



DISTRICT 2 COMMUNITY ENHANCEMENT CORPORATION

Accountant's Review and Attestation Reports,  
With Financial Statements and  
Notes To the Financial Statements  
As of And For The Fiscal Year Ended June 30, 2023

WHARTON CPA, LLC

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**District 2 Community Enhancement Corporation**  
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WHARTON CPA, LLC

Brendel Wharton, CPA

**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Board of Directors of  
District 2 Community Enhancement Corporation  
New Orleans, Louisiana

I have reviewed the accompanying statement of financial position of District 2 Community Enhancement Corporation (a non-profit corporation) as of June 30, 2023, and the related statement of activities, functional expenses, and cash flows for the fiscal year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of agency management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

***Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

***Accountant's Responsibility***

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of District 2 Community Enhancement Corporation and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

***Accountant's Conclusion***

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

***Other Matter Paragraph***

The accompanying schedule of compensation, benefits, and other payments to the agency head at page 9 is presented for purpose of additional analysis and is not a required part of the financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the supplementary information and, accordingly, do not express an opinion on such information

*Wharton CPA, LLC*

Wharton CPA, LLC  
New Orleans, Louisiana  
December 26, 2023

**District 2 Community Enhancement Corporation**  
**Statement of Financial Position**  
*Public Funding Basis*  
**As of June 30, 2023**

<b><u>Assets</u></b>	
Grant Receivable	\$ 37,655
Property and Equipment (net)	<u>1,898,298</u>
<b>Total Assets</b>	<b><u><u>\$ 1,935,953</u></u></b>
<b><u>Liabilities and Net Assets</u></b>	
<b>Current Liabilities</b>	
Due To State of Louisiana	\$ 9,414
Accounts Payable	<u>4,671</u>
<b>Total Current Liabilities</b>	<b>\$ 14,085</b>
<b><u>Net Assets</u></b>	
Without Donor Restrictions	1,921,868
With Donor Restrictions	<u>-</u>
<b>Total Net Assets</b>	<b><u>1,921,868</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u><u>\$ 1,935,953</u></u></b>

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

**District 2 Community Enhancement Corporation**  
**Statement of Activities**  
*Public Funding Basis*  
**For the Fiscal Year Ended June 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND OTHER REVENUES:</b>			
Government Grants	\$ 250,000	-	\$ 250,000
Net Assets Released from Restrictions	-	-	-
<b>Total support and other revenues</b>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
<b>Functional Expenses</b>			
Program Activities	158,258	-	158,258
Management & General	91,742	-	91,742
Total Operating Expense	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Depreciation	<u>55,835</u>	<u>-</u>	<u>55,835</u>
<b>Total Expenses</b>	<u>305,835</u>	<u>-</u>	<u>305,835</u>
<b>Change in Net Assets</b>	<u>(55,835)</u>	<u>-</u>	<u>(55,835)</u>
<b>Net Assets At Beginning Of Year</b>	<u>1,977,703</u>	<u>-</u>	<u>1,977,703</u>
<b>Net Assets At End Of Year</b>	<u>\$ 1,921,868</u>	<u>\$ -</u>	<u>\$ 1,921,868</u>

**District 2 Community Enhancement Corporation**  
**Statement of Functional Expenses**  
*Public Funding Basis*  
**For the Fiscal Year Ended June 30, 2023**

	<u>Program Activities</u>	<u>Management &amp; General</u>	<u>Depreciation</u>	<u>Total Expenses</u>
Payroll Expenses	\$ -	\$ 57,553	\$ -	\$ 57,553
Program Staff	35,481	-	-	35,481
Payroll Taxes	5,121	5,930	-	11,051
Marketing & Program Development	40,181	-	-	40,181
Accounting	-	10,690	-	10,690
Printing	880	-	-	880
Instructional Staff	28,900	-	-	28,900
Postage & Shipping	108	-	-	108
Student Supplies & Material	843	-	-	843
Telephone	-	5,500	-	5,500
Equipment Rental	2,170	-	-	2,170
Overhead	15,458	-	-	15,458
Advertising	405	-	-	405
Culminating Event	4,179	-	-	4,179
Grounds Maintenance	-	7,419	-	7,419
Janitorial	1,725	1,650	-	3,375
Insurance	22,807	-	-	22,807
Payroll Processing	-	3,000	-	3,000
Depreciation	-	-	55,835	55,835
<b>Total Expenses</b>	<b><u>\$ 158,258</u></b>	<b><u>\$ 91,742</u></b>	<b><u>\$ 55,835</u></b>	<b><u>\$ 305,835</u></b>

See Independent Accountant's Review Report.

**District 2 Community Enhancement Corporation**  
**Statement of Cash Flows**  
*Public Funding Basis*  
**For the Fiscal Year Ended June 30, 2023**

**Cash Flows From Operating Activities:**

Changes in Net Assets	\$ (55,835)
Adjustments to Reconcile Net Revenues over Expenditures to Net Cash Provided by Operating Activities	
Depreciation Expense	55,835
Changes in Operating Assets and Liabilities	
Grant Receivable	(4,020)
Accounts Payable	4,671
Due To State of Louisiana	<u>(651)</u>
Net Cash Provided by Operating Activities	0

**Cash Flows From Investing Activities:**

Purchase/Sale of Investments, Securities, and Fixed Assets	<u>0</u>
Net Cash Used by Investing Activities	0

**Cash Flows From Financing Activities:**

Net Cash Provided by Financing Activities	<u>0</u>
Net Cash Increase for Period	0
Cash, At Beginning of Period	<u>0</u>
Cash, At End of Period	<u><u>\$ -</u></u>

See Independent Accountant's Review Report.

**District 2 Community Enhancement Corporation**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**1. Summary of Significant Accounting Policies**

**General** – District 2 Community Enhancement Corporation is a non-profit organization located in New Orleans, Louisiana. District 2 Community Enhancement Corporation was incorporated in July 2004, with the mission to enhance the quality of life in New Orleans East and the Lower Ninth Ward (Senate District 2) through advocacy, programming, and organized community action. The District 2 Community Enhancement Corporation conducts programs and activities that focus on the environmental quality, economic development, and social capital and community cohesion.

**Basis of Accounting** – District 2 Community Enhancement Corporation’s financial statements are prepared on a “public funding” basis of accounting, whereby the financial statements reflect only those transactions derived from public sources and does not include any transactions derived from private sources. Generally accepted accounting principles require that all funding source transactions be included in the financial statements. Aside from the exclusion of transactions derived from private sources, the accounting and reporting policies of District 2 Community Enhancement Corporation conform to the accounting principles generally accepted in the United States of America and reporting practices within the nonprofit industry.

**Property and Equipment** – Improvements which significantly extend the useful life of an asset and purchases of buildings, land, furniture and equipment in excess of \$2,500 are capitalized at cost. This practice agrees with District 2 Community Enhancement Corporation policy. The straight-line method of depreciation is used for the assets owned currently, with estimated useful lives of these assets ranging from 7 to 39 years.

**Income Taxes** – District 2 Community Enhancement Corporation has been determined to be tax exempt under Section 501 (c) 3 of the Internal Revenue Code. Tax years 2020, 2021, and 2022 remain open for potential examination of taxing authorities. The agency’s financial exposure would exist as it relates to potential unrelated business income.

**Use of Estimates**- The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

**Functional Expenses** – Expenses are charged to each program based on direct expenditures incurred. Any expenditure not directly chargeable is allocated to a program based on management’s estimates.

**Cash** - Cash is comprised of cash on hand and in banks.

**Statement of Cash Flow** – For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and having original maturities of three months or less, and which are not held for investing purposes.

**District 2 Community Enhancement Corporation**  
**Notes to the Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2023**

- 2. Net Assets** - Financial Accounting Standards Board (FASB) Accounting Standards Codification “ASC” 958, Not-for-Profit Entities, requires net assets and changes in net assets be reported for in two classifications. A description of the two types of Net Assets categories is described below:

Net Assets with donor imposed restrictions – Gifts of cash and other assets which have donor imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified as unrestricted net assets.

Net Assets without donor imposed restrictions – Gifts of cash and other assets absent of donor imposed restrictions. As of June 30, 2023, District 2 Community Enhancement Corporation had net assets without donor imposed restrictions.

Amounts received with donor stipulations that limit the use of the donated assets are reported as restricted support. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and are reported in the statement of activities as net assets released from restrictions.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

**3. Program Revenue**-Programs, consulting fees, and exchange-type grants and contracts, revenue is recognized when earned in accordance with ASC 606, Revenue from Contracts with Customers. Program fees and payments under exchange-type grants and contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

**4. Economic Dependency**- District 2 Community Enhancement Corporation receives its funding from government grants. The continuance of this program is dependent upon the agency’s ability to gain renewal of contracts and grants as well as to obtain new funding.

**5. Board of Directors Compensation**-The board of directors operates on a voluntary basis, as such there were no payments made to any board member during the fiscal year ended June 30, 2023 for services.

**District 2 Community Enhancement Corporation**  
**Notes to the Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2023**

**6. Contingencies** – District 2 Community Enhancement Corporation receives a substantial portion of its revenues from government grants and contracts which are subject to audit. The final determination of amounts received under these programs generally is based upon allowable costs reported to and subject to audit by the grantor. Until such audits have been completed and final settlement reached, there is a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

**7. Subsequent Events** – Management has evaluated subsequent events through the date that the financial statements are available to be issued, December 26, 2023, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**8. Grant revenue and receivable** –District 2 Community Enhancement Corporation recognized the following public funding revenue and receivable:

<u>AGENCY</u>	FYE June 30, 2022 <u>Revenue</u>	June 30, 2022 <u>Receivable</u>
Louisiana Department of Economic Development	\$ 250,000	\$ 37,655

**9. Property and Equipment (net)**- The following is a summary of publicly funded fixed assets owned at June 30, 2023:

Assets	Estimated Useful lives	Cost Basis Amount	Accumulated Depreciation	Net Amount
Land	-----	\$ 337,210	NA	337,210
Building & Improvements	39	2,033,133	(476,553)	1,556,580
Furniture	8	26,515	(22,007)	4,508
Equipment	7	13,966	(13,966)	-0-
<b>TOTAL</b>		<b>2,410,824</b>	<b>(512,526)</b>	<b>1,898,298</b>

District 2 Community Enhancement uses these fixed assets for its program service activities. Depreciation expense for the fiscal year ended June 30, 2023 is \$55,835.

SUPPLEMENTAL INFORMATION

**District 2 Community Enhancement Corporation**

*Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer*

Year Ended 2023

**Agency Head Name: Mrs. Tiffany Crawford**

<b>Purpose</b>	<b>Amount</b>
Salary	90,842.70
Benefits-insurance	
Benefits-retirement	
Benefits-Other	
Car allowance	
Vehicle provided by government	
Per diem	
Reimbursements	
Travel	
Registration fees	
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	
Total	90,842.70

\*an example of an unvouchered expense would be a travel advance

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-public Agencies)**

12/11/2023 (Date Transmitted)

Wharton CPA, LLC (CPA Firm Name)  
PO Box 870847 (CPA Firm Address)  
New Orleans, LA 70187 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 6/30/23 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Federal, State, and Local Awards**

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes [ x ] No [ ]

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes [ x ] No [ ]

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes [ x ] No [ ]

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes [ x ] No [ ]

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "[Open Meeting FAQs](#)," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to the open meetings law.**

Yes [ x ] No [ ]

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [ x ] No [ ]

**Reporting**

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [ x ] No [ ]

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [ x ] No [ ]

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [ x ] No [ ]

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes [ x ] No [ ]

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [ x ] No [ ]

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [ x ] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [ x ] No [ ]

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [ x ] No [ ]

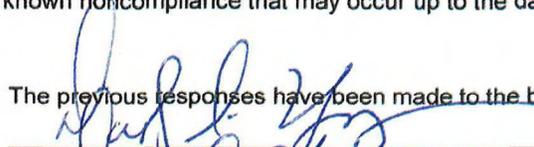
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [ x ] No [ ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [ x ] No [ ]

The previous responses have been made to the best of our belief and knowledge.

	Secretary	12/13/23	Date
	Treasurer	12/13/23	Date
	President	12/13/23	Date



**District 2 Community Enhancement Corporation**  
 Independent Accountant's Report  
 on Applying Agreed-Upon Procedures

To the District 2 Community Enhancement Corporation and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the District 2 Community Enhancement Corporation and the Louisiana Legislative Auditor (the specified parties), on the Agency’s compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2023, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Agency’s management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, I make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Agency’s management.

The Agency provided us with the following list of expenditures made for State grant awards received during the fiscal year ended June 30, 2023:

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
Louisiana Department of Economic Development	Fiscal Year Ending 6/30/2023	NA	250,000.00
Total Expenditures			250,000.00

The Agency represented that they received one state government grant award during the fiscal year ended June 30, 2023.

2. For each federal, state, and local grant award, randomly select six disbursements from each government grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

There was one government funding source, from which 6 disbursements were randomly selected during the period of July 1, 2023 through June 30, 2023.

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

Each of the selected disbursements agreed to the amount and payee in the supporting documentation.

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

All of the disbursements were coded to the correct fund and general ledger account.

Report whether the selected disbursements were approved in accordance with the Agency's policies and procedures.

The Agency's policies and procedures state that the executive director must approve all disbursements. Documentation supporting each of the selected disbursements included the signature of the executive director.

For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

*Activities allowed or unallowed*

I compared documentation for each of the selected disbursements with program compliance requirements related to services allowed or not allowed. No exceptions were noted.

### *Eligibility*

I compared documentation for each of the selected disbursements with program compliance requirements related to eligibility. No exceptions were noted.

### *Reporting*

I compared documentation for each of the selected disbursements with program compliance requirements related to reporting. No exceptions were noted.

5. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Agency's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.

Close-out reports agreed to the financial records of the Agency without exception.

### *Open Meetings*

6. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions.

Management represented that the Agency is not subject to the open meetings law. However, the Agency asserts that prior to each meeting of its governing board, that they post a notice of each meeting and the accompanying agenda on the door of their office.

### *Budget*

7. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the agency provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

The Agency provided documentation that comprehensive budgets were submitted to the applicable State grantor agency for the grants exceeding five thousand dollars. These budgets included the purpose and duration of the grant program.

### *State Audit Law*

8. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The agency's report was submitted to the Legislative Auditor before the statutory due date of December 31, 2023.

9. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

The Agency's management represented that the Agency did not enter into any contracts during the fiscal year that were subject to the public bid law.

#### Prior-Year Comments

10. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

There were no prior year exceptions or comments.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Agency's compliance with the foregoing matters. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Agency's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Louisiana Legislative Auditor as a public document.



Wharton CPA, LLC  
New Orleans, LA  
December 26, 2023