

GENTILLY SENIOR CENTER, INC.

**FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT**

June 30, 2018

GENTILLY SENIOR CENTER, INC.

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Justin J. Scanlan, C.P.A., L.L.C.

A LIMITED LIABILITY COMPANY

4769 ST. ROCH AVE. NEW ORLEANS, LOUISIANA 70122
TELEPHONE: (504) 288-0050

INDEPENDENT AUDITOR'S REPORT

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 non-profit organization), which comprise the statement of the financial position as of June 30, 2018, 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 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 Gentilly Senior Center, Inc. as of June 30, 2018, 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.

Report on Summarized Comparative Information

We have previously audited Gentilly Senior Center, Inc.'s 2017 financial statements, and our report dated September 25, 2017, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules listed in the table of contents are presented for the purpose of additional analysis and are 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 statement 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 October 15, 2018, on our consideration of Gentilly Senior Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gentilly Senior Center, Inc.'s internal control over financial reporting and compliance.

Justine J. Scanlon, CPA, LLC

New Orleans, Louisiana
October 15, 2018

GENTILLY SENIOR CENTER, INC.
STATEMENT OF FINANCIAL POSITION

June 30, 2018

ASSETS		SUMMARIZED COMPARATIVE INFORMATION
		<u>June 30, 2017</u>
Cash	\$ 3,868	\$ 1,914
Grant receivable (Notes A4 and B)	<u>4,167</u>	<u>6,667</u>
Total assets	<u>\$ 8,035</u>	<u>\$ 8,581</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$ <u>5,721</u>	\$ <u>2,755</u>
Total liabilities	<u>5,721</u>	<u>2,755</u>
Net assets		
Unrestricted	274	705
Temporarily restricted (Note F)	<u>2,040</u>	<u>5,121</u>
Total net assets	<u>2,314</u>	<u>5,826</u>
Total liabilities and net assets	<u>\$ 8,035</u>	<u>\$ 8,581</u>

The accompanying notes are an integral part of this financial statement.

GENTILLY SENIOR CENTER, INC.

STATEMENT OF ACTIVITIES

For the year ended June 30, 2018

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>	<u>SUMMARIZED COMPARATIVE INFORMATION For the year ended June 30, 2017</u>
REVENUES				
Grant appropriations (Note C)	\$ -	\$ 120,987	\$ 120,987	\$ 150,987
Other income	-	704	704	810
Net assets released from restrictions	<u>124,772</u>	<u>< 124,772 ></u>	<u>-</u>	<u>-</u>
Total revenues	<u>124,772</u>	<u>< 3,081 ></u>	<u>121,691</u>	<u>151,797</u>
EXPENSES				
Salaries	90,230	-	90,230	96,462
Fringe benefits	7,071	-	7,071	7,395
Insurance	4,138	-	4,138	3,738
Professional services	10,800	-	10,800	16,800
Contract services	7,700	-	7,700	14,670
Program activities	1,453	-	1,453	6,571
Supplies	1,036	-	1,036	3,249
Postage	230	-	230	247
Telephone	659	-	659	590
Other	<u>1,886</u>	<u>-</u>	<u>1,886</u>	<u>1,820</u>
Total expenses	<u>125,203</u>	<u>-</u>	<u>125,203</u>	<u>151,542</u>
Increase <decrease> in net assets	< 431 >	< 3,081 >	< 3,512 >	255
Net assets, beginning of year	<u>705</u>	<u>5,121</u>	<u>5,826</u>	<u>5,571</u>
Net assets, end of year	<u>\$ 274</u>	<u>\$ 2,040</u>	<u>\$ 2,314</u>	<u>\$ 5,826</u>

The accompanying notes are an integral part of this financial statement.

GENTILLY SENIOR CENTER, INC.

STATEMENT OF CASH FLOWS

For the year ended June 30, 2018

**SUMMARIZED
COMPARATIVE
INFORMATION
For the year ended
June 30, 2017**

Cash flows from operating activities:		
Increase <decrease> in net assets	\$ < 3,512 >	\$ 255
Adjustments to reconcile increase <decrease> in net assets to net cash provided by <used in> operating activities:		
Changes in assets and liabilities:		
<Increase> decrease in grant receivable	2,500	< 4,167 >
Increase <decrease> in accounts payable and accrued liabilities	<u>2,966</u>	<u>< 8,334 ></u>
Net cash provided by <used in> operating activities	<u>1,954</u>	<u>< 12,246 ></u>
Net increase <decrease> in cash and cash equivalents	1,954	< 12,246 >
Cash and cash equivalents, beginning of year	<u>1,914</u>	<u>14,160</u>
Cash and cash equivalents, end of year	<u>\$ 3,868</u>	<u>\$ 1,914</u>

The accompanying notes are an integral part of this financial statement.

GENTILLY SENIOR CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

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. Financial Statement Presentation

The corporation's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 958. Accordingly, the net assets of the corporation are reclassified to present the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets.

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Project and/or the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that the Project maintains them permanently. Generally, the donors of these assets permit the Project to use or part of the income earned on related investments for general or specific purposes. There were no permanently restricted net assets.

3. Revenue Recognition

For financial reporting, the corporation 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. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions".

Grant revenue is recognized as it is earned in accordance with approved contracts.

4. Receivables

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

GENTILLY SENIOR CENTER, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Property and Equipment

Gentilly Senior Center, Inc. records property acquisitions at cost. Donated assets are recorded at 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, 2018.

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 statements 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 purposes 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 Investments

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 Expenses

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

10. Subsequent Events

The subsequent events of the organization were evaluated through the date the financial statements were available to be issued (October 15, 2018).

GENTILLY SENIOR CENTER, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

11. Summarized Comparative Information

Summarized comparative information is presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE B – GRANT RECEIVABLE

Grant receivable at June 30, 2018 consists of the following:

New Orleans Council on Aging, Inc. \$ 4,167

NOTE C – GRANT APPROPRIATIONS

Grant appropriations for the year ended June 30, 2018 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 – 2017	50,000	25,000
City of New Orleans – 2018	50,000	25,000
City of New Orleans – CDBG	12,880	<u>12,880</u>
		<u>\$ 120,987</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 based 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 financial statements include any uncertain positions.

GENTILLY SENIOR CENTER, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE E - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE F – TEMPORARILY RESTRICTED NET ASSETS

The temporarily restricted net assets at June 30, 2018 consist of the following:

City of New Orleans – 2018 \$ 2,040

NOTE G – FUNCTIONAL EXPENSES

Functional expenses for the year ended June 30, 2018, are as follows:

Program Services	
Senior Center Program	\$ 94,046
Supportive Services	
Management and general	<u>31,157</u>
	<u>\$ 125,203</u>

NOTE H – ECONOMIC DEPENDENCY

Gentilly Senior Center, Inc. received the majority of its revenue from funds provided through grants administered by the New Orleans Council on Aging, Inc. The grant amounts are awarded each year by the state government. If significant budget cuts are made at the state level, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operations.

The corporation's support through government grants totaled 99% for the year ended June 30, 2018.

SUPPLEMENTAL INFORMATION

GENTILLY SENIOR CENTER, INC.
COMBINED STATEMENT OF ACTIVITIES

For the year ended June 30, 2018

	<u>Senior Center Program</u>	<u>General</u>	<u>Total</u>
REVENUES			
Grant appropriations	\$ 120,987	\$ -	\$ 120,987
Other income	<u>704</u>	<u>-</u>	<u>704</u>
Total revenues	<u>121,691</u>	<u>-</u>	<u>121,691</u>
EXPENSES			
Salaries	90,230	-	90,230
Fringe benefits	7,071	-	7,071
Insurance	4,138	-	4,138
Professional services	10,800	-	10,800
Contract services	7,700	-	7,700
Program services	1,022	431	1,453
Supplies	1,036	-	1,036
Postage	230	-	230
Telephone	659	-	659
Other	<u>1,886</u>	<u>-</u>	<u>1,886</u>
Total expenses	<u>124,772</u>	<u>431</u>	<u>125,203</u>
Increase <decrease> net assets	< 3,081 >	< 431 >	< 3,512 >
Net assets, beginning of year	<u>5,121</u>	<u>705</u>	<u>5,826</u>
Net assets, end of year	<u>\$ 2,040</u>	<u>\$ 274</u>	<u>\$ 2,314</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, 2018

Agency Head: GERALYN LABBE

<u>Purpose</u>	<u>Amount</u>
Salary	<u>\$ 47,541</u>

Justin J. Scanlan, C.P.A., P.C.C.

A LIMITED LIABILITY COMPANY

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TELEPHONE: (504) 288-0050

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

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 non-profit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 15, 2018.

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. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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 2018-001.

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 accompanying 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 Auditing Standards* in considering the organization'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.



New Orleans, Louisiana
October 15, 2018

GENTILLY SENIOR CENTER, INC.
SCHEDULE OF FINDINGS AND RESPONSES
For the year ended June 30, 2018

A. SIGNIFICANT DEFICIENCY

2018-001 Segregation of Duties

Condition: Due to the size of the administrative staff, 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 individuals to assure proper segregation of duties.

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

Recommendation: We recommend 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 finding consists of the following:

<u>Significant Deficiencies</u>	<u>Resolved</u>	<u>Unresolved</u>	<u>Current Finding No.</u>
2017-001. Segregation of Duties		X	2018-001

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

October 15, 2018

Justin L. Scanlan, CPA, LLC
4769 St. Roch Avenue
New Orleans, LA 70122

In response to the recent Audit Findings:

2018-001 Separation of Tasks

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