



New Orleans Career Center

FINANCIAL STATEMENTS

June 30, 2023



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REPORT





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INDEPENDENT AUDITOR'S REPORT

Board of Directors
New Orleans Career Center
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of New Orleans Career Center (a non-profit organization), which comprise the statement of financial position as of June 30, 2023, 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 New Orleans Career Center as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New Orleans Career 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.

Correction of Error

As explained in Note 3 to the financial statements, beginning net assets have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about New Orleans Career 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 Responsibility for the Audit of 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to agency head and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 schedule of compensation, benefits and other payments to agency head and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2025 on our consideration of the New Orleans Career 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the New Orleans Career Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the New Orleans Career Center's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana

August 22, 2025



FINANCIAL STATEMENTS



New Orleans Career Center
Statement of Financial Position

June 30,

2023

Assets

Current assets

Cash and cash equivalents \$ 251,348

Accounts receivable 1,148,824

Prepaid expenses 10,084

Total current assets 1,410,256

Property and equipment, net 446,337

Total property and equipment 446,337

Total assets \$ 1,856,593

Liabilities and Net Assets

Current liabilities

Accounts payable \$ 286,909

Accrued expenses 16,301

Current portion of note payable 3,716

Total current liabilities 306,926

Long-term liabilities

Line of credit 249,710

Note payable, net of current portion 146,284

Total long-term liabilities 395,994

Net assets

Without donor restrictions 335,794

With donor restrictions 817,879

Total net assets 1,153,673

Total liabilities and net assets \$ 1,856,593

The accompanying notes are an integral part of this financial statement.

New Orleans Career Center
Statement of Activities

<i>For the year ended June 30, 2023</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support			
Program service fees	\$ 1,905,663	\$ -	\$ 1,905,663
Grants	2,189,685	722,471	2,912,156
Contributions	20,636	-	20,636
Other income	16,126	-	16,126
Net assets released from restrictions	538,817	(538,817)	-
Total revenues and other support	4,670,927	183,654	4,854,581
Expenses			
Program	3,287,534	-	3,287,534
Support	1,338,910	-	1,338,910
Fundraising	130,053	-	130,053
Total expenses	4,756,497	-	4,756,497
Change in net assets	(85,570)	183,654	98,084
Net assets at beginning of year (as restated)	421,364	634,225	1,055,589
Net assets at end of year	\$ 335,794	\$ 817,879	\$ 1,153,673

The accompanying notes are an integral part of this financial statement.

New Orleans Career Center
Statement of Functional Expenses

<i>For the year ended June 30, 2023</i>	Program Services - Education	Support	Fundraising	Total
Salaries and benefits	\$ 1,926,965	\$ 722,042	\$ 113,506	\$ 2,762,513
Contract services	577,681	235,063	1,721	814,465
Office expense	451,216	118,927	9,272	579,415
Facility and equipment	166,894	191,541	3,636	362,071
Travel and meeting	25,538	12,151	53	37,742
Other	87,451	40,809	-	128,260
Depreciation	51,789	18,377	1,865	72,031
Total expenses	\$ 3,287,534	\$ 1,338,910	\$ 130,053	\$ 4,756,497

The accompanying notes are an integral part of this financial statement.

New Orleans Career Center
Statement of Cash Flows

<i>For the year ended June 30,</i>	2023
Operating Activities	
Change in net assets	\$ 98,084
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	72,031
Changes in operating assets and liabilities:	
Accounts receivable	(661,347)
Prepaid expenses	(977)
Accounts payable	250,541
Accrued expenses	928
Net cash provided by (used in) operating activities	(240,740)
Investing Activities	
Purchases of property and equipment	(478,325)
Net cash provided by (used in) investing activities	(478,325)
Financing Activities	
Proceeds from line of credit	499,710
Repayment of line of credit	(250,000)
Net cash provided by (used in) financing activities	249,710
Net change in cash and cash equivalents	(469,355)
Cash and cash equivalents at beginning of year	720,703
Cash and cash equivalents at end of year	\$ 251,348
Supplemental cash flow information	
Cash paid for interest	\$ 15,345

The accompanying notes are an integral part of this financial statement.

New Orleans Career Center Notes to Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

New Orleans Career Center (the Organization) is New Orleans' hub for high quality technical education, training skilled and prepared graduates for a lifetime of opportunities, advancement, and success.

The Organization is a non-profit providing high school and adult students access to career and technical education training and academic coursework to earn industry-based credentials (IBCs) for employment in high-wage, high-demand industry sectors.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to depreciation and functional expense allocations.

Program Services

The Organization's program services consist of the following:

Education – The Organization provides career and technical education to prepare students for employment in certain industries.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of students and member schools to meet their obligations.

Receivables are considered impaired if payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. There was no allowance for doubtful accounts as of June 30, 2023 as management believes all amounts are collectible.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Property and Equipment

All acquisitions of property and equipment in excess of \$2,500 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Leases

The Organization leases classroom and office space. The Organization determines if an arrangement is a lease at inception.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, consisting of leasehold improvements and equipment, for impairment and determines whether an event or change in facts and circumstances indicates that their carrying amount may not be recoverable. The Organization determines the recoverability of assets by comparing the carrying value of the asset to the net future undiscounted cash flows that the asset is expected to generate. The impairment recognized is the amount by which the carrying amount exceeds the fair market value of the asset. There were no asset impairments recorded during the year ended June 30, 2023.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

Program service fees are recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied. Revenue received in advance is deferred and recognized over the periods to which the dates and fees relate. These amounts are included in performance obligation liabilities within the statements of financial position.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

A significant portion of the Organization's grants and contracts are from government agencies. These benefits received by the public as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly removed the conditions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to salaries and benefits are allocated based on actual time spent in each functional area. Depreciation is allocated based on total square footage of use by each functional area.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from taxes on income other than unrelated business income. There was no unrelated business income during the year ended June 30, 2023.

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2023, the Organization has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, August 22, 2025. See Note 8 Line of Credit for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective July 1, 2022. The Organization's only leases in existence at implementation were operating leases defined as short-term leases (upon use of the hindsight practical expedient available to the Organization at implementation), thus no changes to the financial statements or disclosures were necessary. Future leases will be assessed under the terms of ASC 842 Leases.

Note 3: RESTATEMENT OF BEGINNING NET ASSETS

Program service fees totaling \$113,543 were not properly accrued as of June 30, 2022. The impact of this adjustment resulted in an increase to beginning net assets of \$113,543 on the 2023 statement of activities.

Note 4: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Organization maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Organization's expenditures come due. The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

New Orleans Career Center
Notes to Financial Statements

Note 4: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY (Continued)

<i>June 30,</i>	<i>2023</i>
Total assets at year end	\$ 1,856,593
Less non-financial assets	
Prepaid expenses	(10,084)
Property and equipment, net	(446,337)
Financial assets at year end	1,400,172
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions	
Restricted by donor with time or purpose restrictions	(817,879)
Financial assets available to meet cash needs for general expenditures within one year	\$ 582,293

The Organization is principally supported by its program service fees charged for the services it provides.

Note 5: ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

<i>June 30,</i>	<i>2023</i>
Grants	\$ 871,223
Pledges	50,000
Program service fees	227,601
Total accounts receivable	\$ 1,148,824

Pledges receivable are due within one year. The Organization also has \$350,000 in conditional promises to give that are expected to be received within one year conditioned upon meeting specified measures related to the development and growth of healthcare training and healthcare, hospitality, or engineering/manufacturing bridge programs.

New Orleans Career Center Notes to Financial Statements

Note 6: PROPERTY AND EQUIPMENT

The components of property and equipment at June 30, 2023 are as follows:

<i>June 30,</i>	Estimated Useful Life (in years)		2023
Furniture, fixtures and equipment	5	\$	581,402
Less accumulated depreciation			(135,065)
Property and equipment, net		\$	446,337

Depreciation expense for the year ended June 30, 2023 amounted to \$72,031.

Note 7: LEASES

Effective January 27, 2023, the Organization leased classroom and office space under a non-cancellable operating lease at rates based on the variable annual Use Fee calculated as defined in the agreement dated November 10, 2022, which is charged by the lessor to the schools that send students to the Organization for the career and technical education training offered by the Organization. The lease is effective through January 26, 2026 with options to extend the agreement for two (2) additional two (2)-year periods. As there are no amounts charged directly to the Organization, the lease is not recorded as a right-of-use asset or liability and related in-kind revenues and expenses are not recorded since they are not estimable as they are based on variable student count and Use Fee rates.

Note 8: LINE OF CREDIT

In November 2022, the Organization obtained a line of credit agreement with a financial institution. Available borrowings related to the agreement are \$250,000, with a variable interest rate of prime plus 2.14% as of June 30, 2023, secured by any and all deposits held by the lending financial institution. The outstanding balance as of June 30, 2023 was \$249,710. Interest expense related to the line of credit was \$10,477 for the year ended June 30, 2023.

The credit line expired on November 17, 2023. In November 2023, the Organization renewed its line of credit. Available borrowings related to the agreement were \$250,000, with a variable interest rate of 2.390% over prime and a maturity date of November 13, 2024. In November 2024, the Organization again renewed its line of credit. Available borrowings related to the agreement were \$500,000, with a variable interest rate of 0.043% over prime and a maturity date of November 13, 2025.

New Orleans Career Center
Notes to Financial Statements

Note 9: NOTE PAYABLE

Note payable at June 30, 2023 consists of the following:

<i>June 30,</i>	<i>2023</i>
Economic Injury Disaster Loan - Interest only for the first 36 months at interest rate of 2.75%; then payable in monthly installments of \$641 beginning July 2023; maturing in June 2051; and secured by all of the Organization's assets	\$ 150,000
Less current portion	(3,716)
Note payable, net of current portion	\$ 146,284

Maturities of long-term debt subsequent to June 30, 2023 consist of the following:

<i>For the years ending June 30,</i>	
2024	\$ 3,716
2025	3,819
2026	3,926
2027	4,035
2028	4,147
Thereafter	130,357
Total	\$ 150,000

Interest expense related to the loan was \$12,375 for the year ended June 30, 2023.

Note 10: NET ASSETS

A summary of net assets without donor restrictions consists of the following:

<i>June 30,</i>	<i>2023</i>
Undesignated	\$ 335,794
Total net assets without donor restrictions	\$ 335,794

New Orleans Career Center
Notes to Financial Statements

Note 10: NET ASSETS (Continued)

A summary of net assets with donor restrictions consists of the following:

<i>June 30,</i>	<i>2023</i>
Purpose restricted Program services	\$ 817,879
Total net assets with donor restrictions	\$ 817,879

A summary of the releases of donor restrictions consists of the following:

<i>June 30,</i>	<i>2023</i>
Purpose restrictions Program services	\$ 538,817
Total net assets released from donor restrictions	\$ 538,817

Note 11: REVENUE

The Organization is recognizing revenue over time for its program service fees. As of June 30, 2023, there are no performance obligations to be satisfied. The performance obligations are based upon the completion of program service contract terms.

The Organization's method of recognizing revenue is the input method for performance obligations to be utilized over time.

Contract assets related to revenue from contracts with customers consist of the following:

<i>June 30,</i>	<i>2023</i>
Contract assets	
Accounts receivable, beginning of year	\$ 439,543
Accounts receivable, end of year	\$ 227,601

There were no contract liabilities for the years ended June 30, 2023.

New Orleans Career Center Notes to Financial Statements

Note 12: CONCENTRATIONS

The Organization maintains cash with a financial institution at June 30, 2023 in excess of federally insured limits of \$28,771. The Organization has not experienced losses in the past, and management does not believe it is exposed to risk.

For the year ended June 30, 2023, approximately 60% of the revenue earned was recognized at a point in time consisting of grants. For the year ended June 30, 2023, approximately 39% of the revenue earned was recognized over time consisting of program service fees.

Note 13: DEFINED CONTRIBUTION PLAN

The Organization sponsors a defined contribution plan (the Plan) covering all new employees with at least five years of service who agree to make contributions to the Plan. Employees hired at the inception of the Organization were immediately eligible for the plan on September 1, 2018. The Organization makes a matching contribution to the Plan each year equal to 3% of all participants' compensation as long as the employees have over 1000 hours worked within that year and participate in the Plan. Total benefit plan expense for the years ended June 30, 2023 was \$56,227.

Note 14: RELATED PARTY TRANSACTIONS

For the year ended June 30, 2023, the Organization received contributions from board members totaling \$7,525.



SUPPLEMENTARY INFORMATION



New Orleans Career Center
Schedule of Compensation, Benefits and Other Payments to Agency Head

For the year ended June 30,

2023

Agency Head Name: Claire Jecklin, Executive Director

PURPOSE	AMOUNT
Salary	\$ 161,610
Benefits-health insurance	5,281
Benefits-retirement	4,848
Workers comp	595
Benefits-life insurance	70
Benefits-short term disability	547
Benefits-long term disability	216
Benefits-Fica & Medicare	12,160
Benefits-AD&D Insurance	15
Reimbursements	1,469
Total	\$ 186,811



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

Board of Directors
New Orleans Career Center
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of New Orleans Career Center (the Organization) (a nonprofit organization), which comprise the statement of financial position at June 30, 2023, 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 August 22, 2025.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

Report on Compliance and Other Matters

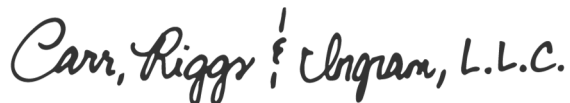
As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2023-003.

New Orleans Career Center's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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



Metairie, Louisiana
August 22, 2025



CARR, RIGGS & INGRAM, L.L.C.

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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

Board of Directors
New Orleans Career Center
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited New Orleans Career Center's (the Organization) (a nonprofit organization) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2023. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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 June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

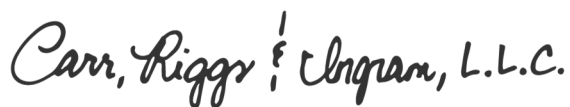
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-004 and 2023-005 to be significant deficiencies.

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

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's responses to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



Metairie, Louisiana
August 22, 2025

New Orleans Career Center
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through Entity Identifying Number</i>	<i>Federal Expenditures (\$)</i>	<i>Amount Passed Through to Subrecipient (\$)</i>	<i>Total Federal Expenditures (\$)</i>
<u>U.S. Department of Agriculture</u>					
Passed through the Louisiana Department of Children and Family Services					
SNAP Cluster					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	LA420142	\$ 382,446	\$ -	\$ 382,446
Total SNAP Cluster			382,446	-	382,446
Total Department of Agriculture			382,446	-	382,446
<u>U.S. Department of Labor Employment and Training Administration (DOL/ETA)</u>					
WIOA Dislocated Worker National Reserve Demonstration Grants	17.280	N/A	220,244	-	220,244
Total Department of Labor Employment and Training Administration (DOL/ETA)			220,244	-	220,244
<u>U.S. Department of Treasury</u>					
Passed through the City of New Orleans Office of Workforce Development					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	LPPHFWE6QG35	352,882	-	352,882
Total Department of Treasury			352,882	-	352,882
<u>U.S. Department of Education</u>					
Passed through YouthForce NOLA					
21st Century Community Learning Centers	84.287	N/A	70,302	-	70,302
Total Department of Education			70,302	-	70,302
<u>Delta Regional Authority</u>					
States' Economic Development Assistance Program	90.200	N/A	67,943	-	67,943
Total Delta Regional Authority			67,943	-	67,943
Total Expenditures of Federal Awards			\$ 1,093,817	\$ -	\$ 1,093,817

New Orleans Career Center
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – This schedule includes the activity of New Orleans Career Center (the Organization) (a nonprofit organization) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the 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).

Note 2: INDIRECT COST RATE

The Organization has not elected to use the 10% de minimis indirect rate allowed under the Uniform Guidance.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal awards revenues reported in the Organization's basic financial statements reconcile to federal award expenditures as follows:

Total federal expenditures	\$ 1,093,817
State and local grants included in grant revenues	1,785,322
Other items	33,017
Total grant revenues reported in the statement of activities	\$ 2,912,156

Note 4: LOAN

The Organization did not expend federal awards related to loans or loan guarantees during the year.

Note 5: FEDERALLY FUNDED INSURANCE

The Organization has no federally funded insurance.

New Orleans Career Center
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(es) identified? Yes

Noncompliance material to consolidated financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(es) identified? Yes

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a)? Yes

Identification of major federal programs:

Assistance Listing #	Federal Program or Cluster
10.561	SNAP Cluster
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

The dollar threshold used to distinguish between type A and B programs was \$750,000 for major federal programs.

Auditee qualified as a low-risk auditee for federal purposes? No

**New Orleans Career Center
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Section II: FINANCIAL STATEMENT FINDINGS

Finding 2023-001 Material Weakness – Internal Controls over Financial Reporting – FINANCIAL CLOSE/ACCOUNT RECONCILIATION

Criteria: The Financial Accounting Standards Board (FASB) requires that not-for-profit entities maintain their accounting records and prepare financial statements in accordance with generally accepted accounting principles (GAAP).

Condition: We noted that material adjustments were necessary in order to correct/update the books and records of the Organization as of June 30, 2023. Prior to the adjustments, receivables were understated by \$375,711, net assets were understated by \$113,267, and revenues were understated by \$262,168.

Cause: The books and records of the Organization were not completely and appropriately reconciled and closed in a timely manner.

Effect: Accounts were materially misstated prior to the adjustments.

Recommendation: We recommend that the Organization implement and monitor controls to ensure all accounts are reconciled and closed timely after the end of each fiscal period.

Management Response: See corrective action plan on page 31.

Finding 2023-002 Significant Deficiency – Internal Controls over Financial Reporting – PREPARATION OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Criteria: 2 CFR 200.510(b) requires an auditee to prepare the Schedule of Expenditures of Federal Awards including the total Federal awards expended as determined in accordance with 2 CFR 200.502.

Condition: As a result of audit procedures, we noted that material adjustments were necessary in order to correct/update the schedule of expenditures of federal awards of the Organization as of June 30, 2023. Prior to the adjustments, the schedule of expenditures of federal awards was misstated by \$135,903.

Cause: The books and records of the Organization were not completely and appropriately reconciled to federal awards.

Effect: The schedule of expenditures of federal awards was misstated prior to the adjustments.

**New Orleans Career Center
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Recommendation: We recommend that the Organization implement and monitor controls to ensure all accounts used to prepare the schedule of expenditures of federal awards are reconciled correctly and timely.

Management Response: See corrective action plan on page 31.

Finding 2023-003 Noncompliance – LATE FILING FINDING

Criteria: Per Louisiana Revised Statute 24:513, the Organization is required to complete and submit an audit to the Louisiana Legislative Auditor “within six months of the close of the local auditee’s or vendor’s fiscal year.” Per Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the Organization is required to complete and submit an audit to the Federal Audit Clearinghouse "within the earlier of 30 calendar days after receipt of the auditor’s report(s), or nine months after the end of the audit period.”

Condition: The Organization did not complete and submit the audit to the Louisiana Legislative Auditor or the Federal Audit Clearinghouse within the required time periods.

Cause: The Organization did not implement appropriate controls and processes to ensure that the audit was submitted within the required time periods.

Effect: Certain grant revenues and/or federal awards could be withheld if the required report is not submitted timely.

Recommendation: We recommend that the Organization implement controls and processes to ensure all required reports are submitted timely.

Management Response: See corrective action plan on page 31.

**New Orleans Career Center
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Section III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2023-004 Significant Deficiency – Internal Controls over Compliance – MAINTENANCE OF DOCUMENTATION

ALN 10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
United States Department of Agriculture
Passed through the Louisiana Department of Children and Family Services
2023 Funding

Criteria: Per 2 CFR 200.303(a), entities should “establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.”

Condition: Documentation for personnel employment contracts (payroll) was not maintained resulting in a systemic issue.

Cause: The Organization has not designed and implemented policies and procedures to ensure documentation of employment contracts was properly maintained to support federal award expenditures.

Effect: The Organization could use federal funds to pay expenditures that are not allowable activities or costs.

Recommendation: We recommend management design and implement policies and procedures to ensure appropriate support is maintained for expenditures of federal funds.

Management Response: See corrective action plan on page 31.

Finding 2023-005 Significant Deficiency – Internal Controls over Compliance – SUSPENSION AND DEBARMENT

ALN 10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
United States Department of Agriculture
Passed through the Louisiana Department of Children and Family Services
2023 Funding

ALN 21.027 Coronavirus State and Local Fiscal Recovery Services
United States Department of Treasury
Passed through the City of New Orleans Office of Workforce Development
2023 Funding

New Orleans Career Center
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Criteria: Per 2 CFR 200.303(a), entities should “establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.” Also, 2 CFR 180, Subpart C prohibits non-Federal entities from entering into covered transactions with entities or persons that have been excluded or disqualified from participating in Federal contracting.

Condition: Vendors paid with federal funds were not reviewed for suspension or debarment prior to payment resulting in a systemic issue as no control was implemented.

Cause: The Organization has not designed or implemented a control to detect whether its vendors paid under federal awards are suspended or debarred.

Effect: The Organization could use federal funds to pay expenditures for suspended or debarred entities.

Recommendation: We recommend management design and implement controls to review vendors for suspension and debarment prior to payment using federal funds.

Management Response: See corrective action plan on page 31.

Section IV: MANAGEMENT LETTER

A management letter was not issued for the year ended June 30, 2023.

Section V: SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None noted.

August 19, 2025

RE: Corrective Action Plan

The New Orleans Career Center respectfully submits the following corrective action plan for the year ended June 30, 2023.

MANAGEMENT'S RESPONSE TO FINDINGS

Finding 2023-001 – Material Weakness – FINANCIAL CLOSE/ACCOUNT RECONCILIATION

Status: In progress.

Planned Corrective Action: The New Orleans Career Center has strengthened its internal team to ensure timely monthly closes and improve oversight of account reconciliations.

Person(s) Responsible: Claire Jecklin, CEO; Darius Munchak, CFO

Estimated Completion Date: December 31, 2025

Finding 2023-002 – Significant Deficiency – PREPARATION OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Status: In progress.

Planned Corrective Action: The New Orleans Career Center has strengthened its internal team to ensure timely monthly closes and provide better oversight for preparing the Schedule of Federal Awards..

Person(s) Responsible: Claire Jecklin, CEO; Darius Munchak, CFO

Estimated Completion Date: December 31, 2025

Finding 2023-003 – Noncompliance – LATE FILING FINDING

Status: In progress.

Planned Corrective Action: The New Orleans Career Center has strengthened its internal team to ensure timely monthly closes, which mitigates the risk of a future late audit filing

Person(s) Responsible: Claire Jecklin, CEO; Darius Munchak, CFO

Estimated Completion Date: December 31, 2025

Finding 2023-004 – Significant Deficiency – MAINTENANCE OF DOCUMENTATION

Status: In progress.

Planned Corrective Action: The New Orleans Career Center will update its financial policies to ensure that employees classified to federal programs receive updated offer letters detailing their compensation.

Person(s) Responsible: Claire Jecklin, CEO; Darius Munchak, CFO

Estimated Completion Date: December 31, 2025

Finding 2023-005 – Significant Deficiency – SUSPENSION AND DEBARMENT

Status: In progress.

Planned Corrective Action: The New Orleans Career Center will update its financial policies to require verifying all vendors against the SAM.gov suspension and debarment list.

Person(s) Responsible: Claire Jecklin, CEO; Darius Munchak, CFO

Estimated Completion Date: December 31, 2025

The New Orleans Career Center
1331 Kerlerec Street
New Orleans, LA 70116



Sincerely,

A blue ink signature of Claire Jecklin, consisting of a large, stylized loop followed by a smaller loop and a trailing flourish.

Claire Jecklin, CEO

A black ink signature of Darius Munchak, featuring a series of sharp, angular strokes.

Darius Munchak, CFO



NEW ORLEANS CAREER CENTER

STATEWIDE AGREED-UPON PROCEDURES REPORT

June 30, 2023

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
New Orleans Career Center and the
Louisiana Legislative Auditor
New Orleans, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. New Orleans Career Center's management is responsible for those C/C areas identified in the SAUPs.

New Orleans Career Center (the Organization) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the Organization's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the Organization's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
Results: No exceptions were found as a result of applying the above procedure.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
Results: No exceptions were found as a result of applying the above procedure.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
Results: No exceptions were found as a result of applying the above procedure.

- iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
Results: No exceptions were found as a result of applying the above procedure.
- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
Results: No exceptions were found as a result of applying the above procedure.
- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Results: Exceptions noted – The contracting section of the written policies did not have information related to legal review and the approval process for contracting.
- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Results: No exceptions were found as a result of applying the above procedure.
- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Results: No exceptions were found as a result of applying the above procedure.
- ix. ***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.
Results: No exceptions were found as a result of applying the above procedure.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
Results: No exceptions were found as a result of applying the above procedure.
 - ii. Observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the Organization's collections during the fiscal period.
Results: No exceptions were found as a result of applying the above procedure.
 - iii. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.
Results: No exceptions were found as a result of applying the above procedure.

3) Bank Reconciliations

- A. Obtain a listing of Organization bank accounts for the fiscal period from management and management's representation that the listing is complete.
Results: No exceptions were found as a result of applying the above procedure.
- Ask management to identify the Organization's main operating account. Select the Organization's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
Results: Exceptions noted – Two of the four bank reconciliations were prepared more than 2 months after the related statement closing date.
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
Results: Exceptions noted – Three of the four reconciliations did not include written evidence they were reviewed by a member of management or board member who does not handle cash, post ledgers, or issue checks.

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

Results: Exception noted – One of the four reconciliations is missing documentation reflecting management has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete.

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

Randomly select 5 deposit sites (or all deposit sites if less than 5).

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete.

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

Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

- i. Employees responsible for cash collections do not share cash drawers/registers;

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

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

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

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

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

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

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

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

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

- D. Randomly select two deposit dates for each of the bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

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

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

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

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

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

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

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

- v. Trace the actual deposit per the bank statement to the general ledger.

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

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.

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

Randomly select 5 locations (or all locations if less than 5).

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

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

- ii. At least two employees are involved in processing and approving payments to vendors;

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

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

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

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

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

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

- C. For each location selected under procedure #5A above, obtain the Organization's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete.

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

Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the Organization, and

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

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

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

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

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

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

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

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

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or Combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder; and

Results: Exceptions noted – For the five credit cards selected, there was no evidence that the monthly statement was reviewed and approved by someone other than the authorized card holder for the statements selected.

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

Results: Exceptions noted – Two of five credit cards selected had late fees assessed.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: Exceptions noted – Seven of the thirty-nine selected transactions were not supported by itemized receipts and written documentation of the business purpose. For this reason, CRI was unable to perform Procedure C(3) for seven of thirteen meal charges. There was no compensating control to address missing receipts.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete.

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

Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

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

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

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

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

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

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

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

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete.

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

Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

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

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

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

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

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

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

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

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

9) Payroll and Personnel

- A. Obtain a listing of employees employed during the fiscal period and management's representation that the listing is complete.

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

Randomly select 5 employees, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

- B. Randomly select one pay period during the fiscal period. For the 5 employees selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

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

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

- ii. Observe whether supervisors approved the attendance and leave of the selected employees;

Results: Exceptions noted – For the five employees selected who took leave during the pay period, there was no evidence that supervisors approved the leave.

- iv. Observe that any leave accrued or taken during the pay period is reflected in the Organization's cumulative leave records; and

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

- iv. Observe the rate paid to the employees agrees to the authorized salary/pay rate found within the personnel file.

Results: Exceptions noted – For four of the five employees selected, we were not able to agree the rate paid to the authorized salary/pay in the personnel file.

- C. Obtain a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete.

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

Randomly select two employees and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the Organization's policy on termination payments. Agree the hours to the employee's cumulative leave records, agree the pay rates to the employee's authorized pay rates in the employee's personnel files, and agree the termination payment to Organization policy.

Results: Exceptions noted – Two terminated employees received termination payments that are not in accordance with the Organization's termination policy.

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

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

10) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete.

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

Select all misappropriations on the listing, obtain supporting documentation, and observe that the Organization reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Organization is domiciled as required by R.S. 24:523.

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

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

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

11) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- i. Obtain and inspect the Organization's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

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

- ii. Obtain and inspect the Organization's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup

restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

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

- iii. Obtain a listing of the Organization's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

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

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

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

We were engaged by the New Orleans Career Center to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. 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 of conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the New Orleans Career Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement related to our agreed-upon procedures engagement.

The 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.

Carr, Rigg & Ingram, L.L.C.

Metairie, Louisiana
August 22, 2025

The New Orleans Career Center
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New Orleans, LA 70116



Jul 18, 2025

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And

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RE: Management's Response to Statewide Agreed-Upon Procedures

Dear Sirs:

The New Orleans Career Center will review policies and procedures in regard to the comments for each financial function and make appropriate changes that will improve operations and internal controls in each area that are cost effective and within our budget constraints.

Sincerely,

Claudia Kent

Claudia Kent, Director of Finance and Personnel