

METRO CENTERS FOR COMMUNITY
ADVOCACY, INC.

FINANCIAL REPORT

JUNE 30, 2023 AND 2022

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.

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INDEPENDENT AUDITOR'S REPORT

December 11, 2023

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Metro Centers for Community Advocacy, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Metro Centers for Community Advocacy, Inc. as of June 30, 2023 and 2022, and the respective changes in its net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Metro Centers for Community Advocacy, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Responsibilities of Management 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, and for 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.

In preparing financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Metro Centers for Community Advocacy, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtaining an understanding of internal control relevant to the audit 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 Metro Centers for Community Advocacy, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Metro Centers for Community Advocacy, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions 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, based on our audit, 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 December 11, 2023, 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 solely 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 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, Sharpner, Hogan and Oaker, LLP

New Orleans, Louisiana

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

| | <u>ASSETS</u> | |
|--|---------------------------------------|-------------------------|
| | <u>2023</u> | <u>2022</u> |
| Current Assets: | | |
| Cash and cash equivalents | \$ 1,068,041 | \$ 5,141,448 |
| Certificates of deposit | 219,690 | 118,367 |
| Grants receivable | 451,620 | 502,938 |
| Interest receivable | 1,175 | - |
| Prepays and other current assets | 39,876 | 43,485 |
| Total Current Assets | <u>1,780,402</u> | <u>5,806,238</u> |
| Non-Current Assets: | | |
| Investments - mutual funds | 2,003,443 | - |
| Beneficial interest in asset held by Greater New Orleans Foundation | 2,092,717 | 67,973 |
| Property and equipment, net | 860,399 | 602,262 |
| Operating lease right of use assets, net | 27,869 | - |
| Total Non-Current Assets | <u>4,984,428</u> | <u>670,235</u> |
| TOTAL ASSETS | <u>\$ 6,764,830</u> | <u>\$ 6,476,473</u> |
| | <u>LIABILITIES AND NET ASSETS</u> | |
| Current Liabilities: | | |
| Accrued expenses | \$ 82,046 | \$ 80,604 |
| Refundable advance | 189,696 | 292,001 |
| Operating lease right of use liability | 9,392 | - |
| Total Current Liabilities | <u>281,134</u> | <u>372,605</u> |
| Long-Term Liabilities: | | |
| Operating lease right of use liability | 18,477 | - |
| Total Liabilities | <u>299,611</u> | <u>372,605</u> |
| Net Assets Without Donor Restrictions: | | |
| Board-designated | 70,219 | 67,973 |
| Undesignated | 6,395,000 | 6,035,895 |
| | <u>6,465,219</u> | <u>6,103,868</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 6,764,830</u> | <u>\$ 6,476,473</u> |

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, 2023 AND 2022

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|
| NET ASSETS WITHOUT DONOR RESTRICTIONS: | | |
| Revenues and Other Support: | | |
| Grants: | | |
| Governmental | \$ 2,264,040 | \$ 2,033,357 |
| Non governmental | 172,598 | 175,035 |
| Donations | 334,566 | 4,177,226 |
| In-kind contributions | 268,723 | 294,771 |
| Fundraising | 3,187 | 10,743 |
| Realized and unrealized gains (losses) | 94,490 | (6,548) |
| Interest income | 134,907 | 17,306 |
| Rental income | 10,000 | 7,428 |
| Other income | 93,389 | 58,863 |
| Insurance proceeds | 32,900 | 604,348 |
| Gain on disposal of assets | 19,454 | - |
| Total Revenues and Other Support | <u>3,428,254</u> | <u>7,372,529</u> |
| Expenses: | | |
| Program Services | 2,638,266 | 2,306,782 |
| Supportive Services: | | |
| Management and general | 425,855 | 375,016 |
| Fundraising | 1,000 | 1,000 |
| Total Expenses | <u>3,065,121</u> | <u>2,682,798</u> |
| Casualty Losses | <u>1,782</u> | <u>540,863</u> |
| Total Expenses and Losses | <u>3,066,903</u> | <u>3,223,661</u> |
| Changes in Net Assets Without Donor Restrictions | 361,351 | 4,148,868 |
| NET ASSETS WITHOUT DONOR RESTRICTIONS: | | |
| BEGINNING OF YEAR | <u>6,103,868</u> | <u>1,955,000</u> |
| END OF YEAR | <u>\$ 6,465,219</u> | <u>\$ 6,103,868</u> |

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, 2023

| | Program Services | Support Services | | Total |
|--|---------------------|-------------------------|-----------------|---------------------|
| | | Management & General | Fundraising | |
| Advertising | \$ 32,183 | \$ - | \$ - | \$ 32,183 |
| Audit and accounting | - | 42,980 | - | 42,980 |
| Client housing | 326,202 | - | - | 326,202 |
| Consultants and coordinators | 611,262 | - | - | 611,262 |
| Dues | - | 4,549 | - | 4,549 |
| Equipment repairs and maintenance | 90,048 | 3,817 | - | 93,865 |
| Insurance | 84,968 | 5,500 | - | 90,468 |
| Insurance - employees | 61,791 | 27,701 | - | 89,492 |
| Miscellaneous | 183,535 | 4,347 | - | 187,882 |
| Office supplies | 15,670 | 4,082 | - | 19,752 |
| Pest control | 4,008 | 396 | - | 4,404 |
| Postage and delivery | - | 976 | - | 976 |
| Printing | 4,968 | - | - | 4,968 |
| Rent | 25,098 | - | - | 25,098 |
| Retirement | 3,446 | 3,747 | - | 7,193 |
| Salaries and wages | 700,102 | 270,487 | - | 970,589 |
| Supplies - food | 10,370 | - | 1,000 | 11,370 |
| Taxes - payroll | 64,514 | 20,692 | - | 85,206 |
| Telephone and internet | 23,927 | 2,625 | - | 26,552 |
| Travel and transportation | 72,421 | - | - | 72,421 |
| Utilities | 58,169 | 1,426 | - | 59,595 |
| | <u>2,372,682</u> | <u>393,325</u> | <u>1,000</u> | <u>2,767,007</u> |
| Total expenses before depreciation and in-kind expenses | | | | |
| Depreciation | 28,150 | 1,241 | - | 29,391 |
| In-kind contribution expenses | <u>237,434</u> | <u>31,289</u> | <u>-</u> | <u>268,723</u> |
| | <u>\$ 2,638,266</u> | <u>\$ 425,855</u> | <u>\$ 1,000</u> | <u>\$ 3,065,121</u> |

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, 2022

| | Program Services | Support Services | | Total |
|--|---------------------|-------------------------|-------------|--------------|
| | | Management & General | Fundraising | |
| Advertising | \$ 52,113 | \$ - | \$ - | \$ 52,113 |
| Audit and accounting | - | 29,526 | - | 29,526 |
| Client housing | 182,891 | - | - | 182,891 |
| Consultants and coordinators | 513,022 | - | - | 513,022 |
| Dues | - | 4,869 | - | 4,869 |
| Equipment repairs and maintenance | 66,453 | 2,408 | - | 68,861 |
| Insurance | 72,860 | 5,868 | - | 78,728 |
| Insurance - employees | 65,148 | 25,577 | - | 90,725 |
| Interest | - | 1,014 | - | 1,014 |
| Miscellaneous | 157,766 | 2,642 | - | 160,408 |
| Office supplies | 18,363 | 11,243 | - | 29,606 |
| Pest control | 5,590 | 293 | - | 5,883 |
| Postage and delivery | - | 825 | - | 825 |
| Printing | 5,556 | - | - | 5,556 |
| Rent | 6,750 | 8,540 | - | 15,290 |
| Salaries and wages | 705,845 | 229,007 | - | 934,852 |
| Supplies - food | 23,548 | - | 1,000 | 24,548 |
| Taxes - payroll | 59,916 | 17,519 | - | 77,435 |
| Telephone and internet | 23,917 | 1,883 | - | 25,800 |
| Travel and transportation | 15,851 | - | - | 15,851 |
| Utilities | 43,668 | 1,133 | - | 44,801 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenses before depreciation and in-kind expenses | 2,019,257 | 342,347 | 1,000 | 2,362,604 |
| Depreciation | 24,890 | 533 | - | 25,423 |
| In-kind contribution expenses | 262,635 | 32,136 | - | 294,771 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | \$ 2,306,782 | \$ 375,016 | \$ 1,000 | \$ 2,682,798 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

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

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

| | <u>2023</u> | <u>2022</u> |
|---|----------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ 361,351 | \$ 4,148,868 |
| Adjustments to reconcile the change in net assets to net cash provided by operating activities: | | |
| Depreciation expense | 29,391 | 25,423 |
| (Gain) loss on disposals | (19,454) | 394,840 |
| Realized and unrealized (gains) losses on investments | (94,490) | 6,548 |
| (Increase) decrease in operating assets: | | |
| Grants receivable | 51,318 | 41,457 |
| Interest receivable | (1,175) | - |
| Prepaid and other current assets | 3,609 | (17,726) |
| Operating leases right of use assets | (27,869) | - |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | - | (7,954) |
| Accrued expenses | 1,442 | (5,220) |
| Refundable advance | (102,305) | 292,001 |
| Operating leases right of use liabilities | 27,869 | - |
| Net cash provided by operating activities | <u>229,687</u> | <u>4,878,237</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of property and equipment | (483,074) | (179,605) |
| Proceeds from sales of property and equipment | 215,000 | - |
| Purchase of investments | (2,073,197) | - |
| Proceeds from sales of investments | 125,463 | 105,860 |
| Net cash used by investing activities | <u>(2,215,808)</u> | <u>(73,745)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Principal payments on note payable | - | (49,091) |
| Beneficial interest contributions | (2,087,286) | - |
| Net cash used in financing activities | <u>(2,087,286)</u> | <u>(49,091)</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (4,073,407) | 4,755,401 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>5,141,448</u> | <u>386,047</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 1,068,041</u> | <u>\$ 5,141,448</u> |
| SUPPLEMENTAL CASH FLOW INFORMATION: | | |
| Cash paid during the year for interest | <u>\$ -</u> | <u>\$ 1,014</u> |

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

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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 vehicles, three years for furniture and equipment, ten years for leasehold improvements and

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property and Equipment: (Continued)

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.

Leases:

MCCA assesses whether an arrangement qualifies as a lease (i.e. conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed.

Operating right of use assets and lease liabilities are recorded at the present value of lease payments at commencement of the lease. Lease expense is recognized for these leases on a straight-line basis over the term of the lease. In accordance with ASC 360, right of use assets are reviewed for impairment when indicators of impairment are present.

Short-term leases, or leases with a term of twelve months or less that do not contain a purchase option that is reasonably certain to be exercised, are expensed and not recorded as right of use assets and lease liabilities.

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, 2023 and 2022.

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 three months or less at the time of purchase to be cash equivalents.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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:

| <u>Years of Service</u> | <u>Vacation Days</u> | <u>Sick Leave Days</u> |
|-----------------------------|--------------------------|----------------------------|
| 1 - 4 | 10 | 10 |
| 5 - 9 | 15 | 10 |
| 10 + | 20 | 10 |

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

Advertising:

MCCA uses advertising to promote its programs. Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2023 and 2022 was \$32,183 and \$52,113, 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.

Certificates of Deposit:

Certificates of deposit are valued at cost which approximates fair value. Interest is recorded when earned.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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. Dividends and interest are accrued when earned.

Fair Value Measurements:

Accounting Standards Codification (ASC) Fair Value Measurements establishes a framework for measuring fair value in accordance with Generally Accepted Accounting Principles (GAAP) and disclosures about the fair value measurements. The valuation hierarchy is based upon the reliability of inputs to the valuation of an asset or liability on the measurement date. The three levels of the fair value hierarchy are described below:

Level 1 – inputs to the valuation methodology are unadjusted quoted prices identical to assets or liabilities in active markets.

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

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement. 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.

Adoption of New Accounting Standard:

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance in Topic 840, *Leases*. This new standard increases transparency and comparability amount organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. Most prominent amount the changes in the standard is the recognition of right-of-use assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases.

MCCA implemented Topic 842 as of July 1, 2022 using the modified retrospective approach. All of the available practical expedients were utilized. Adoption of ASC 842 resulted in recording non-cash operating lease right of use (ROU) assets of \$36,497, and operating lease liabilities of \$36,497 as of July 1, 2022. The adoption of ASC 842 did not have a material impact on the statement of activities.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

MCCA manages its 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, 2023 and 2022, reduced by amounts not available for expenses within one year of the statement of financial position date, if any:

| | <u>2023</u> | <u>2022</u> |
|---|----------------------------|----------------------------|
| Cash and cash equivalents | \$ 1,068,041 | \$ 5,141,448 |
| Certificates of deposit | 219,690 | 118,367 |
| Grants receivable | 451,620 | 502,938 |
| Interest receivable | 1,175 | - |
| Investments | 2,003,443 | - |
| Beneficial interest in assets held by | | |
| Greater New Orleans Foundation | <u>2,092,717</u> | <u>67,973</u> |
| Total financial assets | <u>\$ 5,836,686</u> | <u>\$ 5,830,726</u> |
| Less: Board Designated Net Assets | <u>(70,219)</u> | <u>(67,973)</u> |
| Financial assets available to meet cash needs for general operating expenses within one year | <u><u>\$ 5,766,467</u></u> | <u><u>\$ 5,762,753</u></u> |

3. CERTIFICATES OF DEPOSIT:

MCCA has certificates of deposit with an original maturity date of more than 3 months. MCCA's certificates of deposits consist of:

June 30, 2023

| | Interest | | | |
|--------------|-------------|-------------|-----------------|--------------------------|
| | <u>Rate</u> | <u>Term</u> | <u>Maturity</u> | <u>Amount</u> |
| Regions Bank | 3.92% | 1.2 Years | 3/1/2024 | \$ 119,690 |
| Regions Bank | 4.88% | 1.2 Years | 8/3/2024 | 100,000 |
| | | | | <u><u>\$ 219,690</u></u> |

June 30, 2022

| | Interest | | | |
|--------------|-------------|-------------|-----------------|--------------------------|
| | <u>Rate</u> | <u>Term</u> | <u>Maturity</u> | <u>Amount</u> |
| Regions Bank | 0.25% | 2.5 Years | 1/3/2023 | <u><u>\$ 118,367</u></u> |

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

4. INVESTMENTS:

Investments consist of mutual funds and are presented in the financial statements at fair value based on quoted prices in active markets. The mutual funds are considered Level 1 measurements under the fair value hierarchy as defined by FASB ASC 820-10-50. Market risk could occur and is dependent on the future changes in market prices. An analysis of the investments held as of June 30, 2023 is as follows:

| | <u>Fair Value</u> | <u>Cost</u> | <u>Cumulative Unrealized Gain (Loss)</u> |
|--------------|-----------------------|---------------------|--|
| Mutual Funds | <u>\$ 2,003,443</u> | <u>\$ 2,024,543</u> | <u>\$ (21,100)</u> |

5. FAIR VALUE MEASUREMENTS:

Certificates of deposits are valued at current market value. This market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The certificates of deposit are considered a level 1 investment as defined by FASB ASC 820.

Mutual funds are valued at the fair market value of underlying securities held at year end as provided by the broker. This market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Mutual funds are considered a level 1 investment as defined by FASB ASC 820.

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

Fair values of assets measured are as follows:

| | <u>Recurring Fair Value Measurement:</u> | <u>Total</u> | <u>Level 1</u> | <u>Level 2</u> |
|---|--|--------------------|--------------------|--------------------|
| June 30, 2023 | | | | |
| Certificates of Deposit | | \$ 219,690 | \$ 219,690 | \$ - |
| Investments - mutual funds | | <u>\$2,003,443</u> | <u>\$2,003,443</u> | <u>\$ -</u> |
| Beneficial interest in assets held by Greater New Orleans Foundation | | <u>\$2,092,717</u> | <u>\$ -</u> | <u>\$2,092,717</u> |
| June 30, 2022 | | | | |
| Certificates of Deposit | | \$ 118,367 | \$ 118,367 | \$ - |
| Beneficial interest in assets held by Greater New Orleans Foundation | | <u>\$ 67,973</u> | <u>\$ -</u> | <u>\$ 67,973</u> |

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

5. FAIR VALUE MEASUREMENTS: (Continued)

Following is a summary of investment return for the years ended June 30, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|---------------------------|------------------|------------------|
| Interest income | \$134,907 | \$ 17,306 |
| Realized gains | 40,862 | 5,232 |
| Unrealized (losses) gains | <u>53,628</u> | <u>(11,780)</u> |
| Total investment return | <u>\$229,397</u> | <u>\$ 10,758</u> |

6. BENEFICIAL INTERESTS:

During the year ended June 30, 2012, MCCA entered into an Agency Endowment Fund with the Greater New Orleans Foundation (the Foundation). During the year ended June 30, 2023, MCCA entered into an Agency Non-Endowment Fund agreement with the Foundation with an initial contribution amount of \$2,000,000. The funds are accounted for under guidance from Financial Accounting Standards Board Codification Topic 958 and are 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:

Endowed Funds - The Foundation seeks 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.

Non-Endowed Funds - The Foundation generally invests the funds in money market accounts with a goal of principal preservation.

Spending Policy:

Endowed Funds - 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.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

6. BENEFICIAL INTERESTS: (Continued)

Spending Policy: (Continued)

Non-Endowed Funds – The fund agreement requires monthly grant distributions to MCCA. Additional funds may be requested by MCCA at any time.

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

| | <u>2023</u> | <u>2022</u> |
|----------------------------------|------------------|------------------|
| Without Donor Restrictions | | |
| Board-designated endowment funds | <u>\$ 70,219</u> | <u>\$ 67,973</u> |

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

| | <u>2023</u> | <u>2022</u> |
|---|------------------|------------------|
| Endowment net assets, beginning of year | \$ 67,973 | \$ 77,254 |
| Investment return, net | 5,096 | (6,548) |
| Distributions | <u>(2,850)</u> | <u>(2,733)</u> |
| Endowment net assets, end of year | <u>\$ 70,219</u> | <u>\$ 67,973</u> |

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

| | <u>2023</u> |
|----------------------------|--------------------|
| Without Donor Restrictions | |
| Undesignated | <u>\$2,022,498</u> |

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

| | <u>2023</u> |
|---|--------------------|
| Non-Endowment net assets, beginning of year | \$ - |
| Contribution | 2,000,000 |
| Investment return, net | 86,771 |
| Distributions | <u>(64,273)</u> |
| Endowment net assets, end of year | <u>\$2,022,498</u> |

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

6. BENEFICIAL INTERESTS: (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. PROPERTY AND EQUIPMENT:

Property and equipment as of June 30 was as follows:

| | <u>2023</u> | <u>2022</u> |
|--------------------------------|-------------------|-------------------|
| Land | \$ 127,795 | \$ 197,795 |
| Construction in progress | 366,057 | 147,452 |
| Building | 419,857 | 547,435 |
| Vehicles | 59,088 | 31,167 |
| Equipment and furnishings | 172,574 | 97,286 |
| Total | <u>1,145,371</u> | <u>1,021,135</u> |
| Less: accumulated depreciation | <u>(284,972)</u> | <u>(418,873)</u> |
| Property and Equipment, Net | <u>\$ 860,399</u> | <u>\$ 602,262</u> |

For the years ended June 30, 2023 and 2022, depreciation expense was \$29,391 and \$25,423, respectively.

8. LEASE ACTIVITY:

MCCA entered into a commercial lease agreement for general office use with one option to renew for a two year term. There were no variable lease payments. The lease did not provide an implicit rate; MCCA used an incremental borrowing rate of 8.5% at the commencement date in determining the present value of lease payments.

The following summarizes the line items in the statements of financial position for operating leases as of June 30, 2023:

| <u>Leases</u> | <u>Classification</u> | <u>Amount</u> |
|--------------------|--|---------------|
| <u>Assets:</u> | | |
| Operating | Operating lease right of use assets | \$ 27,869 |
| <u>Liabilities</u> | | |
| Current: | | |
| Operating | Operating lease right of use liability | \$ 9,392 |
| Long-Term: | | |
| Operating | Operating lease right of use liability | \$ 18,477 |

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

8. LEASE ACTIVITY: (Continued)

As of June 30, 2023 the weighted average remaining lease terms and weighted average discount rate is 2.5 years and 8.5% respectively.

The maturities of operating lease liabilities as of June 30, 2023 were as follows:

| <u>Year Ended</u> <u>June 30</u> | <u>Lease Obligation</u> <u>Amount</u> |
|-------------------------------------|--|
| 2024 | \$ 11,400 |
| 2025 | 11,400 |
| 2026 | <u>8,550</u> |
| Total Lease Payments | \$ 31,350 |
| Less interest | <u>(3,481)</u> |
| Present value of lease liabilities | <u>\$ 27,869</u> |

The following summarizes the line items in the statement of activities for the operating leases as of June 30, 2023:

| <u>Lease Cost</u> | <u>Classification</u> | <u>Amount</u> |
|-------------------|--------------------------|-----------------|
| Operating leases | Included in rent expense | \$11,400 |
| Short term leases | Included in rent expense | <u>13,698</u> |
| | Net Lease Cost | <u>\$25,098</u> |

The following summarizes cash flows from the leasing transactions as of June 30:

| | <u>2023</u> |
|---|-------------|
| Cash paid for amounts included in the measurement of lease liabilities: | |
| Operating cash flows from operating leases | \$ 8,629 |
| Lease assets obtained in exchange for lease liabilities: | |
| Operating leases | \$ 36,497 |

As of June 30, 2023, there were no additional leases entered into that have not yet commenced.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

9. REFUNDABLE ADVANCE:

During the year ended June 30, 2022, MCCA received conditional grant funds from the AARP. The conditional grants are reported as revenue when performance is met which includes when qualifying expenses are incurred. Any conditional grant funds received in which performance has not been met is reported as refundable advances in the statement of financial position. MCCA reported a refundable advance in the amount of \$189,696 and \$292,001 at June 30, 2023 and 2022, respectively.

10. LINE OF CREDIT:

MCCA has an unsecured line of credit agreement with an available balance of \$15,000 as of June 30, 2023, which carries an interest rate of 12.75%. At June 30, 2022, the available balance was \$15,000 with an interest rate of 8.50%. The agreement has an open maturity date. As of June 30, 2023 and 2022, there were no outstanding borrowings against this line of credit.

11. IN-KIND CONTRIBUTIONS:

MCCA's policy related to gifts-in-kind is to utilize the assets given to carry out its mission. In-kind contributions include the value of time, rental space, supplies and other essentials required to operate the organization.

The Board of Directors, which includes attorneys and certified public accountants, donate their time to oversee the operations of MCCA at no cost. Based on current market rates, MCCA would have paid \$21,600 and \$19,000 for the years ended June 30, 2023 and 2022, respectively, for the time donated.

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, based on current market rates, amounted to \$64,595 and \$87,570 for the years ended June 30, 2023 and 2022.

Supplies include clothing, personal and household items, food and meals, and other essential items for clients. If MCCA had purchased these supplies, they would have paid \$124,039 and \$131,026 for the years ended June 30, 2023 and 2022, respectively, based on current market rates.

Volunteers donate their time to assist with everyday functions of MCCA. During the years ended June 30, 2023 and 2022, time spent by the volunteers assisting MCCA would have cost \$58,489 and \$57,175, respectively, based on current market rates.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

12. RETIREMENT PLAN:

Effective January 1, 2023, MCCA adopted a 401(k) Profit Sharing Plan. The plan covers eligible employees who are 21 years of age with at least one year of service. MCCA elected to make a contribution to each eligible participant in an amount equal to 100% of the participants' first 3% contribution, plus 50% of the participants' contribution between 3% and 5%. MCCA's contribution for the year ended June 30, 2023 was \$7,193.

13. CONCENTRATIONS AND CREDIT RISK:

A substantial portion of MCCA's support and revenue is derived from grants. For the years ending June 30, 2023 and 2022 approximately 71% and 30%, 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, 2023 and 2022, the amount of cash on deposit that exceeded the FDIC coverage limits was \$308,371 and \$4,495,126, respectively.

14. 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.

15. 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.

16. BOARD OF DIRECTORS' COMPENSATION:

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

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

17. HURRICANE IDA:

On August 29, 2021, Hurricane Ida made landfall on the Louisiana coast. MCCA properties located in La Place and Norco, Louisiana sustained substantial damage from the storm. The Norco property has been repaired and placed in service.

For the years ended June 30, 2023 and 2022, insurance proceeds of \$32,900 and \$604,348 and hurricane losses totaling \$1,782 and \$540,863, respectively, are recorded on the statements of activities. In addition to the value of property destroyed, hurricane losses also include expenses for clean-up.

18. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 11, 2023, and determined that no other events have occurred that require disclosure.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2023

Agency Head Name: Darlene Santana, Executive Director

| Purpose | <u>Amount</u> |
|------------------------------|-----------------------|
| Salary | \$ 119,637 |
| Taxes - payroll | 9,074 |
| Health insurance | 3,485 |
| Retirement plan contribution | 2,234 |
| Workers compensation | 2,871 |
| Cell phone | <u>857</u> |
| TOTAL | <u>\$ 138,158</u> |



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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

December 11, 2023

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. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023 and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 11, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Metro Centers for Community Advocacy, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Metro Centers for Community Advocacy, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Metro Centers for Community Advocacy, Inc.'s internal control.

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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. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Metro Centers for Community Advocacy, Inc.'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Duplantier, Chapman, Hogan and Parker, LLP

New Orleans, Louisiana



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

December 11, 2023

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Metro Centers for Community Advocacy, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Metro Centers for Community Advocacy, Inc.'s major federal program for the year ended June 30, 2023. Metro Centers for Community Advocacy, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Metro Centers for Community Advocacy, Inc. 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, 2023.

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Basis for Opinion on the Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Metro Centers for Community Advocacy, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Metro Centers for Community Advocacy, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Metro Centers for Community Advocacy, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Metro Centers for Community Advocacy, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Metro Centers for Community Advocacy, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Metro Centers for Community Advocacy, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Metro Centers for Community Advocacy, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Metro Centers for Community Advocacy, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 our 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, Sharpner, Hogan and Parker, LLP

New Orleans, Louisiana

METRO CENTER FOR COMMUNITY ADVOCACY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

| <u>Federal Grantor/Pass Through Agency/ Program Title</u> | <u>Assistance Listing Number</u> | <u>Sub-Award Local Grant Number</u> | <u>Total Awards Expended</u> |
|---|--|---|--------------------------------------|
| U.S. Department of Housing and Urban Development | | | |
| Passed through Jefferson Parish Department of Community Development Programs | | | |
| Emergency Solutions Grant Program | 14.231 | Resolution # 139867 | \$ 60,397 |
| Emergency Solutions Grant Program | 14.231 | Resolution # 141778 | 75,756 |
| | | | <hr/> 136,153 |
| Passed through UNITY of Greater New Orleans | | | |
| Turning Point Project | 14.267 | LA0342D6H002001 | 19,422 |
| Turning Point Project | 14.267 | LA0342D6H002002 | 377,370 |
| | | | <hr/> 396,792 |
| Total U.S. Department of Housing and Urban Development | | | <hr/> 532,945 |
| U.S. Department of Justice | | | |
| Passed through Louisiana Commission on Law Enforcement | | | |
| Sexual Assault Services Program | 16.017 | 2021-KF-01-6550 | 29,926 |
| Sexual Assault Services Program | 16.017 | 2022-KF-01-7281 | 31,697 |
| | | | <hr/> 61,623 |
| Crime Victim Assistance | 16.575 | 2020-VA-01/02-6450 | 219,707 |
| Crime Victim Assistance | 16.575 | | 38,236 |
| Crime Victim Assistance | 16.575 | 2021-VA-01-6729 | 14,129 |
| | | | <hr/> 272,072 |
| Violence Against Women Formula Grants | 16.588 | 2021-WF-03-6571 | 9,063 |
| Violence Against Women Formula Grants | 16.588 | 2022-WF-03-7560 | 8,825 |
| Violence Against Women Formula Grants | 16.588 | 2021-WF-03-6579 | 12,571 |
| Violence Against Women Formula Grants | 16.588 | 2022-WF-03-7561 | 12,520 |
| Violence Against Women Formula Grants | 16.588 | 2019-WF-03-6671 | 8,900 |
| | | | <hr/> 51,879 |
| Total U.S. Department of Justice | | | <hr/> 385,574 |
| National Highway Traffic Safety Administration | | | |
| Passed through Louisiana Highway Safety Commission | | | |
| State and Community Highway Safety | 20.607 | KFKLLRHDZBB3 | 6,075 |
| State and Community Highway Safety | 20.607 | | 11,934 |
| Total National Highway Traffic Safety Administration | | | <hr/> 18,009 |

METRO CENTER FOR COMMUNITY ADVOCACY, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

| <u>Federal Grantor/Pass Through Agency/ Program Title</u> | <u>Assistance Listing Number</u> | <u>Sub-Award Local Grant Number</u> | <u>Total Awards Expended</u> |
|---|--|---|--------------------------------------|
| U.S. Department of Health and Human Services | | | |
| Passed through Louisiana Department of Children and Family Services | | | |
| Family Violence Prevention and Services/Discretionary - ARP | 93.318 | | 86,271 |
| Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services | * 93.671 | | 440,000 |
| | | | 526,271 |
| Passed through Substance Abuse and Mental Health Services Administration | | | |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance | 93.243 | | 386,369 |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance | 93.243 | 1H79SM084695-01 | 46,084 |
| Administration Drug-Free Communities Support Program Grants | 93.276 | 5 NH28CE002639-07-00 | 130,039 |
| | | | 562,492 |
| Passed through U.S. Committee for Refugees and Immigrants | | | |
| Trafficking Victim Assistance Program | 93.598 | | 9,660 |
| | | | 1,098,423 |
| Total U.S. Department of Health and Human Services | | | |
| United States Department of Homeland Security | | | |
| Passed through United Way Worldwide | | | |
| Emergency Food and Shelter National Board Program | 97.024 | | 24,000 |
| | | | 24,000 |
| Total United States Department of Homeland Security | | | |
| | | | \$2,058,951 |

* Major Program

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

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, 2023. 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*.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

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, 2023 was unmodified.

Internal Control over financial reporting:

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

Noncompliance material to financial statements: None noted.

FEDERAL AWARDS:

Internal Control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Title 2 U.S. Code of Federal Regulations (CFR) section 200.516(a):

___yes X no

Identification of major program:

| <u>Program Title</u> | <u>CFDA Number</u> | <u>Amount Provided</u> |
|--|------------------------|----------------------------|
| Family Violence Prevention and Service/Domestic Violence Shelter and Supportive Services | 93.671 | <u>\$ 440,000</u> |
| Dollar threshold used to distinguish between Type A and Type B programs: | | \$ 750,000 |
| Auditee qualified as low-risk auditee? | <u>X</u> yes | ___no |

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

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

None

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

None

SUMMARY OF PRIOR YEAR FINDINGS:

None

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

JULY 1, 2022 – JUNE 30, 2023

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

September 22, 2023

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

We have performed the procedures enumerated below, on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year July 1, 2022 through June 30, 2023. Metro Centers for Community Advocacy, Inc.'s management is responsible for the control and compliance areas identified in the SAUPs.

Metro Centers for Community Advocacy, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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Members
American Institute of
Certified Public Accountants
Society of LA CPAs

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they addressed each of the following categories and subcategories if applicable to public funds and the entity's operations:
- a) Budgeting, including preparing, adopting, monitoring, and amending the budget.
 - b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) Disbursements, including processing, reviewing and approving.
 - d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) Travel and Expense Reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - j) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - k) Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of

antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

- 1) Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No findings are noted as a result of applying the above noted procedures

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Upon applying the agreed-upon procedures above, it is noted that there was no quorum for 2 out of the 12 meetings

Managements Response:

Metro's Board Meetings are held monthly in person and via conference call for those members who are unable to attend in person due to extenuating circumstances. The exception to this meeting schedule is when we do not have a quorum to conduct business. The meeting is cancelled if there is no quorum and the agenda items are moved to the next month. We did not meet quorum in

September 2022 and February 2023 and had to cancel these meetings. The agency will do all it can to ensure the board has a quorum for all required meetings.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Request management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

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

4) Collections (excluding electronic funds transfers)

- A. Obtain a list of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

No findings noted as a result of applying the above agreed-upon procedures.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

No findings noted as a result of applying the above agreed-upon procedures.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No findings are noted as a result of applying the above noted procedures

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliation" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

No findings are noted as a result of applying the above noted procedures

5) Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

No findings noted as a result of applying the above agreed-upon procedures.

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No findings noted as a result of applying the above agreed-upon procedures.

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursement) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- a) Observe that the disbursement matches the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

No findings noted as a result of applying the above agreed-upon procedures.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No findings noted as a result of applying the above agreed-upon procedures.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

No findings noted as a result of applying the above agreed-upon procedures.

- B. Use the listing prepared by management and randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

No findings noted as a result of applying the above agreed-upon procedures.

- C. Using the monthly statements or combined statements selected under #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement and obtain supporting documentation for the transactions. For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny. For each transaction, observed it is supported by:
- a) An original itemized receipt that identifies precisely what was purchased,
 - b) Written documentation of the business/public purpose,
 - c) Documentation of the individuals participating in meals (for meals charges only)

No findings noted as a result of applying the above agreed-upon procedures.

7) Travel and Travel-Related Expense Reimbursement (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration.
 - b) If reimbursed using actual cost, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

No findings noted as a result of applying the above agreed-upon procedures.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law.
 - c) If the contract was amended, observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms. (e.g., if approval is required for any amendment, was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No findings noted as a result of applying the above agreed-upon procedures.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

No findings noted as a result of applying the above agreed-upon procedures.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No findings noted as a result of applying the above agreed-upon procedures.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

No findings noted as a result of applying the above agreed-upon procedures.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No findings noted as a result of applying the above agreed-upon procedures.

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No findings noted as a result of applying the above agreed-upon procedures.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

We noted no findings as a result of applying the above agreed-upon procedures.

11) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtained supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

No findings noted as a result of applying the above agreed-upon procedures.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No findings noted as a result of applying the above agreed-upon procedures.

12) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures:

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observed evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We discussed with management the results of applying the above agreed-upon procedures.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

13) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from procedure #9A under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the fiscal period.

This section is non applicable.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

This section is non applicable.

- C. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a. Number and percentage of public servants in the agency who have completed the training requirements;
- b. Number of sexual harassment complaints received by the agency;
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e. Amount of time it took to resolve each complaint.

This section is non applicable.

We were engaged by Metro Centers for Community Advocacy, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion.

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

September 22, 2023

Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Metro Centers for Community Advocacy, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the results 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.

Duplantier, Chapman, Hogan and Baker, LLP
New Orleans, Louisiana