

NEW ORLEANS FAMILY JUSTICE ALLIANCE

FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
New Orleans Family Justice Alliance

Report on the Financial Statements

We have audited the accompanying financial statements of New Orleans Family Justice Alliance (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Orleans Family Justice Alliance as of December 31, 2019, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The *Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer* and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 September 29, 2020 on our consideration of the New Orleans Family Justice Alliance's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 New Orleans Family Justice Alliance's internal control over financial reporting and compliance.

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana

September 29, 2020

FINANCIAL STATEMENTS

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Statement of Net Position
For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Assets:			
Current Assets			
Cash and Cash Equivalents	\$ 4,485	\$ 39,860	\$ 44,345
Grants Receivable	508,346	-	508,346
Total Current Assets	512,831	39,860	552,691
Fixed Assets, Net	954,229	-	954,229
Other Assets			
Security Deposit	30,875	-	30,875
Total Other Assets	30,875	-	30,875
Total Assets	\$ 1,497,935	\$ 39,860	\$ 1,537,795
Liabilities and Net Assets:			
Current Liabilities			
Accounts Payable	\$ 124,039	\$ -	\$ 124,039
Accrued Expenses	3,162	-	3,162
Deferred Revenue	25,811	-	25,811
Line of Credit	150,000	-	150,000
Construction Loan - current portion	6,104	-	6,104
Note Payable	65,000	-	65,000
Total Current Liabilities	374,116	-	374,116
Long Term Liabilities			
Construction Loan	130,350	-	130,350
Total Long Term Liabilities	130,350	-	130,350
Total Liabilities	504,466	-	504,466
Net Assets	982,392	39,860	1,022,252
Net Assets - Board Designated	11,077	-	11,077
Total Liabilities and Net Assets	\$ 1,497,935	\$ 39,860	\$ 1,537,795

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

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Statement of Activities
For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Grant Revenue	\$ 2,470,750	\$ -	\$ 2,470,750
Cash Donations	207,499	-	207,499
United Way	116,120	-	116,120
Partner Rent	67,706	-	67,706
Service/Fee Income	4,405	-	4,405
Marriage & Civil Fees	66,813	-	66,813
Private Attorney Rent	1,430	-	1,430
In-Kind Donations	204,988	-	204,988
Interest Income	501	-	501
Private Foundation	-	34,638	34,638
Program Income	41,738	-	41,738
PSH Rental Income	29,316	-	29,316
Net Assets Released from Restrictions	45,826	(45,826)	-
Total Revenue and Support	3,257,092	(11,188)	3,245,904
Expenses:			
Personnel Costs	1,991,692	-	1,991,692
Occupancy Costs	280,865	-	280,865
Professional Fees	53,389	-	53,389
Operating Costs	522,839	-	522,839
Direct Program Expenses	279,388	-	279,388
Insurance	31,253	-	31,253
Depreciation and Amortization	32,899	-	32,899
Interest Expense	14,249	-	14,249
Fundraising Expenses	13,214	-	13,214
Total Expenses	3,219,788	-	3,219,788
Increase (Decrease) in Net Assets	37,304	(11,188)	26,116
Net Assets, Beginning of Year	956,165	51,048	1,007,213
Net Assets, End of Year	\$ 993,469	\$ 39,860	\$ 1,033,329

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

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Statement of Cash Flows
For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Cash Flows from Operating Activities:			
Change in Net Assets	\$ 37,304	\$ (11,188)	\$ 26,116
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used) by Operating Activities			
Depreciation and Amortization	33,321	-	33,321
Decrease in Accounts Receivable	2,171	-	2,171
Increase in Grants Receivable	(240,764)	51,048	(189,716)
Decrease in Prepaid Expenses	750	-	750
Increase in Accounts Payable	94,037	-	94,037
Increase in Accrued Expenses	1,011	-	1,011
Decrease in Fiscal Agent Liability	(3,602)	-	(3,602)
Increase in Deferred Revenue	7,452	-	7,452
Net Cash (Used) by Operating Activities	(68,320)	39,860	(28,460)
Cash Flows from Investing Activities:			
Purchases of Property and Equipment	(161,949)	-	(161,949)
Net Cash (Used) by Investing Activities	(161,949)	-	(161,949)
Cash Flows from Financing Activities:			
Proceeds from Line of Credit, net	99,000	-	99,000
Proceeds from Loan Payable, net	137,074	-	137,074
Private Loan Forgiven, Converted to Donation	(15,000)	-	(15,000)
Net Cash Provided by Financing Activities	221,074	-	221,074
Net (Decrease) in Cash and Cash Equivalents	(9,195)	39,860	30,665
Cash and Cash Equivalents, Beginning of Year	13,680	-	13,680
Cash and Cash Equivalents, End of Year	\$ 4,485	\$ 39,860	\$ 44,345

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

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Statement of Functional Expenses
For the Year Ended December 31, 2019

	2019			
	Direct Admin	Direct Program	Fundraising Expenses	Total
Expenses				
Personnel Costs	\$ 79,477	\$ 1,843,128	\$ 69,087	\$ 1,991,692
Occupancy Costs	11,208	259,914	9,743	280,865
Professional Fees	22,214	30,122	1,053	53,389
Operating Costs	25,840	495,690	1,309	522,839
Direct Program Costs	-	279,388	-	279,388
Insurance	1,423	29,830	-	31,253
Depreciation	1,498	31,401	-	32,899
Interest Expense	649	13,600	-	14,249
Fundraising Expenses	-	-	13,214	13,214
	\$ 142,309	\$ 2,983,073	\$ 94,406	\$ 3,219,788

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

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2019

Note 1. Organization:

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

Note 2. Summary of Significant Accounting Policies:

Basis of Presentation

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

Use of Estimates

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

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

Cash and Cash Equivalents

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

Functional Expenses

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

Supplemental Disclosure of Cash Flow Information:

Cash paid during the year for:

Interest	\$13,827
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NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2019

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

Concentrations of Credit Risk

Financial instruments that potentially subject NOFJA Entities to concentrations of credit risk consist principally of temporary cash investments and grants receivable. NOFJA maintains cash balances at a local financial institution. The cash balances in the financial institution are insured up to \$250,000. As of December 31, 2019, cash balances did not exceed the federally insured limit.

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

At December 31, 2019, management does not believe significant credit risk exists with regard to accounts and grants receivable, and there is no risk exposure relating to cash balances exceeding the federally insured limits

Concentrations of Sources of Revenue

Approximately 76% of NOFJA's revenue is derived from grants from the Federal, State, and City governments which are renewed annually. The current level of operations and program services may be impacted or segments discontinued if funding is not renewed. Revenue received from grants by NOFJA are primarily cost-reimbursements grants whereby specified costs are reimbursed to NOFJA in performance of a specific program activity defined by the grant.

Support and Revenue

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

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

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

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2019

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

Support and Revenue (continued)

At December 31, 2019, there was \$39,860 of cash and donor restricted net assets whose use were available for the following purpose:

Description	2019
Materials & Brochures	\$ 11,075
Alternative Healing Therapies	14,204
Sexual Assault Funds	1,400
Domestic Violence Funds	13,181
	\$ 39,860

For the year ended December 31, 2019, \$45,826 of net assets was released by incurring expenses satisfying the restricted purposes specified by the donors.

The board designated net assets without donor restrictions for the future repairs or renovations on the building and other future expenditures. At December 31, 2019 the amount of board designated net assets was \$11,077.

Donated Services

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

Accounts Receivable and Grants Receivable

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

Fixed Assets

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

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2019

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

Compensated Absences

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

Income Tax Status

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

Uncertain Tax Positions

NOFJA follows the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB Accounting Standards Codification. The implementation of this Topic has had no impact on the statement of financial position and the statement of activities and changes in net assets. The federal and state tax returns of NOFJA are subject to examination by taxing authorities for the years ended December 31, 2019, 2018 and 2017.

All tax returns have been appropriately filed by NOFJA. NOFJA recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. NOFJA's tax filings are subject to audit by various taxing authorities. As of December 31, 2019, management evaluated NOFJA's tax position and concluded that NOFJA has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

New Accounting Pronouncement

NOFJA has adopted ASU No. 2018-08, Not-For-Profit Entities (Topic 958) *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The new guidance helps distinguish if grants and contracts with resource providers are exchange transactions or contributions. Once a transaction is deemed to be a contribution, the ASU also provides guidance to help determine when a contribution is conditional and evaluates the possibility that a condition will not be met is remote. Unconditional contributions are recognized immediately and classified as either net assets with or without donor restrictions, while conditional contributions received are accounted for as a liability until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with or without restrictions. The adoption of this standard for the year ended December 31, 2019 did not result in a change to NOFJA's revenue. Management believes the standard improves the usefulness and understandability of NOFJA's financial reporting.

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2019

Note 3. Fixed Assets:

The following is a summary of changes in Fixed Assets for the calendar year ended December 31, 2019:

	<u>Jan. 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Dec 31, 2019</u>
<u>Non Depreciable Assets</u>				
Construction in Process	\$ 10,850	\$ --	\$ 10,850	\$ 0
Land	23,600	--	--	23,600
Non Depreciable, Total	<u>34,450</u>	<u>--</u>	<u>--</u>	<u>23,600</u>
<u>Depreciable Assets</u>				
Building	764,045	--	--	764,045
Leasehold Improvements	80,843	172,799	--	253,642
Computers & Equipment	16,585	--	--	16,585
Accumulated Depreciation	<u>(70,744)</u>	<u>(32,899)</u>	<u>--</u>	<u>(103,643)</u>
Depreciable Assets, Net	<u>790,730</u>	<u>--</u>	<u>--</u>	<u>930,629</u>
Fixed Assets, Net	<u>\$ 825,180</u>	<u>\$ --</u>	<u>--</u>	<u>\$ 954,229</u>

Depreciation expense was \$32,899 for the year ending December 31, 2019.

Note 4. Leases:

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

NOFJA signed a new ten year lease on October 1, 2018, for additional space commencing October 1, 2018 and expiring September 30, 2028, for \$6,589.00 per month. An addendum to this lease was signed on August 26, 2019 for additional space commencing October 1, 2019 and expiring September 30, 2028 for \$8,832 per month. The organization has the option to renew for an additional five years for \$9,936 per month.

Total rent expense for the year ended December 31, 2019, totaled \$280,865.

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2019

Note 4. Leases: (Continued)

Future minimum lease payments required under these operating leases as of December 31, 2019, are:

Year ending December 31,	Amount
2020	\$ 298,359
2021	298,359
2022	218,203
2023	105,984
2024	105,984
Thereafter	397,440
Total	\$ 1,424,329

Note 5. Deferred Revenue:

Deferred revenue is comprised of grant funds received in the amount \$25,811 from the Office on Violence Against Women. These amounts represent advance payments on grants for services that will be provided in 2020.

Note 6. Line of Credit:

NOFJA has a revolving line of credit with maximum borrowing of \$200,000 with a local financial institution, which it may draw upon to provide necessary working capital. Interest at a rate of 6.5% per annum accrues on the outstanding principal balance. The line of credit will mature on September 12, 2020. The line is secured by the building and land as shown in Note 3. The balance on the line of credit as of December 31, 2019, was \$150,000.

Note 7. Loans Payable:

In 2018, NOFJA opened a construction loan payable with a local financial institution. The terms of the loan allow NOFJA to take draws as construction costs are incurred. The total amount of credit available on the loan is \$150,000 and it bears interest at 6.5% per annum. The loan matures on April 30, 2034, and is collateralized by the building and land as shown in Note 3. The loan is shown on the balance sheet net of unamortized debt issuance costs of \$5,593. The principal balance on the loan as of December 31, 2019, was \$142,047.

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2019

Note 7. Loans Payable: (Continued)

Principal payments on Loans payable are due as follows:

Year ending December 31,	Amount
2020	\$ 6,104
2021	6,513
2022	6,949
2023	7,414
2024	7,911
Thereafter	107,155
Total	\$ 142,046

In 2018, NOFJA obtained a private loan from the Executive Director. As of December 31, 2019 the balance due was \$65,000. The loan is unsecured and non-interest bearing. The loan is due in June 2020. (See Note 8)

Note 8. Related Party Transactions:

As of December 31, 2019, NOFJA owed the Executive Director \$65,000. The balance is unsecured, non-interest bearing and is due in June 2020.

During 2019, the Executive Director loaned NOFJA an additional \$35,000. As of December 31, 2019 this loan was paid in full.

Note 9. Liquidity:

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

Cash and Cash Equivalents	\$ 44,345
Grants Receivable	508,346
Total Financial Assets	552,691
Less:	
Amounts required to meet donor restrictions	(39,860)
Advanced grant funding received	(25,811)
	(74,579)
Financial assets available to meet cash needs for general expenditures within one year	\$ 478,112

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2019

Note 9. Liquidity: (Continued)

NOJFA's working capital and cash flows variations are attributable to the length of time cash receipts from grant receivables are collected and seasonal variations of donations. NOFJA's primary source of support is from Federal, State and City grants. To manage liquidity NOJFA maintains a line of credit with a bank that is drawn upon as needed during the year to manage cash flow. See Note-6 for further description of this line.

Note 10. Subsequent Events:

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 29, 2020, no events occurred that require disclosure. No subsequent events occurring after September 29, 2020, have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Supplementary Information
Schedule of Compensation, Benefits and Other Payments to the Agency Head
For the Year Ended December 31, 2019

Agency Head: Mary Claire Landry

Purpose	Amount
Salary	\$ 94,617
Benefits-Insurance	6,694
Benefits-Life Insurance	139
Benefits-ST Disability	1,168
Travel	323
Benefits-FICA	<u>6,958</u>
Total	<u>\$ 109,899</u>

COMPLIANCE AND INTERNAL CONTROL SECTION

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

To the Board of Trustees of
New Orleans Family Justice Alliance

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of New Orleans Family Justice Alliance (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, 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 September 29, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered New Orleans Family Justice Alliance's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of New Orleans Family Justice Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of New Orleans Family Justice Alliance's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana

September 29, 2020

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

To the Board of Trustees of
New Orleans Family Justice Alliance

Report on Compliance for Each Major Federal Program

We have audited New Orleans Family Justice Alliance's (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of New Orleans Family Justice's major federal programs for the year ended December 31, 2019. New Orleans Family Justice Alliance's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of New Orleans Family Justice Alliance's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the New Orleans Family Justice Alliance's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the New Orleans Family Justice Alliance's compliance.

Opinion on Each Major Federal Program

In our opinion, New Orleans Family Justice Alliance complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control over Compliance

Management of New Orleans Family Justice Alliance is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the New Orleans Family Justice Alliance's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the New Orleans Family Justice Alliance's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
September 29, 2020

**NEW ORLEANS FAMILY JUSTICE ALLIANCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended December 31, 2019

Federal Grantor/Pass-Through Grantor Program Title & Identifying Number	CFDA Number	Federal Expenditures
United States Department of Justice		
<i>(Passed through the Louisiana Commission on Law Enforcement)</i>		
Violence Against Women Act		
4666 2018 STOP VAWA (Sexual Assault)	16.588	\$ 27,722
4665 2018 STOP VAWA (Domestic Violence)	16.588	18,818
4664 2018 Sexual Assault (SASP - Sexual Assault Prevention)	16.017	40,213
Crime Victims Assistance		
4854 Crime Victims Assistance - Sexual Assault Services	16.575	416,604
4856 Crime Victims Assistance - CAC Collaborative	16.575	67,166
4855 Crime Victims Assistance - Forensic Program	16.575	228,806
4857 Crime Victims Assistance - CDC	16.575	71,817
		871,146
<i>(Passed through the La. Office of Public Health/ La. Foundation Against Sexual Assault)</i>		
Rape Prevention Education	93.136	49,952
<i>(Passed through the La. Office of Public Health/ IWES - Institute for Women and Ethnic Studies)</i>		
HIV and Intimate Partner Violence Project	93.088	22,203
<i>(Passed through the Office on Violence Against Women)</i>		
2018-WE-AX-0011 Improving Criminal Justice Response	16.736	235,269
2019-WH-AX-0069 Transitional Housing for Victims of Domestic Violence	16.736	13,226
		248,495
<i>(Passed through the Office of Victims of Crime)</i>		
2019-V3-GX-K023 Poly-victimization Demonstration Initiative	16.582	248,120
<i>(Passed through Tulane University - Legal Assistance)</i>		
Legal Assistance Services	16.524	5,336
<i>(Passed through Southeast Legal Services Inc.)</i>		
MOU - Legal Assistance Services	16.524	23,202
<i>(Passed through New Orleans Police Department - City of New Orleans)</i>		
MOU - Sexual Assault Kit Initiative - SAKI	16.833	64,950
<i>(Passed through United Way of Greater New Orleans)</i>		
ESFP - Emergency Shelter Food Program	97.024	5,000
<i>(Passed through Covenant House)</i>		
2018-VT-BX-K075 Collaborative Model to Combat Human Trafficking	16.320	28,105
<i>(Passed through Unity for the Homeless)</i>		
FY 2015 HOPWA/VAWA Demonstration Grant	14.241	64,214
<i>(Passed through Alliance for Hope International)</i>		
OVC Database Grant	16.582	71,123
<i>(Passed through City of New Orleans Health Department)</i>		
MK16-544 SART (Sexual Assault Response Team)	16.590	6,296
United States Department of Justice	Total	\$ 1,708,142
United States Department of Health and Human Services		
<i>(Passed through State of La. Department of Children and Families)</i>		
FVPSA Domestic Violence Services	93.671	\$ 413,333
United States Department Health and Human Services	Total	\$ 413,333
United States Department of Housing and Urban Development		
<i>(Passed through Unity for the Homeless of Greater New Orleans)</i>		
Federal Continuum of Care	14.267	\$ 179,268
<i>(Passed through the City of New Orleans - Office of Community Development)</i>		
#ESG032E Federal Emergency Solutions Grant - ESG	14.231	162,191
United States Department of Housing and Urban Development	TOTAL	\$ 341,459
TOTAL FEDERAL FINANCIAL ASSISTANCE		\$ 2,462,934

NEW ORLEANS FAMILY JUSTICE ALLIANCE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2019

NOTE A - FISCAL PERIOD AUDITED

Single audit testing procedures were performed for program transactions occurring during the year ended December 31, 2019. Federal financial assistance received during the year did meet the criteria set forth in the Single Audit Act and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principle, and Audit Requirements for Federal Awards* (Uniform Guidance). Grant terms are indicated in the Schedule of Expenditures of Federal Awards.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

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

**NEW ORLEANS FAMILY JUSTICE ALLIANCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2019**

We have audited the financial statements of the New Orleans Family Justice Alliance as of and for the year ended December 31, 2019, and have issued our report thereon dated September 29, 2020. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the Uniform Guidance. Our audit of the financial statements as of December 31, 2019, resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

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

Internal Control

Material Weaknesses Yes No
 Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards

Internal Control

Material Weaknesses Yes No
 Significant Deficiencies Yes No

Type of Opinion On Compliance For Major Programs

Unqualified Qualified
 Disclaimer Adverse

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

Was a management letter issued? Yes No

c. Identification of Major Programs:

Crime Victims Assistance - Sexual Assault Services	16.575	416,604
Crime Victims Assistance - CAC Collaborative	16.575	67,166
Crime Victims Assistance - Forensic Program	16.575	228,806
Crime Victims Assistance - CDC	16.575	71,817

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

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

NEW ORLEANS FAMILY JUSTICE ALLIANCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For The Year Ended December 31, 2019

Section II Financial Statement Findings

A – Issues of Noncompliance

None

B – Significant Deficiencies

None

C – Material Weaknesses

None

Section III Federal Award Findings and Questioned Costs

None

NEW ORLEANS FAMILY JUSTICE ALLIANCE
SCHEDULE OF PRIOR YEAR FINDINGS
For The Year Ended December 31, 2019

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

B – Significant Deficiencies

None

Section II – Internal Control and Compliance Material to Federal Awards

None

Section III – Management Letter

None

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees of the New Orleans Family Justice Alliance (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):¹
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - *Written policies and procedures were obtained and address the functions noted above.*

¹ For governmental organization, the practitioner may eliminate those categories and subcategories that do not apply to the organization's operations. For quasi-public organizations, including non-profits, the practitioner may eliminate those categories and subcategories that do not apply to public funds administered by the quasi-public.

- 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.
- *Written policies and procedures were obtained and address the functions noted above.*
- c) **Disbursements**, including processing, reviewing, and approving
- *Written policies and procedures were obtained and address the functions noted above.*
- 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).
- *Written policies and procedures were obtained and address the functions noted above.*
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- *Written policies and procedures were obtained and address the functions noted above.*
- 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
- *Written policies do no address (3) legal review and (5) monitoring process*
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- *Written policies and procedures were obtained and address the functions noted above.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- *Written policies and procedures were obtained and address the functions noted above.*
- i) **Ethics²**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- *Not applicable*
- 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*
- k) **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.
- *The Entity does not have a written disaster recovery/business continuity policies and procedures that address the functions noted above*

² The Louisiana Code of Ethics is generally not applicable to non-profit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a non-profit, the non-profit should have written policies and procedures relating to ethics.

Board or Finance Committee³

NOT APPLICABLE – THIS SECTION EXCLUDED - NO FINDINGS IN PRIOR YEAR

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.⁴ *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts⁵ (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 selected each account, and observe that:
 - *Obtained a listing of client bank accounts from management and management's representation that the listing is complete.*

³ These procedures are not applicable to entities managed by a single elected official, such as sheriff or assessor.

⁴ Major funds are defined under GASB standards. The related procedure addresses major funds as a way to verify that boards are provided with financial information necessary to make informed decisions about significant entity operations, including proprietary operations that are not required to be budgeted under the LGBA.

⁵ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

- 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);
 - *No exceptions noted.*
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - *No exceptions noted.*
- 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.
 - *No exceptions noted.*

Collections (excluding EFTs)⁶

NOT APPLICABLE – THIS SECTION EXCLUDED - NO FINDINGS IN PRIOR YEAR

4. Obtain a listing of deposit sites⁷ 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).
5. For each deposit site selected, obtain a listing of collection locations⁸ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

⁶ The Collections category is not required to be tested if the entity has a third party contractor performing all collection functions (i.e., receiving collections, preparing deposits, and making deposits).

⁷ A deposit site is a physical location where a deposit is prepared and reconciled.

⁸ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day)⁹. *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

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).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

⁹ If “bank reconciliations” have been rotated off for Year 2, the practitioner should insert a procedure with the same selection methodology that would have been used for bank reconciliations.

- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

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

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

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 cards¹⁰. Obtain management's representation that the listing is complete.
- *Listing of credit cards and the name of the person who maintained possession of the card and management's representation that the listing was complete was obtained.*
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- *The Entity had 3 active credit cards.*

¹⁰ Including credit cards used by school staff for either school operations or student activity fund operations.

- 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 (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

- *No exceptions noted.*

- b) Observe that finance charges and late fees were not assessed on the selected statements.

- *There were no finance charges and/or late fees assessed*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing)¹¹. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

- *Selection identified two transactions where receipts were missing. These receipts were for Lyft transportation whereby the Entity schedules transportation for survivors. The Entity does not have a missing receipt statement to address missing receipts. There was verbal acknowledgement by the card holder for the purpose of the transactions.*

Travel and Travel-Related Expense Reimbursements¹² (excluding card transactions)

NOT APPLICABLE – THIS SECTION EXCLUDED – NO FINDINGS IN PRIOR YEAR

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

¹¹ For example, if 3 of the 5 cards selected were fuel cards, only 10 transactions would be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #12 were fuel cards, Procedure #13 would not be applicable.

¹² Non-travel reimbursements are not required to be tested under this category.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- 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 (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- *Obtained a listing of all agreements/contracts initiated or renewed during the fiscal period and management's representation the listing is complete.*
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law¹³ (e.g., solicited quotes or bids, advertised), if required by law.
 - *Contracts tested were not subject to the LA Public Bid Law*
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - *No exceptions noted.*
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - *No exceptions noted.*
 - 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.
 - *No exceptions noted.*

¹³ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

Payroll and Personnel

NOT APPLICABLE – THIS SECTION EXCLUDED – NO FINDINGS IN PRIOR YEAR

16. Obtain a listing of employees/elected officials employed during the fiscal period and management’s representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
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/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity’s cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management’s representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management’s termination payment calculations, agree the hours to the employee/officials’ cumulate leave records, and agree the pay rates to the employee/officials’ authorized pay rates in the employee/officials’ personnel files.
19. Obtain management’s representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers’ compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics¹⁴

NOT APPLICABLE – THIS SECTION EXCLUDED – NO FINDINGS IN PRIOR YEAR

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above¹⁵, obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

¹⁴ The Louisiana Code of Ethics is generally not applicable to non-profit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a non-profit, the procedures should be performed.

¹⁵ If “payroll and personnel” have been rotated off for Year 2, the practitioner should insert a procedure with the same selection methodology that would have been used for payroll and personnel.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Debt Service¹⁶

NOT APPLICABLE – THIS SECTION EXCLUDED – NO FINDINGS IN THE PRIOR YEAR.

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

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
 - *The Entity had no misappropriation of public funds or assets.*
24. Observe that the entity has posted on its premises¹⁷ and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.¹⁸
 - *The Entity made all the requisite postings.*

¹⁶ This AUP category is generally not applicable to non-profit entities; however, if applicable, the procedures should be performed.

¹⁷ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs.

¹⁸ This notice is available for download or print at www.la.gov/hotline.

Camnetar & Co., CPAs

a professional accounting corporation

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana

September 29, 2020



September 29, 2020

Mr. Daryl G. Purpera, CPA. CFE
Legislative Auditor
State of Louisiana
P O Box 94397
Baton Rouge, LA 70804-9397

Camnetar & Co. CPAs
2550 Belle Chasse Highway
Suite 170
Gretna, LA 70053

Dear Sirs,

The following outlines the action to be taken by the New Orleans Family Justice Alliance regarding the observations made to you by our auditor, Camnetar & Co., CPAs (APAC), in their report dated September 29, 2020 regarding their results of the agreed-upon procedures engagement.

Written Policies and Procedures

Contracting Policy

We will amend our policies to include legal review and monitoring process

Disaster Recovery / Business Continuity Policy

We will develop a written disaster recovery and business continuity policy.

Credit Cards

We will develop a compensating control for missing receipts for credit card charges to include documentation supporting a credit charge without an original receipt.


Mary Claire Landry
Executive Director