

NEW ORLEANS CAREER CENTER

Financial Statements

June 30, 2025

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Independent Auditor's Report

To the Board of Directors of
New Orleans Career Center
New Orleans, Louisiana

Report on the Audit of the Financial Statements Opinion

Opinion

We have audited the accompanying financial statements of New Orleans Career Center (the Organization), a non-profit organization, which comprise the statement of financial position as of June 30, 2025, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025, 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 (U.S. GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 GAAS 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 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 GAAS 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 the Organization'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 the Organization'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.

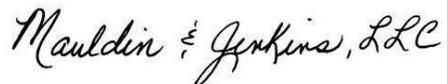
Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to agency head and schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of compensation, 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 December 16, 2025 on our consideration of the Organization'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 the Organization'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 the Organization's internal control over financial reporting and compliance.



Covington, Louisiana
December 16, 2025

NEW ORLEANS CAREER CENTER
Statement of Financial Position
June 30, 2025

Assets

Current Assets

| | |
|---------------------------|--------------|
| Cash and Cash Equivalents | \$ 2,308,108 |
| Accounts Receivable | 1,116,220 |
| Prepaid Expenses | <u>918</u> |

Total Current Assets 3,425,246

Noncurrent Assets

| | |
|-----------------------------|---------------|
| Property and Equipment, Net | 736,037 |
| Investments | <u>29,363</u> |

Total Noncurrent Assets 765,400

Total Assets \$ 4,190,646

Liabilities and Net Assets

Current Liabilities

| | |
|---------------------------------|--------------|
| Accounts Payable | \$ 145,658 |
| Accrued Expenses | 9,189 |
| Refundable Advances | 154,853 |
| Current Portion of Note Payable | <u>3,808</u> |

Total Current Liabilities 313,508

Long-Term Liabilities

| | |
|--------------------------------------|----------------|
| Note Payable, Net of Current Portion | <u>107,278</u> |
|--------------------------------------|----------------|

Total Long-Term Liabilities 107,278

Net Assets

| | |
|----------------------------|------------------|
| Without Donor Restrictions | 1,832,503 |
| With Donor Restrictions | <u>1,937,357</u> |

Total Net Assets 3,769,860

Total Liabilities and Net Assets \$ 4,190,646

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

NEW ORLEANS CAREER CENTER
Statement of Activities
For the Year Ended June 30, 2025

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---------------------------------------|------------------------------------|---------------------|
| Revenues and Other Support | | | |
| Program Service Fees | \$ 2,262,000 | \$ - | \$ 2,262,000 |
| Private Grants | 2,920,043 | 1,640,738 | 4,560,781 |
| Local Grants | 1,336,214 | - | 1,336,214 |
| Federal Grants | 1,044,603 | - | 1,044,603 |
| State Grants | 480,413 | - | 480,413 |
| Contributions | 49,897 | - | 49,897 |
| Other Income | 65,560 | - | 65,560 |
| Net Investment Return | 82,811 | - | 82,811 |
| Net Assets Released from Restrictions | 592,650 | (592,650) | - |
| Total Revenues and Other Support | 8,834,191 | 1,048,088 | 9,882,279 |
| Expenses | | | |
| Program Services - Education | 5,826,094 | - | 5,826,094 |
| Supporting Services | 1,276,458 | - | 1,276,458 |
| Fundraising | 186,631 | - | 186,631 |
| Total Expenses | 7,289,183 | - | 7,289,183 |
| Change in Net Assets | 1,545,008 | 1,048,088 | 2,593,096 |
| Net Assets at Beginning of Year | 287,495 | 889,269 | 1,176,764 |
| Net Assets at End of Year | \$ 1,832,503 | \$ 1,937,357 | \$ 3,769,860 |

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

NEW ORLEANS CAREER CENTER
Statement of Functional Expenses
For the Year Ended June 30, 2025

| | Program Services - Education | Supporting Services | Fundraising | Total |
|------------------------|---|--------------------------------|--------------------|---------------------|
| Salaries and Benefits | \$ 3,465,751 | \$ 621,474 | \$ 158,164 | \$ 4,245,389 |
| Office Expense | 1,167,819 | 105,530 | 9,533 | 1,282,882 |
| Contract Services | 671,969 | 255,801 | 3,471 | 931,241 |
| Facility and Equipment | 160,294 | 223,689 | 14,421 | 398,404 |
| Depreciation | 212,985 | - | - | 212,985 |
| Other | 113,905 | 55,217 | 1,042 | 170,164 |
| Travel and Meeting | 33,371 | 14,747 | - | 48,118 |
| | <u>\$ 5,826,094</u> | <u>\$ 1,276,458</u> | <u>\$ 186,631</u> | <u>\$ 7,289,183</u> |

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

NEW ORLEANS CAREER CENTER
Statement of Cash Flows
For the Year Ended June 30, 2025

| | |
|---|---------------------|
| Operating Activities | |
| Change in Net Assets | \$ 2,593,096 |
| Adjustments to Reconcile Change in Net Assets to Net | |
| Cash Provided by Operating Activities | |
| Depreciation | 212,985 |
| Donated Securities | (13,372) |
| Net Realized and Unrealized Gain on Investments | (3,267) |
| Changes in Operating Assets and Liabilities | |
| Accounts Receivable | (102,850) |
| Accounts Payable | (52,469) |
| Accrued Expenses | (2,755) |
| Refundable Advances | <u>154,853</u> |
| Net Cash Provided by Operating Activities | <u>2,786,221</u> |
| Investing Activities | |
| Purchases of Investments | (200) |
| Purchases of Property and Equipment | <u>(561,729)</u> |
| Net Cash Used in Investing Activities | <u>(561,929)</u> |
| Financing Activities | |
| Repayment on Notes Payable | (523,618) |
| Borrowings on Line of Credit | 140,000 |
| Repayment of Line of Credit | <u>(390,000)</u> |
| Net Cash Used in Financing Activities | <u>(773,618)</u> |
| Net Change in Cash and Cash Equivalents | <u>1,450,674</u> |
| Cash and Cash Equivalents at Beginning of Year | <u>857,434</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 2,308,108</u> |
| Supplemental Cash Flow Information | |
| Cash Paid for Interest | <u>\$ 30,401</u> |

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

NEW ORLEANS CAREER CENTER

Notes to Financial Statements

Note 1. Description of the Organization

New Orleans Career Center (the Organization) is New Orleans' hub for high quality technical education, training skilled and prepared graduates for a lifetime of opportunities, advancement, and success.

The Organization is a non-profit providing high school and adult students access to career and technical education training and academic coursework to earn industry-based credentials (IBCs) for employment in high-wage, high-demand industry sectors.

Program Services

The Organization's program services consist of the following:

Education - The Organization provides career and technical education to prepare students for employment in certain industries.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASU).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Contract Receivable

Contract receivable consists of unpaid balances for the program service fee. All amounts are due within one year. The Organization elected the accounting policy to measure expected credit losses on current accounts receivable arising from revenue transactions using the aging method as a practical expedient. Management evaluates the collectability of receivables based on historical experience, current economic conditions, and other relevant factors. Because the Organization's receivables are primarily short-term and from grantors or donors with a history of timely payment, expected credit losses are not significant. Accordingly, no allowance for credit losses was recorded as of June 30, 2025.

NEW ORLEANS CAREER CENTER

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Grants Receivable

Grants receivable represent amounts awarded by various government agencies as well as private organizations. Grants receivable are due within one year and are recorded at their net realizable value. Management estimates an allowance for uncollectible grants receivable based on historical trends, and current and past experience with the individual grantors. Management determined that no allowance was necessary as of June 30, 2025.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. 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 more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed. Management determined that no allowance was necessary as of June 30, 2025.

There were no conditional promises to give at June 30, 2025.

Property and Equipment

All acquisitions of property and equipment in excess of \$2,500 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, consisting of furniture, fixture, and equipment, for impairment and determines whether an event or change in facts and circumstances indicates that their carrying amount may not be recoverable. The Organization determines the recoverability of assets by comparing the carrying value of the asset to the net future undiscounted cash flows that the asset is expected to generate. The impairment recognized is the amount by which the carrying amount exceeds the fair market value of the asset. There were no asset impairments recorded during the year ended June 30, 2025.

Note 2. Summary of Significant Accounting Policies (Continued)

Investments

Investments are reported at fair value. Net investment return (loss) consists of interest and dividends, realized and unrealized gains and losses, net of external and direct internal investment expenses. Investment return is reported in the statement of activities as an increase in net assets without donor restrictions unless the use of the income is limited by donor-imposed restrictions. Net investment return whose use is restricted by the donor is reported as a change in net assets with donor restrictions until expended in accordance with donor-imposed restrictions.

Leases

The Organization determines if an arrangement is a lease at inception.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

NEW ORLEANS CAREER CENTER

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Organization is recognizing revenue over time for its program service fees. Program service fees are recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied. The performance obligations are based upon the completion of program service contract terms. The Organization's method of recognizing revenue is the input method for performance obligations to be utilized over time.

Revenue received in advance is deferred and recognized over the periods to which the dates and fees relate. These amounts are included in performance obligation liabilities within the statement of financial position. As of June 30, 2025, and July 1, 2024 there were no performance obligations to be satisfied.

A significant portion of the Organization's grants and contracts are from government agencies (federal, state, and local). These benefits received by the public as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and therefore are not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances. As of June 30, 2025, refundable advances totaled \$154,853, representing funds for which the related barriers have not yet been met.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly removed the conditions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Advertising Expenses

The Organization expenses the costs of advertising as incurred. Advertising expense totaled \$1,294 for the year ended June 30, 2025.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to salaries and benefits are allocated based on actual time spent in each functional area. Depreciation is allocated based on total square footage of use by each functional area.

NEW ORLEANS CAREER CENTER

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from taxes on income other than unrelated business income. There was no unrelated business income during the year ended June 30, 2025.

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Organization believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

Implementation of Accounting Pronouncement

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The ASU introduces a practical expedient and, for entities other than public business entities, an accounting policy election to simplify the application of Topic 326, *Financial Instruments - Credit Losses*, to current accounts receivable and current contract assets arising from revenue transactions accounted for under Topic 606, *Revenue from Contracts with Customers*. The Organization early implemented this guidance. The implementation of ASU 2025-05 did not result in a significant impact on the financial statements.

NEW ORLEANS CAREER CENTER

Notes to Financial Statements

Note 3. Liquidity and Financial Asset Availability

The Organization maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Organization's expenditures come due. The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

| | |
|---|----------------------------|
| Total Assets at Year End | \$ 4,190,646 |
| Less Non-Financial Assets: | |
| Prepaid Expenses | (918) |
| Property and Equipment, Net | (736,037) |
| Investments | <u>(29,363)</u> |
| Financial Assets at Year End | <u>3,424,328</u> |
| Less Assets not Available for General Expenditures Within One Year: | |
| Net Assets With Donor Restrictions | <u>(1,937,357)</u> |
| Financial Assets Available to Meet Cash Needs for General Expenditures Within One year | <u><u>\$ 1,486,971</u></u> |

The Organization is principally supported by its program service fees charged for the services it provides.

In addition, the Organization has access to a \$500,000 unsecured line of credit with a financial institution, which can be drawn upon in the event of unexpected liquidity needs. This line of credit provides an additional source of funds to manage short-term cash requirements.

Note 4. Accounts Receivable

Accounts receivable consists of the following for the years ended June 30, 2025 and July 1, 2024, respectively:

| | 2025 | 2024 |
|--|----------------------------|----------------------------|
| Grants Recivable | \$ 1,015,220 | \$ 919,281 |
| Contract Receivable - Program Service Fees | 95,000 | 94,089 |
| Other Income | <u>6,000</u> | - |
| Total Accounts Receivable | <u><u>\$ 1,116,220</u></u> | <u><u>\$ 1,013,370</u></u> |

NEW ORLEANS CAREER CENTER

Notes to Financial Statements

Note 5. Property and Equipment

The components of property and equipment at June 30, 2025 are as follows:

| | Estimated Useful Life (in Years) | |
|------------------------------------|---|--------------------------|
| Furniture, Fixtures, and Equipment | 5 | \$ 1,202,810 |
| Less: Accumulated Depreciation | | <u>(466,773)</u> |
| Property and Equipment, Net | | <u>\$ 736,037</u> |

Depreciation expense for the year ended June 30, 2025 amounted to \$212,985.

Note 6. Investments and Fair Value Measurement

The carrying values of the Organization's financial instruments approximate fair value.

The Organization follows the provisions of FASB ASC 820, *Fair Value Measurement*. Under FASB ASC 820, fair value is defined as 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.

FASB ASC 820 establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 Valuations based on unadjusted quoted prices in active markets for identical assets and liabilities as of the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.
- Level 2 Valuations based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of assets or liabilities.

NEW ORLEANS CAREER CENTER

Notes to Financial Statements

Note 6. Investments and Fair Value Measurement (Continued)

Level 3 Valuations based on inputs that are unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. The fair values are typically determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodology used for assets measured at fair value:

Money Market Funds and Equity Securities: The fair value is determined at the closing price reported on the active market on which the individual securities are traded (Level 1 measurements). If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments (Level 2 measurements).

The following table sets forth, by level within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2025:

| | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------------|------------------|-------------|-------------|------------------|
| Money Market Funds | \$ 3,187 | \$ - | \$ - | \$ 3,187 |
| Equity Securities | 26,176 | - | - | 26,176 |
| Investments, at Fair Value | \$ 29,363 | \$ - | \$ - | \$ 29,363 |

Note 7. Leases

Effective January 27, 2023, the Organization leased classroom and office space under a non-cancellable operating lease at rates based on the variable annual Use Fee calculated as defined in the agreement dated November 10, 2022, which is charged by the lessor to the schools that send students to the Organization for the career and technical education training offered by the Organization. The lease is effective through January 26, 2026 with options to extend the agreement for two (2) additional two (2) year periods. As there are no amounts charged directly to the Organization, the lease is not recorded as a right-of-use asset or liability and related in-kind revenues and expenses are not recorded since they are not estimable as they are based on variable student count and Use Fee rates.

NEW ORLEANS CAREER CENTER

Notes to Financial Statements

Note 8. Line of Credit

In November 2022, the Organization obtained a line of credit agreement with a financial institution, which was renewed in November 2024 maturing on November 13, 2025. At June 30, 2025 available borrowings related to the renewed agreement were \$500,000, with a variable interest rate equal to the Wall Street Journal Prime Rate plus 0.043 percentage points, secured by any and all deposits held by the lending financial institution. There was no outstanding line of credit balance as of June 30, 2025. Interest expense related to the line of credit was \$27,020 for the year ended June 30, 2025.

Note 9. Note Payable

Note payable at June 30, 2025 consists of the following:

| | |
|---|--------------------------|
| Economic Injury Disaster Loan - Interest only for the first 36 months at interest rate of 2.75%; then payable in monthly installments of \$641 beginning July 2023; maturing in June 2051; and secured by all of the organization's assets. | \$ 111,086 |
| Less: Current Portion | <u>(3,808)</u> |
| Note Payable, Net of Current Portion | <u>\$ 107,278</u> |

Maturities of long-term debt subsequent to June 30, 2025 consist of the following:

| Year Ending June 30, | Amount |
|---------------------------------|--------------------------|
| 2026 | \$ 3,808 |
| 2027 | 3,914 |
| 2028 | 4,023 |
| 2029 | 4,135 |
| 2030 | 4,250 |
| Thereafter | <u>90,956</u> |
| Total | <u>\$ 111,086</u> |

Interest expense related to the loan was \$3,381 for the year ended June 30, 2025.

NEW ORLEANS CAREER CENTER

Notes to Financial Statements

Note 10. Net Assets

A summary of net assets without donor restrictions consists of the following:

| | |
|--|----------------------------|
| Undesignated | <u>\$ 1,832,503</u> |
| Total Net Assets Without Donor Restrictions | <u>\$ 1,832,503</u> |

A summary of net assets with donor restrictions consists of the following:

| | |
|---|----------------------------|
| Purpose Restricted | |
| Program Services | <u>\$ 1,937,357</u> |
| Total Net Assets With Donor Restrictions | <u>\$ 1,937,357</u> |

The source of net assets released from temporary restrictions by incurring expenses satisfying the restricted purpose or by occurrence of events specified by the donors is as follows for the year ended June 30, 2025:

| | |
|--|--------------------------|
| Purpose Restricted | |
| Program Services | <u>\$ 592,650</u> |
| Total Net Assets Released From Donor Restrictions | <u>\$ 592,650</u> |

Note 11. Concentrations

The Organization maintains cash with a financial institution at June 30, 2025 in excess of federally insured limits of \$2,017,781. The Organization has not experienced losses in the past, and management does not believe it is exposed to risk.

For the year ended June 30, 2025, approximately 75% of the revenue earned was recognized at a point in time consisting of grants. For the year ended June 30, 2025, approximately 23% of the revenue earned was recognized over time consisting of program service fees.

NEW ORLEANS CAREER CENTER

Notes to Financial Statements

Note 12. Retirement Plan

The Organization sponsors a defined contribution plan (the Plan) covering all new employees with at least five years of service who agree to make contributions to the Plan. Employees hired at the inception of the Organization were immediately eligible for the plan on September 1, 2018. The Organization makes a matching contribution to the Plan each year equal to 3% of all participants' compensation as long as the employees have over 1000 hours worked within that year and participate in the Plan. Total benefit plan expense for the years ended June 30, 2025 was \$93,947.

Note 13. Related-Party Transactions

The Organization receives contributions from its board members and the organizations they are affiliated with.

Note 14. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 16, 2025 and determined that the following event required recognition or additional disclosure:

In December 2025, the Organization renewed its line of credit to be matured on November 13, 2026 with a variable interest rate equal to the Wall Street Journal Prime Rate plus 0.340 percentage points.

No further subsequent events occurring after December 16, 2025 have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

NEW ORLEANS CAREER CENTER
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2025

Agency Head

Claire Jecklin, Executive Director

| Purpose | Amount |
|-------------------------------|---------------|
| Salary | \$184,963 |
| Benefits-health insurance | \$6,497 |
| Benefits-retirement | \$5,549 |
| Workers comp | \$726 |
| Benefits-life insurance | \$72 |
| Benefits-long term disability | \$778 |
| Benefits-Fica & Medicare | \$13,519 |
| Reimbursements | \$3,721 |
| Total | \$215,825 |

See independent auditor's report.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
New Orleans Career Center
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 New Orleans Career Center (the Organization) (a nonprofit organization), which comprise the statement of financial position at June 30, 2025, 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 dated December 16, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC".

Covington, LA
December 16, 2025



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

Independent Auditor's Report

Board of Directors
New Orleans Career Center
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited New Orleans Career Center's (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2025. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Covington, LA
December 16, 2025

**NEW ORLEANS CAREER CENTER
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025**

| Federal Grantor/Pass-Through Grantor Program Title | Assistance Listing Number | Pass-Through Grantor's Number | Federal Expenditures (\$) | Through to Subrecipient (\$) | Total Federal Expenditures |
|---|--|--|--|---|---|
| U.S. Department of Agriculture | | | | | |
| Passed through the Louisiana Department of Children and Family Services SNAP Cluster State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | 2000892787 | \$ 480,413 | \$ - | \$ 480,413 |
| Total SNAP Cluster | | | 480,413 | - | 480,413 |
| Total Department of Agriculture | | | 480,413 | - | 480,413 |
| U.S. Department of Labor Employment and Training Administration (DOL/ETA) | | | | | |
| WIOA Dislocated Worker National Reserve Demonstration Grants | 17.280 | N/A | 563,868 | - | 563,868 |
| Passed through YouthForce NOLA Apprenticeship Building America, Round 2 | 17.285 | G2025.018 | 372,000 | - | 372,000 |
| Total Department of Labor Employment and Training Administration (DOL/ETA) | | | 935,868 | - | 935,868 |
| U.S. Department of Treasury | | | | | |
| Passed through the City of New Orleans Office of Workforce Development COVID-19 - Coronavirus State and Local Fiscal Recovery Funds | 21.027 | LPPHFWE6QG36 | 1,251,133 | - | 1,251,133 |
| Total Department of Treasury | | | 1,251,133 | - | 1,251,133 |
| U.S. Department of Education | | | | | |
| Passed through YouthForce NOLA 21st Century Community Learning Centers | 84.287 | N/A | 10,040 | - | 10,040 |
| Total Department of Education | | | 10,040 | - | 10,040 |
| Delta Regional Authority | | | | | |
| States' Economic Development Assistance Program | 90.299 | N/A | 108,736 | | 108,736 |
| Passed through New Orleans Business Alliance via YouthForce NOLA Delta Area Economic Development (Expanding Access to Equitable Opportunities in Green Infrastructure in New Orleans) | 90.201 | LA-23173 | 55,000 | - | 55,000 |
| Total Delta Regional Authority | | | 163,736 | - | 163,736 |
| Total Expenditures of Federal Awards | | | \$ 2,841,190 | \$ - | \$ 2,841,190 |

NEW ORLEANS CAREER CENTER
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of New Orleans Career Center under programs of the federal government for the year ended June 30, 2025. The information in the 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 the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. De Minimis Cost Rate

The Organization uses indirect cost rates negotiated and approved by the grant awarding agencies and has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. Reconciliation

The following schedule reconciles total federal expenditures reported on the Schedule of Expenditures of Federal Awards to the total federal, state, and local grant revenue presented in the statement of activities

| | Amount |
|---|----------------------------|
| Total Federal Expenditures | \$ 2,841,190 |
| Other Items | <u>20,040</u> |
| Total Federal, State, and Local Grants | <u>\$ 2,861,230</u> |

**NEW ORLEANS CAREER CENTER
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2025**

SECTION I: SUMMARY OF AUDITOR’S RESULTS

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor’s report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a) Material weakness(es) | No |
| b) Significant deficiency(es) | No |
| c) Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|--|---|
| 3. Internal control over major federal programs: | |
| a) Material weakness(es) | No |
| b) Significant deficiency(es) | No |
| 4. Type of auditor’s report issued on compliance for major federal programs: | Unmodified |
| 5. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a)? | No |
| 6. Identification of major federal programs: | |
| <u>AL Number</u> 21.027 | <u>Federal Program or Cluster</u> COVID-19 - Coronavirus State and Local Fiscal Recovery Funds |
| 7. Dollar threshold used to distinguish between Type A and B programs: | \$750,000 |
| 8. Auditee qualified as a low-risk auditee for federal purposes? | No |

SECTION II: FINANCIAL STATEMENT FINDINGS

No findings were noted.

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings were noted.

NEW ORLEANS CAREER CENTER
Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2025

FINANCIAL STATEMENT FINDINGS

Finding 2024-001: Noncompliance - Late Filing Finding

Current Status: Resolved



AGREED-UPON PROCEDURES REPORT

New Orleans Career Center

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period July 1, 2024 - June 30, 2025

To the Board of Directors
New Orleans Career Center 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) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2024 through June 30, 2025. New Orleans Career Center (the Organization) management is responsible for those C/C areas identified in the SAUPs.

The Organization 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, 2024 through June 30, 2025. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

- A. 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:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***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.
 - iii. ***Disbursements***, including processing, reviewing, and approving.

- iv. **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).
- v. **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 rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase 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).
- ix. **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.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **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.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions were noted as a result of these procedures. We performed the procedures related to Information Technology Disaster Recovery/Business Continuity (xi) and discussed the results with management. The Organization has determined that the Receipts/Collections (iv), Ethics (ix), Debt Service (x), and Prevention of Sexual Harassment (xii) functions were not applicable. No exceptions were noted as a result of the remaining procedures.

2) **Board or Finance Committee**

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. 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.
 - ii. 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. *Alternatively, for those entities reporting on the not-for-profit 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.*
 - iii. 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.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: No exceptions were noted as a result of performing these procedures.

3) **Bank Reconciliations**

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. 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:
- i. 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);
 - ii. Bank reconciliations include written evidence that a member of management or a 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
 - iii. 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.

Results: No exceptions were noted as a result of performing procedure #3A (ii, iii). Exceptions were noted for procedures #3A (i). Two of the bank reconciliations tested were not prepared within two months of the related statement's closing date, nor did they include written evidence of review within one month of the reconciliation's preparation date.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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:
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also 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; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. 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 and the cash is stored securely in a locked safe or drawer).

- v. Trace the actual deposit per the bank statement to the general ledger.

Results: Collections procedure testing is not applicable to the Organization.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. 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;
 - iv. 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; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under procedure #5A 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:
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity; and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

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

Results: No exceptions were noted as a result of performing procedure #5A, 5B, and 5C. Exceptions noted for procedure #5D (a,b). Two of the disbursements tested did not have support showing it was approved by an authorized person to disburse funds or had support showing it was approved by the required number of authorized signers per the entity's policy.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.
- B. 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:
- i. 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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #5B 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 (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: No exceptions were noted as a result of performing these procedures.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and 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:
- i. If reimbursed using a per diem, observe that 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);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that 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 Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were noted as a result of performing these procedures.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, 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
- i. 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;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were noted as a result of performing these procedures.

9) *Payroll and Personnel*

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #8A above, obtain attendance records and leave documentation for the pay period, and:
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe whether the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and 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's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were noted as a result of performing the procedures.

10) *Ethics*

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #8A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: Ethics procedure testing is not applicable to the Organization.

11) Debt Service

- A. 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 that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. 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).

Results: Management has determined that debt service procedure testing is not applicable to the Organization.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, 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 as required by R.S. 24:523.
- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions were noted as a result of performing these procedures.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management”**.
- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. 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.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #8C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #8A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- i. Hired before June 9, 2020 - completed the training; and
 - ii. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Results: We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #8A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1st, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Results: Management has determined that sexual harassment procedure testing is not applicable to the Organization.

We were engaged by the Organization 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 Organization 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.

Mauldin & Jenkins, LLC

Covington, LA
December 15, 2025