

LOUISIANA BLACK HISTORY HALL OF FAME

Baton Rouge, Louisiana

FINANCIAL REPORT

(Reviewed)

December 31, 2021

LOUISIANA BLACK HISTORY HALL OF FAME

Baton Rouge, Louisiana

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
INDEPENDENT ACCOUNTANTS' REVIEW REPORT		1
FINANCIAL STATEMENTS		
Statement of Financial Position	A	3
Statement of Activities	B	4
Statement of Cash Flows	C	5
Statement of Functional Expenses	D	6
Notes to Financial Statements	E	7
SUPPLEMENTARY INFORMATION	<u>Schedule</u>	
Schedule of Compensation, Benefits and Other Payments to Agency Head	1	11
Independent Auditors' Report on Applying Agreed-Upon Procedures		12
Louisiana Attestation Questionnaire		16



INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
The Louisiana Black History Hall of Fame
Baton Rouge, Louisiana

We have reviewed the accompanying financial statements of **LOUISIANA BLACK HISTORY HALL OF FAME** (the Organization) (a non-profit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are 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. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are 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.

Supplementary Information

The supplementary information contained in Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic 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 supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such.

A handwritten signature in black ink that reads "Faulk & Winkler, LLC". The signature is written in a cursive, flowing style.

Certified Public Accountants

Baton Rouge, Louisiana
June 27, 2022

LOUISIANA BLACK HISTORY HALL OF FAME

Baton Rouge, Louisiana

STATEMENT OF FINANCIAL POSITION

December 31, 2021

(See Independent Accountants' Review Report)

ASSETS

CURRENT:

Cash \$ 107,314

PROPERTY

1,145,003

Total assets \$ 1,252,317

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Retainage payable \$ 11,978

NET ASSETS:

Without donor restriction 1,240,339

Total liabilities and net assets \$ 1,252,317

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

LOUISIANA BLACK HISTORY HALL OF FAME

Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES

For the year ended December 31, 2021

(See Independent Accountants' Review Report)

REVENUE AND SUPPORT

Grants:

Community Block Development Grant	\$ 325,393
Office of Facility Planning and Control	7,560
Contributions	<u>28,800</u>
Total revenue and support	361,753

EXPENSES

Program expenses	<u>6,428</u>
Change in net assets	355,325

NET ASSETS

Beginning of year, restated	<u>885,014</u>
End of year	<u><u>\$ 1,240,339</u></u>

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

LOUISIANA BLACK HISTORY HALL OF FAME

Baton Rouge, Louisiana

STATEMENT OF CASH FLOWS

For the year ended December 31, 2021

(See Independent Accountants' Review Report)

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 355,325
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in retainage payable	<u>11,978</u>
Net cash provided by operating activities	<u>367,303</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property	<u>(262,809)</u>
Net increase in cash	104,494

CASH

Beginning of year	<u>2,820</u>
End of year	<u><u>\$ 107,314</u></u>

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

LOUISIANA BLACK HISTORY HALL OF FAME

Baton Rouge, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2021

(See Independent Accountants' Review Report)

	<u>Program Expenses</u>
EXPENSES	
Insurance	\$ 2,982
Accounting	1,475
Contract services	925
Postage	427
Meals	175
Bank fees	170
Other	<u>274</u>
Total expenses	<u>\$ 6,428</u>

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

LOUISIANA BLACK HISTORY HALL OF FAME

Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

(See Independent Accountants' Review Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

The Louisiana Black History Hall of Fame, (the Organization), founded in 1989, is a non-profit organization with the goal of the collection, preservation, and honoring of successful African American contributions.

The Organization has initiated the restoration of the Lincoln Theater in Baton Rouge, Louisiana. Historically, the Lincoln Theater served the African America community as a venue for performances by a variety of entertainers. The Theater fell into disrepair through abandonment; however, the Organization is in the process of restoring the property to its original state.

The Lincoln Theater has been placed on The National Registry of Historic Places and the restoration is being conducted in accordance with the applicable requirements.

Once restoration is completed, the Organization plans to resume operations of the Lincoln Theater to host arts, entertainment, educational, and community services, as well as serving as a repository for memorabilia relating to the history of African Americans' contributions with an emphasis on Baton Rouge, Louisiana.

Basis of presentation

The accounting and reporting policies of the Organization conform to generally accepted accounting principles.

Financial position and activities are to be reported according to two classes of net assets: with donor restrictions and without donor restrictions. The Organization did not have any net assets with donor restrictions as of December 31, 2021.

The Organization complies with the requirements of the FASB's ASU No. 2018-08 Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The FASB issued this ASU to assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and determining whether a contribution is conditional.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation.

Cash

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments, including money markets and certificates of deposits available for current use, with an initial maturity of three months or less, to be cash equivalents. There were no cash equivalents as of December 31, 2021.

Property

Property is carried at cost and includes the building frame and related restoration in progress. Additions and improvements that extend the useful lives of assets are capitalized. Maintenance and repair expenses are expensed as incurred.

When applicable, depreciation is computed using the straight-line method over the estimated useful lives of the property and equipment. The Organization is in the process of restoring the Lincoln Theatre that has been in disrepair for some time; therefore, the building and improvements are not yet in service, and depreciation has not commenced.

Revenue recognition and support

The Organization reports grants and support when received as increases in net assets with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. See Note 3 for further information concerning the Organization's financial support.

Income taxes

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization follows the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. The Association's open audit periods are 2019 through 2021.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional expenses

Management allocates expenses on a functional basis based on costs directly associated with a program or function based on time and effort relative to a certain function.

The Organization's current programmatic activity is related to the rehabilitation and restoration of the Lincoln Theatre. As a result, management considers all costs incurred during the year ended December 31, 2021 to be direct program expenses.

Subsequent events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 27, 2022, which is the date the financial statements were available to be issued.

NOTE 2 - PROPERTY

At December 31, 2021, property is as follows:

<u>Description</u>	<u>Service Life</u>	<u>Amount</u>
Building	40 years	\$ 345,000
Land	-	208,730
Construction in progress	-	<u>591,273</u>
		<u>\$ 1,145,003</u>

The Organization incurred no depreciation expense for 2021, as the building and improvements are not yet in service.

The Organization has received donations of numerous items of memorabilia related to the property and the African American community. No value has been assigned to these items.

NOTE 3 - PROGRAM AND SUPPORT

The Organization's restoration of its property is primarily being funded by federal grants which are being passed through the City of Baton Rouge-Parish of East Baton Rouge (City-Parish). Current funding is not sufficient to complete the restoration of the Lincoln Theater to its original state; however, management is confident that the necessary governmental funding to complete the project will be secured in a timely manner.

The majority of support the Organization received in 2021 was through various private and public granting agencies throughout the United States. Additionally, the federal grant referenced above represents approximately 90% of total revenue for 2021.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

In the normal course of operations, the Organization receives grants and support from both the federal government and the State of Louisiana. This funding is subject to audit by the granting authority, the purpose of which is to ensure compliance with conditions applicable to providing such funds. Management believes the liability, if any, for any reimbursement, which may arise as a result or audits, would not be material.

As of December 31, 2021, the Organization had outstanding commitments from various construction and professional services contracts in progress of approximately \$947,000.

NOTE 5 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available within one year of the balance sheet date for expenditures consists of cash and available grant funds in the collective amounts of \$107,314 as of December 31, 2021. Additionally, the Organization has remaining grant funds available from the City-Parish for construction related expenses of approximately \$157,000 under the current agreement.

NOTE 6 - CORRECTION OF AN ERROR

Previously, the Organization recorded depreciation expense related to its property. Since the construction continues to be in progress and not available for use, accumulated depreciation of \$101,729 has been eliminated by an adjustment to beginning net assets as of January 1, 2021.

LOUISIANA BLACK HISTORY HALL OF FAME

SUPPLEMENTARY INFORMATION

LOUISIANA BLACK HISTORY HALL OF FAME

Baton Rouge, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD**

For the year ended December 31, 2021

(Without Audit)

Agency Head: Brenda Perry Dunn, Executive Director

No compensation paid in the current fiscal year.

LOUISIANA BLACK HISTORY HALL OF FAME
Baton Rouge, Louisiana

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

For the year ended December 31, 2021

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors
Louisiana Black History Hall of Fame
and the Louisiana Legislative Auditor:

We have performed the procedures included in the *Louisiana Audit Guide*, enumerated below, which were agreed to by the **LOUISIANA BLACK HISTORY HALL OF FAME** (the Organization) and the Louisiana Legislative Auditor (LLA), and applicable federal and state grantor agency/agencies solely to assist the users in evaluation management's assertions about the Organization's compliance with the certain laws and regulations for the year ended December 31, 2021 included in the accompanying *Louisiana Attestation Questionnaire*. Management of the Organization 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.

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

With respect to your representations relating to the federal, state, and local awards compliance, as of December 31, 2021, and for the year then ended, we applied the following agreed-upon procedures:

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 Organization's management.

The Organization was awarded one federal and one state grant during the year ended December 31, 2021, as follows:

Grant Description	Amount
Community Development Block Grant	\$ 253,912
Office of Facility Planning and Control	3,150
Total	\$ 257,062

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

We randomly selected six disbursements from the federal award that was administered during the period under examination and the only disbursement from the state grant. Of the six disbursements from the federal grant, one was not properly coded within the general ledger as it was a 2020 expense recorded in 2021. This disbursement is ineligible for examination under the parameters of the agreed upon procedures, and an additional selection was made in substitution.

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.

All seven disbursements agreed to the appropriate payee for the proper amount.

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

All of the seven eligible disbursements selected for testing were coded to the correct fund and general ledger account.

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

Of the seven eligible disbursements selected, all were approved in accordance with the Organization's policies and procedures.

6. 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.

All seven of the 2021 disbursements were allowed, eligible, and properly reported under their respective grant agreement.

7. 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 Organization's financial records; and report whether the amounts in the close-out reports agree with the Organization's financial records.

This item is not applicable to the Organization as no programs were closed-out during the fiscal year.

Open Meetings

8. Obtain evidence from management the 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.

The Organization is not subject to the open meetings law under R.S. 42:11 through 42:28.

Budget

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

State Audit Law

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

The Organization did provide for a timely report in accordance with R.S. 24:513.

11. Inquire of management and report whether the Organization 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 Organization was not in compliance with R.S. 24:513 (the audit law).

This criterion is not applicable to the Organization as they have maintained compliance with R.S. 24:513.

Prior-Year Comments

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

There are no prior year suggestions, recommendations, and/or comments to resolve.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Organization's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

The purpose of this report is solely to describe the scope of testing performed on the Organization'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.



Certified Public Accountants

Baton Rouge, Louisiana
June 27, 2022

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

June 23, 2022 (Date Transmitted)

Faulk & Winkler, LLC (CPA Firm Name)
6811 Jefferson Hwy (CPA Firm Address)
Baton Rouge, LA 70806 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2021 (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 No N/A

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 No N/A

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

Yes No N/A

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 No N/A

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 No N/A

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 No N/A

Reporting

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

Yes No N/A

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 No N/A

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 No N/A

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes No N/A

Prior-Year Comments

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

Yes No N/A

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No N/A

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes No N/A

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

Yes No N/A

We have provided you with all relevant information and access under the terms of our agreement.

Yes No N/A

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

Yes No N/A

We are not aware of any material misstatements in the information we have provided to you.

Yes No N/A

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes No N/A

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal

controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes [X] No [] N/A []

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

<u><i>Dwight Perry Dean</i></u>	Secretary	<i>FOUNDER/ED</i>	<u><i>6.23.2022</i></u>	Date
<u><i>James Wesley Bruff</i></u>	Treasurer		<u><i>6.23.22</i></u>	Date
<u><i>Carlton Augustus</i></u>	President		<u><i>6.23.22</i></u>	Date