

Financial Report

New Orleans Jewish Community Center

December 31, 2021

Financial Report

New Orleans Jewish Community Center

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New Orleans Jewish Community Center

December 31, 2021 and 2020

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
New Orleans Jewish Community Center,
New Orleans, Louisiana.

Opinion

We have audited the accompanying financial statements of New Orleans Jewish Community Center (the "Center"), which comprise the statements 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 referred to above present fairly, in all material respects, the financial position of the Center 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 the Center'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 the Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the Center's 2020 financial statements, and our reported dated October 27, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Office (Schedule 1) is presented for the 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 is required by Louisiana Revised Statute 24:513(A)(3). The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2022, on our consideration of the Center'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.



Certified Public Accountants.

New Orleans, Louisiana,
June 23, 2022.

STATEMENT OF FINANCIAL POSITION

New Orleans Jewish Community Center

December 31, 2021
(with comparative totals for 2020)

ASSETS

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,222,671	\$ 2,046,579
Restricted cash - Capital Campaign	769,280	342,697
Unconditional promises to give:		
Capital Campaign	183,765	730,226
United Way funding for next year:		
New Orleans United Way allocations and designations	25,908	26,577
Jewish Federation of Greater New Orleans	15,468	12,000
Jewish Endowment Foundation	15,000	3,091
Member accounts receivable, net	161,293	167,211
Miscellaneous receivable	151,979	28,742
Prepaid expenses and deposits	163,215	154,682
Funds held by Greater New Orleans Foundation	120,738	103,918
Funds held by Jewish Endowment Foundation	3,730,054	2,034,368
Investments	1,979,086	1,935,392
Property and equipment, net	9,919,916	10,116,473
Right-of-use asset, net	231,903	-
	<u> </u>	<u> </u>
Totals	<u><u>\$19,690,276</u></u>	<u><u>\$17,701,956</u></u>

See notes to financial statements.

LIABILITIES

	<u>2021</u>	<u>2020</u>
Accounts payable and accrued expenses	\$ 305,731	\$ 168,440
Note payable	300,000	-
Lease obligations	208,246	-
Unearned revenue - dues and service fees	<u>722,091</u>	<u>694,240</u>
Total liabilities	<u>1,536,068</u>	<u>862,680</u>

NET ASSETS

Net assets without donor restrictions:		
Designated	1,251,432	1,251,432
Undesignated	<u>13,095,237</u>	<u>12,245,007</u>
Total unrestricted	14,346,669	13,496,439
Net assets with donor restrictions	<u>3,807,539</u>	<u>3,342,837</u>
Total net assets	<u>18,154,208</u>	<u>16,839,276</u>
Totals	<u><u>\$19,690,276</u></u>	<u><u>\$17,701,956</u></u>

STATEMENT OF ACTIVITIES**New Orleans Jewish Community Center**

For the year ended December 31, 2021
(with comparative totals for 2020)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals	
			2021	2020
Support and Revenue				
Public support:				
Allocations by United Way:				
New Orleans United Way allocations and grants	\$ -	\$ 43,791	\$ 43,791	\$ 40,599
New Orleans United Way designations	-	1,871	1,871	1,638
Contributions from Jewish Federation	295,442	15,981	311,423	345,583
Jewish Endowment Foundation	37,909	-	37,909	9,091
Capital Campaign	-	111,041	111,041	87,789
Member donation of April dues	-	-	-	164,865
Other contributions	187,552	88,474	276,026	299,587
Department of Homeland Security grant	-	75,000	75,000	-
Department of Education grant	-	798,527	798,527	86,750
	<u>520,903</u>	<u>1,134,685</u>	<u>1,655,588</u>	<u>1,035,902</u>
Revenue:				
Membership dues	2,572,681	-	2,572,681	2,602,719
Program service fees	3,018,094	-	3,018,094	2,249,829
Building assessment	-	27,511	27,511	32,610
Miscellaneous:				
Paycheck Protection Program loan forgiveness	1,137,015	-	1,137,015	1,137,000
Investment income, net	50,807	17,127	67,934	72,369
Investment income, Capital Campaign	-	395	395	1,524
Bank draft fees	83,643	-	83,643	98,778
Other	255,823	-	255,823	70,456
	<u>7,118,063</u>	<u>45,033</u>	<u>7,163,096</u>	<u>6,265,285</u>
Net assets released from restrictions:				
Satisfaction of purpose restrictions:				
Capital Campaign	231,314	(231,314)	-	-
New Orleans United Way grants	46,331	(46,331)	-	-
Department of Homeland Security grant	75,000	(75,000)	-	-
Department of Education grant	346,390	(346,390)	-	-
Other	15,981	(15,981)	-	-
	<u>715,016</u>	<u>(715,016)</u>	<u>-</u>	<u>-</u>
Total net assets released from restrictions	<u>715,016</u>	<u>(715,016)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>8,353,982</u>	<u>464,702</u>	<u>8,818,684</u>	<u>7,301,187</u>

**Exhibit B
(Continued)**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals	
			2021	2020
Expenses				
Program services:				
Early childhood/daycare	2,463,628	-	2,463,628	2,282,451
Day camping	843,337	-	843,337	819,572
Participatory recreation	2,429,764	-	2,429,764	2,103,882
Social development	372,792	-	372,792	505,541
Informal education	282,194	-	282,194	261,818
Older adult social development	182,089	-	182,089	154,426
ACE	185,141	-	185,141	156,490
Total program services	<u>6,758,945</u>	<u>-</u>	<u>6,758,945</u>	<u>6,284,180</u>
Supporting services:				
Management and general	742,101	-	742,101	658,357
Fundraising	2,706	-	2,706	20,595
Total supporting services	<u>744,807</u>	<u>-</u>	<u>744,807</u>	<u>678,952</u>
Total expenses	<u>7,503,752</u>	<u>-</u>	<u>7,503,752</u>	<u>6,963,132</u>
Increase in Net Assets	850,230	464,702	1,314,932	338,055
Net Assets				
Beginning of the year	<u>13,496,439</u>	<u>3,342,837</u>	<u>16,839,276</u>	<u>16,501,221</u>
End of the year	<u><u>\$14,346,669</u></u>	<u><u>\$3,807,539</u></u>	<u><u>\$18,154,208</u></u>	<u><u>\$16,839,276</u></u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

New Orleans Jewish Community Center

For the year ended December 31, 2021
(with comparative totals for 2020)

	Program Services							Supporting Services			Total Expenses		
	Early Childhood/Daycare	Day Camping	Participatory Recreation	Social Development	Informal Education	Older Adult Social Development	ACE	Total Program Services	Management and General	Fundraising	Total Supporting Services	2021	2020
Salaries	\$1,583,289	\$444,644	\$1,565,104	\$245,933	\$138,098	\$ 97,153	\$112,066	\$4,186,287	\$318,869	\$ -	\$318,869	\$4,505,156	\$4,105,011
Employee health and retirement benefits	156,122	27,577	150,674	28,667	19,582	13,719	11,401	407,742	47,300	-	47,300	455,042	443,363
Payroll taxes and workmen's compensation	130,057	36,801	128,124	19,720	11,893	8,524	9,055	344,174	26,205	-	26,205	370,379	339,451
Total salaries and related benefits	1,869,468	509,022	1,843,902	294,320	169,573	119,396	132,522	4,938,203	392,374	-	392,374	5,330,577	4,887,825
Conferences, conventions, and meetings	3,103	1,220	2,172	808	698	355	558	8,914	50	-	50	8,964	3,495
Dues, membership, and National Jewish Community Center	3,280	2,726	3,003	947	855	554	185	11,550	11,550	-	11,550	23,100	11,695
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	1,687
Interest expense	-	-	4,037	-	-	-	-	4,037	-	-	-	4,037	7,812
Local transportation and travel	3,136	732	3,600	1,614	763	7,453	762	18,060	969	-	969	19,029	14,638
Occupancy:													
Utilities	40,927	8,185	54,023	4,911	9,822	6,548	8,185	132,601	31,104	-	31,104	163,705	135,434
Insurance	72,533	14,507	95,744	8,704	17,408	11,605	14,507	235,008	55,125	-	55,125	290,133	307,593
Other occupancy	33,461	106,559	84,285	12,448	8,928	4,505	5,599	255,785	57,996	-	57,996	313,781	266,808
Postage and shipping	2,984	2,031	2,355	732	773	339	339	9,553	1,088	244	1,332	10,885	8,911
Printing and subscriptions	14,481	8,826	11,123	3,482	3,742	1,646	1,646	44,946	927	-	927	45,873	51,862
Professional fees and contract service payments	34,313	32,875	32,545	8,508	36,937	6,508	2,195	153,881	85,943	2,462	88,405	242,286	202,636
Rental and maintenance of equipment	9,399	2,609	50,628	1,535	1,662	1,079	644	67,556	13,787	-	13,787	81,343	73,471
Scholarships and grants	109,010	29,103	-	2,060	-	411	591	141,175	-	-	-	141,175	134,735
Supplies	68,420	53,869	42,849	2,274	7,721	6,651	2,956	184,740	7,804	-	7,804	192,544	122,742
Telephone and internet	2,478	3,635	2,733	817	657	411	137	10,868	10,868	-	10,868	21,736	22,233
Unclassified and special programs	10,300	3,470	12,839	1,355	1,250	816	272	30,302	16,226	-	16,226	46,528	27,996
Total expenses before depreciation	2,277,293	779,369	2,245,838	344,515	260,789	168,277	171,098	6,247,179	685,811	2,706	688,517	6,935,696	6,281,573
Depreciation and amortization	186,335	63,968	183,926	28,277	21,405	13,812	14,043	511,766	56,290	-	56,290	568,056	681,559
Total expenses	\$2,463,628	\$843,337	\$2,429,764	\$372,792	\$282,194	\$182,089	\$185,141	\$6,758,945	\$742,101	\$ 2,706	\$744,807	\$7,503,752	\$6,963,132

See notes to financial statements.

STATEMENT OF CASH FLOWS**New Orleans Jewish Community Center**

For the year ended December 31, 2021
(with comparative totals for 2020)

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Increase in net assets	\$1,314,932	\$ 338,055
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation and amortization	568,056	681,559
Paycheck Protection Program loan forgiveness	(1,137,015)	(1,137,000)
Restricted contributions - Capital Campaign	(108,734)	(86,788)
Investment (increase) decrease on funds held by:		
Greater New Orleans Foundation	(16,820)	(7,786)
Jewish Endowment Foundation	(1,695,686)	139,170
(Increase) decrease in operating assets:		
United Way funding receivable	669	1,117
Jewish Federation of Greater New Orleans receivable	(3,468)	-
Jewish Endowment Foundation receivable	(11,909)	(1,411)
Member accounts receivable	5,918	9,792
Miscellaneous receivables	(123,237)	(7,827)
Prepaid expenses and deposits	(8,533)	(9,011)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	116,251	(131,040)
Unearned revenues - dues and service fees	27,851	(152,122)
Contributions restricted for endowment purposes	(2,236)	(475)
	<u>(1,073,961)</u>	<u>(363,767)</u>
Cash Flows From Investing Activities		
Purchases of investments	(405,946)	(392,202)
Proceeds from sales and maturities of investments	362,252	132,097
Purchases of property and equipment	(343,833)	(72,073)
	<u>(387,527)</u>	<u>(332,178)</u>

**Exhibit D
(Continued)**

	<u>2021</u>	<u>2020</u>
Cash Flows From Financing Activities		
Proceeds from Paycheck Protection Program loan	1,137,015	1,137,000
Proceeds from note payable	300,000	-
Collections of contributions restricted for Capital Campaign	655,195	470,322
Collection of endowment support	2,236	475
Payments on lease obligation	<u>(30,283)</u>	<u>(73,374)</u>
Net cash provided by financing activities	<u>2,064,163</u>	<u>1,534,423</u>
Net Increase in Cash and Cash Equivalents	602,675	838,478
Cash and Cash Equivalents		
Beginning of year	<u>2,389,276</u>	<u>1,550,798</u>
End of year	<u><u>\$2,991,951</u></u>	<u><u>\$2,389,276</u></u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 4,037</u>	<u>\$ 7,812</u>
Supplemental Disclosure of Noncash Investing and Financing Activities		
Property and equipment purchases included in accounts payable	<u>\$ 21,040</u>	<u>\$ -</u>
Right-of-use asset acquired through lease obligation	<u>\$ 238,529</u>	<u>\$ -</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**New Orleans Jewish Community Center**

December 31, 2021 and 2020

Note 1 - NATURE OF ACTIVITIES

New Orleans Jewish Community Center (the "Center") is a nonprofit, social, recreational, and educational agency, which is dedicated to the enrichment of Jewish life, the enhancement of family living, and the continuation of our Jewish heritage for future generations. The Center is a United Way and Jewish Federation agency. Through its social, educational, cultural, and recreational programs, the Center seeks to encourage individual growth and to provide opportunities for friendship, learning, and fun for all people. The majority of the Center's members are located in the New Orleans area.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Organization and Income Taxes**

The Center is a nonprofit corporation organized under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is exempt from Louisiana income tax under the authority of R.S. 47:121(5).

b. Basis of Accounting

The financial statements of the Center are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

c. Basis of Presentation

Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Basis of Presentation (Continued)

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Center, the passage of time, or are to be held in perpetuity by the Center.

d. 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 certain reported amounts and disclosures. Actual results could differ from those estimates.

e. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Center considers all highly liquid investments in money market funds and time deposits with initial maturities of three months or less to be cash equivalents, with the exception of money market accounts maintained at investment brokerage firms which are reported as investments.

f. Restricted Cash

Restricted cash consists of amounts received by the Center related to its Capital Campaign. The Center is undergoing a Capital Campaign in order to expand its Uptown facilities and the cash received is restricted for this purpose.

g. Promises to Give

Contributions are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. There were no conditional promises to give as of December 31, 2021 and 2020.

All promises to give are recognized as assets, less an allowance for uncollectible amounts, and revenues.

h. Contributions and Revenue Recognition

Contributions received are recorded as unrestricted or restricted support, depending on the existence or nature of any donor restrictions.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Contributions and Revenue Recognition (Continued)

Support that is restricted by the donor is reported as an increase in donor restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), donor restricted net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Dues and service fees are recorded as revenue in the year to which they relate. Dues and service fees billed in advance for the following year are recorded as unearned revenue.

i. Revenue Recognition

Revenues from Exchange Transactions: The Center recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, "*Revenues from Contracts with Customers*", as amended. ASU No. 2014-09 applies to exchange transactions with members that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Center recorded the following exchange transaction revenue in its Statement of Activities for the year ended December 31, 2021:

Membership Dues

Membership dues are billed and payable in advance on a monthly basis. The performance obligation of the Center is to provide access to the Center's amenities and services for the period billed. This obligation is therefore satisfied over time during the period of billing. Revenue is therefore recognized on a monthly basis as membership dues are receivable to the Center.

Program Service Fees

Program service fees are billed after completion of the program or in advance of the program if scheduled in advance. The performance obligation is to provide the program and the instruction associated with the program. Revenue is recognized upon completion of the program.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Allowance for Uncollectible Promises to Give

The Center provides for estimated uncollectible promises to give based on prior years' experience and management's analysis of specific promises made. Management deems all promises to give as of December 31, 2021 and 2020 to be collectible, and that no allowance was necessary.

k. Allowance for Doubtful Accounts

The Center provides for estimated uncollectible member accounts based on prior years' experience and potential charge-offs of year end member account balances. The balance of the allowance for doubtful accounts as of December 31, 2021 and 2020 was approximately \$46,000 and \$40,000, respectively.

l. Uncollectible Receivables

Promises to give and member accounts receivable are written off through a charge to the valuation allowance and a credit to the associated receivable account when management has determined the receivable to be uncollectible.

m. Investments

Investments in money market accounts and certificates of deposit are recorded at cost, which approximates fair market value.

Pooled accounts managed by the Greater New Orleans Foundation and the Jewish Endowment Foundation are reported at net asset value (NAV) which approximates fair market value, including any pro rata gains and losses.

Donated investments are valued at current market value at the date of donation.

n. Property and Equipment

The Center has adopted a policy of capitalizing all expenditures for depreciable assets where the unit cost exceeds \$5,000.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Property and Equipment (Continued)

Property and equipment acquisitions are recorded at cost except for those donated to the Center, which are recorded at estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Center reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Repairs and maintenance are charged to expense as incurred; major renewals and replacements and betterments are capitalized. Depreciation is determined using the straight-line method and is intended to allocate the cost of the assets over their estimated useful lives.

o. Unearned Revenue

Unearned revenue results from the Center receiving membership fees, program fees, nursery school tuition, and other miscellaneous fees in the current year for the following year.

p. Designated Net Assets

As of both December 31, 2021 and 2020, the Center has designated \$1,251,432 of its net assets to be used for future capital repairs, renovations or acquisitions, and future wind deductibles.

q. Methods Used for Allocation of Expenses

Most of the expenses can be directly allocated to one of the programs or supporting services. The financial statements also report certain categories of expenses that are attributable to more than one program or supporting service. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, transportation and travel, which are allocated on the basis of estimates of time and effort. Depreciation and repairs and maintenance are allocated based on estimated square footage.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

r. Income Taxes

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be not be sustained upon examination. Tax years ended December 31, 2018 and later remain subject to examination by the taxing authorities. As of December 31, 2021, management of the Center believes that it has no uncertain tax positions that qualify for either recognition or disclosures in the financial statements.

s. Recently Issued Accounting Standards

Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU No. 2020-07, "*Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*" (Topic 958). The amendments in this update apply to nonprofit organizations that receive contributed nonfinancial assets. Contribution revenue may be presented in the financial statements using different terms (for example, gifts, donations, grants, gifts-in-kind, donated services, or other terms). The amendments address presentation and disclosure of contributed nonfinancial assets. The term nonfinancial asset includes fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The ASU is effective for fiscal years beginning after June 15, 2022. The Center is currently evaluating the full effect that the adoption of this standard will have on its financial statements.

Leases

In November 2021, the FASB issued ASU No. 2021-09, "*Leases Discount Rate for Lessees That Are Not Public Business Entities*" (Topic 842) currently provides lessees that are not public business entities with a practical expedient that allows them to elect, as an accounting policy, to use a risk-free rate as the discount rate for all leases. The amendments in this update allow those lessees to make the risk-free rate election by class of underlying asset, rather than at the entity-wide level. An entity that makes the risk-free rate election is required to disclose which asset classes it has elected to apply a risk-free rate. The amendments require that when the rate implicit in the lease is readily determinable for any individual lease, the lessee use that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of whether it has made the risk-free rate election. The adoption of this standard did not have a material effect on the financial statements.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

t. Subsequent Events

Management evaluates events subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through June 23, 2022, which is the date the financial statements were available to be issued.

Note 3 - PROMISES TO GIVE

Unconditional promises to give as of December 31, 2021 and 2020 consist of the following:

	2021	2020
Capital Campaign	\$183,765	\$761,551
United Way	25,908	26,577
Jewish Federation of Greater New Orleans	15,468	12,000
Jewish Endowment Foundation	15,000	3,091
Gross unconditional promises to give	240,141	803,219
Less discount for Capital Campaign	-	(31,325)
Net unconditional promises to give	<u>\$240,141</u>	<u>\$771,894</u>
	2021	2020
Amounts due in:		
Less than one year	\$210,141	\$481,306
One to five years	30,000	321,913
Totals	<u>\$240,141</u>	<u>\$803,219</u>

Note 4 - INVESTMENTS

Investments as of December 31, 2021 and 2020 consist of the following:

	2021	2020
Money market accounts	\$ 1,334,038	\$ 1,350,326
Certificates of deposit	645,048	585,066
Totals	\$ 1,979,086	\$ 1,935,392

Net investment income included in miscellaneous income in the Statements of Activities for the years ended December 31, 2021 and 2020 is comprised of the following:

	2021	2020
Interest and dividends	\$63,387	\$70,928
Unrealized gain on endowment	11,348	11,743
Realized gain on endowment	5,487	1,537
Investment fees	(12,288)	(11,839)
Net investment income	\$67,934	\$72,369

Expenses relating to investment revenues, including custodial fees and investment advisory fees, amounting to \$12,288 and \$11,839, for the years ended December 31, 2021 and 2020, respectively, have been netted against investment income in the accompanying Statements of Activities.

Note 5 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Center has the ability to access.

Note 5 - FAIR VALUE MEASUREMENTS (Continued)

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Center uses the market approach for valuing money market accounts and certificates of deposit which are within Level 1 of the fair value hierarchy.

Certain investments of the Center are held in pooled assets managed by the Greater New Orleans Foundation and Jewish Endowment Foundation. The value of the Center's investments in this pool are based on information provided by the Greater New Orleans Foundation and Jewish Endowment Foundation. These investments are reported at NAV which approximates fair value. There are no lockup provisions of these investments.

Investments measured at fair value using the NAV practical expedient have not been categorized in the fair value hierarchy, and have no fixed redemption frequency or notice periods, and no unfunded commitments as of December 31, 2021 and 2020.

Note 5 - FAIR VALUE MEASUREMENTS (Continued)

Assets measured at fair value on a recurring basis as of December 31, 2021 and 2020 are comprised of and determined as follows:

Description	Fair Value At December 31, 2021	Based on		
		Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Investments:				
Money market account	\$1,334,038	\$1,334,038	\$ -	\$ -
Certificates of deposit	645,048	645,048	-	-
Totals	<u>\$1,979,086</u>	<u>\$1,979,086</u>	<u>\$ -</u>	<u>\$ -</u>

Description	Fair Value At December 31, 2020	Based on		
		Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Investments:				
Money market account	\$1,350,326	\$1,350,326	\$ -	\$ -
Certificates of deposit	585,066	585,066	-	-
Totals	<u>\$1,935,392</u>	<u>\$1,935,392</u>	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2021 and 2020, there were no assets measured at fair value on a non-recurring basis.

Note 6 - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2021 and 2020 consists of the following:

	2021	2020	Years of Useful Life
Land	\$ 70,960	\$ 70,960	-
Buildings	13,738,029	13,432,716	5 - 40
Swimming pool	1,350,507	1,350,507	20
Furnishings and equipment	749,023	725,090	5 - 15
Sports and wellness equipment	577,372	499,487	5
Aquatics equipment	155,287	155,287	5
Fine arts	96,716	96,716	-
Truck	24,825	24,825	10
Leasehold improvements	306,831	306,831	5 - 10
Construction in progress	26,647	18,072	-
Totals	17,096,197	16,680,491	
Accumulated depreciation and amortization	7,176,281	6,564,018	
Net book value	\$ 9,919,916	\$ 10,116,473	

Depreciation expense totaled \$561,430 and \$621,079 for the years ended December 31, 2021 and 2020, respectively.

Note 7 - LEASE OBLIGATIONS

In November 2017, the Center entered into a finance lease for equipment. The lease had an interest rate of approximately 2.5% and called for 36 monthly payments of \$4,925 and a final payment of \$29,355. The Center paid off the finance lease in 2020.

In July 2021, the Center entered into a finance lease obligation for equipment. The lease has an interest rate of approximately 5% and calls for 36 monthly payments of \$6,265.

Note 7 - LEASE OBLIGATIONS (Continued)

As of December 31, 2021 and 2020, the following is a schedule of the right-of-use asset and accumulated amortization acquired through the finance lease:

	2021	2020
Capitalized costs	\$238,529	\$197,936
Accumulated amortization	(6,626)	(197,936)
Net book value	\$231,903	\$ -

Amortization expense on the right-of-use asset acquired through the finance leases totaled \$6,626 and \$60,480 for the years ended December 31, 2021 and 2020, respectively.

Interest expense on the finance lease obligations totaled \$4,037 and \$2,865 for the years ended December 31, 2021 and 2020, respectively. Other interest expense totaled \$4,947 for the year ended December 31, 2021.

The following is a schedule by years of the future minimum lease payments under the finance lease as of December 31, 2021:

	Year Ending December 31,	
	2022	\$ 75,180
	2023	75,180
	2024	75,474
Total minimum lease payments		225,834
Less amount representing interest		(17,588)
Finance lease obligation		\$208,246

Note 8 - PAYCHECK PROTECTION PROGRAM

On February 8, 2021, the Center received a \$1,137,015 loan from Hancock Whitney Bank under the Paycheck Protection Program (PPP) of the U.S. Small Business Administration (SBA). The loan was repaid March 22, 2022 and all expenditures paid from the loan proceeds were approved as eligible for loan forgiveness under the requirements of the PPP. The funding was recognized as revenue in the year ended December 31, 2021 and is included in miscellaneous revenue on the Statement of Activities.

On April 22, 2020, the Center received a \$1,137,000 loan from Hancock Whitney Bank under the PPP of the SBA. The loan was repaid March 2, 2021 and all expenditures paid from the loan proceeds were approved as eligible for loan forgiveness under the requirements of the PPP program. The funding was recognized as revenue in the year ended December 31, 2020 and is included in miscellaneous revenue on the Statement of Activities.

Note 9 - NOTE PAYABLE

In February 2021, the Center entered into a loan agreement in the amount of \$300,000 with JCRIF, LLC, to assist with financial impacts related to COVID-19. The note payable is interest free with quarterly payments of \$25,000, ending January 1, 2025.

Future principal payments to be made on the note payable as of December 31, 2021 are as follows:

<u>Year Ending December 31,</u>	
2022	\$ 75,000
2023	100,000
2024	100,000
<u>2025</u>	<u>25,000</u>
Total	<u>\$300,000</u>

Note 10 - LINE OF CREDIT

On February 18, 2021, the Center entered into an unsecured line of credit with Hancock Whitney Bank in the amount of \$500,000. Interest on the loan is at Wall Street Journal Prime plus 2% (5.25% as of December 31, 2021). The line of credit was renewed on February 18, 2022 and matures on February 18, 2023. There was no balance on the line of credit as of December 31, 2021.

Note 11 - RESTRICTIONS ON ASSETS

Net assets with donor restrictions are restricted for specific purposes, designated subsequent periods, or perpetually. Cash, investments, and unconditional promises to give raised through the Capital Campaign are restricted for construction and equipment. Those restrictions are considered to expire when these acquisitions are made. Cash and promises to give received from United Way, Jewish Federation, and other donors are time-restricted for subsequent periods. Cash and investments are perpetually restricted for endowment purposes, however, the interest from both is available for operations.

Donor restricted net assets as of December 31, 2021 and 2020 are restricted for the following purposes or periods:

	2021	2020
Subject to expenditure for specified purpose:		
Acquisition of property and equipment:		
Building assessment	\$ 572,247	\$ 544,736
Capital Campaign	953,045	1,072,923
Other - restricted programs, memorials, etc.	962,625	876,387
Department of Education Grant - Nursery		
School Program	452,137	-
New Orleans United Way Program	25,908	26,577
Earnings on funds held by		
Greater New Orleans Foundation	88,352	71,225
Totals	3,054,314	2,591,848
Subject to perpetual restriction:		
Donor restricted	753,225	750,989
Total net assets with donor restrictions	\$ 3,807,539	\$ 3,342,837

Note 12 - DONOR DESIGNATED ENDOWMENT

The Endowments. The Center's endowment fund consists of several donor restricted funds established primarily for the purpose of generating income to support general operations and programs of the Center as deemed appropriate by the Board of Directors. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 12 - DONOR DESIGNATED ENDOWMENT (Continued)

Interpretation of Relevant Law. The Center has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as not expressly requiring the preservation of the historical dollar value for donor restricted endowment funds absent explicit donor stipulations to the contrary.

The following are classified as restricted assets held in perpetuity in the accompanying financial statements:

- the original value of gifts donated to the endowment;
- the original value of subsequent gifts to the endowment; and
- accumulations to the endowment, made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The portion of the donor-restricted endowment fund that is not subject to perpetual restriction is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Center and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Center
- The investment policies of the Center

Endowment net asset composition as of December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Donor-restricted	<u>\$753,225</u>	<u>\$750,989</u>

Note 12 - DONOR DESIGNATED ENDOWMENT (Continued)

Changes in endowment net assets for the years ended December 31, 2021 and 2020 are as follows:

	2021	2020
Net assets, beginning of year	\$750,989	\$750,514
Contributions	2,236	475
Net assets, end of year	<u>\$753,225</u>	<u>\$750,989</u>

Underwater Endowment Funds. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that either the donor or SPMIFA requires the Center to retain as a fund of perpetual duration. These deficiencies can result from unfavorable market fluctuations that occur after the investment of restricted contributions. There were no such deficiencies in restricted net assets as of December 31, 2021 and 2020.

Return Objectives and Risk Parameters. The endowment is invested with the intention of obtaining general market returns with a minimum amount of investment and management expenses and minimum risk.

Strategies Employed for Achieving Objectives. The investment funds managed by the Center are invested in fixed income investments and pooled accounts managed by the Greater New Orleans Foundation and Jewish Endowment Foundation. An allocation in each investment type has not been determined by the Finance and/or Executive Committees.

Spending Policy and How Investment Objectives Relate to the Spending Policy. Spending of endowment income is approved by the Finance and/or Executive Committees and is generally related to the operation of the Center.

Note 13 - AVAILABILITY OF FINANCIAL ASSETS

As part of the Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Center invests cash in excess of daily requirements in investments. Although the Center does not intend to spend from its investment funds other than amounts appropriated for general expenditures, amounts from its investment funds could be made available as necessary.

Note 13 - AVAILABILITY OF FINANCIAL ASSETS (Continued)

The Center receives support both with donor restrictions and without donor restrictions. Contributions from Jewish Federation, Jewish Endowment Foundation, membership dues, program service fees, and miscellaneous investment income is considered to be available to meet cash needs for general expenditures. The Center also receives gifts with donor restrictions to establish endowments that will exist in perpetuity and contributions with donor time and purpose restrictions. General expenditures include expenses associated with early childhood/daycare, day camping, participatory recreation, social development, information education, older adult social development, ACE, management and general, and fundraising expenses. Annual operations are defined as activities occurring during, and included in the budget for, a fiscal year.

The following table represents financial assets available for general expenditures within one year as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$2,991,951	\$2,389,276
Unconditional promises to give	240,141	771,894
Member account receivable	161,293	167,211
Miscellaneous receivable	151,979	28,742
Funds held by Greater New Orleans Foundation	120,738	103,918
Funds held by Jewish Endowment Foundation	3,730,054	2,034,368
Investments	<u>1,979,086</u>	<u>1,935,392</u>
Total financial assets	<u>9,375,242</u>	<u>7,430,801</u>
Less amounts unavailable for general expenditures within one year, due to:		
Donor imposed restrictions:		
Restricted by donors with time or purpose restrictions	(3,054,314)	(2,591,848)
Restricted by donors with perpetual restriction	(753,225)	(750,989)
Board designations:		
Future capital repairs, renovations on acquisitions, and future deductibles	<u>(1,251,432)</u>	<u>(1,251,432)</u>
Total financial assets not available to be used within one year	<u>(5,058,971)</u>	<u>(4,594,269)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$4,316,271</u>	<u>\$2,836,532</u>

Note 14 - CONCENTRATIONS OF CREDIT RISK

The Center maintained its cash balances and certificate of deposit balances in multiple financial institutions where they are insured by the Federal Deposit Insurance Corporation up to \$250,000 as of December 31, 2021 per bank. As of December 31, 2021, there was approximately \$2,700,000 in excess of insured limits.

The Center maintains money market accounts with a balance of \$1,334,038 as of December 31, 2021 in an investment account with a brokerage firm, where accounts are insured by the Securities Investor Protection Corporation for balances up to \$500,000 (with a limit of \$250,000 for cash).

Note 15 - GOVERNMENT GRANTS

Government grants require the fulfillment of certain conditions as set forth in the grant instruments. The Center intends to fulfill the conditions of all grants, recognizing that failure to fulfill the conditions could result in the return of the funds to granters.

Note 16 - RETIREMENT PLAN

The Center sponsors a defined contribution pension plan covering all employees 21 years of age or older. Employees are eligible to participate in the plan immediately upon hire and may make voluntary contributions to a tax-sheltered annuity. Voluntary contributions must meet a minimum of \$200 annually. No employer contributions were made for the years ended December 31, 2021 and 2020.

SUPPLEMENTAL INFORMATION

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

New Orleans Jewish Community Center

For the year ended December 31, 2021

Agency Head Name: Leslie Fischman, Executive Director

Purpose

Salary	\$0
Benefits - insurance	0
Benefits - retirement	0
Benefits - other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
	<u>0</u>
	<u>\$0</u> *

* No public funds were used to pay Ms. Fischman's salary, benefits, and other compensation during the year ended December 31, 2021.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

**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 Directors,
New Orleans Jewish Community Center,
New Orleans, Louisiana.

We have audited, 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, the financial statements of New Orleans Jewish Community Center (a non-profit organization) (the "Center"), 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, and have issued our report thereon dated June 23, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting ("internal control") as a basis of designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center'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 a material weakness 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free of material misstatements, 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 Center'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 Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
June 23, 2022.

SCHEDULE OF FINDINGS AND RESPONSES

New Orleans Jewish Community Center

For the year ended December 31, 2021

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are
not considered to be a material weakness? Yes None reported

Noncompliance material to financial statements noted? Yes No

b) Federal Awards

The Center did not expend more than \$750,000 in Federal awards during the year ended December 31, 2021, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements

Internal Control Over Financial Reporting

No internal control over financial reporting findings, material to the financial statements, were reported during the audit for the year ended December 31, 2021.

Compliance and Other Matters

No compliance findings, material to the financial statements, were reported during the audit for the year ended December 31, 2021.

Section III - Federal Award Findings and Questioned Costs

Internal Control/Compliance

The Center did not expend more than \$750,000 in Federal awards during the year ended December 31, 2021, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

New Orleans Jewish Community Center

For the year ended December 31, 2021

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements

Internal Control Over Financial Reporting

No internal control over financial reporting findings, material to the financial statements, were reported during the audit for the year ended December 31, 2020.

Compliance and Other Matters

No compliance findings, material to the financial statements, were reported during the audit for the year ended December 31, 2020.

Section II - Internal Control and Compliance Material to Federal Awards

The Center did not expend more than \$750,000 in Federal awards during the year ended December 31, 2020, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2020.

MANAGEMENT'S CORRECTIVE ACTION PLAN
ON CURRENT YEAR FINDINGS

New Orleans Jewish Community Center

For the year ended December 31, 2021

**Section I - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Financial Statements**

Internal Control Over Financial Reporting

No internal control over financial reporting findings, material to the financial statements, were reported during the audit for the year ended December 31, 2021.

Compliance and Other Matters

No compliance findings, material to the financial statements, were reported during the audit for the year ended December 31, 2021.

Section II - Internal Control and Compliance Material to Federal Awards

The Center did not expend more than \$750,000 in Federal awards during the year ended December 31, 2021, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2021.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors,
New Orleans Jewish Community Center,
New Orleans, Louisiana.

We have performed the procedures described in Schedule 2 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2021 through December 31, 2021. New Orleans Jewish Community Center (the "Center") management is responsible for those C/C areas identified in the SAUPs.

The Center has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 2.

We were engaged by the Center to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the 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 these 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 Center and to meet out 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

New Orleans, Louisiana,
June 23, 2022.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

New Orleans Jewish Community Center

For the year ended December 31, 2021

The required procedures and our findings are as follows:

Procedures Performed on the Center's Written Policies and Procedures:

1. Obtain and inspect the Center's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the Center's operations:
 - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

Performance: Obtained and read the written policy for budgeting, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - 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.

Performance: Obtained and read the written policy for purchasing, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - c) Disbursements, including processing, reviewing, and approving.

Performance: Obtained and read the written policy for disbursements, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - 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).

Performance: Obtained and read the written policy for receipts and collections, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

Procedures Performed on the Center's Written Policies and Procedures: (Continued)

- 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.
Performance: Obtained and read the written policy for payroll and personnel, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- 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.
Performance: Obtained and read the written policy for contracting, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- g) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Performance: Obtained and read the written policy for credit cards, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Performance: Obtained and read the written policy for travel and expense reimbursement, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- i) Ethics, including (1) 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) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Center's ethics policy.
Not applicable for not-for-profit entities.

- j) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Not applicable for not-for-profit entities.

Procedures Performed on the Center's Written Policies and Procedures: (Continued)

- 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.

Performance: Obtained and read the information technology disaster recovery/business continuity policy and found it to address all of the functions listed above.

Exceptions: There were no exceptions noted.

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

Not applicable for not-for-profit entities.

Procedures Performed on the Center's Board:

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, or other equivalent document.

Performance: Obtained the 2021 Board of Director Meeting minutes and verified the Board met in accordance with the Center's policy.

Exceptions: There were no exceptions noted.

- 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 Center's collections during the fiscal period.*

Performance: The Center is not on the governmental accounting model. We did inspect the meeting minutes and determined that the minutes referenced or included financial activity relating to public funds.

Exceptions: There were no exceptions noted.

Procedures Performed on the Center's Board: (Continued)

- 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 unrestricted fund balance in the general fund.
Not applicable for the Center.

Procedures Performed on the Center's Bank Reconciliations:

- 3. Obtain a listing of the Center's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the main operating account. Select the Center's main operating account and select four 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:
 - Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter that the listing was complete.
 - Exceptions: There were no exceptions noted.
- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - Performance: Obtained monthly bank reconciliation for the month of December for the main operating bank account and four additional bank accounts selected randomly.
 - Exceptions: It was noted that the bank reconciliations do not provide evidence that the reconciliations were prepared within 2 months of the related statement closing date.
- b) Bank reconciliations include evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - Performance: Inspected the Center's documentation for the December bank reconciliation for the main operating account and four additional bank accounts selected randomly.
 - Exceptions: It was noted that the reconciliations are not reviewed by a member of management. A member of management prepares the bank reconciliations monthly, but there is no additional reviewer.

Procedures Performed on the Center's Bank Reconciliations: (Continued)

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

Performance: Inspected bank reconciliations and other documentation for items outstanding for more than 12 months. We noted various checks outstanding for longer than 12 months as of the end of the fiscal period. We noted that management has maintained evidence of its research on each outstanding item.

Exceptions: There were no exceptions noted.

Procedures Performed on the Center's Collections:

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).

Performance: Obtained the listing of deposit sites from management, and received management's representation in a separate letter that the listing is complete. Selected both deposit sites for testing.

Exceptions: There were no exceptions noted.

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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Obtained the listing of collection locations from management, and received management's representation in a separate letter that the listing is complete. Selected one collection location for each of the 2 deposit sites for testing and verified procedures were performed by examining transaction documentation.

Exceptions: There were no exceptions noted.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Performance: Inquired of management as to all of the requirements, inspected the policy for cash collections.

Exceptions: There were no exceptions noted.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless other employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Performance: Inquired of management as to all of the requirements, inspected the policy for cash collections.

Exceptions: There were no exceptions noted.

Procedures Performed on the Center's Collections: (Continued)

- 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.

Performance: Inquired of management as to all of the requirements, inspected the policy for cash collections.

Exceptions: There were no exceptions noted.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source are not responsible for collecting cash, unless another employee verifies the reconciliation.

Performance: Inquired of management as to all of the requirements, inspected the policy for cash collections.

Exceptions: There were no exceptions noted.

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.

Performance: Obtained a copy of the insurance policy for theft covering all employees who have access to cash. Observed that the insurance policy for theft was enforced during the fiscal period.

Exceptions: There were no exceptions noted.

7. Randomly select 2 deposit dates for each of the 5 bank accounts selected for procedure #3 under "Procedures Performed on the Center's 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 ten deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Performance: Obtained supporting documentation for the selected deposits and observed that receipts were not sequentially pre-numbered. Management has other mitigating controls to determine the completeness of collections.

Exceptions: There were no exceptions noted.

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

Performance: There are no pre-numbered receipts or system reports due to the nature of the Center's activities. Obtained related collection documentation and traced such documentation to the deposit slip.

Exceptions: There were no exceptions noted.

Procedures Performed on the Center's Collections: (Continued)

- c) Trace the deposit slip total to the actual deposit per the bank statement.
Performance: Traced deposit slip total to actual deposit per bank statement.
Exceptions: There were no exceptions noted.
- d) 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 ten miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
Performance: Observed support for bank deposits.
Exceptions: We noted deposits were made in accordance with the Center's policy. The State funds were received through an ACH. All checks and cash received are maintained in a secure location until deposited as a mitigating control. No exceptions noted.
- e) Trace the actual deposit per the bank statement to the general ledger.
Performance: Traced the actual deposit per the bank statement to the general ledger.
Exceptions: There were no exceptions noted.

Procedures Performed on the Center's 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).
Performance: Obtained a listing of locations that process payments for the fiscal period from management, and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.
Exceptions: There were no exceptions noted.
- 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 Center 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 2 employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
Performance: Obtained a listing of employees involved in initiating a purchase request, approving a purchasing, and placing an order/making a purchase. Observed at least 2 employees are involved and verified procedures were involved by examining transaction documentation.
Exceptions: There were no exceptions noted.

Procedures Performed on the Center's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

- b) At least 2 employees are involved in processing and approving payments to vendors.
Performance: Obtained a listing of employees involved in processing and approving payments to vendors and examined the Center's policy for disbursements. Observed at least 2 employees are involved in processing and approving payments.
Exceptions: There were no exceptions noted.

- c) The employees responsible for processing payments are prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
Performance: Obtained a listing of employees involved in processing payments to vendors and examined the Center's policy for disbursements. Observed if any employees involved are adding/modifying vendor files.
Exceptions: There were no exceptions noted.

- d) The employee responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
Performance: Obtained a listing of employees involved with signing and mailing checks and examined the Center's policy for disbursements.
Exceptions: The employee responsible for signing checks gives the signed check to an employee to mail who is responsible for processing payments. However, the Center has instituted other mitigating controls. There were no exception noted.

10. For each location selected under #8 above, obtain the Center'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:
Performance: Obtained the Center's non-payroll disbursement transaction population, and received management's representation in a separate letter that the population is complete. Selected 5 disbursements from the sole location that processes payment for testing.
Exceptions: There were no exceptions noted.

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by Center.
Performance: Observed the 5 disbursements matched the related original invoice/billing statements.
Exceptions: There were no exceptions noted.

Procedures Performed on the Center's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
Performance: Observed the 5 disbursements included evidence of segregation of duties.
Exceptions: There were no exceptions noted.

Procedures Performed on the Center's 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.
Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation in a separate letter that the listing is complete.
Exceptions: There were no exceptions noted.
- 12. Using the listing prepared by management, select 5 cards (or all cards if less than 5) that were used during the fiscal period, rotating cards each year. Select one monthly statement or combined statement for each card (for a debit card, select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that 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) was reviewed and approved, in writing, by someone other than the authorized card holder.
Performance: Observed evidence that 5 statements and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
Exceptions: There were no exceptions noted.
 - b) Observe that finance charges and/or late fees were not assessed on the selected statements.
Performance: Observed that there were no finance charges and/or late fees assessed on the selected statements.
Exceptions: There were no exceptions noted.
- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, 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).

**Procedures Performed on the Center's Credit Cards, Debit Cards, Fuel Cards, P-Cards:
(Continued)**

- a) For each transaction, report whether the transaction is supported by:
 - 1) An original itemized receipt that identifies precisely what was purchased.
Performance: Observed that the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.
Exceptions: There were no exceptions noted.
 - 2) Written documentation of the business/public purpose.
Performance: Observed the transactions from the monthly statements were supported with written documentation of the business/public purpose.
Exceptions: There were no exceptions noted.
 - 3) Documentation of the individuals participating in meals (for meal charges only).
Performance: Observed that selected transactions from the monthly statements did not have any individuals participating in meals.
Exceptions: There were no exceptions noted.

Procedures Performed on the Center's Travel and Travel-Related Expense Reimbursements:

- 14. Obtain from management a listing of all travel and 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:
 - Not applicable as there were no travel and related expense reimbursements during the fiscal period.
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
Not applicable as there were no travel and related expense reimbursements during the fiscal period.
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
Not applicable as there were no travel and related expense reimbursements during the fiscal period.

**Procedures Performed on the Center's Travel and Travel-Related Expense Reimbursements:
(Continued)**

- c) 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 policy (procedures #1h).

Not applicable as there were no travel and related expense reimbursements during the fiscal period.

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

Not applicable as there were no travel and related expense reimbursements during the fiscal period.

Procedures Performed on the Center's 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. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, and:

Performance: Obtained 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, and received management's representation in a separate letter that the listing is complete. Selected 5 contracts for testing.

Exceptions: There were no exceptions noted.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Not applicable as contract bidding is not 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).

Performance: Contracts examined were approved by the executive director in accordance with the Center's policy. The contracts did not require the governing board's approval.

No contracts were entered into which required payments from State Funds.

Exceptions: There were no exceptions noted.

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.

Performance: Observed that the contracts selected were not amended contracts.

Exceptions: There were no exceptions noted.

Procedures Performed on the Center's Contracts: (Continued)

- 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 that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Inspected payments for each of the 5 contracts with 2021 payments, obtained supporting invoices, agreed invoices to the contract terms, and observed invoices related to the payment agreed to terms and conditions of the contract.

Exceptions: There were no exceptions noted.

Procedures Performed on the Center's Payroll and Personnel:

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

Performance: Obtained a listing of employees employed during the fiscal period from management, and received management's representation in a separate letter that the listing is complete. Selected 5 employees, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

Exceptions: There were no exceptions noted.

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

- a) Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Performance: Selected one pay period to test leave taken during that period. Inspected daily attendance and leave record for proper documentation for those employees who are required to document daily attendance and leave.

Exceptions: There were no exceptions noted.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Performance: Inspected the approval of attendance and leave by the supervisors of the selected employees for those who are required to document daily attendance and leave.

Exceptions: There were no exceptions noted.

Procedures Performed on the Center's Payroll and Personnel: (Continued)

- c) Observe that any leave accrued or taken during the pay period is reflected in the Center's cumulative leave records.

Performance: Inspected any leave accrued or taken during the pay period was reflected in the cumulative leave records.

Exceptions: There were no exceptions noted.

- d) Observe that the rate paid to the employees agree to the authorized salary/pay rate found within the personnel file.

Performance: Agreed the pay rates to authorized salary/pay rates maintained in employee files.

Exceptions: There were no exceptions noted.

18. Obtain a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the Center's policy on termination payments. Agree the hours to the employees' cumulative leave records, and agree the pay rates to the employees' authorized pay rates in the employees' personnel files and agree the termination payments to the Center's policy.

Performance: Inquired of management of those employees that terminated during the fiscal period and received management's representation in a separate letter that the listing is complete. Obtained documentation for termination payments for 2 sampled employees including pay rates and cumulative hours.

Exceptions: There were no exceptions noted.

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.

Performance: Obtained management's representation that employer and employee portions of third-party payroll accounts have been paid, and any associated forms have been filed by the required deadlines.

Exceptions: There were no exceptions noted.

Procedures Performed on the Center's Ethics:

20. Using the 5 selected employees/officials from procedures #16 under "Procedures Performed on the Center's Payroll and Personnel", obtain ethics compliance documentation from management and:

Not applicable for not-for-profit entities.

Procedures Performed on the Center's Ethics: (Continued)

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
Not applicable for not-for-profit entities.

- b) Observe whether the Center maintains documentation which demonstrates each employee and official were notified of any changes to the Center's ethics policy during the fiscal period, as applicable.
Not applicable for not-for-profit entities.

Procedures Performed on the Center's Debt Service:

- 21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each bond/note issued.
Not applicable for not-for-profit entities.

- 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.
Not applicable for not-for-profit entities.

Procedures Performed on the Center's Fraud Notice:

- 23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Center reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Center is domiciled.
Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period, none were noted.
Exceptions: There were no exceptions noted.

- 24. Observe the Center 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.
Performance: Inspected the fraud notice posted on the premises and website concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.
Exceptions: There were no exceptions.

Procedures Performed on the Center's 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 Center'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.

Performance: Obtained and inspected the Center's most recent documentation on the backups of its critical data. We discussed the results verbally with management.

Exceptions: There were no exceptions noted.

- b) Obtain and inspect the Center'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 three months.

Performance: Obtained and inspected the Center's most recent documentation that its backups can be restored. We discussed the results verbally with management.

Exceptions: There were no exceptions noted.

- c) Obtain a listing of the Center'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.

Performance: Obtained a listing of the Center's computers currently in use and their related locations from management, and received management's representation in a separate letter that the listing is complete. We discussed the results verbally with management.

Exceptions: There were no exceptions noted.

Procedures Performed on the Center's 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.

Not applicable for not-for-profit entities.

Procedures Performed on the Center's Sexual Harassment: (Continued)

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

Not applicable for not-for-profit entities.

28. Obtain the Center'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;

Not applicable for not-for-profit entities.

b) Number of sexual harassment complaints received by the agency;

Not applicable for not-for-profit entities.

c) Number of complaints which resulted in a finding that sexual harassment occurred;

Not applicable for not-for-profit entities.

d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action

Not applicable for not-for-profit entities.

e) Amount of time it took to resolve each complaint.

Not applicable for not-for-profit entities.

Management's Overall Response to Exceptions:

3a As a rule bank reconciliations are prepared within 2 months. Due to time constraints, some reconciliations were prepared after 2 months. Management will ensure that bank reconciliations are prepared within 2 months of the related statement closing date.

3b The Center will institute a policy where the Chief Executive Officer will review, initial, and date all bank reconciliations.