LE PETIT THEATRE DU VIEUX CARRE

FINANCIAL STATEMENTS

June 30, 2022 and 2021

LE PETIT THEATRE DU VIEUX CARRE
NEW ORLEANS, LOUISIANA

CONTENTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Le Petit Theatre du Vieux Carre
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Le Petit Theatre du Vieux Carre (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, 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 Le Petit Theatre du Vieux Carre as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Le Petit Theatre du Vieux Carre and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

2021 Financial Statements Restated

As discussed in Note 4 to the financial statements, the June 30, 2021 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Le Petit Theatre du Vieux Carre's ability to continue as a going concern for one year after the date that the financial statements are issued or available to be issued.

Auditors' 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 auditors' report that includes our opinion. 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 material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment 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 judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks 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.
- Obtain 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 Le Petit Theatre du Vieux Carre'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Le Petit Theatre du Vieux Carre'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.

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Summary of Compensation, Benefits and Other Payments to Agency Heads 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 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 a report dated January 3, 2023 on our consideration of Le Petit Theatre du Vieux Carre's, internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Le Petit Theatre du Vieux Carre's internal control over financial reporting and compliance.

Metairie, Louisiana
January 3, 2023

Wegmann Dazet, APC

LE PETIT THEATRE DU VIEUX CARRE
STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	$ 472,616	$ 206,242
Accounts receivable	61,772	23,388
Other receivables	-	100,953
Prepaid expenses	18,230	1,690
Total current assets	552,618	332,273
Beneficial interest in assets held by Greater New Orleans Foundation	297,030	335,199
Investments - board designated endowments	1,490,986	1,701,135
Property and equipment, at cost less accumulated depreciation	2,395,398	2,471,021
Deposits	4,994	4,994
Total assets	$ 4,741,026	$ 4,844,622
LIABILITIES		
Current liabilities		
Accounts payable	$ 38,927	$ 7,307
Accrued payroll and related liabilities	13,649	12,871
Accrued expenses	2,940	28,158
Refundable advance	17,000	-
Contract liabilities	-	40,692
Total current liabilities	72,516	89,028
NET ASSETS		
Net assets		
Without donor restrictions		
Board designated	1,547,023	1,701,135
Undesignated	2,575,549	2,550,207
With donor restrictions		
Purpose and time restrictions	248,908	169,053
Restrictions perpetual in nature	297,030	335,199
Total net assets	4,668,510	4,755,594
Total liabilities and net assets	$ 4,741,026	$ 4,844,622

See accompanying Notes to Financial Statements.

LE PETIT THEATRE DU VIEUX CARRE
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restictions	Total
Revenues, support and gain (loss)			
Government grants	$ 575,425	$ -	$ 575,425
Theatre revenue	498,320	-	498,320
Donations	379,687	111,227	490,914
Investment income, net	(213,298)	(25,458)	(238,756)
Other revenue	11,820	-	11,820
Net assets released from restrictions	44,083	(44,083)	-
Total revenues	1,296,037	41,686	1,337,723
Expenses			
Program services			
Productions	1,063,968	-	1,063,968
Education and outreach	6,356	-	6,356
Supporting services			
General and administrative	277,502	-	277,502
Fundraising	76,981	-	76,981
Total expenses	1,424,807	-	1,424,807
Change in net assets	(128,770)	41,686	(87,084)
Net assets			
Beginning of year	4,251,342	504,252	4,755,594
End of year	$ 4,122,572	$ 545,938	$ 4,668,510

See accompanying Notes to Financial Statements.

LE PETIT THEATRE DU VIEUX CARRE
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restictions	Total
Revenues, support and gain (loss)			
Government grants	$ 34,955	$ -	$ 34,955
Theatre revenue	66,359	-	66,359
Donations	446,672	29,562	476,234
Education	750	-	750
Investment income, net	369,950	71,544	441,494
Other revenue	5,732	-	5,732
Net assets released from restrictions	67,000	(67,000)	-
Total revenues	991,418	34,106	1,025,524
Expenses			
Program services			
Productions	408,834	-	408,834
Education and outreach	43,450	-	43,450
Rental	4,640	-	4,640
Supporting services			
General and administrative	297,367	-	297,367
Fundraising	145,813	-	145,813
Total expenses	900,104	-	900,104
Change in net assets	91,314	34,106	125,420
Net assets			
Beginning of year	4,160,028	470,146	4,630,174
End of year	$ 4,251,342	$ 504,252	$ 4,755,594

See accompanying Notes to Financial Statements.

LE PETIT THEATRE DU VIEUX CARRE
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022

	Programming Services		Supporting Services		
	Productions	Education and Outreach	Fundraising	General and Administrative	Total Expenses
Bank, credit card, and ticket sales fees	$ -	$ -	$ -	$ 30,615	$ 30,615
Building maintenance	15,636	-	-	-	15,636
Development	-	-	4,560	-	4,560
Depreciation	39,513	-	-	65,686	105,199
Dues and subscriptions	-	-	-	5,620	5,620
Employee benefits	6,840	243	1,702	1,215	10,000
Events expense	-	-	16,118	-	16,118
Housing and travel	97,813	-	-	-	97,813
Insurance	35,056	-	-	8,764	43,820
In-kind expense	-	-	7,625	-	7,625
Marketing	72,126	-	1,651	130	73,907
Payroll taxes and employee benefits	14,622	520	3,638	11,067	29,847
Postage and delivery	-	-	-	2,001	2,001
Production	678,836	-	-	-	678,836
Professional services	-	-	-	55,885	55,885
Rent expense	9,666	-	-	16,068	25,734
Salary and wages	38,591	5,593	39,153	59,737	143,074
Supplies	32,004	-	2,534	6,601	41,139
Travel	-	-	-	14,113	14,113
Utilities	23,265	-	-	-	23,265
Total expenses	$ 1,063,968	$ 6,356	$ 76,981	$ 277,502	$ 1,424,807

LE PETIT THEATRE DU VIEUX CARRE
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021

	Programming Services			Supporting Services		
	Productions	Education and Outreach	Rental	Fundraising	General and Administrative	Total Expenses
Bank, credit card, and ticket sales fees	$ -	$ -	$ -	$ -	$ 6,930	$ 6,930
Building maintenance	6,787	-	-	-	-	6,787
Development	-	-	-	7,692	-	7,692
Depreciation	7,953	-	-	-	113,143	121,096
Dues and subscriptions	-	-	-	-	3,419	3,419
Employee benefits	5,968	1,024	-	2,935	2,147	12,074
Equipment repair	-	-	-	-	181	181
Events expense	-	-	-	6,502	-	6,502
Housing and travel	2,751	-	-	-	-	2,751
Insurance	20,941	-	-	-	6,981	27,922
In-kind expense	-	-	-	47,295	-	47,295
Marketing	4,550	-	-	2,563	-	7,113
Payroll taxes and employee benefits	10,207	1,752	-	5,019	14,654	31,632
Postage and delivery	-	-	-	-	1,531	1,531
Production	299,286	-	-	-	-	299,286
Professional development	-	17,250	-	-	-	17,250
Professional services	-	-	-	-	62,966	62,966
Rent expense	1,645	-	-	-	23,404	25,049
Rental fee	-	-	4,640	-	-	4,640
Salary and wages	24,528	23,424	-	67,107	56,559	171,618
Supplies	-	-	-	6,700	3,224	9,924
Travel	-	-	-	-	2,228	2,228
Utilities	24,218	-	-	-	-	24,218
Total expenses	$ 408,834	$ 43,450	$ 4,640	$ 145,813	$ 297,367	$ 900,104

See accompanying Notes to Financial Statements.

LE PETIT THEATRE DU VIEUX CARRE
STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ (87,084)	$ 125,420
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	105,199	121,096
Realized and unrealized loss (gain)	229,612	(424,246)
Interest and dividend income	-	(27,496)
(Increase) decrease in operating assets:		
Accounts receivable	(38,384)	33,604
Other receivable	100,953	59,348
Prepaid expenses	(16,540)	32,493
Increase (decrease) in operating liabilities:		
Accounts payable	31,620	(26,346)
Accrued payroll and related liabilities	778	6,717
Accrued expenses	(25,218)	(18,776)
Contract liabilities	(23,692)	28,871
Net cash provided by (used in) operating activities	277,244	(89,315)
Cash flows from investing activities:		
Purchase of property and equipment	(29,576)	(5,711)
Sales and maturities of investments	49,457	185,032
Purchases of investments	(30,751)	(115,048)
Net cash (used in) provided by investing activities	(10,870)	64,273
Net increase (decrease) in cash	266,374	(25,042)
Cash and cash equivalents at beginning of year	206,242	231,284
Cash and cash equivalents at end of year	$ 472,616	$ 206,242

See accompanying Notes to Financial Statements.

1) Nature of activities

Le Petit Theatre du Vieux Carre (the "Theatre") is a non-profit organization established in 1916 to present theatrical performances for the community. The mission of the Theatre is to provide a wide range of quality theatrical productions and programming to entertain, enrich and educate the diverse population of the region, and enhance the economic vitality of the Greater New Orleans community.

2) Summary of significant accounting policies

The significant accounting policies followed by the Theatre are summarized as follows:

a) Financial statement presentation
The Financial Accounting Standards Board ("FASB") promulgates accounting principles generally accepted in the United States of America and reporting standards for Not-for-Profit entities. The accompanying financial statements have been prepared in accordance with such principles.

b) Contributions
Contributions received are recorded as with donor restrictions or without donor restrictions, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. All other donor restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

c) Cash and cash equivalents
All cash-related items having a maturity of three months or less from the original maturity date are classified as cash and cash equivalents.

d) Accounts receivable
Accounts are considered overdue if uncollected within ninety days of the original invoice. No allowance for uncollectible accounts has been provided, as management has evaluated the accounts and believes they are all collectible.

e) Property and equipment
Depreciation of the buildings and improvements, equipment, and furniture and fixtures is provided over the estimated useful lives of the respective assets on a straight-line basis ranging from 5 to 39 years.

Property and equipment are stated at cost. Additions, renewals, and betterments that add materially to the productive capacity or extend the life of an asset are capitalized. Expenditures for maintenance and repairs, which do not extend the life of the applicable assets, are charged to expense as incurred. Upon retirement or disposal of an asset, the asset and accumulated depreciation accounts are adjusted accordingly. Any resulting gain or loss is included in the statements of activities. The Theatre's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

2) Summary of significant accounting policies (continued)

f) Fundraising
All expenses associated with fundraising events are expensed as incurred.

g) Taxes
The Theatre is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. The Theatre has filed for and received income tax exemptions in the various jurisdictions where it is required to do so. The Theatre files Form 990 tax returns in the U.S. federal jurisdiction and in Louisiana.

The Theatre adopted the provisions of Accounting Standards Codification ("ASC") 740, *Accounting for Uncertainty in Income Taxes.* Management of the Theatre believes it has no material uncertain tax positions and, accordingly it has not recognized any liability for unrecognized tax benefits. With few exceptions, the Theatre is no longer subject to U.S. federal, state and local, or income tax examinations by tax authorities beyond three years from the filing of those returns.

h) Use of estimates
The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

i) Geographic concentration
The Theatre's operations are concentrated in the Greater New Orleans Region. Accordingly, economic and environmental phenomena will very likely have an impact on the Theatre's operating results.

j) Promises to give
Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises are recorded when all conditions have been met. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

k) Donated goods and services
Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Theatre. Donated goods are recognized as contributions at their fair value. The Theatre received donated goods for the years ended June 30, 2022 and 2021 in the amount of $7,625 and $47,295, respectively.

2) Summary of significant accounting policies (continued)

l) Donated property and equipment

Noncash donations are recorded as contributions at their fair values at the date of donations. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. There were no noncash donations for the years ended June 30, 2022 and 2021.

m) Contract liabilities

Contract liabilities represents revenues collected but not earned as of June 30, 2022 and 2021. This is composed of revenue for theatre productions, theatre rental, and subscriptions, that will take place the following fiscal year.

n) Investments

Investments in equity securities with readily determinable fair values and all debt securities are carried at fair value. Fair value is determined using quoted market prices (where available), or if not available, estimated fair values based on quoted market prices of financial instruments with similar characteristics. All other investments are carried at the lower of costs or net realizable value. Net investment income reported in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less investment administrative fees. Investment income is recognized during the period earned.

Investments are exposed to various risks such as significant world events, interest rates, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

o) Functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Theatre.

Program, education, rental, and fundraising expenses, when specifically identifiable, are classified to the function which incurred the expense. Expenses allocated using management's estimate of usage include, payroll and payroll taxes and employee benefits.

p) Endowment funds

The Not-for-Profit Entities Topic of the ASC provides guidance on the net asset classification of donor-restricted endowment funds for a non-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). This Topic requires additional disclosures about an organization's endowment funds (both donor-restricted and board designated endowment funds), which are disclosed in Notes 13 and 14.

2) Summary of significant accounting policies (continued)

q) Financial instruments and credit risk

Financial instruments that potentially subject the Theatre to concentrations of credit risk consist principally of cash deposits. Accounts at each institution is insured by the Federal Deposit Insurance Corporation up to certain limits. The Theatre has not experienced any losses in such accounts. The Theatre has no policy requiring collateral or other security to support its deposits.

The Theatre at times extends credit to their investors. The Theatre performs ongoing credit evaluations of its investors but generally does not require collateral to support accounts receivable.

r) New accounting pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the statements of financial position as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2021. Management is currently assessing the impact of this pronouncement on its financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets*. This accounting standard improves transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations through enhancements to presentation and disclosure. The standard is effective for annual periods beginning after December 15, 2021. Management is currently assessing the impact of this pronouncement on its financial statements.

s) Revenue and cost recognition

The Theatre 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.

Investor contributions and sponsorships can be comprised of an exchange element based on the value provided, and a contribution element for the difference between the total amount paid and the exchange element. The exchange portions of investor contributions and sponsorships are recognized when the related performance obligations are met, and the contribution portion is recognized immediately.

The Theatre generates revenue through the sale of tickets to its customers. Revenue from the sale of tickets is recognized over time, as the performances are held. The Theatre generates revenue through the rental of the Theatre to customers. Revenue from the rental of the Theatre is recognized over the lease term.

A portion of the Theatre’s revenue is derived from cost-reimbursable federal, state, and local contracts and grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Theatre has incurred expenditures in compliance with specific contract or grant provisions.

2) Summary of significant accounting policies (continued)

t) Advance ticket sales obligations

The Theatre may sell tickets for the subsequent theatrical season before the fiscal year ends. Advance ticket sales are recognized as contract liabilities on the statement of financial position. As each production is presented, the portion of the advance sales collections that pertain to that production are recognized as revenue on the statement of activities. In the event of any of the scheduled productions for the subsequent season are not presented, the advance ticket collections for that production will be available for refund to the purchaser.

u) Description of net assets classification

The FASB Accounting Standards Codification (ASC) 958, *Financial Statements for Not-for-Profit Entities*, requires the net assets and changes in net assets be reported for two classifications – with donor restrictions and without donor restrictions based on the existence or absence of donor imposed restrictions.

The Theatre reports gifts of cash and other assets as restricted support if they are received with donor imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to net assets without donor restrictions. Funds received with the stipulation that the funds be returned if specified future events fail to occur are accounted for as refundable advances until the conditions have been substantially met.

3) Reclassification

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. Total net assets are unchanged due to these reclassifications.

4) Prior period adjustment

During the year ended June 30, 2022, errors were identified in the June 30, 2021 financial statements which materially misstated the financial position, statement of activities and changes in net assets as of June 30, 2021, and for the year then ended and required restatement. The errors identified were the result of not recognizing $25,234 of employee retention tax credit revenue in the proper period. As a result of the restatement other receivables and government grants revenue increased by $25,234.

5) Property and equipment

Property and equipment consisted of the following:

	2022	2021
Building & improvements	$ 3,491,720	$ 3,491,720
Land	7,600	7,600
Equipment	387,178	357,602
Furniture and fixtures	101,947	101,947
Total costs	3,988,445	3,958,869
Less: accumulated depreciation	(1,593,047)	(1,487,848)
Property and equipment	$ 2,395,398	$ 2,471,021

5) Property and equipment (continued)

Depreciation expense for the years ended June 30, 2022 and 2021 was $105,199 and $121,096, respectively.

6) Operating lease

The Theatre entered into a lease agreement effective February 1, 2021 for office space. The lease expires on June 30, 2024, unless terminated early in accordance with the lease agreement. Future minimum rental payments under the current lease are as follows:

Year Ending	Amount
2022	$ 26,000
2023	26,000
2024	26,520

7) Other receivables

The state of Louisiana offers a unique tax incentive for musical and theatrical productions called, the Live Performance Production Program, statutorily known as the Musical and Theatrical Production Income Tax Credit. The Theatre qualified for this and is shown as other receivable on the statements of financial position. As of June 30, 2022 and 2021, the balance of this receivable is $0 and $75,719, respectively.

Under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) the Theatre was eligible for the employee retention tax credit (“ERTC”). Employers are eligible for the credit if they experienced either a full or partial suspension of operations during any calendar quarter because of governmental orders due to the pandemic or a significant decline in gross receipts based on comparing quarterly revenue results with the comparable quarter in 2019. The ERTC is a refundable credit that the Theatre can claim on qualified wages paid to employees, including certain health insurance costs. The Theatre filed a refund claim for $25,234 and is included in the other receivables balance on the statement of financial position as of June 30, 2021.

8) Net assets with purpose restrictions

Net assets with purpose restrictions are available for the following purposes:

	2022	2021
Strategic plan	$ -	$ 12,145
Capital improvements	64,367	64,367
Education programing	184,541	92,541
Total purpose and time restricted net assets	$ 248,908	$ 169,053

8) Net assets with purpose restrictions (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

	2022	2021
Strategic plan	$ 12,145	$ -
Education programing	-	17,250
Production costs	17,000	27,062
Executive salaries	-	9,000
Total	$ 29,145	$ 53,312

9) Net assets with restrictions perpetual in nature

Net assets with restrictions perpetual in nature consist of endowment funds. The Le Petit Theatre Fund and The Harold Newman Fund are administered by the Greater New Orleans Foundation (the "Foundation"). As of June 30, 2022 and 2021, these net assets were as follows:

	2022	2021
Harold Newman Endowment Fund	$ 243,684	$ 274,569
Le Petit Theatre Endowment Fund	53,346	60,630
Total net assets with restrictions perpetual in nature	$ 297,030	$ 335,199

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

	2022	2021
Investment income withdrawal	$ 14,938	$ 13,688

10) Liquidity and availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise of the following:

Financial assets:	
Cash and cash equivalents	$ 472,616
Accounts receivable	61,772
Financial assets, at year end	534,388
Less those unavailable for general expenditure within one year, due to	
Restriction by donor for specified purpose	(248,908)
Board designated for specified purpose	(56,037)
Financial assets available to meet cash needs for general expenditures within one year	$ 229,443

The Theatre manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

As disclosed in note 13, the Theater is permitted to use a portion of the income from the endowment fund. Income available from the endowment fund in 2022 and 2021 was $59,691 and $58,179, respectively.

11) Fair value measurement

ASC 820, Fair Value Measurements and Disclosures, establishes 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 the 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 under ASC 820 in the methodologies used as of June 30, are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Theatre 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 asset or liability;
- 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.

11) Fair value measurement (continued)

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at June 30, 2022 and 2021.

The following is a description of the valuation methodologies used for assets measured at fair value.

Equities and certain Fixed Income Funds: Valued at the closing price reported on the active market on which the individual securities are traded. If quoted market prices are not available for the specific security, then fair values are estimated by using pricing models or quoted prices of securities with similar characteristics.

Corporate Bonds, Fixed Income Bond Funds, and Mortgage backed Securities: Valued at the present value of the expected future cash flows utilizing the minimum risk free rate of return. The valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Other Investments: Included in other investments are Private Equity Funds, Limited Liability Entities, Hedge Funds, and Pooled Investment Funds. These investments are valued based upon the units held at year-end multiplied by the respective unit value. The unit value is based upon significant observable inputs, although it is not based upon quoted marked prices in an active market. The underlying investments consist primarily of equity securities, debt obligations, short-term investments and other marketable securities. In accordance with ASC 820-10, these investments are not classified in the fair value hierarchy.

Furthermore, while the Theatre believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables sets forth by level, within the fair value hierarchy, the Theatre's assets at fair value as of June 30, 2022 and 2021.

	Assets at Fair Value as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
Equity Funds	$ 1,009,641	$ -	$ -	$ 1,009,641
Corporate Bonds	-	474,335	-	474,335
Fixed Income Funds	12,588	74,952	-	87,540
Money Market Funds	30,456	-	-	30,456
Mortgage Backed Securities	-	1,261	-	1,261
Total assets at fair value	$ 1,052,685	$ 550,548	$ -	$ 1,603,233
Investments recorded at NAV as practical expedient				184,783
				$ 1,788,016

11) Fair value measurement (continued)

	Assets at Fair Value as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
Equity Funds	$ 1,132,953	$ -	$ -	$ 1,132,953
Corporate Bonds	-	541,190	-	541,190
Fixed Income Funds	13,154	89,080	-	102,234
Money Market Funds	32,452	-	-	32,452
Mortgage Backed Securities	-	1,439	-	1,439
Total assets at fair value	$ 1,178,559	$ 631,709	$ -	$ 1,810,268
Investments recorded at NAV as practical expedient				226,066
				$ 2,036,334

In accordance with ASC 820-10, other investments are measured at fair value using the NAV per share (or its equivalent) practical expedient and have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented on the statements of financial position.

12) Investments

The Theatre maintains endowments that are included on its statements of financial position. The Le Petit Theatre Fund and The Harold Newman Fund are administered by the Foundation. The board designated endowment is administered by the Jewish Endowment Foundation of Louisiana.

The investments as of June 30, 2022 and 2021 are summarized as follows:

	Costs	2022 Fair Value	2021 Fair Value
Endowment Fund Investments	$ 236,235	$ 297,030	$ 335,199
Board Designated Endowment	$ 1,377,565	$ 1,490,986	$ 1,701,135

Investment return, which is included in investment income on the statements of activities, for the years ended June 30, 2022 and 2021 is as follows:

	2022	2021
Endowment Fund Investments		
Interest and dividends	$ 2,192	$ 3,581
Realized / unrealized (loss) gain	(27,650)	67,964
Administrative fees	(3,148)	(2,411)
Board Designated Endowments		
Interest and dividends	-	23,915
Realized / unrealized gain (loss)	(201,962)	356,282
Administrative fees	(8,187)	(7,837)

13) Board designated net assets

As of June 30, 2022 and 2021, the Board of Le Petit Theatre du Vieux Carre had designated $56,037 and $0, respectively, of net assets without donor restrictions for a specified purpose. Additionally, as of June 30, 2022 and 2021, the Board has designated $1,490,986 and $1,701,135, respectively, of net assets without donor restrictions as a general endowment fund to support the mission of the Theatre. The Theatre has granted the Jewish Endowment Foundation of Louisiana, the authority to administer and manage the endowment funds in accordance with the Jewish Endowment Foundation of Louisiana's investment policy and guidelines. Since the amount resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions.

Investment Policy. The investment policy adopted by the Jewish Endowment Foundation of Louisiana shall combine both the preservation of principal and moderate risk-taking. While high levels of risk are to be avoided, the assumption of moderate level of risk is warranted and encouraged in order to achieve satisfactory results consistent with the objectives and fiduciary character of the Jewish Endowment Foundation of Louisiana over a full market cycle.

Spending Policy. The Theatre has a spending policy which will allow for distributions upon their request as an annual distribution of up to five percent (5%) of the principal in the fund as of December 31 of the previous year.

The composition of the board designated endowment at June 30, 2022 and 2021 was:

	Board Designated Endowment 2022 Without Donor Restrictions	Board Designated Endowment 2021 Without Donor Restrictions
Endowment net assets, beginning of year	$ 1,701,135	$ 1,386,954
Investment income	-	23,915
Realized / unrealized (loss) gain	(201,962)	356,282
Subtotal	1,499,173	1,767,151
Amounts appropriated for expenditure	-	58,179
Administrative expenses	8,187	7,837
Endowment net assets, end of year	$ 1,490,986	$ 1,701,135

During the years ended June 30, 2022 and 2021 the Board appropriated for expenditure $59,691 and $58,179, respectively.

14) Endowment

The Theatre's endowment consists of two (2) donor restricted funds, the Le Petit Theatre Endowment Fund and the Harold W. Newman Endowment Fund. The Theatre has granted the Foundation the authority to administer and manage the endowment funds in accordance with the Foundation's investment policy and guidelines as noted below. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

14) Endowment (continued)

The Board of Directors has interpreted the State Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Theatre classifies as net assets with restrictions perpetual in nature: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets with purpose restrictions until those amounts are appropriated for expenditure by the Theatre in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Theatre considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Theatre, and (7) the Theatre's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. The primary financial objective for the Foundation is to increase the real (inflation-adjusted) purchasing power of endowment assets and income after accounting for endowment spending, inflation, and costs of investment management. Endowment assets are invested in a well-diversified asset mix, which includes equity securities, fixed income securities and alternative investments that is intended to meet this objective. The Foundation has established a 5% real rate of return objective for the Foundation's portfolio. Actual returns in any given year may vary from this amount. Investment assets and allocation between asset classes and strategies are managed to not expose the endowment assets to unacceptable levels of risk.

Spending Policy. The Foundation follows a Total Return Spending Policy for its endowment funds. Endowment funds are invested for maximum total return (within acceptable risk parameters), without distinction between income and capital gains. The market value of the fund is measured over the past 12 quarters, and a percentage of the average of those values is made available for grants. This method appropriately puts the focus on the long-term growth of the fund. This, in turn, encourages the appropriate use of equities in the fund, helping the fund to grow at a rate greater than inflation. The annual percentage for 2022 and 2021 distributions were 5% and 4%, respectively. This percentage is evaluated each year and adjusted as necessary.

14) Endowment (continued)

The composition of endowments by net asset class at June 30, 2022 and 2021 was:

	Net Assets with Restrictions Perpetual in Nature 2022	Net Assets with Restrictions Perpetual in Nature 2021
Endowment net assets, beginning of year	$ 335,199	$ 277,343
Investment income	2,192	3,581
Realized / unrealized (loss) gain	(27,650)	67,964
Contributions	2,227	-
Subtotal	311,968	348,888
Grants	11,790	11,278
Administrative expenses	3,148	2,411
Endowment net assets, end of year	$ 297,030	$ 335,199

15) Shuttered venue operators grant

On July 12, 2021 and on November 4, 2021, the Theatre was awarded the Shuttered Venue Operators Grant ("SVOG") in the amounts of $383,488 and $191,744, respectively, from the SBA. The SVOG is administered by the Small Business Administration and is part of the Economic Aid Act for eligible organizations involved in producing and promoting theatrical performances, and those that operate venues hosting such performances. Under the terms of the Economic Aid Act, SVOG funds must be used for qualifying expenses, including, but not limited to payroll, mortgage interest, rent, utility and other ordinary and necessary business expenses. The Theatre will have to use these funds for three seasons to cover the decline in the state's Live Performance Tax Credits in the next two seasons due to reduction in show expenditures.

The Theatre applied ASC 958-605, *Not-for-Profit Entities: Revenue Recognition* and recognized SVOG funds as a conditional contribution. Accordingly, the Theatre recognized income as it incurred qualifying SVOG expenses and determined that the conditions were substantially met. During 2022, the Theatre incurred $575,232 of qualifying expenses and the related income is included in government grants on the statement of activities.

16) Contract liabilities

The Theatre may sell tickets for the subsequent theatrical season before the fiscal year ends. Advance ticket sales are recognized as contract liabilities on the statement of financial position. As each production is presented, the portion of the advance sales collections that pertain to that production are recognized as revenue on the statement of activities. In the event of any of the scheduled productions for the subsequent season are not presented, the advance ticket collections for that production will be available for refund to the purchaser. The following table depicts activities from contract receivables and contract liabilities related to ticket sales.

	2022	2021
Contract liabilities at beginning of year	$ 40,692	$ 11,821
Contract liabilities at end of year	$ -	$ 40,692

17) Subsequent events

Management evaluated subsequent events through the date of the auditors' report, the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

Wegmann Dazet
CERTIFIED PUBLIC ACCOUNTANTS

Jon S. Folse
Lisa D. Englade
Kerney F. Craft, Jr.
Jonathan P. Koenig

John D. White
Valerie L. Lowry

Thomas R. Laine
Brian M. Menendez

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*

Board of Directors
Le Petit Theatre du Vieux Carre
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 Le Petit Theatre du Vieux Carre, which comprise the statement of financial position as of June 30, 2022, and the related statements 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 January 3, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Le Petit Theatre du Vieux Carre'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 Le Petit Theatre du Vieux Carre's internal control. Accordingly, we do not express an opinion on the effectiveness of Le Petit Theatre du Vieux Carre's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Le Petit Theatre du Vieux Carre'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.*

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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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor as a public document.

Metairie, Louisiana
January 3, 2023

Wegmann Dazet, APC

LE PETIT THEATRE DU VIEUX CARRE
SUMMARY OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEADS
For the Year Ended June 30, 2022

SUMMARY OF COMPENSATION

Don-Scott Cooper, Executive Director

- None of the agency head's compensation was derived from state and/or local assistance.

Wegmann Dazet
CERTIFIED PUBLIC ACCOUNTANTS

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John D. White

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Brian M. Menendez
James G. Hargrove
Richard J. Tullier, Jr.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Le Petit Theatre du Vieux Carre
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 (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year period July 1, 2021 through June 30, 2022. Le Petit Theatre du Vieux Carre (Entity) management is responsible for those C/C areas identified in the SAUPs.

The Entity 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 the LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. 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:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address 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.

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

Procedure Results - We performed the procedures noted above and noted no exceptions. The entity is a non-profit and accordingly, item i) above is not applicable. The Entity does not hold debt, and accordingly, item j) above is not applicable. Also, item l) Sexual Harassment is not applicable to this entity.

Board or Finance Committee

2. 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.

Procedure Results - We performed the procedures noted above and noted no exceptions. The Entity is not a governmental entity, nor does it report on the governmental accounting model, accordingly, item b) and c) above is not applicable.

Bank Reconciliations

3. Obtain a listing of entity 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. 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.

   Procedure Results - We performed the procedures detailed above and noted no exceptions on items a). With respect to item b), the results of procedures performed indicated that the Executive Director has access to review the bank reconciliations electronically at his discretion. The external accounting, who performs the bank reconciliations has not access to cash or custody of deposits. With respect to item c), the results of procedures performed indicated there was no documentation reflecting that management has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

   Recommendation - Management research reconciling items that have been outstanding for more than 12 months from the statement closing date evidenced by initialing and/or electronic logging.

Collections (excluding electronic funds transfers)

4. Obtain a listing of <u>deposit sites</u> 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).

   Procedure Results - We performed the procedure noted above and noted no exceptions.

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

      Procedure results – We performed the procedure noted above and noted no exception.

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.

Procedure Results - We performed the procedure noted above and noted no exception.

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.

Procedure Results - We performed the procedure noted above and noted no exception.

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 verifies the reconciliation.

Procedure Results - We performed the procedure noted above and noted no exception.

6. 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.

   Procedure Results - We performed the procedure noted above and noted no exception.

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). *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:

   Procedure Results - We performed the procedure noted above and noted no exception

a) Observe that receipts are sequentially pre-numbered.

Procedure Results - We performed the procedure detailed above and noted the entity does not use sequentially pre-numbered receipts when receiving checks.

b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Procedure Results - We performed the procedure detailed above and noted the entity does not use sequentially pre-numbered receipts when receiving checks.

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

Procedure results – We performed the procedure noted above and noted no exception.

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).

Procedure results – We performed the procedure noted above and noted that the Entity's bank location is within less than 1 mile from the entity's collection location. Based on the samples selected, we noted that the entity deposits collections within seven to ten business days.

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

Procedure results – We performed the procedure noted above and noted no exception.

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

8. 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).

   Procedure Results - We performed the procedure noted above and noted no exceptions.

9. For each location selected under #8 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.

   Procedure Results - We performed the procedures noted above and noted no exceptions.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) 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 matched the related original invoice/billing statement.

    Procedure Results - We performed the procedures noted above and noted no exceptions.

    b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

    Procedure Results – The office manager opens the mail, gives all invoices to Executive Director for review, the Executive Director then gives the external accountant all invoices he wants paid and from there, the external accountant enters bill and runs an Unpaid Bill report. This report is given to the Executive Director for review. All bills that need to be paid are manually checked off on the Unpaid Bill report by Executive Director. External accountant prints checks checked off, gives the checks to the Executive Director for signature. The office manager mails checks.

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

11. 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.

    Procedure Results - We performed the procedure above and noted no exception.

12. 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 (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

a) Observe whether there is 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) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

   Procedure Results – The external accounting receives credit card statements and obtains receipts from card holder for review and approval. The Executive Director will spot check charges throughout the year.

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

   Procedure Results - We performed the procedures noted above and noted no exceptions.

13. Using the monthly statements or combined statements selected under #12 above, <u>excluding fuel cards</u>, 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 it is supported by (a) an original itemized receipt that identifies precisely what was purchased, (b) written documentation of the business/public purpose, and (c) documentation of the individuals participating in meals (for meal charges only). 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.

    Procedure Results - We performed the procedures noted above and noted that 2 out of 20 transactions tested were not supported by an original itemized receipt that identifies what was purchased. Accordingly, we were unable to discern their proper business purpose. With respect to item c) none of the randomly selected transactions were meals so this item is not applicable.

    Recommendation – Management should obtain invoices and paper evidence of occurrence for all transactions.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. 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 (www.gsa.gov).

    b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

    c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

    d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

    Procedure Results - We performed the procedures above and noted no exceptions.

Contracts

15. 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 whether 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 whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
    c) If the contract was amended (e.g., change order), observe 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 the invoice and related payment agreed to the terms and conditions of the contract.

    Procedure Results - The Entity is a non-profit, accordingly item a) is not applicable. The Entity had no amendments to contracts during the testing period, accordingly, item c) is not applicable. With regards to items b) and d), we performed the procedures and noted no exception.

16. 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.

    Procedure Results – We performed the procedures noted above and noted no exceptions.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

    a) Observe 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 whether supervisors approved the attendance and leave of the selected employees or officials.
    c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
    d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

    Procedure Results - We performed the procedures noted above and noted no exceptions.

18. 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.

    Procedure Results – We performed the procedure listed above and noted there were no employees of officials that received termination payments during the fiscal period. Therefore, this is not applicable.

19. 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.

    Procedure Results - We performed the procedure listed above and noted there were no employees of officials that received termination payments during the fiscal period. Therefore, this is not applicable.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
    a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
    b. Observe whether 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.

    Procedure Results - This section is not applicable to the Entity. The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

    Procedure Results - There were no debt instruments issued during the fiscal period. Accordingly, this section is not applicable.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

    Procedure Results - The Entity does not carry debt. Accordingly, this section is not applicable.

Fraud Notice

23. 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, obtain 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.

    Procedure Results - The Entity did not have misappropriations of public funds or assets during the fiscal period. Accordingly, this section is not applicable. Per conversation with Holly and work performed during the audit, the entity had zero misappropriations of public funds and assets during the fiscal period.

24. Observe 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.

    Procedure Results - The Entity did not experience any of the instances listed above. Accordingly, this section is not applicable.

Information Technology Disaster Recovery/Business Continuity

25. 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 observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe 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.

    Procedure Results - We performed the procedures above and noted no exceptions.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

    Procedure Results - This section is not applicable to the Entity.

27. Observe 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).

    Procedure Results - This section is not applicable to the Entity.

28. 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.

Procedure Results - This section is not applicable to this Entity.

We were engaged by the Entity 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. 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 the Entity 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 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.

Metairie, Louisiana
January 3, 2023

Wegmann Dazet, APC