PROJECT LAZARUS
AUDITED FINANCIAL STATEMENTS AND SCHEDULES
FOR THE YEAR ENDED
June 30, 2019

PROJECT LAZARUS

TABLE OF CONTENTS

June 30, 2019

Kushner LaGraize, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

S. DAVID KUSHNER*, CPA, CRFAC
WILSON A. LaGRAIZE, JR., CPA/CFF, CRFAC
ERNEST G. GELPI, CPA, CGFM
CRAIG M. FABACHER, CPA
DOUGLAS W. FINEGAN, CPA, CVA
*A Professional Accounting Corporation

MARY ANNE GARCIA, CPA
WILLIAM B. HAMILTON, CPA
KATHARINE M. LASSITER, CPA
RICHARD J. RUMNEY, CPA

Members
American Institute of CPA's
Society of Louisiana CPA's

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Project Lazarus

Report on the Financial Statements

We have audited the accompanying financial statements of Project Lazarus (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Project Lazarus as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, reimbursements, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, reimbursements, benefits, and other payments to agency head and the schedule of expenditures of federal awards are 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 November 26, 2019, on our consideration of Project Lazarus'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 Project Lazarus'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 Project Lazarus's internal control over financial reporting and compliance.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
November 26, 2019

PROJECT LAZARUS

STATEMENT OF FINANCIAL POSITION

June 30, 2019

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 1,789,162
Grants receivable	221,001
Other	817
Total Current Assets	2,010,980
Property and equipment, net	465,833
Investments – securities at fair value	366,397
Art collection prints	4,000
Total Assets	$ 2,847,210

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	$ 1,638
Accrued expenses	39,407
Due to residents	282
Total Current Liabilities	41,327
NET ASSETS	
Net assets without donor restrictions	2,765,982
Net assets with donor restrictions	39,901
Total Net Assets	2,805,883
Total Liabilities and Net Assets	$ 2,847,210

See Notes to Financial Statements.

PROJECT LAZARUS

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Grants and contracts	$ 856,956	$ 46,525	$ 903,481
Contributions	1,193,375	-	1,193,375
Fundraising	187,019	-	187,019
Program income	24,771	-	24,771
Other support and revenue	19,116	-	19,116
Dividends and interest	15,301	-	15,301
Realized and unrealized gain on investments, net	9,411	-	9,411
Net assets released from restrictions	53,541	(53,541)	-
Total revenues and other support	2,359,490	(7,016)	2,352,474
EXPENSES			
Program services	1,192,461	-	1,192,461
Management and general	345,249	-	345,249
Fundraising	51,959	-	51,959
Total expenses	1,589,669	-	1,589,669
CHANGE IN NET ASSETS	769,821	(7,016)	762,805
Net assets, beginning of year	1,996,161	46,917	2,043,078
Net assets, end of year	$ 2,765,982	$ 39,901	$ 2,805,883

PROJECT LAZARUS

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2019

	Program Services	Management and General	Fundraising	Total
COMPENSATION AND RELATED EXPENSES				
Compensation	$ 540,497	$ 161,459	$ -	$ 701,956
Employee benefits	75,011	28,946	-	103,957
Payroll taxes	41,136	17,069	-	58,205
Total compensation and related expenses	656,644	207,474	-	864,118
OTHER EXPENSES				
Occupancy	210,794	70,264	-	281,058
Maintenance	32,836	5,804	-	38,640
Supplies (food)	52,501	-	-	52,501
Insurance	47,946	3,601	-	51,547
Depreciation	43,876	7,755	-	51,631
Utilities	47,609	8,415	-	56,024
Travel stipend	10,175	-	-	10,175
Substance abuse program	13,880	-	-	13,880
Furniture & equipment	4,127	607	-	4,734
Professional	-	29,451	-	29,451
Annual dinner	-	-	34,939	34,939
Miscellaneous expense	204	5,425	11,933	17,562
Supplies (office)	5,746	557	-	6,303
Supplies (janitorial)	8,777	-	-	8,777
Telephone and internet	7,201	352	-	7,553
Employee expenses	8,685	2,457	-	11,142
Wellness	6,700	-	-	6,700
Postage & printing	-	2,128	-	2,128
Building supplies	965	-	-	965
Advertising	-	25	-	25
Transportation	6,498	-	-	6,498
Security	900	-	-	900
Supplies (medical)	2,271	-	-	2,271
Pest control	4,910	-	-	4,910
Dues and subscriptions	-	571	-	571
Donated services	19,116	-	-	19,116
Gifts	100	126	-	226
Bank charges	-	237	-	237
Newsletter images	-	-	3,211	3,211
Appeal letter	-	-	1,876	1,876
Total expenses	$ 1,192,461	$ 345,249	$ 51,959	$ 1,589,669

PROJECT LAZARUS

STATEMENT OF CASH FLOWS

Year Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 762,805
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	51,631
Changes in operating assets and liabilities:	
Grants receivable	158,496
Other assets	(817)
Accounts payable	(4,546)
Accrued expenses	580
Due to residents	190
NET CASH PROVIDED BY OPERATING ACTIVITIES	968,339
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments, net of sales	(3,382)
Realized and unrealized gain on investments	(9,411)
Purchases of leasehold improvements	(9,500)
NET CASH USED IN INVESTING ACTIVITIES	(22,293)
NET CHANGE IN CASH AND CASH EQUIVALENTS	946,046
BEGINNING CASH AND CASH EQUIVALENTS	843,116
ENDING CASH AND CASH EQUIVALENTS	$ 1,789,162

SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest during the year ended June 30, 2019 was $0.

PROJECT LAZARUS

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The mission of Project Lazarus is to help, heal, and empower people living with HIV/AIDS by focusing on wellness, providing housing and offering important support services. Project Lazarus was formed in 1985 by members of the clergy and lay people in response to the alarming number of young men who were dying of AIDS and had nowhere to live their last days. The Organization was incorporated on January 28, 1988 as a Louisiana corporation. While being a program of the Archdiocese of New Orleans, Project Lazarus maintains its own tax-exempt nonprofit status and has served over 1,000 people in its history. Project Lazarus is the oldest and largest residential facility that provides assisted living to people with HIV/AIDS in the New Orleans Metropolitan Area. The agency, through its history, has acquired significant experience in the provision of housing and supportive services that equip people living with HIV/AIDS with the skills necessary to live a high quality life and take advantage of the medical treatments available to significantly extend their longevity.

Project Lazarus provides respite and hospice care as needed, transitional housing and supportive services which include case management, outpatient alcohol and drug abuse treatment, pastoral counseling and wellness education. Personal care attendants provide 24-hour assistance, cook nutritious meals for the residents and monitor medication adherence. A licensed practical nurse provides supervision in order for the agency to admit individuals who require medical attention. While the focus for many years was to provide a place for people with HIV/AIDS to die, the Organization has evolved to keep track of the advances in medical treatment. This evolution is reflected in the increased number of services used to teach individuals how to live with HIV/AIDS.

The newest program, the Wellness University, is a comprehensive, incentive-based, educational program for people living with HIV/AIDS. The goals are to increase skills necessary to maintain a healthy life with HIV/AIDS while increasing personal empowerment. The majority of the instructors are volunteers secured from the community.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. Grants are recognized as revenues when the conditions of the grant are considered to have been met. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

> ***Net assets without donor restrictions:*** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors. All donations and contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

> ***Net assets with donor restrictions:*** Net assets subject to stipulations imposed by donors and grantors. Donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. There are no perpetual donor restrictions.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statement of Activities and Changes in Net Assets in the reporting period in which the revenue is recognized.

In addition, the Organization is required to present a Statement of Cash Flows.

Donated Services

Donated services are reflected as "Other Support and Revenue" in the Statement of Activities and Changes in Net Assets at their estimated fair values at the date of receipt. Donated services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization receives donated resident counseling and finance services. The amounts reflected in the Statement of Activities and Changes in Net Assets are offset by like amounts included in program services expenses as "Donated services". The estimated value of these donated services and the corresponding expenses for the year ended June 30, 2019 was $19,116. In addition, a number of volunteers have donated over 4,308 hours to Project Lazarus's program and support services for the year ended June 30, 2019. These donations are not reflected in the financial statements since these services do not meet the criteria for recognition.

PROJECT LAZARUS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

Expenses are charged to each program based on direct expenditures incurred. Any program expenditures not directly chargeable are allocated between program services, management and general, and fundraising expenses based on acceptable unit allocation techniques, such as relative cost proportionality and facility/space usage statistics. The expenses that are allocated include the following:

Expenses	Method of Allocation
Salaries, payroll taxes, benefits	Time and effort
Occupancy	Square footage
Insurance	Square footage
Telephone and internet	Square footage
Depreciation and maintenance	Square footage
Utilities	Square footage

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, Project Lazarus considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash equivalents at June 30, 2019 include funds on deposit in a pooled cash account at the Archdiocese of New Orleans in the amount of $1,382,407, which is not insured by the FDIC.

Grants Receivable

Grants receivable are comprised primarily of reimbursements from state and local governmental units. Project Lazarus uses the allowance method to account for uncollectible reimbursements. Reimbursements are charged against the allowance when deemed to be uncollectible. The allowance is based on Management's estimate of possible uncollectible reimbursements. Due to reimbursements being due from state and local governmental units with minimal risks of nonpayment, all amounts due are generally considered collectible and therefore no allowance is reflected in these accompanying financial statements at June 30, 2019. Bad debt expense for the year ended June 30, 2019 was $0.

Property and Equipment

Property and equipment are recorded at cost. Project Lazarus capitalizes all expenditures for leasehold improvements and equipment in excess of $5,000; the fair value of donated assets is similarly capitalized.

Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis upon the following estimated useful lives: furniture and equipment – 5 years and vehicles – 5 years. Leasehold improvements are amortized over the shorter of the life of the improvement (20 years) or the remaining term of the related lease. The lease ends October 31, 2029. (See NOTE 8).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization operates as a non-profit corporation pursuant to Section 501(c)(3) of the Internal Revenue Code. As such, the Organization is subject to income tax only on unrelated business taxable income. Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained on examination. As of June 30, 2019, management of the Organization believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended June 30, 2016 and later remain subject to examination by the taxing authorities. The June 30, 2019 return has not been filed as of the date of the Independent Auditors' Report.

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 amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Project Lazarus's estimates include those regarding the fair value of donated materials and services.

Concentrations

Project Lazarus participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that Project Lazarus has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivables as of June 30, 2019 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs for refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and Project Lazarus.

Government grants represent approximately 37% of Project Lazarus's total revenue and other support for the year ended June 30, 2019.

Project Lazarus maintains its cash in bank accounts, which at times may exceed federally insured limits. At June 30, 2019 the total bank balances exceeding federal depository insurance limits were $1,539,907.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments in securities with readily determinable fair values are recorded at fair value with gains and losses included in the Statement of Activities and Changes in Net Assets.

Fair Value of Financial Instruments

Fair value estimates, methods and assumptions for the Organization's financial instruments are that the carrying amounts reported in the Statement of Financial Position are a reasonable estimate of fair value for the year ended June 30, 2019.

Liquidity

Assets are presented in the accompanying Statement of Financial Position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

New Accounting Pronouncements

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14. Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-09. Revenue from Contracts with Customers (Topic 606), or ASU 606. ASU 606 provides guidance outlining a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers that supersedes most current revenue recognition guidance. This guidance requires the Organization to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The original effective date of the guidance would have required the Organization to adopt at July 1, 2018; however, the FASB approved an optional one-year deferral of the effective date. Additionally, the new guidance requires enhanced disclosures, including revenue recognition policies to identify performance obligations to customers and significant judgments in measurement and recognition. The new guidance may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of adoption. The Organization is in the process of evaluating the overall impact this guidance will have on the financial statements beginning July 1, 2019.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2019:

Leasehold improvements	$ 2,041,362
Furniture and equipment	183,267
Vehicles	58,584
	2,283,213
Less accumulated depreciation	(1,817,380)
	$ 465,833

NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were $39,901 at June 30, 2019. The funds are restricted for program services, facility improvements, and the Organization's Wellness University. There were no permanent restrictions on net assets at June 30, 2019. Net assets released from restrictions during the year ended June 30, 2019 amounted to $53,541.

NOTE 4 – INVESTMENTS

Investments totaling $366,397 at June 30, 2019 are stated at fair value. Ownership units with a fair value of $194,648 at June 30, 2019 are held by the Greater New Orleans Foundation for the benefit of the Organization. Ownership units with a fair value of $171,749 at June 30, 2019 are held in the Archdiocesan investment pool at the Catholic Foundation for the benefit of the Organization. Realized and unrealized gains on investments are reported net of related investment expenses in the Statement of Activities and Changes in Net Assets. Realized and unrealized gains, net consisted of the following at June 30, 2019:

Realized and unrealized gain on investments	$ 12,418
Investment expenses	(3,007)
Realized and unrealized gain on investments, net	$ 9,411

NOTE 5 – FAIR VALUE MEASUREMENTS

Under Financial Accounting Standards Board regulations, investments in marketable securities with readily determinable fair values and all investments in debt securities are stated at fair value in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the Statement of Activities and Changes in Net Assets. Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

Financial Accounting Standards Board regulations establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liabilities;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The Organization's investments were measured using Level 2 inputs, on a recurring basis, at June 30, 2019.

NOTE 6 – FUNDRAISING EXPENSE

Total fundraising expenses for the year ended June 30, 2019 were $51,959, which represented 28% of annual fundraising revenue. The ratio of expenses to amounts raised is computed using actual expenses and related contributions on an accrual basis.

NOTE 7 – EMPLOYEE RETIREMENT PLANS

The Organization offers a 401(k) retirement plan to its employees. Employees electing to participate in the plan are required to contribute a minimum of 3% of their salaries, and may elect to contribute up to a 75% maximum. The plan requires the Organization to contribute 3.5% of the participants' salaries. The retirement plan expense also includes an additional 2% contribution by the Organization to the Employee Benefit Plan to cover administrative costs and employee benefit costs including life insurance, disability insurance and other benefits. Any remaining funds from the additional 2% contribution may be used as a discretionary employer contribution to the plan. The plan administrator is the Archdiocese of New Orleans. The plan trustee is Voya. The Organization contributed $28,873 (retirement $18,342, benefits $10,531) for the year ended June 30, 2019.

NOTE 8 – RELATED PARTY TRANSACTIONS

Project Lazarus occupies five buildings owned by the Archdiocese of New Orleans. The building lease agreement was made in consideration of the activities being conducted on the leased premises, their benefit to the general public and persons afflicted with AIDS. The estimated fair market value of the lease is $281,058 annually. This benefit to Project Lazarus is recorded as "Occupancy" expense and corresponding "Contributions" revenue in the Statement of Activities and Changes in Net Assets. The current building lease agreement exists through October 31, 2029.

The Archdiocese of New Orleans, through the operations of its Administrative Offices, serves as a conduit in providing insurance coverage to Project Lazarus. The Administrative Office assesses premiums to Project Lazarus based on relevant factors for each type of coverage. In the normal course of operations, the Archdiocese will make available to Project Lazarus specific assistance in the form of internet services. Project Lazarus is assessed separately for this assistance.

The Organization paid the Archdiocese $57,704 for general liability, property coverage, workman's compensation, and vehicle insurances for the year ended June 30, 2019. The Organization does not pay the Archdiocese of New Orleans for internet services secured on its behalf.

The Archdiocese of New Orleans also provides support to Project Lazarus to further its mission. These contributions in 2019 totaled $50,000.

NOTE 9 – ECONOMIC DEPENDENCY

Project Lazarus receives a significant amount of its revenue from government grants that are passed through the City of New Orleans. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds Project Lazarus receives could be reduced significantly, and that would have an adverse impact on its operations. See NOTE 11 – SUBESEQUENT EVENTS for actions that will affect the amount of funds Project Lazarus will receive in fiscal year 2020 relating to its grant awards.

NOTE 10 – LIQUIDITY AND AVAILABILITY OF RESOURCES

As of June 30, 2019, the Organization had a working capital of $1,969,653.

Financial assets available for general expenditures within one year as of June 30, 2019, consist of the following:

Cash and cash equivalents	$	1,789,162
Grants receivable		221,001
Other		817
Investments – securities at fair value		366,397
Total Financial Assets		2,377,377
Less amounts not available to be used within one year:		
Other		817
Net assets with donor restrictions		13,162
Financial assets not available to be used within one year		13,979
Financial assets available to meet cash needs for general expenditures within one year	$	2,363,398

Other assets have been deemed to not likely be converted into cash within one year, and therefore, are not available to be used to satisfy general expenditures in the following year. Should the Organization have excess cash, the Organization would invest such cash into short-term investments.

NOTE 11 – SUBSEQUENT EVENTS

For the grant period July 1, 2019 through December 31, 2019, the Organization received a decrease in funding from its largest grantor of approximately $110,000 compared to the previous six-month period due to changes in the grantor's mission. The Organization is in the process of reviewing its current mission as well as looking into additional funding from other sources.

The Organization will also not receive the $50,000 in annual support from the Archdiocese of New Orleans described in NOTE 8 as of July 1, 2019.

Management has evaluated subsequent events through the date that the financial statements were available to be issued, which corresponds with the date of the independent auditors' report. No other material subsequent events have occurred since June 30, 2019 that required recognition or disclosure in these financial statements.

SUPPLEMENTAL INFORMATION

Kushner LaGraize, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

S. DAVID KUSHNER*, CPA, CRFAC
WILSON A. LaGRAIZE, JR., CPA/CFF, CRFAC
ERNEST G. GELPI, CPA, CGFM
CRAIG M. FABACHER, CPA
DOUGLAS W. FINEGAN, CPA, CVA
*A Professional Accounting Corporation

MARY ANNE GARCIA, CPA
WILLIAM B. HAMILTON, CPA
KATHARINE M. LASSITER, CPA
RICHARD J. RUMNEY, CPA

Members
American Institute of CPA's
Society of Louisiana CPA's

INDEPENDENT AUDITORS' 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*

The Board of Directors of Project Lazarus
New Orleans, 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 Project Lazarus (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and changes in net assets, 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 November 26, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Project Lazarus's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Project Lazarus's internal control. Accordingly, we do not express an opinion on the effectiveness of Project Lazarus's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Project Lazarus's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
November 26, 2019

Kushner LaGraize, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

S. DAVID KUSHNER*, CPA, CRFAC
WILSON A. LaGRAIZE, JR., CPA/CFF, CRFAC
ERNEST G. GELPI, CPA, CGFM
CRAIG M. FABACHER, CPA
DOUGLAS W. FINEGAN, CPA, CVA
A Professional Accounting Corporation

MARY ANNE GARCIA, CPA
WILLIAM B. HAMILTON, CPA
KATHARINE M. LASSITER, CPA
RICHARD J. RUMNEY, CPA

Members
American Institute of CPA's
Society of Louisiana CPA's

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

The Board of Directors of Project Lazarus
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Project Lazarus's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Project Lazarus's major federal programs for the year ended June 30, 2019. Project Lazarus's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance of Project Lazarus's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Project Lazarus's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

SUITE 100 3330 WEST ESPLANADE AVENUE
METAIRIE, LOUISIANA 70002

CPAMERICA INTERNATIONAL
Crowe Horwath International

(504) 838-9991 • FAX (504) 833-7971
www.kl-cpa.com

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Project Lazarus's compliance.

Opinion on Each Major Federal Program

In our opinion, Project Lazarus complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of Project Lazarus is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Project Lazarus's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Project Lazarus's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
November 26, 2019

PROJECT LAZARUS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2019

Program Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Passed Through the City of New Orleans:			
Housing Opportunities for Persons With AIDS – 2019 *	14.241	HOPWA-026A	$ 728,155
Total for U.S. Department of Housing and Urban Development			728,155
U.S. Department of Health and Human Services – Health Resources and Services Administration			
Passed Through the City of New Orleans:			
HIV Emergency Relief Project – 2019	93.914	3611-02343	128,800
Total for U.S. Department of Health and Human Services – Health Resources and Services Administration			128,800
U.S. Department of Homeland Security			
Passed Through the United Way:			
Emergency Food and Shelter National Board Program	97.024	35-3658-00	5,192
Total for U.S. Department of Homeland Security			5,192
Total Federal Expenditures			**$ 862,147**

* This Program is considered a major program under the Uniform Guidance for the year ended June 30, 2019.

PROJECT LAZARUS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2019

NOTE 1 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying *Schedule of Expenditures of Federal Awards* includes the federal grant activity of Project Lazarus and is presented on the modified accrual basis of accounting. The information 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). Because the Schedule presents only a selected portion of the operations of Project Lazarus, it is not intended to and does not present the net position and changes in net position of Project Lazarus. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 – SUBRECIPIENTS

The Organization did not pass-through any of its federal awards to a subrecipient during the year ended June 30, 2019.

NOTE 3 – NON-CASH ASSISTANCE

No federal awards were expended in the form of non-cash assistance during the year ended June 30, 2019.

NOTE 4 – INDIRECT COSTS

The Organization did not elect to use the 10% de minimis indirect cost rate for the year ended June 30, 2019.

PROJECT LAZARUS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

1. SUMMARY OF AUDITORS' RESULTS

   a. The type of report issued on the financial statements: Unmodified opinion.

   b. Significant deficiencies in internal controls were disclosed by the audit of the financial statements: None reported. Material weaknesses: No.

   c. Noncompliance which is material to the financial statements: No.

   d. Significant deficiencies in internal control over major program: None reported. Material weaknesses: No.

   e. The type of report issued on compliance for major program: Unmodified opinion.

   f. Any audit findings which are required to be reported in accordance with the Uniform Guidance: No.

   g. Major Program:

      U.S. Department of Housing and Urban Development:
      Housing Opportunities for Persons With AIDS CFDA# 14.241

   h. Dollar threshold used to distinguish between Type A and Type B programs: $750,000.

   i. Auditee qualified as a low-risk auditee under the Uniform Guidance: Yes.

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

None.

3. FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS:

None.

4. MEMORANDUM OF ADVISORY COMMENTS

None.

PROJECT LAZARUS

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

SECTION I – FINDINGS RELATED TO THE FINANCIAL STATEMENTS

None.

SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None.

SECTION III – MEMORANDUM OF ADVISORY COMMENTS

None.

PROJECT LAZARUS

SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD FOR THE YEAR ENDED JUNE 30, 2019

Agency Head: Steve Rivera, Executive Director

Total	$ 0

Kushner LaGraize, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

S. DAVID KUSHNER*, CPA, CRFAC
WILSON A. LaGRAIZE, JR., CPA/CFF, CRFAC
ERNEST G. GELPI, CPA, CGFM
CRAIG M. FABACHER, CPA
DOUGLAS W. FINEGAN, CPA, CVA
*A Professional Accounting Corporation

MARY ANNE GARCIA, CPA
WILLIAM B. HAMILTON, CPA
KATHARINE M. LASSITER, CPA
RICHARD J. RUMNEY, CPA

Members
American Institute of CPA's
Society of Louisiana CPA's

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Project Lazarus and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Project Lazarus (a nonprofit organization) (the Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the Entity's written policies and procedures and observe that they address each of the following categories and subcategories:

   a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

      We obtained the Entity's policies on budgeting and noted no exceptions with regard to the preparation, adoption, and monitoring of the budget. However, the Entity does not have specific policies for amending the budget as they do not typically amend 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.

      We obtained the Entity's policies on purchasing and noted no exceptions.

c) **Disbursements**, including processing, reviewing, and approving.

We obtained the Entity's policies on disbursements and noted no exceptions.

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.

We obtained the Entity's policies on receipts and collections and noted no exceptions.

e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

We obtained the Entity's payroll and personnel policies and noted no exceptions.

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.

We obtained the Entity's policies on contracting and noted no exceptions regarding the types of services requiring written contracts, standard terms and conditions, approval process, and monitoring process. However, we noted no policies regarding legal review of contracts, other than lease agreements the Entity enters into.

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.

We obtained the Entity's policies on credit cards and noted no exceptions.

h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

We obtained the Entity's policies on travel and expense reimbursements and noted no exceptions.

i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

As a nonprofit organization, this section is not applicable to this Entity.

j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

This section is not applicable to this Entity.

k) **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 application systems and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

We obtained the Entity's policies on Disaster Recovery/Business Continuity for items 1, 2, and 6, noting no exceptions. The Entity is following certain policies and procedures regarding items 3, 4, and 5, but there are no written policies. The Entity is in the process of adding written policies for items 3, 4, and 5 for the next fiscal year.

Bank Reconciliations

2. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Entity's main operating account.

   We were provided with the listing showing all deposit accounts, including the main operating account and management's representation that the listing was complete.

3. Using the listing provided by management, select the Entity's main operating account and randomly select 4 additional accounts (or all 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;

   Bank reconciliations were prepared within two months of the selected month for all bank accounts, with the exception of a deposit savings account held with the Archdiocese of New Orleans. However, we noted documentation of the Executive Director's review and approval of the monthly statements received on this account from the Archdiocese of New Orleans. This account typically does not have activity other than interest income, and there were no reconciling items.

   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 (initialed and dated, electronically logged, etc.)

   We noted that all bank reconciliations provided contained evidence of approval by the Executive Director, without exception.

c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

We noted no items that have been outstanding for more than 12 months for any of the bank accounts selected.

Collections

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

   Management provided the listing, showing all deposit sites (one deposit site) and management's representation that the listing is complete.

5. 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 related 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 that are responsible for cash collections do not share cash drawers/registers.

   N/A – The Entity does not use or possess any cash registers or drawers.

   b) Each employee responsible for collecting cash is not responsible for making/preparing bank deposits unless another employee/official is responsible for reconciling collection documentation (pre-numbered receipts) to the deposit.

   Per the Entity's policies and procedures relating to cash receipts, we noted evidence that two employees are present when cash is collected at special events or through the mail. The Finance Director prepares the bank deposit only after another employee witnesses the counting of cash. The Administrative Assistant brings the deposit to the bank.

   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.

   Per the Entity's policies and procedures relating to cash receipts, as stated in #5b, we noted evidence that two employees are required to be present when cash is collected. The Finance Director only posts collection entries once another employee witnesses the cash count, and the Executive Director approves the bank deposit. The Administrative Assistant brings the deposit to the bank.

d) The employee 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 verifies the reconciliation.

Per the Entity's policies and procedures relating to cash receipts, the Finance Director will only collect and count cash if another employee is present and does not prepare bank deposits and reconciliations without the approval of the Executive Director.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

All Entity employees who handle cash are covered by the Archdiocese of New Orleans's surety bond coverage.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" 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). Obtain supporting documentation for each of the 10 deposits and:

a) Observe that receipts are sequentially prenumbered.

Of those selected, we noted for actual cash deposits (not ACH deposits and electronic fund transfers) that receipts are sequentially prenumbered, without exception.

b) Trace sequentially numbered receipts, systems report, and other related collection documentation to the deposit slip.

Of those selected, for actual cash deposits, we traced the sequentially numbered receipts and supporting documentation to the deposit slip, without exception.

c) Trace the deposit slip total to the actual deposit per the bank statement.

Of those selected, for actual cash deposits, we traced the deposit slip total to the deposit per the bank statement, without exception.

d) Observe that 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).

Due to the relatively small volume of cash collections received, the Entity does not make daily bank deposits. Any collections received are securely kept in a safe in the Executive Director's office and deposited typically within a week. However, one of the deposits selected took approximately 14 days between receipt and bank deposit and another took 7 days. All others tested were deposited the day it was received or within one day.

e) Trace the actual deposit per the bank statement to the general ledger.

Of those selected, we traced the actual deposit per the bank statement to the general ledger, without exception.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

8. Obtain a listing from management of all active credit cards, bank debit cards, fuel cards, and P-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.

   Management provided the requested list of active cards and management's representation that the listing is complete.

9. Using the listing prepared by management, 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, obtain supporting documentation, and:

   a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (original receipts for credit/debit card purchases exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

      We noted that all selected statements and supporting documentation showed evidence of review and approval by someone other than the authorized card holder, without exception.

   b) Observe that finance charges and late fees were not assessed on the selected statements.

      On all statements selected, we noted no finance charges or late fees, without exception.

10. Using the monthly statements or combined statements selected under #9 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 (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by:

    a) An original itemized receipt (i.e. identifies precisely what was purchased)

       We were provided with an original itemized receipt for each of the selected transactions, without exception.

    b) Written documentation of the business purpose

       We noted documentation of the business purpose on each of the selected transactions, without exception.

    c) Documentation of the individuals participating in meals (for meal transactions only)

       N/A – We noted no meal expenses in any of the selected transactions.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kushner LaGraize, L.L.C.

November 26, 2019
Metairie, Louisiana