

**BOGALUSA REBIRTH**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

# BOGALUSA REBIRTH

## TABLE OF CONTENTS

DECEMBER 31, 2022

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1-3
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-14
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Compensation, Benefits, and Other Payments to the Executive Director	15
<b>SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16-17
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	18-20
Schedule of Expenditures of Federal Awards	21
Notes to Schedule of Expenditures of Federal Awards	22
Schedule of Findings and Questioned Costs	23-24
<b>REPORT BY MANAGEMENT</b>	
Schedule of Prior Year Findings	25
<b>STATEWIDE AGREED-UPON PROCEDURES</b>	
Independent Accountants' Report on Applying Agreed-Upon Procedures	26-37



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Bogalusa Rebirth  
Bogalusa, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of Bogalusa Rebirth (a non-profit organization), which comprise the statements of financial position as of December 31, 2022, 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 Bogalusa Rebirth as of December 31, 2022, and the changes in its net assets, functional expenses, and its cash flows for the years 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bogalusa Rebirth and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibility of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 Bogalusa Rebirth's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' 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 opinions. 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 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 Bogalusa Rebirth'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 Bogalusa Rebirth's ability to continue as a going concern for a reasonable 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 the Executive Director on page 15 and the Schedule of Expenditures of Federal Awards on page 21, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2023, on our consideration of Bogalusa Rebirth'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 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 Bogalusa Rebirth's internal control over financial reporting and compliance.



Metairie, Louisiana  
June 26, 2023

**BOGALUSA REBIRTH**

**STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2022**

	<u>Amount</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 143,898
Restricted cash - future development	221,216
Accounts receivable-grants	286,963
Construction in progress	787,238
Total current assets	<u>\$ 1,439,315</u>
 Total assets	 <u><u>\$ 1,439,315</u></u>
 <b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 77,623
Line of credit	275,420
Total current liabilities	<u>\$ 353,043</u>
 <b>NET ASSETS</b>	
Without donor restrictions	\$ 1,086,272
Total net assets	<u>\$ 1,086,272</u>
 Total liabilities and net assets	 <u><u>\$ 1,439,315</u></u>

See Notes to Financial Statements.

**BOGALUSA REBIRTH**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>			
Federal reimbursable grants	\$ 895,296	\$ -	\$ 895,296
Sales of Houses	259,180	-	259,180
Less: Development costs	(354,951)	-	(354,951)
Sale of donated land	15,000	-	15,000
Less: In-kind land donation value	(5,000)	-	(5,000)
Other grants	41,626	-	41,626
Contributions	35,765	-	35,765
Total revenues, gains and other support	\$ 886,916	\$ -	\$ 886,916
 <b>EXPENSES</b>			
Program services	\$ 133,310	\$ -	\$ 133,310
Supporting services			
General and administrative	41,757	-	41,757
Fund-raising	4,978	-	4,978
Total expenses	\$ 180,045	\$ -	\$ 180,045
 Increase (decrease) in net assets	\$ 706,871	\$ -	\$ 706,871
 <b>NET ASSETS AT BEGINNING OF YEAR</b>	379,401	-	379,401
 <b>NET ASSETS AT END OF YEAR</b>	\$ 1,086,272	\$ -	\$ 1,086,272

See Notes to Financial Statements.

## BOGALUSA REBIRTH

### STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Program</u>			
	<u>Affordable</u>	<u>General and</u>	<u>Fund-raising</u>	<u>Total</u>
	<u>Housing</u>	<u>Administrative</u>		
Salaries and related expenses	\$ 74,642	\$ 8,781	\$ 4,391	\$ 87,814
Total salaries and related expenses	<u>\$ 74,642</u>	<u>\$ 8,781</u>	<u>\$ 4,391</u>	<u>\$ 87,814</u>
Accounting	\$ -	\$ 4,122	\$ -	\$ 4,122
Advertising and marketing	1,229	364	-	1,593
Closing costs	2,161	-	-	2,161
Communications	-	4,750	-	4,750
Computer and equipment	-	919	-	919
Conferences	-	243	-	243
Contract services	5,485	-	-	5,485
Development costs	354,951	-	-	354,951
Direct homebuyer assistance	5,000	-	-	5,000
Dues and fees	-	2,507	-	2,507
Furniture and equipment	-	466	-	466
In-kind land donation value	5,000	-	-	5,000
Insurance	15,933	1,142	-	17,075
Interest	6,252	46	-	6,298
Lease expense	-	3,970	-	3,970
Miscellaneous	3,410	620	-	4,030
Office supplies	-	4,283	-	4,283
Professional fees	18,980	7,264	-	26,244
Travel and meals	-	2,280	-	2,280
Security	218	-	-	218
Special events	-	-	587	587
Total expenses	<u>\$ 493,261</u>	<u>\$ 41,757</u>	<u>\$ 4,978</u>	<u>\$ 539,996</u>
Less: Development costs	(354,951)	-	-	(354,951)
Less: In kind land donation	(5,000)	-	-	(5,000)
	<u><u>\$ 133,310</u></u>	<u><u>\$ 41,757</u></u>	<u><u>\$ 4,978</u></u>	<u><u>\$ 180,045</u></u>

See Notes to Financial Statements.

## BOGALUSA REBIRTH

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase (decrease) in net assets	\$ 706,871
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
(Increase) decrease in operating assets:	
Accounts receivable-grants	(117,934)
Construction in progress	(630,646)
Increase (decrease) in operating liabilities:	
Accounts payable	74,474
Net cash provided by operating activities	<u>\$ 32,765</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from lines of credit	\$ 748,887
Repayments of lines of credit	(511,840)
Net cash provided by financing activities	<u>\$ 237,047</u>
Net increase in cash, cash equivalents and restricted cash	\$ 269,812
Beginning cash, cash equivalents and restricted cash, as restated	<u>\$ 95,302</u>
Ending cash, cash equivalents and restricted cash	<u><u>\$ 365,114</u></u>
Cash, cash equivalents and restricted cash as of December 31, 2022 consist of the following:	
Cash and cash equivalents	\$ 143,898
Cash restricted for:	
Future developments	221,216
Total cash, cash equivalents and restricted cash	<u><u>\$ 365,114</u></u>
Supplemental Disclosures of Cash Flow Information:	
Cash paid during the year for interest	<u>\$ 6,298</u>
Non-cash donations of land	<u><u>\$ 5,000</u></u>

See Notes to Financial Statements.

**BOGALUSA REBIRTH  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Bogalusa Rebirth (the "Organization") is a non-profit Louisiana organization incorporated in 2007. The Organization's mission is "through broad partnerships, HUD funding, grants, local contributions and the commitment of working families, Bogalusa Rebirth will replace blight in Bogalusa neighborhoods with new houses to be sold to families earning less than 80% of median household income (MHI)." The vision of the Organization is to see a future for the City of Bogalusa with its streets free of blight and safe decent affordable housing available for all residents.

Since achieving Community Housing Development Organization (CHDO) status in 2017, Bogalusa Rebirth has been successful in bringing Federal funds, private financing and development and local business investment to the issue of affordable housing in Bogalusa:

Priority Area	Impact
HUD HOME funds awarded	\$ 1,400,000
Affordable housing units produced	8
HUD HOME fund committed additionally	\$ 1,300,000

In 2016 Bogalusa Rebirth held the first Annual Housing Fair to attract applicants meeting income requirements to apply to purchase the planned HUD homes. Bogalusa Rebirth provides financial literacy training, credit counseling and homebuyer training. The annual housing fair along with family services has produced a waiting list of qualified applicants in need of safe decent affordable housing:

Priority Goal	Impact
Current applicant pool earning >80% MHI	87
Applicants currently in credit counseling	38
Applicants mortgage ready	8

Bogalusa Rebirth Blight Remediation Program has both City Government, local business, and Foundation support. Since its inception the following progress has been made:

Priority Goal	Impact
Numer of condemned structures	400+
Number of tear downs completed	8
New homes built to replace blight	4
Donations to blight remediation fund	\$ 50,000

**BOGALUSA REBIRTH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting**

The Organization's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America on the accrual basis of accounting.

**Financial Statement Presentation**

The Organization follows the financial statement presentation recommended by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, Not-for-Profit Entities. The Organization reports information regarding its financial position and activities according to two classes of net assets based on the existence or absence of restrictions on use that its donors place: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - Net assets not subject to donor-imposed restrictions may be expended to perform the Organization's primary objectives. These net assets may be used at the discretion of the Organization's management and the board of directors. The revenues received in conducting the Organization mission are included in this category.

Net assets with donor restrictions – Net assets are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in that the donor has stipulated these funds be maintained in perpetuity.

As of December 31, 2022, the Organization has not received any contributions with donor-imposed restrictions that would result in donor-restricted net assets.

**Use of Estimates**

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

**Cash and Cash Equivalents**

The Organization classifies as cash and cash equivalents all highly liquid debt instruments with an initial maturity of three months or less.

Cash balances are held in several financial institutions in Bogalusa, Louisiana. The Federal Deposit Insurance Corporation insures a balance of up to \$250,000. There were no balances in excess of this amount.

**BOGALUSA REBIRTH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Receivables**

Receivables consist of amounts due from grants. The receivables are stated as the amount management expects to collect from outstanding balances from funders. The financial statements do not include an estimate for allowance for doubtful accounts. Management believes that all receivables are fully collectible.

**Construction in Progress**

Construction in progress represents all direct material, labor, land, and infrastructure costs incurred to construct a home. Revenue is recognized under the full accrual method when a sale is consummated, and the homeowner is obligated under a mortgage. As of December 31, 2022, construction in progress included:

Land	Development Costs	Total Construction In Progress
<u>\$18,316</u>	<u>\$ 768,922</u>	<u>\$ 787,238</u>

**Property and Equipment**

All acquisitions of property and equipment over \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the useful life of the assets.

**Sales of Houses**

Bogalusa Rebirth builds and sells houses to low-income individuals. Such revenues are recognized at the date of closing for the house as this is the point in time Bogalusa Rebirth has determined to satisfy their performance obligation.

**Contributions**

Contributions are recognized when the donor makes an unconditional promise to give. 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 were made. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Gifts of long-lived operating assets such as land, buildings, or equipment are reported as support without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions.

**BOGALUSA REBIRTH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Government Grants**

Revenues from federal grants are recorded when the Organization has a right to reimbursement under the related grant, generally corresponding to the incurring of grant-related costs by the Organization or when earned under the terms of the grants.

**In-Kind Contributions and Contributed Services**

In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used. The Organization recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

The Organization receives a significant amount of contributed time from volunteers that does not meet the recognition criteria described above. Accordingly, the value of this contributed time is not reflected in the accompanying financial statements. The Organization received donated land. The value of the land at donation was \$5,000 and sold for \$15,000.

**Advertising**

The Organization expenses all advertising costs as incurred. For the year ended December 31, 2022, the Organization incurred and expensed advertising costs of \$1,593.

**Functional Allocation of Expense**

Expenses are summarized on a functional basis. The statements of functional expenses present the natural classification detail of expense by function. Salaries and related payroll expenses are allocated based upon the time spent for each function. Allocation of all other shared expenses is based upon management's estimates of the usage applicable to conducting various program or support activities.

**Income Taxes**

The Organization has received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service. It is not subject to Federal income tax unless the Organization has unrelated trade or business income.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of December 31, 2022, the Organization's management believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended December 31, 2020, and later remain subject to examination by the taxing authorities.

**BOGALUSA REBIRTH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Adopted Accounting Pronouncements**

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (Update) No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The Update seeks to increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure.

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (Update) No. 2016-02, Leases. The Update seeks to increase transparency and comparability among organizations by recognizing lease assets and liabilities on the balance sheet and disclosing essential information about leasing arrangements.

The Financial Accounting Standards Board (FASB) Update No. 2014-09, Revenue from Contracts with Customers (Topic 606). The Update seeks to clarify the principles of recognizing revenues and eliminating industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized.

The Organization has implemented the Update provisions for the year ending December 31, 2022.

**NOTE 2. CASH, CASH EQUIVALENTS, AND RESTRICTED CASH**

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows:

	<u>December 31, 2022</u>
Cash and cash equivalents	\$ 143,898
Restricted cash	221,216
Total	<u>\$ 365,114</u>

The Organization is contractually obligated to keep the amounts received from the sales of houses in a separate bank account. The funds are to be used for future development costs.

**NOTE 3. OPERATING LEASE**

During the year ended December 31, 2022, the Organization renewed an operating lease for an administrative office space for an additional one-year term. Lease expense related to the office space totaled \$3,970 for the year ended December 31, 2022.

**BOGALUSA REBIRTH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 4. LIQUIDITY AND AVAILABILITY OF RESOURCES**

Bogalusa Rebirth regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization manages its cash available to meet general expenditures following the guiding principles of operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets. In addition, the Organization maintains several lines of credit as a source of liquidity if needed. See Note 5 for information about the lines of credit. In addition to financial assets available to meet general expenditures over the next twelve months, the Organization operates with a budget to monitor resources and spending.

As of December 31, 2022, financial assets available for general operating purposes within one year of the balance sheet date consist of the following:

	2022
Cash and cash equivalents	\$ 143,898
Grant receivables	286,963
Total financial assets	\$ 430,861

**NOTE 5. LINES OF CREDIT**

The Organization maintains three revolving lines of credit at a financial institution with a floating interest rate of the Wall Street Journal Prime Rate. Borrowings under the lines are collateralized by certain assets of the Organization. The following chart provides information related to the lines of credit as of December 31, 2022:

Date of Note	Maturity Date	Interest Rate	Amount available	Balance
8/6/2021	8/6/2022	8.75%	\$ 185,000	\$ 179,440
10/19/2021	10/19/2022	9.00%	15,000	-
6/27/2022	6/27/2023	7.75%	96,000	96,000
			\$ 296,000	\$ 275,440

For the year ended December 31, 2022, interest expense on the lines of credit totaled \$6,298.

**NOTE 6. CONCENTRATION OF RISK**

The Organization receives donations and grants from various donors. For the year ended December 31, 2022, \$895,296 or 70% of the Organization's revenue received was from federal reimbursement grants. \$259,180 or 21% was received from the sales of houses. The remaining 9% or \$92,391 was received from the sale of an in-kind land donation, other grants and contributions.

**BOGALUSA REBIRTH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7. SALES OF HOUSES**

The Organization had the following sales of houses and in-kind donated land for the year ended December 31, 2022. The amounts are included in the statement of activities and changes in net assets.

Land	Development Costs	Total Cost	Sale Price
\$25,372	\$ 334,579	\$ 359,951	\$ 261,190

**NOTE 8. RELATED PARTY TRANSACTIONS**

The Organization had an officer donate a piece of land with an appraisal of \$5,000 at the date of donation. The land sold for \$15,000 during the year ended December 31, 2022.

**NOTE 9. COMPENSATION**

The Board of Directors serves the Organization without compensation.

**NOTE 10. RECLASSIFICATION OF PRIOR YEAR PRESENTATION**

Certain prior year amounts have been reclassified to the correct year, therefore restating the beginning net asset balance as follows:

Beginning Net Assets	\$ 100,385
Prior year adjustments:	
Construction in progress	109,987
Accounts receivable	169,029
Total prior year adjustments	279,016
Beginning Net Assets, restated	\$ 379,401

**NOTE 11. SUBSEQUENT EVENTS**

Management evaluated subsequent events through June 26, 2023, when the financial statements were available. Management's evaluation revealed no subsequent events requiring adjustment or disclosure in the financial statements.

**SUPPLEMENTARY INFORMATION**

**BOGALUSA REBIRTH  
SCHEDULE OF COMPENSATION, BENEFITS, AND  
OTHER PAYMENTS TO THE EXECUTIVE DIRECTOR  
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Purpose:</u>	<u>Wendy Dupont</u>
Salary	\$ 65,000
Reimbursements	1,044
Cellphone	1,509
	<u>\$ 67,553</u>

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**



**BERNARD & FRANKS**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

JAMES L. WHITE, C.P.A.

**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 GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Bogalusa Rebirth  
Bogalusa, 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 Bogalusa Rebirth (a non-profit organization) (the "Organization"), which comprise the statement of financial position as of December 31, 2022, 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 June 26, 2023.

**Report on Internal Control over Financial Reporting**

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

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 Organization'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 being 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 the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or 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.

This report is intended for the information of the Board of Directors, management, the State of Louisiana, the Legislative Auditor for the State of Louisiana, Federal Awarding Agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Bernard & Franks".

Metairie, Louisiana  
June 26, 2023



**BERNARD & FRANKS**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

JAMES L. WHITE, C.P.A.

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

To the Board of Directors of  
Bogalusa Rebirth  
Bogalusa, Louisiana

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the compliance of Bogalusa Rebirth (a non-profit organization) (the "Organization") with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2022. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control over Compliance**

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

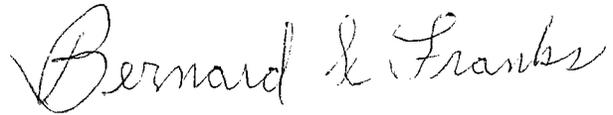
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or

significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Bernard L. Franks".

Metairie, Louisiana  
June 26, 2023

**BOGALUSA REBIRTH**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Federal grantor/pass-through grantor/program	Assistance listing number	Contract number	Total federal expenditures
<b>United States Department of Housing and Urban Development</b>			
<i>Passed through Louisiana Housing Corporation</i>			
Home Investment Partnerships Program			
HOME	14.239	-	\$ 818,143
Operating Grant	14.239	-	50,000
<i>Passed through Enterprise Community Partners, Inc.</i>			
Community Development and Affordable Housing Program			
Section 4 Capacity Building Grant	14.242	22SG2522	27,153
<b>Total United States Department of Housing and Urban Development</b>			<b>\$ 895,296</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 895,296</b>

See Notes to Schedule of Expenditures of Federal Awards

**BOGALUSA REBIRTH**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Bogalusa Rebirth (the "Organization") under programs of the federal government for the year ending December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Bogalusa Rebirth, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Bogalusa Rebirth.

**Financial Statement Presentation**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain expenditures are not allowable or are limited to reimbursement.

**Indirect Cost Rate**

The Organization did not elect to take the de minimis indirect cost rate allowed under the Uniform Guidance.

**BOGALUSA REBIRTH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2022**

**Section I- Summary Of Auditors' Results**

**Financial Statements**

1. The independent auditors' report expresses an unmodified opinion on the financial statements of Bogalusa Rebirth which was prepared in accordance with generally accepted accounting principles and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.
2. No significant deficiencies or material weaknesses of Bogalusa Rebirth's internal control were disclosed by the audit of the financial statements as reported in the 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 *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Bogalusa Rebirth were disclosed as reported in the 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 *Government Auditing Standards*.

**Federal Awards**

4. No significant deficiencies or material weaknesses relating to internal control over the major federal award programs were disclosed during the audit, as reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditors' report on compliance for major federal award programs expresses an unmodified opinion.
6. There were no audit findings that are required to be reported in accordance with the Uniform Guidance.
7. The major program tested was the following:

Assistance listing number	Name of Federal Program or Cluster
14.239	Home Investment Partnerships Program, HOME funds

**BOGALUSA REBIRTH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2022**

**Section I- Summary of Auditors' Results**

**Federal Awards-Continued**

8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Bogalusa Rebirth was not determined to be a low-risk auditee as defined by Uniform Guidance.

**Section II- Financial Statement Findings**

**Internal Control Over Financial Reporting And Compliance And Other Matters  
Material To The Basic Financial Statements**

**Internal Control Over Financial Reporting**

No internal control over financial reporting findings was reported during the audit for the year ending December 31, 2022.

**Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit for the year ending December 31, 2022.

**Section III - Federal Award Findings And Questioned Costs**

**Internal Control/Compliance**

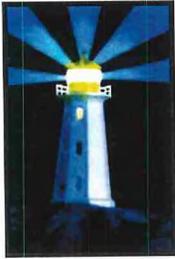
No findings or questioned costs were reported during the audit of the financial statements for the year ended December 31, 2022, related to internal control and compliance material to federal awards.

**REPORT BY MANAGEMENT**

**BOGALUSA REBIRTH  
SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2022**

This is a first-year audit for the Organization. There were no prior year findings.

**STATEWIDE AGREED-UPON PROCEDURES**



INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

To the Board of Directors of  
Bogalusa Rebirth  
Bogalusa, Louisiana  
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 fiscal period January 1, 2022 through December 31, 2022. Bogalusa Rebirth's management is responsible for those C/C areas identified in the SAUPs.

Bogalusa Rebirth has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

***1.) Written Policies and Procedures***

---

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

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

Result: There were no exceptions noted.

- 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.

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- 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).

Result: There were no exceptions noted.

- 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(s) rate of pay or approval and maintenance of pay rate schedules.

Result: There were no exceptions noted.

- 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.

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- viii. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Result: There were no exceptions noted.

- 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 Organization's ethics policy.

Result: The Organization is a nonprofit organization; therefore, the ethics agreed-upon procedure does not apply.

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

Result: The Organization is a nonprofit organization; therefore, the debt service agreed-upon procedure does not apply.

- 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.

Result: The Organization's technology policies do not reference the above procedures regarding Information Technology Disaster Recovery/Business Continuity.

- 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.

Result: The Organization is a nonprofit organization; therefore, the prevention of sexual harassment agreed-upon procedure does not apply.

## ***2.) Board or Finance Committee***

---

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Results: There were no exceptions noted.

- 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 nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the Organization's collections during the fiscal period.*

Results: There were no exceptions noted.

- 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.

Results: The Organization is a nonprofit organization; therefore, this agreed-upon procedure does not apply.

- 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.

Results: There were no exceptions noted.

## ***3.) Bank Reconciliations***

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- A. Obtain a listing of Organization bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Organization's main operating account. Select the Organization's main operating account and

randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Result: We obtained the required list with management's representation that the listing is complete.

- 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);

Result: There were no exceptions noted.

- ii. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Result: There were no exceptions noted.

- 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.

Result: There were no exceptions noted.

#### ***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).

Result: We obtained the required list with management's representation that the listing is complete.

- 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 no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Result: We obtained the required list with management's representation that the listing is complete.

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- 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, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Result: There were no exceptions noted.

- 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 enforced during the fiscal period.

Result: There were no exceptions noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- 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).

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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

---

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

Result: We obtained the required list with management's representation that the listing is complete.

B. For each location selected under #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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Result: We obtained the required list with management's representation that the listing is complete.

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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.

Result: There were no exceptions noted.

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.

Result: There were no exceptions noted.

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.

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Result: There were no exceptions noted.

D. Using the entity's main operation 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.

Result: There were no exceptions noted.

#### **6.) Credit Cards/Debit Cards/Fuel Cards/P-Cards**

---

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

Result: We obtained the required list with management's representation that the listing is complete.

- 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.

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- 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 (i.e., each card should have 10 transactions subject to testing). 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Result: There were no exceptions noted.

#### **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, 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:

Result: We obtained the required list with management's representation that the listing is complete.

- 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](http://www.gsa.gov)).

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- 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).

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

## **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:

Result: We obtained the required list with management's representation that the listing is complete.

- 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.

Result: This is not applicable, as the Organization did not have any contracts under the Louisiana Public Bid Law requirements.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law.

Result: There were no exceptions noted.

- 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, was approval documented).

Result: There were no exceptions noted.

- 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.

Result: There were no exceptions noted.

### ***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.

Result: We obtained the required list with management's representation that the listing is complete.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #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). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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

Result: There we no exceptions noted.

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

Result: We obtained the required list with management's representation that the listing is complete. There were no exceptions noted.

- 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.

Result: We obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines. There were no exceptions noted.

### ***10.) Ethics***

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- A. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above obtain ethics documentation from management, and:
- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - ii. Observe whether the Organization maintains documentation which demonstrates each employee and official were notified of any changes to the Organization's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Result: The Organization is a nonprofit organization; therefore, the ethics agreed-upon procedure does not apply.

### ***11.) Debt Service***

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- 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 State Bond Commission approval was obtained for each debt instrument issued.
- 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).

Result: The Organization is a nonprofit organization; therefore, the debt service agreed-upon procedure does not apply.

### ***12.) Fraud Notice***

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- 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 Organization reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Organization is domiciled by R.S. 24:523.

Result: The Organization represented that there were no misappropriations of public funds for the fiscal year. There were no exceptions noted.

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

Result: There were no exceptions noted.

### **13.) Information Technology Disaster Recovery/Business Continuity**

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- A. Perform the following procedures:

- i. Obtain and inspect the Organization's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Result: We performed the procedure and discussed the results with management

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

Result: We performed the procedure and discussed the results with management

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

Result: 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 employees have been removed or disabled from the network.

Result: We performed the procedure and discussed the results with management

### **14.) Prevention of Sexual Harassment**

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- A. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Result: The Organization is a nonprofit organization; therefore, the prevention of sexual harassment agreed-upon procedure does not apply.

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

Result: The Organization is a nonprofit organization; therefore, the prevention of sexual harassment agreed-upon procedure does not apply.

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

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Result: The Organization is a nonprofit organization; therefore, the prevention of sexual harassment agreed-upon procedure does not apply.

We were engaged by Bogalusa Rebirth 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 Bogalusa Rebirth 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.



June 26, 2023  
Metairie, Louisiana