

NEW ORLEANS BALLET ASSOCIATION
CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2022

(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Trustees of
New Orleans Ballet Association
New Orleans, Louisiana

We have reviewed the accompanying consolidated financial statements of the New Orleans Ballet Association (a nonprofit organization) which comprise the consolidated statement of financial position as of June 30, 2022 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the New Orleans Ballet Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Trustees of
The New Orleans Ballet Association
New Orleans, Louisiana

Supplementary Information

The supplementary information included in the schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic 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 supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

April 18, 2023
New Orleans, Louisiana

Certified Public Accountants

NEW ORLEANS BALLET ASSOCIATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

(See Independent Accountants' Review Report)

ASSETS

ASSETS:

Cash and cash equivalents	\$ 3,009,373
Grants and contracts receivable	85,077
Prepaid insurance	3,565
Beneficial interest in endowment fund	416,537
Property	663,333
Deposits	<u>1,400</u>
 Total assets	 <u>\$ 4,179,285</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 32,189
Deferred revenue	<u>104,232</u>
 Total current liabilities	 <u>136,421</u>

NET ASSETS:

Without donor restrictions	2,546,327
With donor restrictions	<u>1,496,537</u>
 Total net assets	 <u>4,042,864</u>
 Total liabilities and net assets	 <u>\$ 4,179,285</u>

NEW ORLEANS BALLET ASSOCIATION
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

(See Independent Accountants' Review Report)

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
<u>SUPPORT AND OTHER REVENUES:</u>			
Contributions of financial assets	\$ 852,719	\$ -	\$ 852,719
Contributions of nonfinancial assets	290,544	-	290,544
Grants	288,221	-	288,221
Ticket revenues and fees	800,586	-	800,586
Investment income (loss), net	47,703	(40,069)	7,634
Debt forgiveness	129,255	-	129,255
Other income	3,217	-	3,217
Net assets released from restrictions	-	-	-
	<u>2,412,245</u>	<u>(40,069)</u>	<u>2,372,176</u>
<u>EXPENSES</u>			
Program expenses	1,742,831	-	-
General and administrative	168,758	-	-
Fundraising	278,186	-	-
	<u>2,189,775</u>	<u>-</u>	<u>2,189,775</u>
Change in net assets	222,470	(40,069)	182,401
Net assets at beginning of year, as restated	<u>2,323,857</u>	<u>1,536,606</u>	<u>3,860,463</u>
Net assets at end of year	<u>\$ 2,546,327</u>	<u>\$ 1,496,537</u>	<u>\$ 4,042,864</u>

NEW ORLEANS BALLET ASSOCIATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

(See Independent Accountants' Review Report)

	<u>Program</u> <u>Expenses</u>	<u>General and</u> <u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and benefits	\$ 359,666	\$ 42,943	\$ 39,289	\$ 441,898
Artistic fees	544,337	-	2,181	546,518
Production office	68,268	7,817	4,334	80,419
Contract fees	269,480	108,839	74,282	452,601
Travel/housing	179,450	-	-	179,450
Insurance	7,891	3,382	-	11,273
Production supplies	13,063	-	4,444	17,507
Miscellaneous	36,994	3,648	1,458	42,100
Credit card fees	14,192	-	5,115	19,307
Promotion and advertising	128,212	-	945	129,157
Parking	10,411	1,851	134	12,396
Costumes and sets	4,943	-	-	4,943
Postage	7,832	278	704	8,814
Printing	13,992	-	5,330	19,322
Development	-	-	139,970	139,970
Conferences	289	-	-	289
Theatre expenses	<u>83,811</u>	<u>-</u>	<u>-</u>	<u>83,811</u>
 Total functional expense	 <u>\$ 1,742,831</u>	 <u>\$ 168,758</u>	 <u>\$ 278,186</u>	 <u>\$2,189,775</u>

NEW ORLEANS BALLET ASSOCIATION
CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2022

(See Independent Accountants' Review Report)

CASH FLOWS FROM (USED FOR) OPERATING

Change in net assets	\$ 182,401
Adjustments to reconcile change in net assets to net cash from (used for) operating activities:	
Unrealized/realized loss on endowment	40,069
Forgiveness of debt	(129,255)
(Increase) decrease in:	
Grants and contracts receivable	211,148
Prepaid expenses and other assets	8,473
Increase (decrease) in:	
Accounts payable	12,563
Deferred revenue	<u>(71,404)</u>
Net cash from operating activities	<u>253,995</u>
Net increase in cash and cash equivalents	253,995
Cash and cash equivalents at beginning of year	<u>2,755,378</u>
Cash and cash equivalents at end of year	<u>\$ 3,009,373</u>

NEW ORLEANS BALLET ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

New Orleans Ballet Association (NOBA) cultivates understanding, appreciation, and enjoyment of dance through performance, education, and community service. Since 1992, NOBA has made the art of dance accessible to underserved families – tuition-free –to fill the urgent need presented by parents, community organizations, and schools. Dynamic programs and innovative strategies position NOBA as the leading dance presenting and service organization in Louisiana. Over 30,000 people are served annually through two programming arms: (1) the Main Stage Series, a full season of performances by world class dance companies of all genres presented at the Mahalia Jackson Theater and in partnership with NOCCA and Tulane University and (2) comprehensive, internationally recognized education, health/wellness, and arts healing programs that educate, train, and nurture individuals ages 4-80+. The primary sources of revenue are grants, contributions, and ticket sales.

Principles of Consolidation

These financial statements have been consolidated to include all accounts of NOBA and its subsidiary, New Orleans Center for Dance (NOCD).

NOCD is a support organization established exclusively for the purpose of holding title to property, collecting income therefrom, and turning over the entire amount, less expense to the NOBA. NOCD is operated, supervised, and controlled by NOBA.

The accompanying consolidated financial statements are presented on a consolidated basis and significant intercompany accounts have been eliminated.

Basis of Accounting and Financial Reporting Framework

The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities in accordance with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Financial Accounting Standards Board (FASB).

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NEW ORLEANS BALLET ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

(1) **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Basis of Presentation

The financial statement presentation follows the recommendations of the FASB in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, NOBA is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets With Donor Restrictions – The part of net assets of a not-for profit entity that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Net Assets Without Donor Restrictions – The part of net assets of a not-for-profit entity that is not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Cash and Cash Equivalents

For purposes of the statement of cash flows, NOBA considers all certificates of deposit and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Grants and Contracts Receivable

NOBA receives funding from state and local agencies for administering various grants and contracts. Management monitors the receivables and assesses the collectability of accounts on a monthly basis. NOBA records an allowance for uncollectible accounts based on an assessment of the receivables, taking into consideration the nature of the account and aging of the balance. For the year ended June 30, 2022, management has determined that all amounts were collectible and no allowance was necessary.

Investments

Investments in marketable securities and mutual funds with readily determinable fair values and all investments in debt securities are reported at fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities as increases or decreases in net assets without donor restrictions unless their use is with restrictions by explicit donor stipulations or law. Dividend, interest, and other investment income are recorded as increases in net assets without donor restriction unless the use is restricted by the donor.

NEW ORLEANS BALLET ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

(1) **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Investments (continued)

FASB ASC topic 820, *Fair Value Measurements and Disclosures*, emphasizes market-based measurement and, in doing so, stipulates a fair value hierarchy. The hierarchy is based on the type of inputs, or data used, to measure fair value. The fair value hierarchy is summarized below:

Level 1 lies at the top of the hierarchy. Inputs are quoted prices in active markets.

Level 2 inputs are in the middle of the hierarchy, where data is adjusted from similar items traded in markets that are active markets or from identical or similar items in markets that are not active. Level 2 inputs do not stem directly from quoted prices.

Level 3 inputs are unobservable and require the entity to develop its own assumptions.

No Level 2 or Level 3 inputs were used by NOBA.

Property

NOBA follows the practice of capitalizing all expenditures in excess of \$500 for property and equipment at cost; the fair value of donated fixed assets is similarly capitalized. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Routine repairs and maintenance are expensed as incurred.

As of June 20, 2022, NOCD holds one piece of land valued at \$663,333.

Revenue Recognition

Promises to Give, Grants, and Contributions

Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restrictions expire in the reporting period in which the contributions are recognized. 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.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. There were no conditional promises to give as of June 30, 2022.

NEW ORLEANS BALLET ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

(1) **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue Recognition

Promises to Give, Grants, and Contributions (continued)

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by NOBA. Volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Performing Arts Income

Performing arts income is comprised of predominately ticket sales for ballet productions and musical performances. Income is recognized at the point of sale when the exchange transaction occurs, as one performance obligation. Income from ticket sales received in advance is deferred and recognized over the period to which the performances relate.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. General and administrative expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of NOBA.

Income Tax Status

NOBA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950. However, income from certain activities not directly related to NOBA's tax-exempt purpose may be subject to taxation as unrelated business income. In addition, NOBA qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

As of June 30, 2022, NOBA had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The 2019 through 2021 tax years remain subject to examination by the IRS. NOBA does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

NEW ORLEANS BALLET ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

All non-direct response advertising costs are expensed as incurred and included in advertising and promotions expenses. Advertising expense amounted to \$129,157 for the year ended June 30, 2022.

New Accounting Pronouncements

During the year ended June 30, 2022, NOBA adopted FASB ASU No. 2020-07, “*Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.*” This Update seeks to increase transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. NOBA has adopted this Update on the retrospective basis.

Date of Management Review

Management has evaluated subsequent events through April 18, 2023, which is the date the financial statements were available to be issued.

(2) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects NOBA’s financial assets as of June 30, 2022, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include amounts set aside for future capital project funding. However, amounts already appropriated for general expenditure within one year of the balance sheet date have not been subtracted as unavailable.

Financial assets, at year end	\$ 3,510,987
Less those unavailable for general expenditure within one year due to:	
Donor restrictions	(1,080,000)
Beneficial interest in endowment fund	<u>(416,537)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>2,014,450</u>

As part of the NOBA’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NEW ORLEANS BALLET ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

(3) BENEFICIAL INTEREST IN ENDOWMENT FUND

NOBA is the beneficiary of an endowment fund created by donors, the assets of which are not in the possession of NOBA. The fund is held by the Greater New Orleans Foundation. NOBA has legally enforceable rights and claims to such assets, including the sole right to income there from. The principal portion of the endowment fund is a net asset with donor restrictions. Income earned by the fund is distributed to NOBA at the discretion of the Greater New Orleans Foundation. At June 30, 2022, the beneficial interest in The Greater New Orleans Foundation's NOBA Fund was a fair value of \$416,537.

During the year ended June 30, 2022, NOBA recognized \$40,069 of investment loss from the fund. NOBA reinvested these amounts back into the endowment fund.

Changes in endowment net assets for the years ended June 30, 2022 is summarized as follows:

Endowment net assets, beginning of year	\$ 456,606
Interest and dividend income	3,008
Administrative fees	(4,325)
Net realized gains	31,012
Net unrealized (losses)	<u>(69,764)</u>
Endowment net assets, end of year	<u>\$ 416,537</u>

(4) RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions consisted of the following at June 30, 2022:

Infrastructure	\$ 1,080,000
Beneficial interest in endowment fund	<u>416,537</u>
Net assets with donor restrictions	<u>\$ 1,496,537</u>

(5) CONTRIBUTED NONFINANCIAL ASSETS

NOBA received contributed nonfinancial assets as follows for the year ended June 30, 2022:

Hotel accommodations	\$ 102,988
Food and beverage	120,208
Legal services	49,923
Auction items	<u>17,425</u>
Total contributions of nonfinancial assets	<u>\$ 290,544</u>

NEW ORLEANS BALLET ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

(5) CONTRIBUTED NONFINANCIAL ASSETS (CONTINUED)

NOBA's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of NOBA. If an asset is provided that does not allow NOBA to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

Contributed hotel accommodations were utilized for various ballet productions. Contributed food and beverage and auction items were utilized for various fundraising events. In valuing hotel accommodations, food and beverage, and auction items, NOBA estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Contributed legal services recognized comprise professional services from attorneys advising NOBA on various administrative legal matters. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar legal services.

All contributed nonfinancial assets received by NOBA for the year ended June 30, 2022 were considered without donor restrictions and able to be used by NOBA as determined by the board of directors and management.

(6) PAYROLL PROTECTION PROGRAM

On March 24, 2021, the NOBA was granted a loan in the amount of \$129,255, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. Payment on the loan was deferred until such time that the Small Business Administration remits the loan forgiveness amount to the issuing financial institution. NOBA used the full loan amount for qualifying expenses, and the loan was forgiven in full on November 24, 2021.

(7) PENSION EXPENSE

Substantially all full-time employees of NOBA are covered by a 401(k)-profit sharing plan. NOBA may contribute a discretionary contribution determined annually by the NOBA, but in no event exceeding 4% of the compensation of all eligible participants for a plan year. The contribution to this plan was \$4,492 for the year ended June 30, 2022.

(8) OPERATING LEASES

NOBA leases office space under the terms of a 24-month operating lease which expires March 31, 2024. The lease requires monthly payments of \$5,360 and also requires common area maintenance charges. Rent expense for the year ended June 30, 2022 from this lease was \$66,587 and is included in production office on the statement of functional expenses.

NEW ORLEANS BALLET ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

(8) OPERATING LEASES (CONTINUED)

NOBA leases a copier machine under the terms of a 60-month operating lease which expires September 30, 2024. The lease requires monthly payments of \$260 as well as taxes and overage charges for usage limits. The total amount charged to program and printing expense as a result of this lease for each of the years ended June 30, 2022 and 2021 was approximately \$5,462 and is included in production office on the statement of functional expenses.

NOBA leased guest housing under the terms of a 12-month operating lease which expired June 30, 2022, at which time it converted to month-to-month while a new lease is being negotiated. The lease requires monthly payments of \$1,400. Rent expense for the year ended June 30, 2022 from this lease was \$15,400 and is included in travel/housing on the statement of functional expenses.

The minimum future lease payments under these leases as of June 30, 2022 for each of the next five years and thereafter in the aggregate are:

2023	\$ 68,832
2024	52,404
2025	<u>780</u>
	<u>\$ 122,016</u>

(9) RISK CONCENTRATIONS

NOBA maintains its cash in accounts at several financial institutions. Accounts are insured by either the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUA) up to \$250,000 per account. The balances, at times, may exceed federally insured limits. At both June 30, 2022, bank balances exceeded federally insured limits by \$2,419,345.

(10) PRIOR PERIOD ADJUSTMENTS

For the June 30, 2022 financial statements, management of the NOBA performed a historical review of net asset classifications and determined some donor restrictions were not treated in accordance with NOBA policies. Therefore, net assets with donor restrictions and net assets without donor restrictions were adjusted effective July 1, 2022. As of June 30, 2021, net assets with donor restrictions were reduced by \$973,520 with a corresponding increase in net assets without donor restrictions.

NEW ORLEANS BALLET ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

(11) NEW ACCOUNTING PRONOUNCEMENTS

The FASB has issued Accounting Standards Update (Update) No. 2016-02, “*Leases*.” This Update seeks to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and by disclosing key information about leasing arrangements. FASB has delayed the effective date of the Update several times, most recently through ASU 2020-05 “*Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)*.” Entities may now apply the guidance in Update No. 2016-02 to annual reporting periods beginning after December 15, 2021, and to interim reporting periods within annual reporting periods beginning after December 15, 2022. NOBA plans to adopt this Update as applicable by the effective date.

NEW ORLEANS BALLET ASSOCIATION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2022

	Jenny Hamilton
Time served	07/01/21 through 06/30/22
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Deferred compensation	-
Worker's compensation	-
Car allowance	-
Cell phone	-
Dues	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Confrence travel	-
Supplies	-
	-
Total compensation, benefits, and other payments	\$ <u><u>-</u></u>

Note: There were no payments made, from state or local funds, to or on behalf of the Agency Head for the year ended June 30, 2022.

NEW ORLEANS BALLET ASSOCIATION

NEW ORLEANS, LOUISIANA

AGREED-UPON PROCEDURES

FOR THE YEAR ENDED

JUNE 30, 2022



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Governance of
New Orleans Ballet Association

We have performed the procedures enumerated below on the New Orleans Ballet Association's (the Association) compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2022, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Association's management is responsible for its financial records and compliance with applicable laws and regulations.

The New Orleans Ballet Association 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 Association's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the year ended June 30, 2022. Additionally, the Louisiana Legislative Auditor 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 attached in Schedule "1."

We were engaged by the Association 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 the Association's compliance with the foregoing matters. 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 New Orleans Ballet Association 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 the New Orleans Ballet Association's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, 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 Louisiana Legislative Auditor as a public document.

April 18, 2023
New Orleans, Louisiana


Certified Public Accountants

NEW ORLEANS BALLET ASSOCIATION
AGREED-UPON PROCEDURES
JULY 1, 2021 – JUNE 30, 2022

FEDERAL, STATE, AND LOCAL AWARDS

1. **Procedures:** Obtain the list of federal, state, and local, government grant award expenditures for the fiscal year, by grant and grant year, from the Association's management.
2. **Procedures:** For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.
3. **Procedures:** Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.
4. **Procedures:** Report whether the selected disbursements were coded to the correct fund and general ledger account.
5. **Procedures:** Report whether the selected disbursements were approved in accordance with the Agency's policies and procedures.
6. **Procedures:** For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.
7. **Procedures:** Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Association's financial records; and whether the amounts in the close-out reports agree with the Association's financial records.

Results: No exceptions were found as a result of applying the above procedures.

OPEN MEETINGS (AS APPLICABLE)

8. **Procedures:** Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meeting law), and report whether there are any exceptions.

Results: Not applicable as the Association is not required to follow the Open Meetings Law.

NEW ORLEANS BALLET ASSOCIATION
AGREED-UPON PROCEDURES (CONTINUED)
JULY 1, 2021 – JUNE 30, 2022

BUDGET

9. **Procedures:** For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the Association provided to the applicable federal, state, or local grantor agency. Report whether the budgets for federal, state, and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

Results: No exceptions were found as a result of applying the procedure.

STATE AUDIT LAW

10. **Procedures:** Report whether the Association provided for a timely report in accordance with R.S. 24:513.

Results: Report was not provided for a timely review in accordance with the R.S. 24:513. See management corrective action plan.

11. **Procedure:** Inquire of management and report whether the Association entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the Association was not in compliance with R.S. 24:513 (the audit law).

Results: The report was not provided for a timely review in accordance with the R.S. 24:513. See management corrective action plan. The Association did not enter into any contracts utilizing state funds, subject to public bid law, while not in compliance with the audit law.

PRIOR YEAR COMMENTS

12. **Procedures:** Obtain and report management's representation as to whether any prior year suggestions, recommendations, and/or comments have been resolved.

Results: Not applicable.

NEW ORLEANS BALLET ASSOCIATION
CORRECTIVE ACTION PLAN – AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2022

April 18, 2023

Louisiana Legislative Auditor

New Orleans Ballet Association respectfully submits the following corrective action plan for items identified pursuant to the Statewide Agreed-Upon Procedures Engagement prescribed by you.

Name and address of independent public accounting firm:

Ericksen Krentel LLP
4227 Canal Street
New Orleans, LA 70119

Engagement Period: July 1, 2021 – June 30, 2022

The exceptions from the Statewide Agreed-Upon Procedures Report are discussed below:

State Audit Law

Exceptions: Management did not provide a timely report in accordance with R.S. 24:513.

Management's Response to Exceptions: Management has noted and agrees with the above exception. Management will revise policies and procedures over financial reporting to ensure compliance in future years.

If there are any questions regarding this plan, please call Jenny Hamilton, Executive Director, at (504) 522-0996.

Sincerely,



Jenny Hamilton
Executive Director
New Orleans Ballet Association

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-Public Agencies)

Dear Chief Executive Officer:

Attached is the Louisiana Attestation Questionnaire that is to be completed by you or your staff. This questionnaire is a required part of the review/attestation engagement of Louisiana quasi-public agencies. The completed and signed questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting.

The completed and signed attestation questionnaire and a copy of the adoption instrument, if appropriate, **must be given to the independent certified public accountant at the beginning of the engagement.** The CPA will, during the course of his/her engagement, perform certain agreed-upon procedures to the responses in the questionnaire. It is not necessary to return the questionnaire to the Legislative Auditor's office.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the CPA during the course of his/her engagement. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Michael J. Waguespack, CPA
Louisiana Legislative Auditor

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

March 27, 2023 (Date Transmitted)

Ericksen Krentel CPA's (CPA Firm Name)
4227 Canal Street (CPA Firm Address)
New Orleans, LA 70119 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2022 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes No N/A

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes No N/A

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No N/A

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No N/A

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication “Open Meeting FAQs,” available on the Legislative Auditor’s website to determine whether a non-profit agency is subject to the open meetings law.**

Yes No N/A

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes No N/A

Reporting

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No N/A

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [] No [] N/A [X]

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [X] No [] N/A []

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes [] No [] N/A [X]

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No [] N/A [X]

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [X] No [] N/A []

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes [X] No [] N/A []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [X] No [] N/A []

We have provided you with all relevant information and access under the terms of our agreement.

Yes [X] No [] N/A []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [X] No [] N/A []

We are not aware of any material misstatements in the information we have provided to you.

Yes [X] No [] N/A []

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes [X] No [] N/A []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal

controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes [X] No [] N/A []

The previous responses have been made to the best of our belief and knowledge.

Michael Ben Secretary April 11, 2023 Date
Cathy Smith Treasurer April 11, 2023 Date
Walter Beckett President April 11, 2023 Date