

NEW ORLEANS FAMILY JUSTICE ALLIANCE

FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021

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INDEPDENT AUDITORS' REPORT

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
New Orleans Family Justice Alliance

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of New Orleans Family Justice Alliance (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and 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 present fairly, in all material respects, the financial position of New Orleans Family Justice Alliance as of December 31, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 New Orleans Family Justice Alliance and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about New Orleans Family Justice Alliance's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of New Orleans Family Justice Alliance'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 New Orleans Family Justice Alliance's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Compensation, Benefits and Other Payments to Agency head, as required by Louisiana Revised Statute, and the accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedule of Compensation, Benefits and Other Payments to Agency head and the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2022, on our consideration of New Orleans Family Justice Alliance’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 New Orleans Family Justice Alliance’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 New Orleans Family Justice Alliance’s internal control over financial reporting and compliance.

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana

August 30, 2022

FINANCIAL STATEMENTS

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Statement of Financial Position
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 820	\$ -	\$ 820
Grants Receivable	473,646	116,516	590,162
Other Receivable	7,100	-	7,100
Total Current Assets	481,566	116,516	598,082
Fixed Assets, Net	880,802	-	880,802
Other Assets			
Security Deposit	32,765	-	32,765
Due from Affiliate	148,649	-	148,649
Total Other Assets	181,414	-	181,414
Total Assets	\$ 1,543,782	\$ 116,516	\$ 1,660,298
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	\$ 62,884	\$ -	\$ 62,884
Accrued Expenses	7,904	-	7,904
Fiscal Agent Liability	8,000	-	8,000
Line of Credit	100,000	-	100,000
Deferred Revenue	309,524	-	309,524
Construction loan, current portion	7,813	-	7,813
Total Current Liabilities	496,125	-	496,125
Long Term Liabilities			
Construction loan, less current portion	116,386	-	116,386
Total Long Term Liabilities	116,386	-	116,386
Total Liabilities	612,511	-	612,511
Net Assets			
Net Assets	909,752	116,516	1,026,268
Net Assets, board restricted	21,519	-	21,519
Total Net Assets	931,271	116,516	1,047,787
Total Liabilities and Net Assets	\$ 1,543,782	\$ 116,516	\$ 1,660,298

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

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Statement of Activities
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grant Revenue	\$ 4,035,195	\$ -	\$ 4,035,195
Cash Donations	86,491	39,838	126,329
United Way	83,393	-	83,393
Partner Rent	65,706	-	65,706
Private Attorney Rent	1,700	-	1,700
Service/Fee Income	650	-	650
Marriage & Civil Fees	24,935	-	24,935
Interest Income	278	-	278
In-Kind Donations	185,050	-	185,050
Private Foundation	-	100,000	100,000
Program Income	113,795	-	113,795
PSH Rental Income	29,152	-	29,152
Net Assets Released from Restrictions	184,761	(184,761)	-
Total Revenue and Support	4,811,106	(44,923)	4,766,183
Expenses			
Personnel Costs	2,524,505	-	2,524,505
Occupancy Costs	367,353	-	367,353
Professional Fees	53,082	-	53,082
Operating Costs	624,605	-	624,605
Direct Program Expenses	1,209,159	-	1,209,159
Insurance	30,983	-	30,983
Depreciation and Amortization	40,265	-	40,265
Interest Expense	16,778	-	16,778
Total Expenses	4,866,730	-	4,866,730
Increase (Decrease) in Net Assets	(55,624)	(44,923)	(100,547)
Net Assets, Beginning of Year	1,078,050	161,439	1,239,489
Prior Period Adjustment	(91,155)	-	(91,155)
Net Assets, Beginning of Year, Restated	986,895	161,439	1,148,334
Net Assets, End of Year	\$ 931,271	\$ 116,516	\$ 1,047,787

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

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Statement of Cash Flows
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Cash Flows from Operating Activities			
Increase (Decrease) in Net Assets	\$ (55,624)	\$ (44,923)	\$ (100,547)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used by) Operating Activities			
Depreciation and Amortization	40,265	-	40,265
(Increase) Decrease in Assets			
Grants Receivable	(52,381)	44,923	(7,458)
Other Receivables	1,142	-	1,142
Increase (Decrease) in Liabilities			
Accounts Payable	(1,178)	-	(1,178)
Accrued Expenses	1,043	-	1,043
Fiscal Agent Liability	4,025	-	4,025
Deferred Revenue	234,082	-	234,082
Net Cash Provided by (Used by) Operating Activities	171,374	-	171,374
Cash Flows from Investing Activities			
Purchases of property and equipment	-	-	-
Net Cash (Used by) Investing Activities	-	-	-
Cash Flows from Financing Activities			
Due from Affiliate	(144,949)	-	(144,949)
Payments on Line of Credit	(30,000)	-	(30,000)
Payments on Loan Payable, net	(6,537)	-	(6,537)
Net Cash (Used by) Financing Activities	(181,486)	-	(181,486)
Net (Decrease) in Cash and Cash Equivalents	(10,112)	-	(10,112)
Cash and Cash Equivalents, Beginning of Year	10,932	-	10,932
Cash and Cash Equivalents, End of Year	\$ 820	\$ -	\$ 820

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

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Statement of Functional Expenses
For the Year Ended December 31, 2021

	2021			
	Direct Admin	Direct Program	Fundraising Expenses	Total
Expenses:				
Personnel Costs	\$ 72,110	\$2,439,864	\$ 12,531	\$2,524,505
Occupancy Costs	10,493	370,037	1,823	382,353
Professional Fees	18,122	34,781	179	53,082
Operating Costs	25,268	599,337	-	624,605
Direct Program Costs	-	1,259,159	-	1,259,159
Insurance	822	30,161	-	30,983
Depreciation	1,069	39,196	-	40,265
Interest Expense	445	16,333	-	16,778
 Total Expenses	\$128,329	\$4,788,868	\$ 14,533	\$4,931,730

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

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2021

Note 1. Organization:

New Orleans Family Justice Alliance (NOFJA) is a public charity under Section 170(b) of the Internal Revenue Code (IRC) located in New Orleans, Louisiana. New Orleans Family Justice Alliance is a partnership of agencies dedicated for ending family violence, child abuse, sexual assault, and stalking through prevention and coordinated response by providing comprehensive client-centered, empowerment services in a single location. The primary sources of revenue for the NOFJA is grant income received from federal and state funding sources, cash donations, support from private foundations, and charges for services.

Note 2. Summary of Significant Accounting Policies:

Basis of Presentation

The accompanying financial statements of New Orleans Family Justice Alliance have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

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

Significant items in the financial statements subject to such estimates are the valuation of donated services and the allocation of functional expenses.

Cash and Cash Equivalents

New Orleans Family Justice Alliance considers highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Functional Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function, therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel costs, occupancy costs, operating costs, insurance, interest and depreciation which are allocated on the basis of estimates of time and effort.

Supplemental Disclosure of Cash Flow Information:

Cash paid during the year for:

Interest	\$16,778
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NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2021

Note 2. Summary of Significant Accounting Policies: (Continued)

Concentrations of Credit Risk

Financial instruments that potentially subject NOFJA Entities to concentrations of credit risk consist principally of temporary cash investments and grants receivable. NOFJA maintains cash balances at a local financial institution. The cash balances in the financial institution are insured up to \$250,000. As of December 31, 2021, cash balances did not exceed the federally insured limit.

Concentration of credit risk exists with respect to grant income where the revenue is dependent upon federal and state allocation of funds.

At December 31, 2021, management does not believe significant credit risk exists with regard to accounts and grants receivable, and there is no risk exposure relating to cash balances exceeding the federally insured limits

Concentrations of Sources of Revenue

Approximately 80% of NOFJA's revenue is derived from grants from the Federal, State, and City governments which are renewed annually. The current level of operations and program services may be impacted or segments discontinued if funding is not renewed. Revenue received from grants by NOFJA are primarily cost-reimbursements grants whereby specified costs are reimbursed to NOFJA in performance of a specific program activity defined by the grant.

Support and Revenue

Contributions of cash and other assets are reported as net assets without donor restrictions if they are received without restrictions or with donor restrictions if they are received with donor restrictions that limit the use of the donated assets, respectively. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without restrictions and reported in the statement of activities as net assets release from restrictions.

Contributions of donated non-cash assets are recorded at their fair value in the period received. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Revenue is recognized when earned. All public support and revenue is considered to be available for unrestricted use unless specifically restricted by the donor of the terms of a grant. Revenue from public support is recognized at the time an unconditional promise to give or transfer of assets is made. Revenues from program fees are recognized over the terms of the program and the period of service provided. Cost reimbursement government grants are recognized as revenue in the period the qualifying allowable expenditures are incurred. Amounts collected in advance but unearned are reflected in the statement of financial position as deferred revenue.

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2021

Note 2. Summary of Significant Accounting Policies: (Continued)

Support and Revenue (continued)

At December 31, 2021, there was \$116,517 of grants receivable and donor restricted net assets whose use were restricted for the following purpose:

<u>Description</u>	<u>Amount</u>
Capital Campaign	\$ 50,000
Camp Hope	35,101
Hope Community Health Center	16,667
Client Expenses	14,749
	<u>\$ 116,517</u>

For the year ended December 31, 2021, \$184,760 of net assets were released by incurring expenses satisfying the restricted purposes specified by the donors.

The board designated net assets without donor restrictions for the future repairs or renovations on the building and other future expenditures. At December 31, 2021 the amount of board designated net assets was \$21,519.

Donated Services

Donated services are recognized as revenues at their estimated fair value when they create or enhance nonfinancial assets or those services are recorded in the financial statements to the extent those services meet the following criteria: a) the service requires specialized skills, b) the service is provided by individuals who possess those skills, and c) the service would typically need to be purchased if not contributed. Significant amount of time and services are donated to NOFJA by medical advocates, student interns, and board of trustees throughout the year to achieve program objectives.

Accounts Receivable and Grants Receivable

Accounts receivable are stated at the value of the unpaid balances. Uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles.

Fixed Assets

Property and equipment are carried at cost. Management's threshold for capitalization is \$5,000. Depreciation is calculated using the straight-line method at rates based on the estimated useful lives of the assets. Estimated useful lives are three years for equipment, five years for furniture and fixtures, fifteen years for leasehold improvements, and 40 years for the building.

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2021

Note 2. Summary of Significant Accounting Policies: (Continued)

Compensated Absences

Employees of NOFJA are entitled to paid vacation and sick days depending on job classification, length of service, and other factors. It is not practicable for NOFJA to estimate the amount of compensation for future absences. Accordingly, no liability for compensated absences has been recorded in the accompanying financial statements. The NOFJA policy is to recognize the costs of compensated absences when actually paid to employees.

Income Tax Status

The Internal Revenue Service has determined that NOFJA is exempt from Federal income tax under Section 501(c)(3). Contributions to NOFJA are deductible under Section 170(b) of the Internal Revenue Code.

Uncertain Tax Positions

NOFJA follows the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB Accounting Standards Codification. The implementation of this Topic has had no impact on the statement of financial position and the statement of activities and changes in net assets. The federal and state tax returns of NOFJA are subject to examination by taxing authorities for the years ended December 31, 2021, 2020 and 2019.

All tax returns have been appropriately filed by NOFJA. NOFJA recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. NOFJA's tax filings are subject to audit by various taxing authorities. As of December 31, 2021, management evaluated NOFJA's tax position and concluded that NOFJA has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Contributions

NOFJA has adopted ASU No. 2018-08, Not-For-Profit Entities (Topic 958) *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The new guidance helps distinguish if grants and contracts with resource providers are exchange transactions or contributions. Once a transaction is deemed to be a contribution, the ASU also provides guidance to help determine when a contribution is conditional and evaluates the possibility that a condition will not be met is remote. Unconditional contributions are recognized immediately and classified as either net assets with or without donor restrictions, while conditional contributions received are accounted for as a liability until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with or without restrictions. Management believes the standard improves the usefulness and understandability of NOFJA's financial reporting.

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2021

Note 3. Fixed Assets:

The following is a summary of changes in Fixed Assets for the calendar year ended December 31, 2021:

	<u>Jan. 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Dec 31, 2021</u>
<u>Non Depreciable Assets</u>				
Land	\$ 23,600	\$ --	\$ --	\$ 23,600
Non Depreciable, Total	<u>23,600</u>	<u>--</u>	<u>--</u>	<u>23,600</u>
<u>Depreciable Assets</u>				
Building	764,045	--	--	764,045
Leasehold Improvements	253,642	--	--	253,642
Computers & Equipment	25,201	--	--	25,201
Accumulated Depreciation	(145,421)	(40,265)	--	(185,686)
Depreciable Assets, Net	<u>897,467</u>	<u>--</u>	<u>--</u>	<u>857,202</u>
Fixed Assets, Net	<u>\$ 921,067</u>	<u>\$ --</u>	<u>--</u>	<u>\$ 880,802</u>

Depreciation expense was \$40,265 for the year ending December 31, 2021.

Note 4. Leases:

On January 12, 2017, NOFJA signed a non-binding letter of intent with its landlord to renew the lease and expand into additional space in the building in which NOFJA is presently located. The renewal is for a term of five years commencing on June 18, 2017, for \$16,031.25 per month. The organization has the option to renew for an additional five years for \$16,625 per month.

NOFJA signed a new ten year lease on October 1, 2018, for additional space commencing October 1, 2018 and expiring September 30, 2028, for \$6,589.00 per month. An addendum to this lease was signed in August 2019 for additional space commencing October 1, 2019 and expiring September 30, 2028 for \$8,832 per month. An addendum to this lease was signed in October 2020 for additional space commencing November 1, 2020 and expiring September 30, 2028 for \$14,209 per month. The organization has the option to renew for an additional five years for \$15,985 per month.

The NOFJA has a security deposit of \$32,765 related to the office space in which it occupies.

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2021

Note 4. Leases: (Continued)

In 2020, NOFJA signed a lease for 27 reserved parking spaces commencing on April 1, 2020 and expiring on March 31, 2025 at a cost of \$3,780 per month. Employees are charged for the use of their reserved spaces. The net cost to the association for the year ended was \$19,470.

Total occupancy (rent) expense for the year ended December 31, 2021, totaled \$382,353 as shown in the statement of activities.

NOFJA signed a new lease on July 27, 2021, for residential apartments commencing on September 1, 2021 and expiring August 31, 2022 for \$4,200 per month. The organization has an option to renew on a month to month basis. This cost is shown as a direct program expense in the statement of activities.

Future minimum lease payments required under these operating leases as of December 31, 2021, are: The exercise of renewal options is, of course, dependent upon future events. Accordingly, the following summary does not reflect possible additional payments due if renewal options are exercised.

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 345,656
2023	215,868
2024	215,868
2025	181,848
2026	170,508
Thereafter	298,389
Total	<u>\$ 1,428,137</u>

Note 5. Due from Affiliate:

During the year 2021, the NOFJA assisted the Hope Clinic in funding their operational shortfall in the amount of \$144,949. In the prior year the NOFJA loaned the Hope Clinic \$3,700. The total Due from Affiliate at December 31, 2021 of \$148,649 is not supported with a written repayment plan. The NOFJA anticipates receiving a return of their assistance in future years.

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2021

Note 6. Deferred Revenue:

Deferred revenue is comprised of grant funds and donations received in the amount \$309,524 from various grantors. These amounts represent advance payments on grants for services that will be provided in 2022.

<u>Grantor</u>	<u>Amount</u>
United Way	\$ 4,166
Institute of Women & Ethnic Studies	77,137
Department of Child & Family Services - Covid Cares	128,221
Corporate Grant	100,000
	<u>\$ 309,524</u>

Note 7. Line of Credit:

NOFJA has a revolving line of credit with maximum borrowing of \$250,000 with a local financial institution, which it may draw upon to provide necessary working capital. Interest at a rate of 5% per annum accrues on the outstanding principal balance. The line of credit matured on March 19, 2022. The line is secured by the building and land as shown in Note 3. The balance on the line of credit as of December 31, 2021, was \$100,000.

Note 8. Loans Payable:

In 2018, NOFJA opened a construction loan payable with a local financial institution. The terms of the loan allow NOFJA to take draws as construction costs are incurred. The total amount of credit available on the loan is \$150,000 and it bears interest at 5% per annum. The loan matures on April 30, 2034, and is collateralized by the building and land as shown in Note 3. The loan is shown on the balance sheet net of unamortized debt issuance costs of \$4,749. The principal balance on the loan as of December 31, 2021, was 128,948.

Principal payments on Loans payable are due as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2022	\$ 7,813
2023	8,212
2024	8,632
2025	9,074
2026	9,538
Thereafter	<u>85,679</u>
Total	<u>\$ 128,948</u>

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2021

Note 9. Prior Period Adjustments:

During 2021, NOFJA discovered financial statement errors that caused an understatement of December 31, 2020 deferred revenue. Two grants that were included in 2020 grant revenue should have been deferred to 2021 and recognized as revenue in 2021.

The following summarizes the prior period adjustment:

Deferred Revenue at December 31, 2020, as previously reported		\$ 15,000
Prior period adjustments for:		
Institute of Women & Ethnic Studies	\$ 69,910	
Department of Children & Family Services	<u>21,245</u>	
Prior period adjustment – December 31, 2020		<u>91,155</u>
Balance at December 31, 2020, as restated		<u>\$ 106,155</u>

Note 10. Liquidity:

The following reflects the NOJFA's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of donor-imposed restrictions or advanced funding of grants.

Cash and Cash Equivalents	\$ 820	
Grants Receivable	<u>590,162</u>	
Total Financial Assets	590,982	
Less:		
Amounts required to meet donor restrictions	(116,516)	
Advanced grant funding received	<u>(309,524)</u>	
	(426,040)	
Financial assets available to meet cash needs for general expenditures within one year		<u>\$164,942</u>

NOJFA's working capital and cash flows variations are attributable to the length of time cash receipts from grant receivables are collected and seasonal variations of donations. NOFJA's primary source of support is from Federal, State and City grants. To manage liquidity NOJFA maintains a line of credit with a bank that is drawn upon as needed during the year to manage cash flow. See Note-7 for further description of this line.

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2021

Note 11. Subsequent Events:

Management has evaluated subsequent events through the date that the financial statements were available to be issued, August 30, 2022. No subsequent events occurring after August 30, 2022, have been evaluated for inclusion in these financial statements.

In March 2022, NOFJA borrowed \$499,900 from the Small Business Administration, the low interest loan is payable over 30 years.

SUPPLEMENTARY INFORMATION

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Supplementary Information
Schedule of Compensation, Benefits and Other Payments to the Agency Head
For the Year Ended December 31, 2021

Agency Head: Mary Claire Landry

Purpose	Amount
Salary	\$105,000
Benefits-Insurance	7,073
Benefits-Life Insurance	69
Benefits-ST Disability	1,309
Benefits-FICA	<u>7,816</u>
Total	<u>\$ 121,267</u>

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

Board of Directors of
New Orleans Family Justice Alliance

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 Family Justice Alliance (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 30, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered New Orleans Family Justice Alliance'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 New Orleans Family Justice Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of New Orleans Family Justice Alliance'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 New Orleans Family Justice Alliance's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

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

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana

August 30, 2022

Camnetar & Co., CPAs

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

To the Board of Trustees of
New Orleans Family Justice Alliance

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited New Orleans Family Justice Alliance's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of New Orleans Family Justice Alliance's major federal programs for the year ended December 31, 2021. New Orleans Family Justice Alliance'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, New Orleans Family Justice Alliance 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 December 31, 2021.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding New Orleans Family Justice Alliance'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 New Orleans Family Justice Alliance'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 New Orleans Family Justice Alliance'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 defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana

August 30, 2022

NEW ORLEANS FAMILY JUSTICE ALLIANCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor Program Title & Identifying Number	CFDA Number	Federal Expenditures
United States Department of Justice		
<i>(Passed through the Louisiana Commission on Law Enforcement)</i>		
Violence Against Women Act		
4666 2018 STOP VAWA (Sexual Assault)	16.588	\$ 24,526
4665 2018 STOP VAWA (Domestic Violence)	16.588	17,531
		<u>42,057</u>
4664 2018 Sexual Assault (SASP - Sexual Assault Prevention)	16.017	51,583
Crime Victims Assistance		
4854 Crime Victims Assistance - Sexual Assault Services	16.575	423,137
4856 Crime Victims Assistance - CAC Collaborative	16.575	56,639
4855 Crime Victims Assistance - Forensic Program	16.575	229,637
4857 Crime Victims Assistance - CDC	16.575	59,050
		<u>768,463</u>
<i>(Passed through the La. Office of Public Health/ La. Foundation Against Sexual Assault</i>		
Rape Prevention Education	93.136	45,569
<i>(Passed through the La. Office of Public Health/ IWES - Institute for Women and Ethnic Studies</i>		
HIV and Intimate Partner Violence Project	93.088	59,373
<i>(Passed through the Office on Violence Against Women)</i>		
2018-WE-AX -0011 Improving Criminal Justice Response	16.736	289,261
2019-WH-AX-0069 Transitional Housing for Victims of Domestic Violence	16.736	158,697
		<u>447,958</u>
<i>(Passed through the Office of Victims of Crime)</i>		
2019-V3-GX-K023 Poly-victimization Demonstration Initiative	16.582	242,813
<i>(Passed through Tulane University) - Legal Assistance</i>		
	16.524	5,937
<i>(Passed through Southeast Legal Services Inc.) MOU -Legal Assistance Services</i>		
	16.524	16,806
		<u>22,743</u>
<i>(Passed through New Orleans Police Department - City of New Orleans)</i>		
MOU - Sexual Assault Kit Initiative - SAKI	16.833	86,231
<i>(Passed through New Orleans District Attorney - City of New Orleans)</i>		
MOU - Sexual Assault Kit Initiative - SAKI	16.833	17,823
		<u>104,054</u>
<i>(Passed through United Way of Greater New Orleans)</i>		
ESFP - Emergency Shelter Food Program	97.024	8,000
<i>(Passed through Covenant House)</i>		
2018-VT-BX-K075 Collaborative Model to Combat Human Trafficking	16.320	45,739
<i>(Passed through City of New Orleans Health Department)</i>		
MK16-544 SART (Sexual Assault Response Team)	16.590	6,498
<i>(Passed through Lighthouse for the Blind) OVW - Disability Grant</i>		
	16.590	7,691
		<u>14,189</u>
United States Department of Justice, Total		<u>\$ 1,852,541</u>

**NEW ORLEANS FAMILY JUSTICE ALLIANCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2021**

Federal Grantor/Pass-Through Grantor Program Title & Identifying Number	CFDA Number	Federal Expenditures
United States Department Health and Human Services		
<i>(Passed through State of La. Department of Children and Families)</i>		
FVPSA Domestic Violence Services	93.671	\$ 556,844
FVPSA Domestic Violence Services - Covid Cares	21.027	24,451
		<u>581,295</u>
<i>(Passed through State of La. Department of Children and Families)</i> SNAP E & T	10.561	72,680
United States Department Health and Human Services, Total		<u>\$ 653,975</u>
United States Department of Housing and Urban Development		
<i>(Passed through Unity for the Homeless of Greater New Orleans)</i>		
Federal Continuum of Care #LA0320D6H031800	14.267	\$ 78,898
Federal Continuum of Care #LA0319D6H031800	14.267	612,628
Federal Continuum of Care #LA0342D6H001900	14.267	573,799
		<u>1,265,325</u>
<i>(Passed through the City of New Orleans - Office of Community Development)</i>		
Federal Emergency Solutions Grant - ESG	14.231	59,286
Federal Emergency Solutions Grant - Rapid Rehousing	14.231	62,184
		<u>121,470</u>
United States Department of Housing and Urban Development, Total		<u>\$ 1,386,795</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 3,893,311</u>

NEW ORLEANS FAMILY JUSTICE ALLIANCE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2021

NOTE A - FISCAL PERIOD AUDITED

Single audit testing procedures were performed for program transactions occurring during the year ended December 31, 2021. Federal financial assistance received during the year did meet the criteria set forth in the Single Audit Act and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principle, and Audit Requirements for Federal Awards* (Uniform Guidance). Grant terms are indicated in the Schedule of Expenditures of Federal Awards.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Center has met the qualifications for the respective grants. Costs incurred in programs partially funded by federal grants are applied against federal grant funds to the extent of revenue available when they are properly applied to the grant.

2. Indirect Cost Rate

The organization has not elected to use the 10 percent de minimis indirect cost rate.

**NEW ORLEANS FAMILY JUSTICE ALLIANCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2021**

We have audited the financial statements of the New Orleans Family Justice Alliance as of and for the year ended December 31, 2021, and have issued our report thereon dated August 30, 2022. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the Uniform Guidance. Our audit of the financial statements as of December 31, 2021, resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements.

Internal Control

Material Weaknesses Yes No
 Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

Was a management letter issued? Yes No

b. Federal Awards

Internal Control

Material Weaknesses Yes No
 Significant Deficiencies Yes No

Type of Opinion On Compliance For Major Programs

Unmodified Qualified
 Disclaimer Adverse

Are there findings required to be reported in accordance with the Uniform Guidance?
 Yes No

c. Identification of Major Programs:

<u>Programs</u>	<u>CFDA</u>	<u>Amount</u>
Improving Criminal Justice Response	16.736	\$ 289,261
Transitional Housing for Victims of Domestic Violence	16.736	\$ 158,697
FVPSA - Domestic Violence Services	93.671	\$ 556,844

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 750,000

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? Yes No

**NEW ORLEANS FAMILY JUSTICE ALLIANCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For The Year Ended December 31, 2021**

Section II Financial Statement Findings

A – Issues of Noncompliance

None

B – Internal Control - Significant Deficiencies

None

C – Internal Control - Material Weaknesses

None

Section III Federal Award Findings and Questioned Costs

None

Section IV Management Letter

None

**NEW ORLEANS FAMILY JUSTICE ALLIANCE
SCHEDULE OF PRIOR YEAR FINDINGS
For The Year Ended December 31, 2020**

Section I – Internal Control and Compliance Material to the Financial Statements

None

Section II – Internal Control and Compliance Material to Federal Awards

None

Section III – Management Letter

2020-1 Development of Internal Oversight Program
Resolved

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To: The Board of Directors
New Orleans Family Justice Alliance
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 – December 31, 2021. New Orleans Family Justice Alliance (the Organization). The Organization's 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 LLA's SAUPs for the fiscal period January 1, 2021 – December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and observe whether they address each of the following categories and subcategories (or report that the entity does not have any written policies and procedures), if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 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. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) continued disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: Exceptions were noted for item (k) for Information Technology Disaster Recovery/Business Continuity. We did not observe a written policy that addresses critical data and frequency of data backups, storage of backups in a separate physical location isolated from the network, periodic testing/verification that backups can be restored, and use of antivirus software on all systems. Ethics, Debt Service, and Sexual Harassment are not applicable for nonprofits

Managements Response – Management agrees will work to update a written policy that addresses the requirements of the information technology, disaster recovery, business continuity policy.

Board (or Finance Committee, if applicable)

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

Results: No exceptions were noted as a result of this procedure.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions were noted as a result of this procedure.

Collections (excluding electronic funds transfers)

- 4. 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).

Results: No exceptions were noted as a result of this procedure.

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that: **For each cash collection location selected:**
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No exceptions were noted as a result of this procedure.

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

Results: No exceptions were noted as a result of this procedure.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were noted as a result of this procedure.

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

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

Results: No exceptions were noted as a result of this procedure.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

Results: No exceptions were noted as a result of this procedure.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: No exceptions were noted as a result of this procedure.

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

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

Results: No exceptions were noted as a result of this procedure.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - Observe that finance charges and late fees were not assessed on the selected statements.

Results: No exceptions were noted as a result of this procedure.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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 note 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 this procedure.

Travel and Expense Reimbursement

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Results: No exceptions were noted as a result of this procedure.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were noted as a result of this procedure.

Payroll and Personnel

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

Results: No exceptions were noted as a result of this procedure.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: No exceptions were noted as a result of this procedure.

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

Results: No exceptions were noted as a result of this procedure.

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

Results: No exceptions were noted as a result of this procedure.

Ethics (excluding nonprofits)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: This sections is not applicable for nonprofits.

Debt Service (excluding nonprofits)

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

Results: This section not applicable for nonprofits.

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

Results: This section is not applicable for nonprofits.

Fraud

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

Results: No exceptions were noted as a result of this procedure.

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

Results: No exceptions were noted as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

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

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

Sexual Harassment

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

Results: This section is not applicable for nonprofits.

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

Results: This section is not applicable for nonprofits.

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

Results: This section is not applicable for nonprofits.

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.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
August 30, 2022