	$ 187,181
Crime Victim Assistance	*	16.575	2018-V2-GX-0042	167,308
Crime Victim Assistance	*	16.575	2018-V2-GX-0042	92,133
				446,622
Violence Against Women Formula Grants		16.588	2019-WF-AX-0043	9,118
Violence Against Women Formula Grants		16.588	2018-WF-AX-0005	9,279
Violence Against Women Formula Grants		16.588	2019-WF-AX-0043	15,245
Violence Against Women Formula Grants		16.588	2018-WF-AX-0005	12,910
				46,552
Sexual Assault Services Program		16.017	2019-KF-AX-0004	22,274
Sexual Assault Services Program		16.017	2018-KF-AX-0044	22,141
				44,415
Total U.S. Department of Justice				537,589
U.S. Department of Housing and Urban Development				
Passed through Jefferson Parish Department of Community Development Programs				
Emergency Solutions Grant Program		14.231	E-19-UC-22-0001	80,491
Emergency Solutions Grant Program		14.231	B-19-UC-22-0001	86,226
Total U.S. Department of Housing and Urban Development				166,717
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	PO #2000358670	351,535
Passed through Substance Abuse and Mental Health Services Administration Drug-Free Communities Support Program Grants		93.276		119,951
Total U.S. Department of Health and Human Services				471,486
National Highway Traffic Safety Administration				
Passed through Louisiana Highway Safety Commission				
State and Community Highway Safety		20.600		18,490
Minimum Penalties for Repeat Offenders for Driving While Intoxicated		20.608		4,301
Total National Highway Traffic Safety Administration				22,791
Total Expenditures of Federal Awards				$ 1,198,583

* Major Program

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2020

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, 2020. 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	$ 446,622
Violence Against Women Formula Grants	16.588	46,552
Sexual Assault Services Program	16.017	44,415
Emergency Solutions Grant Program	14.231	166,717
Family Violence Prevention and Service/Domestic Violence Shelter and Supportive Services	93.671	351,535
Substance Abuse and Mental Health Services Administration Drug-Free Communities Support Program Grants	93.276	119,951
		$ 1,175,792

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, 2020 was unmodified.

Internal Control over financial reporting:

Material weaknesses:	None noted.
Significant deficiencies:	Yes – finding 20-01

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): ___yes _X_no

Identification of major program:

Program Title	CFDA Number	Amount Provided
Crime Victim Assistance	16.575	$ 446,622

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:

Internal Controls – Significant deficiency

20-01 General Ledger

During the performance of audit procedures, we noted the following:

a. Funds received subsequent to year-end were posted to the general ledger in the current fiscal year resulting in an overstatement in cash and an understatement of accounts receivable. Additionally, invoices in which payments had been received were still included in accounts receivable resulting in an overstatement of revenue and accounts receivable;

b. The final payroll period for the year, paid subsequent to year end, was posted as a cash withdrawal on the last day of the payroll period instead of the date the payroll was paid resulting in an understatement of cash and accrued payroll;

c. In-kind contribution revenue and in-kind contribution expense were not recorded for rent on the eastbank building resulting in an understatement of revenues and expenses;

d. Year-end cash reconciliations did not agree with the cash balances on the year-end trial balance resulting in incorrect internal reporting.

MCCA should properly record transactions in the correct fiscal year to ensure accurate financial statements. In addition MCCA should report all in-kind contributions for rent and the related expense. Lastly, MCCA should properly reconcile the cash bank balance to the general ledger.

We recommend MCCA properly record transactions in the correct fiscal year to ensure accurate financial statements, report all in-kind contributions and the related expense for rent and properly reconcile their cash account to the general ledger.

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

Internal Controls – Significant deficiency

20-01 General Ledger

During the performance of audit procedures, we noted the following:

a. Funds received subsequent to year-end were posted to the general ledger in the current fiscal year resulting in an overstatement in cash and an understatement of accounts receivable. Additionally, invoices in which payments had been received were still included in accounts receivable resulting in an overstatement of revenue and accounts receivable;

b. The final payroll period for the year, paid subsequent to year end, was posted as a cash withdrawal on the last day of the payroll period instead of the date the payroll was paid resulting in an understatement of cash and accrued payroll;

c. In-kind contribution revenue and in-kind contribution expense were not recorded for rent on the eastbank building resulting in an understatement of revenues and expenses;

d. Year-end cash reconciliations did not agree with the cash balances on the year-end trial balance resulting in incorrect internal reporting.

MCCA should properly record transactions in the correct fiscal year to ensure accurate financial statements. In addition MCCA should report all in-kind contributions for rent and the related expense. Lastly, MCCA should properly reconcile the cash bank balance to the general ledger.

We recommend MCCA properly record transactions in the correct fiscal year to ensure accurate financial statements, report all in-kind contributions and the related expense for rent and properly reconcile their cash account to the general ledger.

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

Internal Controls – Significant deficiency (Continued)

20-01 General Ledger (Continued)

Management's Response:

Metro has experienced an unusual amount of turnover in the position of Financial Officer, one of which occurred 2 weeks before the end of our fiscal year. Due to the unique nature of nonprofit grant management, this position requires a longer learning curve. We are focusing on retention and stability in this position. We are ensuring the accounting entries in our software are accurate retroactive to the beginning of the current fiscal year. The external consultant who reviews Quickbooks monthly and reconciles our accounts for separation of duties and internal controls is a Certified Quickbooks Proadvisor as is our current Financial Officer.

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS: None

SUMMARY OF PRIOR YEAR FINDINGS:

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

None

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

19-01 Reimbursements

During the single audit testing, we noted MCCA's requests for reimbursements included supporting documentation for expenses submitted that had clerical errors. The supporting documentation (timesheets) should agree to the amount charged to the grant. Not properly maintaining supporting documentation could result in grantors disallowing costs for reimbursement. We recommended 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. The comment was resolved during the prior year.