
JEFFERSON PERFORMING ARTS SOCIETY
METAIRIE, LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2023

RICHARD  CPAS

JEFFERSON PERFORMING ARTS SOCIETY

TABLE OF CONTENTS

	<u>Page</u>
<u>Independent Auditor's Report</u>	1-3
<u>Financial Statements</u>	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
<u>Notes to Financial Statements</u>	9-21
<u>Supplementary Information</u>	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	22
<u>Other Report Required by <i>Government Audit Standards</i></u>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23-24
Schedule of Findings and Responses	25
Summary Schedule of Prior Year Findings and Questioned Costs	26-27



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Jefferson Performing Arts Society
Metairie, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Jefferson Performing Arts Society (the 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 Jefferson Performing Arts Society 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 the Jefferson Performing Arts Society and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of the Jefferson Performing Arts Society as of June 30, 2022, were audited by predecessor auditors whose report dated June 26, 2023, expressed an unmodified opinion on those statements.



Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 on page 22, 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 Schedule of Compensation, Benefits, and Other Payments to Agency Head 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 March 31, 2024, on our consideration of Jefferson Performing Arts Society'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 the effectiveness of Jefferson Performing Arts Society'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 Jefferson Performing Arts Society's internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
March 31, 2024

JEFFERSON PERFORMING ARTS SOCIETY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

ASSETS

	2023	2022
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 335,610	\$ 236,142
Accounts receivable, net	747,467	350,076
Investments	260,490	207,632
Prepaid expenses	38,709	49,685
Total current assets	1,382,276	843,535
<u>NON-CURRENT ASSETS</u>		
Beneficial interest in assets held by community foundation	145,951	135,597
Properties and equipment, net	280,586	287,494
Right of use asset, net	58,130	-
Total non-current assets	484,667	423,091
<u>TOTAL ASSETS</u>	\$ 1,866,943	\$ 1,266,626

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 234,468	\$ 63,925
Accrued expenses	41,215	3,081
Unearned revenue	267,197	41,512
Operating lease liability, current	11,935	-
Total current liabilities	554,815	108,518
<u>NON-CURRENT LIABILITIES</u>		
Line of credit	264,622	-
Operating lease liability, non-current	46,957	-
Total non-current liabilities	311,579	-
<u>TOTAL LIABILITIES</u>	866,394	108,518
<u>NET ASSETS</u>		
Without donor restrictions		
Undesignated	594,108	814,879
Designated by the Board for endowment	260,490	207,632
Total net assets without donor restrictions	854,598	1,022,511
With donor restrictions	145,951	135,597
Total net assets	1,000,549	1,158,108
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 1,866,943	\$ 1,266,626

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

JEFFERSON PERFORMING ARTS SOCIETY
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>			<u>2022</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<u>SUPPORT AND OTHER REVENUE</u>						
Contributions	\$ 191,336	\$ -	\$ 191,336	\$ 225,349	\$ -	\$ 225,349
Contributions in-kind	255,500	-	255,500	176,150	-	176,150
Grant - Jefferson Parish	100,000	-	100,000	100,000	-	100,000
Grant - State of Louisiana	323,067	-	323,067	291,739	-	291,739
Grant - City of Westwego	230,762	-	230,762	250,000	-	250,000
Grant - Federal	92,190	-	92,190	811,785	-	811,785
Auto rental tax contribution	50,378	-	50,378	295,952	-	295,952
Program service revenue	1,494,340	-	1,494,340	783,015	-	783,015
Tax credit revenue	461,355	-	461,355	-	-	-
Investment return, net	27,688	10,354	38,042	(8,096)	(13,041)	(21,137)
Net assets released from restrictions	-	-	-	25,000	(25,000)	-
Total revenues and other support	<u>3,226,616</u>	<u>10,354</u>	<u>3,236,970</u>	<u>2,950,894</u>	<u>(38,041)</u>	<u>2,912,853</u>
<u>EXPENSES</u>						
Program services	2,812,241	-	2,812,241	2,081,891	-	2,081,891
Supporting services:						
Management and general	453,488	-	453,488	307,472	-	307,472
Fundraising	128,800	-	128,800	130,711	-	130,711
Total expenses	<u>3,394,529</u>	<u>-</u>	<u>3,394,529</u>	<u>2,520,074</u>	<u>-</u>	<u>2,520,074</u>
Change in net assets	<u>(167,913)</u>	<u>10,354</u>	<u>(157,559)</u>	<u>430,820</u>	<u>(38,041)</u>	<u>392,779</u>
<u>NET ASSETS, BEGINNING OF YEAR</u>	<u>1,022,511</u>	<u>135,597</u>	<u>1,158,108</u>	<u>591,691</u>	<u>173,638</u>	<u>765,329</u>
<u>NET ASSETS, END OF THE YEAR</u>	<u>\$ 854,598</u>	<u>\$ 145,951</u>	<u>\$ 1,000,549</u>	<u>\$ 1,022,511</u>	<u>\$ 135,597</u>	<u>\$ 1,158,108</u>

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

JEFFERSON PERFORMING ARTS SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

2023	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and wages	\$ 763,507	\$ 180,577	\$ 89,000	\$ 1,033,084
Payroll taxes and employee benefits	112,702	25,866	13,705	152,273
Total salaries wages, and employee benefits	<u>876,209</u>	<u>206,443</u>	<u>102,705</u>	<u>1,185,357</u>
Professional fees and contract services	739,609	47,209	-	786,818
Occupancy	415,331	97,279	-	512,610
Theater and property use - in-kind	239,623	15,877	-	255,500
Promotional and advertising	207,116	-	-	207,116
Supplies for materials for production	172,853	-	-	172,853
Operations expense	56,585	36,010	26,095	118,690
Miscellaneous	31,092	31,091	-	62,183
Credit card fees	48,110	-	-	48,110
Telephone	12,103	5,187	-	17,290
Interest expense	-	14,392	-	14,392
Depreciation	6,908	-	-	6,908
Postage and shipping	4,592	-	-	4,592
Travel, conferences and conventions	2,110	-	-	2,110
Bad dept expense	-	-	-	-
Total expense	<u>\$ 2,812,241</u>	<u>\$ 453,488</u>	<u>\$ 128,800</u>	<u>\$ 3,394,529</u>

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

(continued)

JEFFERSON PERFORMING ARTS SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

2022	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and wages	\$ 423,298	\$ 115,577	\$ 89,000	\$ 627,875
Payroll taxes and employee benefits	69,712	18,453	14,352	102,517
Total salaries wages, and employee benefits	<u>493,010</u>	<u>134,030</u>	<u>103,352</u>	<u>730,392</u>
Professional fees and contract services	509,057	18,501	-	527,558
Occupancy	305,898	71,648	-	377,546
Theater and property use - in-kind	188,650	12,500	-	201,150
Promotional and advertising	128,452	-	-	128,452
Supplies for materials for production	108,638	-	-	108,638
Operations expense	59,327	37,754	27,359	124,440
Miscellaneous	26,396	26,395	-	52,791
Credit card fees	77,726	-	-	77,726
Telephone	15,501	6,644	-	22,145
Depreciation	6,907	-	-	6,907
Postage and shipping	5,588	-	-	5,588
Travel, conferences and conventions	2,227	-	-	2,227
Bad dept expense	154,514	-	-	154,514
Total expense	<u>\$ 2,081,891</u>	<u>\$ 307,472</u>	<u>\$ 130,711</u>	<u>\$ 2,520,074</u>

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

JEFFERSON PERFORMING ARTS SOCIETY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (157,559)	\$ 392,779
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	6,908	6,907
Amortization of leasehold asset	-	25,000
Bad debt expense	-	154,514
Forgiveness of PPP Loan	-	(145,635)
Change in beneficial interest in assets	(10,354)	13,041
Net unrealized and realized (gain) loss on investments	(22,677)	11,945
Changes in operating assets and liabilities:		
Accounts receivable	(397,391)	(165,292)
Prepaid expenses	10,976	(34,454)
Accounts payable	170,543	23,320
Accrued expenses	38,134	3,081
Unearned revenue	225,685	(128,030)
Change in right of use asset and lease liability	762	-
Net cash provided by (used in) operating activities	<u>(134,973)</u>	<u>157,176</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments	(30,181)	(24,951)
Net cash used in investing activities	<u>(30,181)</u>	<u>(24,951)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from line of credit	264,622	-
Net cash provided by financing activities	<u>264,622</u>	<u>-</u>
Net change in cash and cash equivalents	99,468	132,225
Cash and cash equivalents, beginning of year	<u>236,142</u>	<u>103,917</u>
Cash and cash equivalents, end of year	<u>\$ 335,610</u>	<u>\$ 236,142</u>
<u>Supplemental Disclosure</u>		
Cash paid for interest	<u>\$ 14,392</u>	<u>\$ -</u>

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

JEFFERSON PERFORMING ARTS SOCIETY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

1. Summary of Significant Accounting Policies

History and Organization

The Jefferson Performing Arts Society (the Organization) serves the state of Louisiana, several counties in Mississippi and communities throughout the Gulf South. Through its diverse programming and over 150 annual performances that include Grand Opera, Broadway Musicals, Symphonic and Choral Concerts, Ballet and Modern Dance and distinguished guest artists of all genres from around the world, the Organization has rightfully earned the reputation as "Louisiana's Cultural Leader."

The Organization focuses on three main elements:

Performance: The Organization annually provides a wide range of theatrical performances that appeal to many interests and age groups. Most seasons include a selection of grand opera, musical theater, dance and music. The Organization strives to network and partner with national and international artists and companies to bring new and diverse programming to the Southern Region.

Training: The Organization provides performance and technical based training in the arts for all ages with a particular focus on young people.

Outreach: The Organization provides arts education programming in local area schools, as well as access to professional theatrical experiences that align to classroom curricula and Louisiana Content Standards, including Arts Adventure Series, Cultural Crossroads and Stage Without A Theatre. The Organization provides performers, musicians, artistic experiences and expertise to select area events and organizations to enrich the community.

The Organization's outreach and service extend to both banks of the Mississippi River. Performances on the East bank are now held in the new Jefferson Performing Arts Center, performances on the West Bank are held in the Westwego Performing Arts Theatre and Teatro Wego! Dinner Theatre in Westwego.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, investments, payables, and other liabilities.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

JEFFERSON PERFORMING ARTS SOCIETY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

1. Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable consist primarily of noninterest-bearing amounts due from cooperative endeavor agreements with various local and state governments. The Organization determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivables are written off when deemed uncollectable. At June 30, 2023, and 2022 the allowance was \$0 and \$154,514 respectively.

Receivables from contracts with customers are reported as accounts receivable, net in the accompanying statements of financial position. Contract liabilities are reported as deferred revenue in the accompanying statements of financial position.

Promises to Give

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable.

Prepaid Expenses

The balance in prepaid expenses consists of amounts paid during each year for performances and events that have not yet occurred.

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

JEFFERSON PERFORMING ARTS SOCIETY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

1. Summary of Significant Accounting Policies (continued)

Property and Equipment

The Organization records property and equipment additions over \$5,000 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 39 years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2023 and 2022.

Deferred Revenue

The balance in deferred revenue consists of amounts collected during each year for sponsorships, ticket sales, and summer camp fees to be recognized as revenue in the following year.

Leases

Lease agreements are evaluated to determine whether they are capital or operating leases in accordance with FASB ASC 840, as amended. When substantially all of the risks and benefits of property ownership have been transferred to the Organization, as determined by the test criteria in FASB ASC 840-30, the lease then qualifies as a capital lease.

Capital leases are capitalized at the lower of the net present value of the total amount of rent payable under the leasing agreement (excluding finance charges and appropriate sales taxes) or the market value of the leased asset. Capital leases are depreciated on a straight-line basis, over a period consistent with the Company's normal depreciation policy for tangible fixed assets, but generally not exceeding the lease term. Interest and sales tax charges are expensed over the period of the lease in relation to the carrying value of the capital lease obligation. Amortization of assets under capital leases is included in occupancy expense.

JEFFERSON PERFORMING ARTS SOCIETY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

1. Summary of Significant Accounting Policies (continued)

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

The Organization recognizes revenue from contractual fees and performances when the programs are delivered. The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution revenue for the difference. With the exception of training programs that span several months, which are transferred over the period of class enrollment, all services are transferred at a point in time.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barriers, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Contributed nonfinancial assets include donated supplies, professional services, and other-in-kind contributions which are recorded at the respective fair values of the goods or services received. The Organization does not sell donated gifts-in-kind. In addition, to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Advertising

Advertising costs are charged to expenses as incurred. For the years ended June 30, 2023 and 2022, advertising expenses totaled \$201,682 and \$128,452 respectively.

JEFFERSON PERFORMING ARTS SOCIETY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

1. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include professional fees, occupancy, operations expense, miscellaneous, and telephone, which are allocated based on management's estimates, as well as salaries and wages, benefits, payroll taxes, which are allocated on the basis of estimates of time and effort.

Income Taxes

The Organization is organized as Louisiana nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to our exempt purposes. The Organization have determined that we are not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

JEFFERSON PERFORMING ARTS SOCIETY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

1. Summary of Significant Accounting Policies (continued)

Change in Accounting Principle

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 statement of financial position. 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, using the modified retrospective method of adoption. The Organization elected to use the transition option that allows an organization to apply the new lease standard at the adoption date and recognize a cumulative effect adjustment (if any) to the opening balance of net assets in the year of adoption. Comparable periods continue to be presented under the guidance of the previous standard. The standard had a material impact on the 2023 statement of financial position but did not have a significant impact on the statement of activities and changes in net assets, the statement of functional expenses, or the statement of cash flows. There was no adjustment to the opening balance of net assets as a result of the adoption. Amounts recognized on the statement of financial position at July 1, 2022 related to ROU assets and lease liabilities were \$66,585.

2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 335,610	\$ 236,142
Accounts receivable	747,467	350,076
Investments	<u>260,490</u>	<u>207,632</u>
Total financial assets	1,343,567	793,850
Less those unavailable for general expenditure within one year due to:		
Board designated assets	<u>(260,490)</u>	<u>(207,632)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,083,077</u>	<u>\$ 586,218</u>

The Organization's board-designated endowment of \$260,490 and \$207,632 as of June 30, 2023, and 2022, respectively, is subject to an annual distribution policy as described in Note 12. Although the Organization does not intend to withdraw from this board designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available to fund operating expenses, if necessary.

JEFFERSON PERFORMING ARTS SOCIETY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

2. Liquidity and Availability (Continued)

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition to the above amounts, the Organization has a line of credit available in the amount of \$300,000 that was available for use to fund operations if no other sources are available. At June 30, 2023, the line of credit had an available balance of \$35,878.

3. Investments

Investments are stated at fair value and consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Money market	\$ 81,075	\$ 74,843
Equity securities	128,699	85,656
Mutual funds	33,186	31,250
Exchange traded funds	17,530	15,883
	<u>\$ 260,490</u>	<u>\$ 207,632</u>

The following schedule summarizes the investment return, net in the statements of activities for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Interests and dividends	\$ 5,011	\$ 5,258
Unrealized gains	22,677	(13,354)
	<u>\$ 27,688</u>	<u>\$ (8,096)</u>

4. Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Building	336,612	336,612
Equipment and software	399,209	399,209
Total depreciable property	735,821	735,821
Less: accumulated depreciation	<u>(567,576)</u>	<u>(560,668)</u>
Land	<u>112,341</u>	<u>112,341</u>
Total	<u>\$ 280,586</u>	<u>\$ 287,494</u>

For the years ended June 30, 2023, and 2022, depreciation expenses totaled \$6,908 and \$6,907, respectively.

JEFFERSON PERFORMING ARTS SOCIETY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

5. Beneficial Interest in Assets Held by Community Foundation

In 2001, the Organization established an endowment fund that is perpetual in nature under Greater New Orleans Foundation (GNOF, a community foundation) and named the Organization as beneficiary. The funds are held and invested by GNOF for the Organization's benefit and the beneficial interest in the pooled assets of GNOF is reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities.

6. Line of Credit

The Organization has a \$300,000 revolving line of credit with a bank, secured by accounts receivable and promises to give. Borrowings under the line bear interest at the bank's prime rate plus 1% or a floor of 8.25% (9.25% at June 30, 2023). Accrued interest and principal are due at maturity (April 19, 2025). The agreement requires the Organization to comply with certain financial and non-financial covenants. The balance on the line of credit is \$264,122, and \$0 at June 30, 2023 and June 30, 2022, respectively.

7. Leases

The Organization has a lease agreement for the use of a copy machine through January 2028. Amounts recognized at July 1, 2022 related to ROU assets and related lease liabilities were \$66,585.

Operating cash flows from operating leases	\$ 9,400
ROU assets obtained in exchange for lease obligations	\$ 66,585
Weighted average remaining lease term	55 Months
Weighted average discount rate	4.13%

Other information related to the lease is as follows as of and for the year ended June 30, 2023:

2024	\$ 14,100
2025	14,100
2026	14,100
2027	14,100
2028	8,225
Total lease payments	64,625
Less: interest	(5,733)
	<u>\$ 58,892</u>

JEFFERSON PERFORMING ARTS SOCIETY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

8. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at June 30:

	<u>2023</u>	<u>2022</u>
Donor restricted endowment funds	\$ 57,250	\$ 57,250
Restricted endowment investment income	88,701	78,347
	<u>\$ 145,951</u>	<u>\$ 135,597</u>

Net assets are permanently restricted for the formation of an endowment fund. The purpose of the endowment fund is to provide a perpetual source of money to assure the future growth and health of the Organization as stated in Note 12.

9. Fair Value Measurements

The Organization reports certain at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs. markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset.

JEFFERSON PERFORMING ARTS SOCIETY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

9. Fair Value Measurements (continued)

The following table presents assets measured at fair value on a recurring basis, except those measured at cost per share as a practical expedient as identified in the following, at June 30:

	2023			
	Total	Level 1	Level 2	Level 3
Money market	\$ 81,075	\$ 81,075	\$ -	\$ -
Equity securities	128,699	128,699	-	-
Mutual funds	33,186	33,186	-	-
Exchange traded funds	17,530	17,530	-	-
	<u>\$ 260,490</u>	<u>\$ 260,490</u>	<u>\$ -</u>	<u>\$ -</u>

	2022			
	Total	Level 1	Level 2	Level 3
Money market	\$ 74,843	\$ 74,843	\$ -	\$ -
Equity securities	85,656	85,656	-	-
Mutual funds	31,250	31,250	-	-
Exchange traded funds	15,883	15,883	-	-
	<u>\$ 207,632</u>	<u>\$ 207,632</u>	<u>\$ -</u>	<u>\$ -</u>

10. Donated Facilities and Services

Donated Facilities

Beginning July 1, 2016, the Organization entered into a lease with Jefferson Parish for its 1118 Clearview Parkway office and office space at the Jefferson Performing Arts Center (JPAC). On an annual basis as part of a Cooperative Endeavor Agreement with the Parish, the Organization has the use of the building. Management estimated the fair value of these rental agreements to be \$35,500 per year. This amount is recorded as contribution revenue on the statements of activities and as theater and property use – in-kind on the statement of functional expenses.

During the years ended June 30, 2023, and 2022, the Organization was also granted use of the Jefferson Parish Performing Arts Center (JPAC) in Metairie, Louisiana, for its rehearsals and performances. The fair market value of the use of the JPAC is determined by the number of days used for rehearsals and performances. For the years ended June 30, 2023, and 2022, \$220,000 and \$176,150, respectively, were recorded as contribution revenue and theater and property use – in-kind in connection with use of the JPAC.

JEFFERSON PERFORMING ARTS SOCIETY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

10. Donated Facilities and Services (continued)

Donated Facilities (continued)

The Organization also entered into an agreement with the City of Westwego, which extended through June 30, 2022, for the use of the theatre at the Westwego Performing Arts Center for scheduled performances throughout the fiscal year. The in-kind support includes the use of the facility by the Organization for any and all scheduled events. No rent is paid by the Organization under this agreement and the amount of the support is not readily determinable on an annual basis. No amounts for such support have been recognized in the accompanying Statement of Activities as the criteria for recognition have not been satisfied.

11. Refundable Advances

The Organization was granted a second loan under the Paycheck Protection Program administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. If not forgiven the Organization would be required to repay the remaining advance of \$145,635 plus interest accrued at 1% per annum in monthly payments beginning on March 12, 2021. Principal and interest payments would be required through the maturity date of March 12, 2026. The PPP loan and accrued interest was forgivable after a "covered period" (10 months) if the borrower sustains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. As of December 13, 2021, 100% of loan balance and interest was approved for loan forgiveness, and therefore, the Organization has recognized \$145,635 as grant revenue for the year ended June 30, 2022.

12. Endowment

The Endowments. The Organization's endowment consists of two funds established for a variety of purposes. Its endowment includes restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law. The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as restricted net assets (a) the original value of gifts donated to the restricted endowment; (b) the original value of subsequent gifts donated to the restricted endowment; and (c) accumulations to the restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

JEFFERSON PERFORMING ARTS SOCIETY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

12. Endowment (continued)

The remaining portion of the donor-restricted endowment fund, including earnings on restricted investments, that is not permanently restricted is classified as restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of JPAS, (7) and JPAS' investment policies.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to grow the fund in order to eventually provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Organization seeks to build endowment assets through additional contributions.

Spending Policies

The Organization has a policy of appropriating for distribution when needed, from the endowment fund's investment income that is not permanently restricted, and the Organization generally expends the endowment fund's investment income for the programs supported by the endowment. The current spending policy is expected to allow the Organization's endowment fund to grow as a result of investment returns. This is consistent with the Organization's objectives to provide income for its programs supported by the endowment, preserve endowment assets without subjecting them to substantial risk, and provide additional real growth through new gifts.

Endowment net assets composition by type of fund as of June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Donor-restricted funds	\$ 145,951	\$ 135,597
Board-designated funds	260,490	207,632
Total	<u>\$ 406,441</u>	<u>\$ 343,229</u>

Changes in endowment net assets for the years ended June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Endowment net asset, beginning of year	\$ 343,227	\$ 341,161
Net contributions to board-designated funds	25,172	23,203
Investment income, net of fees	15,365	3,849
Net appreciation (depreciation)	22,677	(24,984)
Endowment net asset, end of year	<u>\$ 406,441</u>	<u>\$ 343,229</u>

JEFFERSON PERFORMING ARTS SOCIETY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

13. Tax Credits

Certain production related expenses are eligible for Musical and Theatrical Production Tax credit from the Louisiana Economic Development. Tax credits in the amounts of \$153,911 and \$307,444 for production related expenses during the years ended June 30, 2021, and 2022 are included in accounts receivable at June 30, 2023 and Louisiana tax credit revenue for the year ended June 30, 2023.

14. Credit Risk

The Organization maintains its cash and cash equivalents in various financial institutions in Louisiana. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. On June 30, 2023, the Organization held cash amounts of \$70,898 in excess of FDIC insured limits. At June 30, 2022, the Organization's cash balances were fully insured by the FDIC. The cash balances, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of our mission.

The Organization's support through state and local government grants represents 20% and 22% of total support earned for the years ended June 30, 2023, and 2022, respectively. The Organization's tax credit revenue of \$461,355 represents 14% of the total revenue for the year ended June 30, 2023.

15. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 31, 2024, and determined the following item requires disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

On February 26, 2024, the Organization listed land and buildings for sale with a net book value of \$269,805.

SUPPLEMENTARY INFORMATION

JEFFERSON PERFORMING ARTS SOCIETY
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2023

<u>Agency Head Name:</u>	Timothy Simmons, Executive Director	Robert DeViney, Executive Director
<u>Dates:</u>	July 1, 2022 - May 31, 2023	June 1, 2023 - June 30, 2023
<u>Purpose</u>	<u>Amount</u>	<u>Amount</u>
Salary	\$ 165,000	\$ 12,500
Benefits - insurance	10,878	-
Reimbursements	-	2,487
Meals and Parking	-	-
Registration fees	-	-
Conference travel	-	-
	<u>\$ 175,878</u>	<u>\$ 14,987</u>

Louisiana Revised Statute 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees to be reported as a supplemental report within the financial statement of local government and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that received public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

See independent auditor's report.

OTHER REPORTS



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

To the Board of Directors of
Jefferson Performing Arts Society
Metairie, 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 Jefferson Performing Arts Society (the Organization), which comprise the statement of financial position as of June 30, 2023 and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jefferson Performing Arts Society'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.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson Performing Arts Society'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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* described in the accompanying schedule of findings and questioned costs as 2023-001.

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.

Richard CPAS

Metairie, Louisiana
March 31, 2024

JEFFERSON PERFORMING ARTS SOCIETY

SUMMARY SCHEDULE FINDINGS AND RESPONSES

FOR THE YEAR ENDED JUNE 30, 2023

1. Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified: None reported
- Significant deficiency(ies) identified that are not considered to be material weakness None reported

Noncompliance material to the financial statements: No

Other matter: Yes

2. Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards*

2023-001 Non-Compliance with State Audit Law

Criteria: In accordance State of Louisiana R.S. 24:513, any local auditee that receives \$500,000 or more in revenues and other sources in any one fiscal year shall be audited annually. The due date of the audit report is six months after the entity’s year end.

Condition: The Organization was required to have an annual audit completed and filed with the Louisiana Legislative Auditor by December 31, 2023 (six months after year end). The Organization requested a non-emergency extension from the Louisiana Legislative auditor and the extension request was acknowledged by the Legislative Audit Advisory Council (LAAC) on March 6, 2024, and therefore fully accepted.

Cause: The Organization requested a non-emergency extension for the financial statement audit of the Organization.

Effect: The Organization is not in compliance with State of Louisiana Audit Law R.S. 24:513.

Recommendations: The Organization should ensure compliance with State of Louisiana Audit Law R.S. 24:513.

Management response: In June of 2023, the Board of Directors hired a new Executive Director of the Jefferson Performing Arts Society (JPAS). In September 2023, the Executive Director hired a Chief Financial Officer. Under new leadership, JPAS is committed to timely and reliable financial reporting and will issue our report on report for the year ended June 30, 2024, on or before December 31, 2024.

JEFFERSON PERFORMING ARTS SOCIETY

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2023

1. Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards*

2022-001 Reconciliation of Investments

Condition: During our audit procedures over investments, we noted investment income was not recorded in JPAS's trial balance.

Recommendation: Management should adjust its reconciliation procedures to ensure that investment income are appropriately recorded for fiscal year end. JPAS can avoid reconciliation discrepancies of this manner by recording investment income per quarter once the investment statements are received.

Current status: Resolved.

2022-002 Recording Revenues in Accordance with GAAP

Condition: During our audit, we noted that JPAS did not adjust its general ledger for receivables owed to it at year end nor for revenues earned for future periods.

Recommendation: JPAS should continue to refine its use of the accounts receivable module of JPAS' accounting system to increase the reliability of its reporting. Revenues should be recorded when earned, meaning that receivables should be booked for cooperative endeavor agreements as JPAS' season progresses. As cash is received, the receivable amounts associated with these revenues should be decreased. Or, if received in advance, cash receipts should be deferred until earned. Revenues and receivables should be reconciled monthly to ensure that appropriate amounts have been recorded in JPAS' accounts.

Current status: Resolved.

2022-003 Non-Compliance with Louisiana's Financial Reporting Laws

Condition: JPAS failed to comply with these laws, submitting the required report approximately 5 months after the required deadline.

Recommendation: The Board of Directors should put policies and procedures in place to ensure that required annual reports are filed in a timely manner.

Current status: Not resolved. See finding 2023-001.

JEFFERSON PERFORMING ARTS SOCIETY

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2023

1. Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards* (continued)

2022-004 Noncompliance With Federal Audit Clearinghouse Reporting Requirements

Condition: JPAS failed to comply with these laws, submitting the required report after the required deadline.

Recommendation: JPAS should put additional policies and procedures in place to ensure that required annual reports are filed in a timely manner.

Current status: Resolved.

2022-005 Commingling of Federal Funds with Other Public Funds

Condition: JPAS's financial records indicate an inconsistency in the clear delineation of the use of federal funds from other sources.

Recommendation: It is recommended that JPAS instate comprehensive policies and procedures to ensure that federal funds are distinctly separated and utilized in accordance with federal requirements.

Current status: Resolved.

JEFFERSON PERFORMING ARTS SOCIETY
LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT

JUNE 30, 2023

RICHARD  CPAS

JEFFERSON PERFORMING ARTS SOCIETY

**LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT**

JUNE 30, 2023

JEFFERSON PERFORMING ARTS SOCIETY

TABLE OF CONTENTS

	<u>Page</u>
<u>Independent Accountants' Report on Applying Agreed-Upon Procedures</u>	1
<u>Schedule A: Agreed-Upon Procedures and Associated Findings</u>	2-15
<u>Management's Response</u>	16-17



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of Jefferson Performing Arts Society and the Louisiana Legislative Auditor:

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

The Jefferson Performing Arts Society (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 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 we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by the Jefferson Performing Arts Society to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Jefferson Performing Arts Society and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Richard CPAS

Metairie, Louisiana
March 31, 2024

JEFFERSON PERFORMING ARTS SOCIETY

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED JUNE 30, 2023

PROCEDURES (SCHEDULE A)

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “no exception noted” or for step 25 “we performed the procedure and discussed the results with management”. If not, then a description of the exception ensues.

1) Written Policies and Procedures

A. Obtain and inspect the entity’s written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity’s operations:

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Exception noted. The Organization did not provide a written policy and procedures related to budgeting.

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.

Exception noted. The Organization did not provide a written policy and procedures related to purchasing.

iii. ***Disbursements***, including processing, reviewing, and approving.

No exceptions were found as a result of this 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).

No exceptions were found as a result of this procedure.

JEFFERSON PERFORMING ARTS SOCIETY

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

- 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.

Exception noted. The Organization did not provide a written policy and procedures related to payroll/personnel.

- 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.

Exception noted. The Organization did not provide a written policy and procedures related to contracting.

- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions were found as a result of this 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).

No exceptions were found as a result of this procedure.

- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

The above procedure is not applicable, as the Organization is a nonprofit organization.

- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Exception noted. The Organization did not provide a written policy and procedures related to debt service.

- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Exception noted. The Organization did not provide a written policy and procedures related to information technology disaster recovery/business continuity.

JEFFERSON PERFORMING ARTS SOCIETY

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

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

The above procedure is not applicable, as the Organization is a nonprofit organization.

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.

No exceptions were found as a result of this procedure.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

The above procedure is not applicable, as the Organization is a nonprofit organization.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

The above procedure is not applicable, as the Organization is a nonprofit organization.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Exception noted. The Organization's board/finance committee did not receive 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.

JEFFERSON PERFORMING ARTS SOCIETY

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

3) Bank Reconciliations

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

No exceptions were found as a result of this procedure.

- 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

Exception noted. The Organization did not include written evidence that a member of management or a board member has reviewed each bank reconciliation.

- 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.

Exception noted. The Organization did not provide documentation that it 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. Randomly select 5 deposit sites (or all deposit sites if less than 5).

No exceptions were found as a result of this procedure.

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 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;

No exceptions were found as a result of this procedure.

JEFFERSON PERFORMING ARTS SOCIETY

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

- 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;

No exception noted related to the collection of cash currency (U.S. Dollars). Exception noted related to the collection of checks since the same employee collected the checks, prepared/made bank deposits, and prepared the bank reconciliation.

- 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

No exception noted related to the collection of cash currency (U.S. Dollars). Exception noted related to the collection of checks since the same employee collected the checks and posted the collection entries to the general ledger or subsidiary ledgers.

- 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 responsible for collecting cash, unless another employee official verifies the reconciliation.

No exception noted related to the collection of cash currency (U.S. Dollars). Exception noted related to the collection of checks since the same employee collected the checks and prepared the bank reconciliation.

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

No exceptions were found as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

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

Exception noted. The Organization did not provide sequentially pre-numbered receipts.

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

Exception noted. The Organization did not provide sequentially pre-numbered receipts, system reports, and other related collection documentation.

JEFFERSON PERFORMING ARTS SOCIETY

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

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

No exceptions were found as a result of this procedure.

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

Exception noted. The Organization did not provide evidence of collection date to determine if deposit was made within one business day of receipt at the collection location.

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

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

- 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;

No exceptions were found as a result of this procedure. The Organization does not use purchase request forms, but at least two employees are involved in approving a purchase and placing an order or making the purchase.

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

No exceptions were found as a result of this 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;

Exception noted. The employee responsible for processing payments is able to add/modify vendor files.

JEFFERSON PERFORMING ARTS SOCIETY

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

- 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

Exception noted. The employee responsible for processing payments is also the employee that mails the payments.

- 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.

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this 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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this 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 person who maintained possession of the cards. Obtain management's representation that the listing is complete.

No exceptions were found as a result of this procedure.

JEFFERSON PERFORMING ARTS SOCIETY

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5 that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

No exception noted on three-monthly statements tested. Exception noted on one of the monthly statements for the Executive Director's transactions in the amount of \$3,147 which were not reviewed and approved by someone other than the authorized card holder.

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

Exception noted. Finance charges in the amount of \$32 and late fees in the amount of \$70 were observed in the September 2022 credit card statements.

- C. Using the monthly statements or combined statements selected under #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe 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.

No exceptions were found as a result of this procedure.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe 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);

The above procedure is not applicable, as the Organization did not have travel and travel-related expense reimbursements during the fiscal period.

JEFFERSON PERFORMING ARTS SOCIETY

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

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

The above procedure is not applicable, as the Organization did not have travel and travel-related expense reimbursements during the fiscal period.

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

The above procedure is not applicable, as the Organization did not have travel and travel-related expense reimbursements during the fiscal period.

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

The above procedure is not applicable, as the Organization did not have travel and travel-related expense reimbursements during the fiscal period.

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. 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

- 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;

No exceptions were found as a result of this 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);

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

JEFFERSON PERFORMING ARTS SOCIETY

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

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

No exceptions were found as a result of this procedure.

9) Payroll and Personnel

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

No exceptions were found as a result of this procedure.

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

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

Exception noted. The Organization did not document their daily attendance and leave.

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

Exception noted. The Organization did not document their daily attendance and leave.

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

Exception noted. The Organization did not provide a cumulative leave record.

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

Exception noted. The Organization did not provide an authorized salary/pay rate found within the personnel file.

JEFFERSON PERFORMING ARTS SOCIETY

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

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

The above procedure is not applicable, as the Organization did not have termination payments during the fiscal period.

- 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.

No exceptions were found as a result of this procedure.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

The above procedure is not applicable, as the Organization is a nonprofit organization.

- ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

The above procedure is not applicable, as the Organization is a nonprofit organization.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

The above procedure is not applicable, as the Organization is a nonprofit organization.

11) Debt Service

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

No exceptions were found as a result of this procedure.

JEFFERSON PERFORMING ARTS SOCIETY

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

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

No exceptions were found as a result of this procedure.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe 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.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

JEFFERSON PERFORMING ARTS SOCIETY

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

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

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.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

The above procedure is not applicable, as the Organization is a nonprofit organization.

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

The above procedure is not applicable, as the Organization is a nonprofit organization.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

The above procedure is not applicable, as the Organization is a nonprofit organization.

- i. Number and percentage of public servants in the agency who have completed the training requirements;

The above procedure is not applicable, as the Organization is a nonprofit organization.

- ii. Number of sexual harassment complaints received by the agency;

The above procedure is not applicable, as the Organization is a nonprofit organization.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

The above procedure is not applicable, as the Organization is a nonprofit organization.

JEFFERSON PERFORMING ARTS SOCIETY

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

The above procedure is not applicable, as the Organization is a nonprofit organization.

- v. Amount of time it took to resolve each complaint.

The above procedure is not applicable, as the Organization is a nonprofit organization.



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March 31, 2024

Management response to the exceptions noted for Jefferson Performing Arts Society (JPAS) in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUP) for the period July 1, 2022, through June 30, 2023 by section, as follows.

1) Written Policies and Procedures

Management will review and update the JPAS written policies and procedures to include formal procedures on budgeting, purchasing, Payroll/personell, contracting, debt service and information technologydisaster recovery/business continuity.

2) Board and Finance Committee

Management will provide the JPAS Board of Directos and Finance and Operating Committee a written update of resolving the audit finding at each meeting until the finding is considered resolved.

3) Bank Reconciliations

JPAS's Chief Financial Officer will review and sign all bank reconciliations prepared by staff promptly after the end of each month. JPAS will research reconciling items that have been outstanding for more than 12 months from the statements closing date.

4) Collections

JPAS will review the segregation of duties related to the receipt and deposits of checks and preperation and review of the bank reconciliation and will update the JPAS policies and procedures to reflect those changes to provide assurance of adequate controls related to collections.

5) Non-Payroll Disbursements

JPAS will review the polices and procedures related to setting up and modifying vendor files to either change the personell responsible or create a list of new vendors and changes to vendor files that will be reviewed by the Chief Financial Officer prior to disbursing checks or electronic

payments. Someone other than the employee responsible for processing payments mails the payment.

6) Credit Cards

The Chief Financial Office will review the credit card statements and approve in writing on a monthly basis.

9) Payroll and Personnel

Management provided a schedule of all full time staff salaries and wages to the Finance Committee during the adoption of the 2023-24 budget and will provide written approval for all newly hired employees and for changes in pay or salary of existing employees. Beginning on January 1, 2024, all vacation and sick leave must be requested and approved and the use and remaining balances are tracked and reported on employees bi-weekly payroll stubs.