

NEW ORLEANS FAMILY JUSTICE ALLIANCE

FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
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, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2022, 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, accompanying 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 July 31, 2023 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

July 31, 2023

FINANCIAL STATEMENTS

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Statement of Financial Position
For the Year Ended December 31, 2022

Current Assets

Cash and Cash Equivalents	\$ 252,853	\$ 76,180	\$ 329,033
Grants Receivable	631,815	-	631,815
Other Receivables	6,016	-	6,016
Total Current Assets	890,684	76,180	966,864

Fixed Assets, Net

851,919	-	851,919
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Other Assets

Security Deposit	\$ 43,815	-	43,815
Operating Lease-Right of Use	2,041,327	-	2,041,327
Due from Affiliate	201,915	-	201,915
Total Other Assets	2,287,057	-	2,287,057

Total Assets

\$ 4,029,660	\$ 76,180	\$ 4,105,840
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Liabilities and Net Assets:

Current Liabilities

Accounts Payable	\$ 23,459	\$ -	\$ 23,459
Accrued Expenses	7,567	-	7,567
Payroll Liabilities	164	-	164
Deferred Revenue	410,353	-	410,353
Operating Lease-current portion	498,061	-	498,061
Construction Loan - current portion	8,208	-	8,208
SBA Loan - Ida - current portion	277	-	277
Total Current Liabilities	948,089	-	948,089

Long Term Liabilities

Operating Lease Liability	1,549,204	-	1,549,204
Construction Loan	108,689	-	108,689
SBA Loan - Hurricane Ida	24,723	-	24,723
SBA Loan - EIDL Loan	500,000	-	500,000
Total Long Term Liabilities	2,182,616	-	2,182,616

Total Liabilities

3,130,705	-	3,130,705
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Net Assets

877,436	76,180	953,616
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Net Assets - Board Designated

21,519	-	21,519
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Total Net Assets

898,955	76,180	975,135
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Total Liabilities and Net Assets

\$ 4,029,660	\$ 76,180	\$ 4,105,840
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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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Grant Revenue	\$ 4,957,036	\$ -	\$ 4,957,036
Cash Donations	211,599	35,100	246,699
United Way	57,863	-	57,863
Partner Rent	79,396	-	79,396
Service/Fee Income	3,560	-	3,560
Marriage & Civil Fees	33,010	-	33,010
In-Kind Donations	32,061	-	32,061
Interest Income	826	-	826
Private Foundation	20,000	122,000	142,000
Program Income	88,923	-	88,923
PSH Rental Income	35,738	-	35,738
Insurance Payments	-	15,000	15,000
Fundraising	18,665	-	18,665
Net Assets Released from Restrictions	212,436	(212,436)	-
Total Revenue and Support	5,751,113	(40,336)	5,710,777
Expenses:			
Personnel Costs	2,727,817	-	2,727,817
Occupancy Costs	399,686	-	399,686
Professional Fees	158,423	-	158,423
Operating Costs	390,321	-	390,321
Direct Program Expenses	2,004,412	-	2,004,412
Insurance	36,360	-	36,360
Depreciation	38,883	-	38,883
Interest Expense	8,355	-	8,355
Fundraising Expenses	19,172	-	19,172
Total Expenses	5,783,429	-	5,783,429
Increase (Decrease) in Net Assets	(32,316)	(40,336)	(72,652)
Net Assets, Beginning of Year	931,271	116,516	1,047,787
Net Assets, End of Year	\$ 898,955	\$ 76,180	\$ 975,135

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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Cash Flows from Operating Activities:			
Change in Net Assets	\$ (32,316)	\$ (40,336)	\$ (72,652)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used) by Operating Activities			
Depreciation	38,883	-	38,883
(Increase) Decrease in Assets			
Grants Receivable	(158,169)	116,516	(41,653)
Other Receivables	1,084	-	1,084
Security Deposits	(11,050)	-	(11,050)
(Increase) Decrease in Liabilities			
Accounts Payable	(39,424)	-	(39,424)
Accrued Expenses	(337)	-	(337)
Payroll Liabilities	164	-	164
Fiscal Agent Liability	(8,000)	-	(8,000)
Operating Lease Liability	5,938	-	5,938
Deferred Revenue	100,828	-	100,828
Net Cash (Used) by Operating Activities	(102,399)	76,180	(26,219)
Cash Flows from Investing Activities:			
Deposit on purchase of building	(10,000)	-	(10,000)
Net Cash (Used) by Investing Activities	(10,000)	-	(10,000)
Cash Flows from Financing Activities:			
Due from Affiliate	(53,266)	-	(53,266)
Payments on Line of Credit	(100,000)	-	(100,000)
Proceeds from SBA Loan - EIDL	500,000	-	500,000
Proceeds from SBA Loan - Hurricane Ida	25,000	-	25,000
Payments on Loan Payable, net	(7,302)	-	(7,302)
Net Cash Provided by Financing Activities	364,432	-	364,432
Net Increase in Cash and Cash Equivalents	252,033	76,180	328,213
Cash and Cash Equivalents, Beginning of Year	820	-	820
Cash and Cash Equivalents, End of Year	\$ 252,853	\$ 76,180	\$ 329,033

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, 2022

	2022			
	Direct Admin	Direct Program	Fundraising Expenses	Total
Expenses				
Personnel Costs	\$ 79,115	\$ 2,636,608	\$ 12,094	\$ 2,727,817
Occupancy Costs	11,592	386,322	1,772	399,686
Professional Fees	20,864	46,366	91,193	158,423
Operating Costs	22,868	367,453	-	390,321
Direct Program Costs	-	2,004,412	-	2,004,412
Insurance	882	35,478	-	36,360
Depreciation	943	37,940	-	38,883
Interest Expense	203	8,152	-	8,355
Fundraising Expenses	-	-	19,172	19,172
	\$ 136,467	\$ 5,522,731	\$ 124,231	\$ 5,783,429

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

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2022

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	\$8,355
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NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2022

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, 2022, NOFJA's balances exceeded federally insured limits by \$79,033.

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, 2022, management does not believe significant credit risk exists with regard to accounts and grants receivable, and relating to cash balances exceeding the federally insured limits

Concentrations of Sources of Revenue

Approximately 75% 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 are 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, 2022

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

Support and Revenue (continued)

As of December 31, 2022, there was \$76,180 of cash and donor restricted net assets whose use were available for the following purpose:

Description	2022
Client/Survivor Expenses	\$ 48,448
Capital Campaign	22,732
Medical Advocacy	5,000
	<hr/>
	\$ 76,180

For the year ended December 31, 2022, \$212,436 of net assets was 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, 2022 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. A 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, 2022

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, 2022, 2021 and 2020.

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, 2022, 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. The adoption of this standard for the year ended December 31, 2020 did not result in a change to NOFJA's revenue. 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, 2022

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

Leases

NOFJA recognizes and measures its leases in accordance with FASB ASC 842, Leases. NOFJA is a lessee in several noncancellable office space and residential apartments. NOFJA determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. NOFJA recognizes a lease liability and a right of use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise NOFA uses its incremental borrowing rate. The implicit rates of our leases are not readily determinable and accordingly, we use our incremental borrowing rate based on the information available at the commencement date for all leases. NOFJA's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term factoring in other lease-specific factors such as assumed collateral.

Note 3. Fixed Assets:

The following is a summary of changes in Fixed Assets for the calendar year ended December 31, 2022:

	<u>Jan. 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Dec 31, 2022</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	10,000	--	774,045
Leasehold Improvements	253,642	--	--	253,642
Computers & Equipment	25,201	--	--	25,201
Accumulated Depreciation	(185,686)	(38,883)	--	(224,569)
Depreciable Assets, Net	<u>857,202</u>	<u>(38,883)</u>	<u>--</u>	<u>828,319</u>
Fixed Assets, Net	<u>\$ 880,802</u>	<u>\$ (38,883)</u>	<u>--</u>	<u>\$ 851,919</u>

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2022

Depreciation expense was \$38,883 for the year ending December 31, 2022.

Note 4. Leases:

Effective January 1, 2022, NOFJA adopted FASB 842, Leases. The new standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term.

NOFJA elected to adopt FASB ASC 842, Leases, using the optional transition method that allows NOFJA to initially apply the new lease standard at the adoption date.

Additional information about NOFJA's leases is as follows for the year ended December 31, 2022:

Operating lease cost	<u>\$ 509,682</u>
Cash paid for amounts in lease liabilities	\$ 524,086
Operating cash flows from operating leases	524,086
Right-of-use assets obtained in exchange for new operating lease liabilities	2,047,265
Weighted-average remaining lease term operating leases	4.83 years
Weighted-average discount rate- operating leases	1.61%

Maturities of lease liabilities under noncancellable operating leases as of December 31, 2022, are as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2023	\$ 498,061
2024	397,959
2025	370,638
2026	376,425
2027	265,405
Thereafter	<u>138,777</u>
Total	<u>\$ 2,047,265</u>

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2022

Note 4. Leases: (Continued)

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 on November 7, 2022, for additional space commencing December 1, 2022, and expiring September 30, 2028, for \$15,500 per month. The organization has the option to renew for an additional five years for \$17,437.50 per month.

The NOFJA has security deposits totaling \$30,875 for office space it occupies, \$1,890 for parking lease and \$11,050 for residential apartments it leases for a total of \$43,815.

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 \$25,454.

On July 16, 2022, NOFJA renewed their lease of residential apartments for a period of six months, commencing on September 1, 2022, and expiring February 28, 2023, for \$4,200 per month. The organization has an option to renew on a month-to-month basis.

NOFJA signed a new lease on March 25, 2022, for residential apartments commencing on April 1, 2022 and expiring March 31, 2024 for \$11,050 per month. The lease will automatically renew unless written notice is given 30 days prior to expiration.

NOFJA has a lease for parking spaces. The rent is \$1,622.50 per month. This lease is not included in the lease liability calculation as it is a non-lease component under ASC 842.

Note 5. Due from Affiliate:

During the year 2022, the NOFJA assisted the Hope Clinic in funding their operational shortfall in the amount of \$53,266. As of December 31, 2021, the Hope Clinic owed NOFJA \$148,649. The total Due from Affiliate as of December 31, 2022, as reported in the financials is \$201,915. However, the actual amount that will be collected on this receivable is not known at the time of the issuance of the report. NOFJA is actively working with the Hope Clinic to determine the final amount as well as a written repayment plan.

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2022

Note 6. Deferred Revenue:

Deferred revenue is comprised of grant funds and donations received in the amount of \$410,353 from various grantors. These amounts represent advance payments on grants for services that will be provided in 2023.

Grantor	Amount
Department of Children & Family Services – Covid Cares	\$ 37,130
Department of Children & Family Services – CHC	313,996
Corporate Grant	51,454
Emergency & Food Shelter	7,773
Total	\$ 410,353

Note 7. Line of Credit:

NOFJA has a revolving line of credit with a maximum borrowing of \$250,000 with a local financial institution, which it may draw upon to provide necessary working capital. Interest at a variable rate per annum accrues on the outstanding principal balance. The minimum interest rate is 3.75%. The line of credit matured on March 19, 2023. The line is secured by the building and land as shown in Note 3. There was no outstanding balance on the line of credit as of December 31, 2022.

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 \$4,327. The principal balance on the loan as of December 31, 2022, was \$121,224.

On March 14, 2022, NOFJA obtained an Economic Injury Disaster loan from the Small Business Administration in the amount of \$500,000. Interest accrues at a rate of 2.75% per annum from the date of the advance. The loan is payable in 360 monthly installments beginning 24 months from the date of the promissory note. The balance on this loan at December 31, 2022 was \$500,000.

On November 1, 2021, NOFJA obtained an unsecured business disaster loan from the Small Business Administration for damages from Hurricane Ida in the amount of \$25,000. Interest accrues at a rate of 2.00% per annum from the date of the advance. The loan proceeds were received August 10, 2022. The loan is payable in 180 monthly installments beginning 18 months from the date of the promissory note. The balance on this loan at December 31, 2022 was \$25,000.

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2022

Note 8. Loans Payable: (Continued)

Principal payments on Loans payable are due as follows:

Year ending December 31,	Amount
2023	\$ 8,485
2024	21,404
2025	24,437
2026	25,317
2027	26,231
Thereafter	536,023
Total	\$ 641,897

Note 9. 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	\$ 329,033
Grants Receivable	631,815
Total Financial Assets	960,848
Less:	
Amounts required to meet donor restrictions	(76,180)
Advanced grant funding received	(410,353)
	(486,533)
Financial assets available to meet cash needs for general expenditures within one year	\$ 474,315

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, 2022

Note 10. Subsequent Events:

Management has evaluated subsequent events through the date that the financial statements were available to be issued, July 31, 2023, the following event occurred that has a material impact on the financial statements.

On January 31, 2023, NOFJA purchased a building to use as an emergency shelter. The purchase price of the building was \$3,250,000. The purchase was funded by a grant from the City of New Orleans in the amount of \$3,270,000 which also covered additional costs related to the purchase.

No subsequent events occurring after July 31, 2023, have been evaluated for inclusion in these financial statements.

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, 2022

Agency Head: Mary Claire Landry

Purpose	Amount
Salary	\$ 101,769
Benefits-Insurance	8,421
Benefits-Life Insurance	64
Benefits-ST Disability	2,198
Benefits-FICA	<u>7,549</u>
Total	<u>\$ 120,001</u>

NEW ORLEANS FAMILY JUSTICE ALLIANCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Federal Expenditures
United States Department of Justice		
<i>(Passed through the Louisiana Commission on Law Enforcement)</i>		
6624 2020 Sexual Assault (SASP - Sexual Assault Prevention)	16.017	\$ 56,135
Crime Victims Assistance		
6158 Crime Victims Assistance - Sexual Assault Services	16.575	313,787
6160 Crime Victims Assistance - CAC Collaborative	16.575	54,681
6159 Crime Victims Assistance - Forensic Program	16.575	167,909
6161 Crime Victims Assistance - CDC	16.575	47,294
		<u>583,671</u>
Violence Against Women Act		
6626 2020 STOP VAWA (Sexual Assault)	16.588	24,879
6625 2020 STOP VAWA (Domestic Violence)	16.588	18,881
<i>(Passed through Lighthouse for the Blind)</i>		
OVW - Disability Grant	16.588	1,482
		<u>45,242</u>
<i>(Passed through Tulane University) - Legal Assistance</i>		
	16.524	8,806
<i>(Passed through Southeast Legal Services Inc.)</i>		
MOU - Legal Assistance Services	16.524	42,577
		<u>51,383</u>
<i>(Passed through the Office of Victims of Crime)</i>		
2019-V3-GX-K023 Poly-victimization Demonstration Initiative	16.582	220,495
<i>(Passed through City of New Orleans)</i>		
MK16-544 SART (Sexual Assault Response Team)	16.590	2,259
<i>(Passed through the Office on Violence Against Women)</i>		
2019-WH-AX-0069 Transitional Housing for Victims of Domestic Violence	16.736	207,751
<i>(Passed through New Orleans Police Department - City of New Orleans)</i>		
MOU - Sexual Assault Kit Initiative - SAKI	16.833	92,734
		<u>1,259,670</u>
United States Department of Justice, Total		
United States Department of Homeland Security		
<i>(Passed through United Way of Greater New Orleans)</i>		
ESFP - Emergency Shelter Food Program	97.024	32,727

**NEW ORLEANS FAMILY JUSTICE ALLIANCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2022**

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Federal Expenditures
United States Department of Health and Human Services		
<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	77,137
<i>(Passed through the La. Office of Public Health/ La. Foundation Against Sexual Assault)</i>		
Rape Prevention Education	93.136	57,112
<i>(Passed through State of La. Department of Children and Families)</i>		
FVPSA Domestic Violence Services	93.671	\$ 665,790
FVPSA COVID Grant	93.671	91,091
FVPSA Covid Grant	93.671	134,107
		<u>890,988</u>
United States Department Health and Human Services, Total		\$ 1,025,237
United States Department of Agriculture		
<i>(Passed through State of La. Department of Children and Families)</i>		
SNAP E & T	10.561	73,676
United States Department of Housing and Urban Development		
<i>(Passed through Unity for the Homeless of Greater New Orleans)</i>		
Federal Continuum of Care Unity Co Entry	14.267	\$ 101,026
Federal Continuum of Care Unity Rapid Housing	14.267	904,591
Federal Continuum of Care Unity Turning Point	14.267	775,760
Federal Continuum of Care Next Steps	14.267	513,014
		<u>2,294,391</u>
<i>(Passed through the City of New Orleans - Office of Community Development)</i>		
2022 CDBG-CV - Emergency Safe Shelter - Mary Claire's Place	14.218	12,430
Federal Emergency Solutions Grant - ESG	14.231	79,844
Federal Emergency Solutions Grant - ESG	14.231	62,207
		<u>142,051</u>
United States Department of Housing and Urban Development, Total		\$ 2,448,872
TOTAL FEDERAL FINANCIAL ASSISTANCE		\$ 4,840,182

NEW ORLEANS FAMILY JUSTICE ALLIANCE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2022

NOTE A - FISCAL PERIOD AUDITED

Single audit testing procedures were performed for program transactions occurring during the year ended December 31, 2022. 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.

**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*

To the Board of Trustees 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, 2022, 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 July 31, 2023.

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

July 31, 2023

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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, 2022. 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, 2022.

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.

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Gretna, Louisiana

July 31, 2023

**NEW ORLEANS FAMILY JUSTICE ALLIANCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2022**

We have audited the financial statements of the New Orleans Family Justice Alliance as of and for the year ended December 31, 2022, and have issued our report thereon dated July 31, 2023. 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, 2022, 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>
Crime Victims Assistance - Sexual Assault Services	16.575	\$ 313,787
Crime Victims Assistance - CAC Collaborative	16.575	\$ 54,681
Crime Victims Assistance - Forensic Program	16.575	\$ 167,909
Crime Victims Assistance - CDC	16.575	\$ 47,294
Federal Continuum of Care - Unit Co Entry	14.267	\$ 101,026
Federal Continuum of Care - Unity Rapid Housing	14.267	\$ 904,591
Federal Continuum of Care - Unity Turning Point	14.267	\$ 775,760
Federal Continuum of Care - Next Steps	14.267	\$ 513,014

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

e. 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, 2022

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, 2022**

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

None

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
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, 2022 to through December 31, 2022. 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, 2022 through December 31, 2022. 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:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. ***Disbursements***, including processing, reviewing, and approving.

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- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Procedures performed. No exceptions noted.

Ethics, Debt Service, and Sexual Harassment are not applicable for nonprofits.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Procedures performed. No exceptions noted.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: Exceptions were noted for items:

(A)(i) We did not observe evidence of preparation within two months of the related statement closing date.

(A)(ii) It was observed that a member of management reviewed and initialed reconciliations, however, a date was not observed on the reconciliation.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and

Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

Procedures performed. No exceptions noted.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

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

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

Procedures performed. No exceptions noted.

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

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Procedures performed. No exceptions noted.

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

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

Procedures performed. No exceptions noted.

8) Contracts

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

Procedures performed. No exceptions noted.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Procedures performed. No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

This section is not applicable for nonprofits.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

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

This section is not applicable for nonprofits.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Procedures performed. No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5

- computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

This section is not applicable for nonprofits.

Camnetar & Co., CPAs

a professional accounting corporation

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
July 31, 2023



New Orleans Family Justice Center
701 Loyola Ave # 201,
New Orleans LA 70113

July 31, 2023

Edward L. Camnetar, Jr.
Camnetar & Co. CPAs
2550 Belle Chasse Hwy, Suite 170
Gretna, LA 70053

Re: Management's Response to Agreed-Upon Procedures Engagement Finding

Dear Mr. Camnetar

The following outlines the action to be taken by New Orleans Family Justice Alliance regarding the agreed upon procedure findings addressed to the Organization, by you, our auditor, Camnetar & Co., CPAs (APAC), in your report dated July 31, 2023.

Management agrees with the following findings and will ensure New Orleans Family Justice Alliance meets all legislative requirements going forward. Bank reconciliations will be completed in a timely manner and the member of management will date and initial the reviewed reconciliations.

Sincerely,

Trashanda Grayes
Executive Director