

Financial Report

Rebuilding Together New Orleans, Inc.

December 31, 2022

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Rebuilding Together New Orleans, Inc. New Orleans, Louisiana

December 31, 2022 and 2021

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Rebuilding Together New Orleans, Inc.,
New Orleans, Louisiana.

Opinion

We have audited the accompanying financial statements of Rebuilding Together New Orleans, Inc. (RTNO) (a non-profit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 RTNO as of December 31, 2022 and 2021, and the changes in its net assets 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 audits in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RTNO and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 RTNO'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 RTNO's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information in Schedule 1 is presented for the purposes of additional analysis, as required by Louisiana Revised Statute 24:513(A)(3) and is not a required part of the financial statements. Such information in Schedule 1 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. Such information in Schedule 1 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 in Schedule 1 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 May 23, 2023, on our consideration of RTNO'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 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 RTNO's internal control over financial reporting and compliance.

Bourgeois Bennett, LLC.

Certified Public Accountants.

New Orleans, Louisiana,
May 23, 2023.

STATEMENTS OF FINANCIAL POSITION**Rebuilding Together New Orleans, Inc.**
New Orleans, Louisiana

December 31, 2022 and 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Assets		
Cash	\$ 1,763,802	\$ 1,820,305
Private grants receivable	252,997	161,325
Government grants receivable	137,254	230,144
Investments	1,619,631	1,998,848
Prepaid expenses	24,397	19,083
Other assets	70,725	73,251
Property and equipment, net	<u>615,709</u>	<u>644,955</u>
Total assets	<u>\$ 4,484,515</u>	<u>\$ 4,947,911</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 71,113	\$ 20,000
Accrued expenses	31,892	20,501
Note payable	<u>-</u>	<u>73,974</u>
Total liabilities	<u>103,005</u>	<u>114,475</u>
Net Assets		
Without donor restrictions:		
Undesignated	1,231,618	1,472,805
Designated	<u>1,949,173</u>	<u>1,943,293</u>
Total without donor restrictions	3,180,791	3,416,098
With donor restrictions	<u>1,200,719</u>	<u>1,417,338</u>
Total net assets	<u>4,381,510</u>	<u>4,833,436</u>
Total liabilities and net assets	<u>\$ 4,484,515</u>	<u>\$ 4,947,911</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**Rebuilding Together New Orleans, Inc.**
New Orleans, Louisiana

For the year ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Support and Revenue			
Contributions of cash and other financial assets	\$ 200,829	\$ 18,616	\$ 219,445
Contributions of nonfinancial assets	228,318	-	228,318
Grant income	1,931,654	418,351	2,350,005
Lease income	15,500	-	15,500
Interest income	7,869	-	7,869
Investment loss, net	(273,158)	-	(273,158)
Other income	190,419	-	190,419
Net assets released from restrictions satisfaction of restrictions	<u>653,586</u>	<u>(653,586)</u>	<u>-</u>
Total support and revenue	<u>2,955,017</u>	<u>(216,619)</u>	<u>2,738,398</u>
Expenses			
Program services	3,004,678	-	3,004,678
General and administrative	<u>185,646</u>	<u>-</u>	<u>185,646</u>
Total expenses	<u>3,190,324</u>	<u>-</u>	<u>3,190,324</u>
Changes in net assets	(235,307)	(216,619)	(451,926)
Net Assets			
Beginning of year	<u>3,416,098</u>	<u>1,417,338</u>	<u>4,833,436</u>
End of year	<u>\$ 3,180,791</u>	<u>\$ 1,200,719</u>	<u>\$ 4,381,510</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**Rebuilding Together New Orleans, Inc.**
New Orleans, Louisiana

For the year ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Support and Revenue			
Contributions of cash and other financial assets	\$ 324,605	\$ 145,698	\$ 470,303
Grant income	918,555	803,936	1,722,491
Paycheck Protection Program loan forgiveness	101,518	-	101,518
Rental income	7,800	-	7,800
Interest income	3,937	-	3,937
Investment income, net	56,897	-	56,897
Gain on sale of asset	780	-	780
Other income	104,440	-	104,440
Net assets released from restrictions satisfaction of restrictions	<u>405,372</u>	<u>(405,372)</u>	<u>-</u>
 Total support and revenue	 <u>1,923,904</u>	 <u>544,262</u>	 <u>2,468,166</u>
Expenses			
Program services	1,404,671	-	1,404,671
General and administrative	<u>136,416</u>	<u>-</u>	<u>136,416</u>
 Total expenses	 <u>1,541,087</u>	 <u>-</u>	 <u>1,541,087</u>
 Changes in net assets	 382,817	 544,262	 927,079
Net Assets			
Beginning of year	<u>3,033,281</u>	<u>873,076</u>	<u>3,906,357</u>
End of year	<u>\$ 3,416,098</u>	<u>\$ 1,417,338</u>	<u>\$ 4,833,436</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES**Rebuilding Together New Orleans, Inc.**
New Orleans, Louisiana

For the year ended December 31, 2022

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Totals</u>
Americorp expense	\$ 6,407	\$ -	\$ 6,407
Bank charges	-	778	778
Construction expenses	2,150,205	-	2,150,205
Depreciation	29,246	-	29,246
Dues and subscriptions	18,311	2,725	21,036
Employee benefits	34,966	7,974	42,940
Facility and equipment expenses	13,294	7,220	20,514
Insurance	53,366	1,536	54,902
Miscellaneous	8,047	1,357	9,404
Payroll taxes	41,476	11,534	53,010
Professional fees	14,402	2,152	16,554
Salaries	552,030	142,836	694,866
Telephone	12,137	5,175	17,312
Travel expense	21,594	2,359	23,953
Utilities	4,416	-	4,416
Volunteer expenses	44,781	-	44,781
	<u>\$ 3,004,678</u>	<u>\$ 185,646</u>	<u>\$ 3,190,324</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES**Rebuilding Together New Orleans, Inc.**
New Orleans, Louisiana

For the year ended December 31, 2021

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Totals</u>
Americorp expense	\$ 13,453	\$ -	\$ 13,453
Bank charges	-	1,359	1,359
Construction expenses	673,462	-	673,462
Depreciation	23,591	-	23,591
Dues and subscriptions	20,550	1,896	22,446
Employee benefits	35,952	5,443	41,395
Facility and equipment expenses	18,194	3,680	21,874
Insurance	49,924	1,130	51,054
Miscellaneous	7,759	417	8,176
Payroll taxes	35,785	9,226	45,011
Professional fees	10,459	1,090	11,549
Salaries	467,056	110,616	577,672
Telephone	16,014	1,153	17,167
Travel expense	17,148	406	17,554
Utilities	3,741	-	3,741
Volunteer expenses	11,583	-	11,583
	<u>\$ 1,404,671</u>	<u>\$ 136,416</u>	<u>\$ 1,541,087</u>

See notes to financial statements.

STATEMENTS OF CASH FLOWS**Rebuilding Together New Orleans, Inc.**
New Orleans, Louisiana

For the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Changes in net assets	\$ (451,926)	\$ 927,079
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	29,246	23,591
Gain on sale of property and equipment	-	(780)
Paycheck Protection Program loan forgiveness	-	(101,518)
Realized and unrealized loss (gain) on investments	298,241	(30,196)
(Increase) decrease in operating assets:		
Private grants receivable	(91,672)	(49,469)
Government grants receivable	92,890	(99,841)
Prepaid expenses	(5,314)	2,116
Other assets	2,526	(6,421)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	51,113	(15,842)
Accrued expenses	11,391	(38,738)
Net cash provided by (used in) operating activities	<u>(63,505)</u>	<u>609,981</u>
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	946,775	1,743,235
Investment purchases	(865,799)	(3,711,887)
Purchases of property and equipment	-	(47,556)
Net cash provided by (used in) investing activities	<u>80,976</u>	<u>(2,016,208)</u>
Cash Flows From Financing Activities		
Principal payments on debt	(73,974)	-
Proceeds from Paycheck Protection Program loan	-	101,518
Net cash provided by (used in) financing activities	<u>(73,974)</u>	<u>101,518</u>
Net Decrease in Cash	<u>(56,503)</u>	<u>(1,304,709)</u>
Cash		
Beginning of year	<u>1,820,305</u>	<u>3,125,014</u>
End of year	<u>\$ 1,763,802</u>	<u>\$ 1,820,305</u>
Supplementary Non-Cash Investing Activities		
Trade-in value of property used to purchase vehicle	<u>\$ -</u>	<u>\$ 4,000</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Rebuilding Together New Orleans, Inc.**

New Orleans, Louisiana

December 31, 2022 and 2021

Note 1 - NATURE OF ACTIVITIES

Rebuilding Together New Orleans, Inc. (RTNO) is a nonprofit organization, which preserves and enhances targeted historical neighborhoods of New Orleans through community revitalization projects. Previously RTNO operated as a program within Preservation Resource Center (PRC). As part of the cooperative endeavor agreement with PRC, RTNO began operations as a separate non-profit organization on March 21, 2019. RTNO's mission is to repair homes, revitalize communities, and rebuild lives. RTNO executes that mission and improves the quality of life of low-income homeowners, particularly those who are elderly, disabled, veterans, or single head of households with minor children, through home repair and revitalization of New Orleans' neighborhoods. RTNO focuses on the residents in Orleans Parish using a combination of volunteer and professional labor.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Organization and Income Taxes**

RTNO is a nonprofit organization organized under the laws of the State of Louisiana and is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the IRC.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires 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, management believes it has no uncertain tax positions. Tax years ended December 31, 2019 and later remain subject to examination by taxing authorities.

b. Basis of Accounting

The financial statements of RTNO are prepared on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded when incurred.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that impact certain reported amounts and disclosures. Actual results could differ from those estimates.

d. Basis of Presentation

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

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of RTNO and/or the passage of time or net assets subject to donor-imposed stipulations that are to be held in perpetuity by RTNO.

e. Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, RTNO considers all highly liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents. There were no cash equivalents as of December 31, 2022 and 2021.

f. Investments

Investments are reported at fair value or estimated fair value based on quoted market prices for the investments. Realized and unrealized gains and losses are included in investment income in the accompanying Statements of Activities.

g. Property and Equipment

Property and equipment is recorded at cost. Donated assets are recorded at fair value at the date of donation. RTNO capitalizes all expenditures for equipment in excess of \$1,000. Repairs and maintenance are charged to expense as incurred; major renewals, replacements, and betterments are capitalized. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows on the next page:

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Property and Equipment (Continued)

	<u>Years</u>
Building and building improvements	15 - 39
Vehicles	5

Depreciation expense was \$29,246 and \$23,591 for the years ended December 31, 2022 and 2021, respectively.

h. Allowance for Doubtful Accounts

An allowance for doubtful accounts is estimated based on existing economic conditions. Management closely monitors outstanding receivables and charges off to expense any balances that are determined to be uncollectible and establishes an allowance for estimated uncollectible receivables. There was no allowance as of December 31, 2022 and 2021.

i. Revenue Recognition

Revenues from Exchange Transactions: RTNO recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, “*Revenues from Contracts with Customers*”, as amended. ASU No. 2014-09 applies to exchange transactions with customers and donors that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. RTNO records the following exchange transaction revenue in its Statements of Activities for the years ended December 31, 2022 and 2021:

Fee for Service Income: RTNO records fee for service income, which is included in other income on the Statements of Activities, when the service provided is complete.

j. Contributions

Contributions are recorded as with or without donor restrictions depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net asset with donor restrictions, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as support without donor restrictions.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Contributed Nonfinancial Assets

Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at the date of donation. RTNO reports the donations in the net assets without donor restrictions category, unless explicit donor stipulations specify how the donated assets must be used (see Note 11).

RTNO recognizes contributions of services received if such services: (a) create or enhance nonfinancial assets, (b) require specialized skills, (c) are provided by individuals possessing those skills, and (d) would typically need to be purchased if not contributed.

Volunteers from throughout the community provide unskilled labor in conjunction with various home repair projects. The value of these services, which was estimated to be approximately \$342,000 and \$286,000 for the years ended December 31, 2022 and 2021, respectively, are not recognized in the accompanying financial statements due to the unspecialized nature of these services.

l. Method Used for Allocation of Expenses

All of the expenses are directly allocated to one of the programs or supporting functions. The financial statements also report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied.

m. Recently Issued Accounting Standards

Leases

In February 2016, the FASB issued ASU No. 2016-02, “*Leases*” (Topic 842). ASU No. 2016-02 requires that a lease liability and related right-of-use asset representing the lessee’s right to use or control the asset be recorded on the Statement of Financial Position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the Statements of Activities and the Statements of Cash Flows will be substantially unchanged from the existing lease accounting guidance. The adoption of this accounting standard did not have a significant effect on the financial statements.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Recently Issued Accounting Standards (Continued)

Leases (Continued)

In November 2021, the FASB issued ASU No. 2021-09, “*Lease Discount Rate for Leases That Are Not Public Business Entities*” (Topic 842) “*Discount Rate for Lessees That Are Not Public Business Entities*” (ASU-2021-09). This ASU currently provides lessees that are not public business entities with a practical expedient that allows them to elect, as an accounting policy, to use a risk-free rate as the discount rate for all leases. The amendments in this update allow those lessees to make the risk-free rate election by class of underlying asset, rather than at the entity-wide level. An entity that makes the risk-free rate election is required to disclose which asset classes it has elected to apply a risk-free rate. The amendments require that when the rate implicit in the lease is readily determinable for any individual lease, the lessee use that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of whether it has made the risk-free rate election. The adoption of this accounting standard did not have a significant effect on the financial statements.

Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU No. 2020-07, “*Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*” (Topic 958), the amendments in this update apply to nonprofit organizations that receive contributed nonfinancial assets. Contribution revenue may be presented in the financial statements using different terms (for example, gifts, donations, grants, gifts-in-kind, donated services, or other terms). The amendments address presentation and disclosure of contributed nonfinancial assets. The term nonfinancial asset includes property and equipment (such as land, buildings, and equipment), use of property and equipment utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The ASU was adopted during the year ended December 31, 2022 and retrospectively applied.

n. Reclassifications

Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 financial statement presentation.

o. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through May 23, 2023, which is the date the financial statements were available to be issued.

Note 3 - CONCENTRATIONS

RTNO maintains deposits with a local financial institution. The account at the institution is insured by the U.S. Federal Deposit Insurance Corporation up to \$250,000 per account. The balances at times may exceed federally insured limits. As of December 31, 2022, there was approximately \$1,540,000 in excess of insured amounts.

Note 4 - GRANTS RECEIVABLE

The details of grants receivable as of December 31, 2022 and 2021 are as follows:

	2022	2021
Private grants receivable:		
Bayou Community Foundation	\$ 125,000	\$ -
United Way	65,364	-
HandsOn New Orleans, Inc.	21,133	-
Other	11,300	4,950
McMahon Solutions	11,200	-
Blue Cross Blue Shield	7,500	-
Hancock Whitney Bank	7,500	-
Rebuilding Together, Inc.	4,000	92,000
First Bank and Trust (Bank Plus)	-	25,000
Baptist Community Ministries	-	24,375
Visualize and Rize	-	15,000
Total private grants receivable	252,997	161,325
Government grants receivable:		
City of New Orleans - CDBG grants	67,229	180,244
State of Louisiana - Department of Health and Human Services	28,409	-
State of Louisiana - Volunteer Louisiana Commission	21,600	41,500
Veterans Housing Rehabilitation and Modification Program	20,016	8,400
Total government grants receivable	137,254	230,144
Total grants receivable	\$ 390,251	\$ 391,469

Note 5 - INVESTMENTS

Investments as of December 31, 2022 and 2021 are comprised of the following:

	2022		
	Cost	Fair Market Value	Excess of (Cost over Market)
Mutual funds:			
Equity	\$ 1,217,772	\$ 1,071,607	\$ (146,165)
Fixed income	598,113	548,024	(50,089)
Totals	\$ 1,815,885	\$ 1,619,631	\$ (196,254)
	2021		
	Cost	Fair Market Value	Excess of Market Over Cost (Cost over Market)
Mutual funds:			
Equity	\$ 1,237,621	\$ 1,278,513	\$ 40,892
Fixed income	727,960	720,335	(7,625)
Totals	\$ 1,965,581	\$ 1,998,848	\$ 33,267

Note 5 - INVESTMENTS (Continued)

	December 31, 2022		
	Cost	Market Value	Excess of Market Over Cost
Balance, December 31, 2022	<u>\$ 1,815,885</u>	<u>\$ 1,619,631</u>	\$ (196,254)
Balance, December 31, 2021	<u>\$ 1,965,581</u>	<u>\$ 1,998,848</u>	33,267
Decrease in unrealized appreciation			(229,521)
Realized loss			(68,720)
Interest and dividend income			<u>36,267</u>
Total			(261,974)
Less investment expense			<u>(11,184)</u>
Investment loss, net			<u>\$ (273,158)</u>
	December 31, 2021		
	Cost	Market Value	Excess of Market Over Cost
Balance, December 31, 2021	<u>\$ 1,965,581</u>	<u>\$ 1,998,848</u>	\$ 33,267
Balance, December 31, 2020	<u>\$ -</u>	<u>\$ -</u>	-
Increase in unrealized appreciation			33,267
Realized loss			(3,071)
Interest and dividend income			<u>31,505</u>
Total			61,701
Less investment expense			<u>(4,804)</u>
Investment income, net			<u>\$ 56,897</u>

Note 6 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under the Financial Accounting Standards Board Accounting Standards Codification Topic 820, Fair Value Measurements are described as follows:

Note 6 - FAIR VALUE MEASUREMENTS (Continued)

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that RTNO has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by RTNO are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by RTNO are deemed to be actively traded.

The methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while RTNO believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 6 - FAIR VALUE MEASUREMENTS (Continued)

Assets measured at fair value on a recurring basis as of December 31, 2022 and 2021 are comprised of and determined as follows:

Description	Fair Value As Of December 31, 2022	2022		
		Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual funds:				
Equity	\$ 1,071,607	\$ 1,071,607	\$ -	\$ -
Fixed income	548,024	548,024	-	-
Totals	<u>\$ 1,619,631</u>	<u>\$ 1,619,631</u>	<u>\$ -</u>	<u>\$ -</u>

Description	Fair Value As Of December 31, 2021	2021		
		Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual funds:				
Equity	\$ 1,278,513	\$ 1,278,513	\$ -	\$ -
Fixed income	720,335	720,335	-	-
Totals	<u>\$ 1,998,848</u>	<u>\$ 1,998,848</u>	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2022 and 2021, there were no assets measured at fair value on a non-recurring basis.

Note 7 - PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following as of December 31, 2022 and 2021:

	2022	2021
Land	\$ 120,600	\$ 120,600
Buildings and improvements	482,906	482,906
Vehicles	81,550	81,550
	685,056	685,056
Less: accumulated depreciation and amortization	(69,347)	(40,101)
	\$ 615,709	\$ 644,955

Note 8 - NOTE PAYABLE

On December 20, 2019, RTNO entered into a three year interest free promissory note with PRC in the amount of \$73,974 with a maturity date of December 20, 2022. If the note payable were not paid in full on the maturity date the interest rate would have been 5% per annum. The note payable was secured with property. On December 9, 2022, RTNO paid the full balance of \$73,974. As of December 31, 2021, the balance on the note payable was \$73,974.

Note 9 - BOARD DESIGNATIONS

Board designations consist of the following as of December 31, 2022 and 2021:

	2022	2021
Future needs of the ongoing mission	\$ 1,949,173	\$ 1,943,293

Note 10 - RESTRICTED NET ASSETS

Net assets with donor restrictions are assets restricted by donors and grantors for specific purposes or are available for subsequent periods. These restrictions are considered to expire when payments for restricted purposes are made.

Note 10 - RESTRICTED NET ASSETS (Continued)

Net assets with donor restrictions as of December 31, 2022 and 2021 are available for the following purposes:

	2022	2021
Hurricane Ida relief and recovery	\$ 572,744	\$ 841,329
Job training	388,986	448,986
Tornado relief	83,000	-
Home repairs for low income veterans	81,374	68,718
Safe at Home Program	54,615	-
Home repairs for low income families	20,000	50,805
Home repairs for New Orleans East families	-	7,500
Total net assets with donor restrictions	\$ 1,200,719	\$ 1,417,338

Net assets released from restrictions for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Purpose restrictions satisfied:		
Hurricane Ida relief and recovery	\$ 472,936	\$ -
Home repairs for low income veterans	62,345	123,111
Job training	60,000	19,761
Home repairs for low income families	50,805	167,500
Home repairs for New Orleans East families	7,500	75,000
Safe at Home Program	-	20,000
Totals purpose restrictions satisfied	\$ 653,586	\$ 405,372

Note 11 - CONTRIBUTED NONFINANCIAL ASSETS

RTNO recognized contributed nonfinancial assets on the Statements of Activities. Contributed nonfinancial assets for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Support		
Building supplies	\$ 228,318	\$ -
Expenditures		
Construction expense	\$ 228,318	\$ -

Note 11 - CONTRIBUTED NONFINANCIAL ASSETS (Continued)

RTNO recognized contributed nonfinancial assets within revenue. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed building supplies were utilized for the hurricane roof repair program and are included in construction expenses on the Statement of Activities. The building supplies were used for program activities. RTNO estimates the fair value based on the wholesale values to purchase similar products.

Note 12 - GOVERNMENT GRANTS

Government grants require the fulfillment of certain conditions as set forth in the grant instruments. RTNO intends to fulfill the conditions of all grants, recognizing that failure to fulfill the conditions could result in the return of the funds to grantors.

Note 13 - PAYCHECK PROTECTION PROGRAM

On January 24, 2021, RTNO received \$101,518 of loan proceeds from Hancock Whitney Bank under the Paycheck Protection Program (PPP) of the U.S. Small Business Administration (SBA). The loan was repaid by the SBA (forgiven) on June 22, 2021, and all expenditures paid from the loan proceeds were approved as eligible for loan forgiveness under the requirements of the PPP. The funding was recognized as revenue in the year ended December 31, 2021.

Note 14 - LEASE REVENUE

RTNO leases a portion of its building not currently needed for operations to third party-tenants. The four lease terms in effect during the year ended December 31, 2022 are for the periods January 1, 2022 through April 30, 2022 with monthly lease payments of \$1,200, May 1, 2022 through December 31, 2023 with monthly lease payments of \$1,200, July 1, 2022 through June 30, 2023 with monthly lease payments of \$50, and a month-to-month lease beginning May 1, 2022 with monthly lease payments of \$100.

The lease term in effect during the year ended December 31, 2021 was for the period November 1, 2020 through October 31, 2021 with monthly lease payments of \$600. Beginning November 1, 2021 lease payments were month-to-month and beginning December 1, 2021 monthly lease payments were increased to \$1,200.

Rental income was \$15,500 and \$7,800 for the years ended December 31, 2022 and 2021, respectively, and recorded in other income on the Statements of Activities.

Note 14 - LEASE REVENUE (Continued)

Future minimum lease payments to be received under the third party leases in effect as of December 31, 2022 are as follows:

<u>Year Ending December 31,</u>	
2023	<u>\$ 14,700</u>

Note 15 - NATIONAL AFFILIATE

RTNO is a local chapter of Rebuilding Together, Inc., its national affiliate. Rebuilding Together, Inc. provides capacity building, funding opportunities, and administrative services (insurance policies) on behalf of RTNO. As of December 31, 2022 there was \$24,899 due to Rebuilding Together, Inc for insurance expense. As of December 31, 2021, there were no amounts due to Rebuilding Together, Inc. Additionally, RTNO remits a percentage of its gross annual receipts as part of its annual dues. For the years ended December 31, 2022 and 2021, \$21,036 and \$22,446 was paid to Rebuilding Together, Inc. for annual dues expense, respectively.

Note 16 - CONSTRUCTION COMMITMENTS

During 2022, RTNO entered into construction contracts for seven homes totaling approximately \$93,000. As of December 31, 2022, RTNO has no incurred expenses related to these contracts.

Note 17 - AVAILABILITY OF FINANCIAL ASSETS

RTNO is substantially supported by contributions and grants with and without donor restrictions. Because a donor's restrictions requires resources to be used in a particular manner or in a future period, RTNO must maintain sufficient resources to meet those responsibilities to donors. Thus, financial assets may not be available for general expenditure within one year. As part of RTNO's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. RTNO has established guidelines for making decisions related to managing short-term cash reserves in a prudent manner.

Note 17 - AVAILABILITY OF FINANCIAL ASSETS (Continued)

The following reflects RTNO's financial assets as of December 31, 2022 and 2021, reduced by amounts not available for general use because of donor-imposed restrictions and board designations.

	2022	2021
Financial assets:		
Cash	\$ 1,763,802	\$ 1,820,305
Private grant receivable	252,997	161,325
Government grant receivable	137,254	230,144
Investments	1,619,631	1,998,848
Total financial assets as of December 31, 2022 and 2021	3,773,684	4,210,622
Less amounts unavailable for general expenditures within one year, due to: Donor imposed restrictions:		
Restricted by donors with purpose restrictions	(1,200,719)	(1,417,338)
Financial assets available to meet cash needs for general expenditures within one year before board designations	2,572,965	2,793,284
Less board designations	(1,949,173)	(1,943,293)
Financial assets available to meet cash needs for general expenditures within one year	\$ 623,792	\$ 849,991

SUPPLEMENTAL INFORMATION

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

Rebuilding Together New Orleans, Inc.
New Orleans, Louisiana

For the year ended December 31, 2022

Agency Head Name: William Stoudt, Executive Director

Purpose

Salary	\$	0
Benefits - insurance		0
Benefits - retirement		0
Benefits - other		0
Car allowance		0
Vehicle provided by government		0
Per diem		0
Reimbursements		0
Travel		0
Registration fees		0
Conference travel		0
Continuing professional education fees		0
Housing		0
Unvouchered expenses		0
Special meals		0
		<hr/>
	\$	<hr/> <hr/> 0

Note:

No public funds were used to pay Mr. Stoudt's salary, benefits, or any other compensation during the year ended December 31, 2022.

SPECIAL REPORTS BY CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors,
Rebuilding Together New Orleans, Inc.,
New Orleans, Louisiana.

We have audited, 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, the financial statements of Rebuilding Together New Orleans, Inc. (RTNO), which comprise the statement 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, which collectively comprise RTNO’s basic financial statements, and have issued our report thereon dated May 23, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered RTNO’s internal control over financial reporting (“internal control”) as a basis for determining 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 RTNO’s internal control. Accordingly, we do not express an opinion on the effectiveness of RTNO’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 RTNO’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.

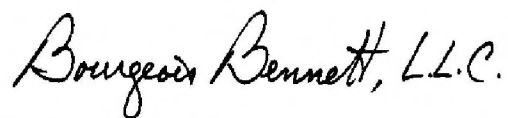
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be a material weakness or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether RTNO's financial statements are free of 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 RTNO's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants.

New Orleans, Louisiana,
May 23, 2023.

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE

To the Board of Directors,
Rebuilding Together New Orleans, Inc.,
New Orleans, Louisiana.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rebuilding Together New Orleans, Inc.’s (RTNO) compliance with the types of compliance requirements described in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of RTNO’s major federal programs for the year ended December 31, 2022. RTNO’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, RTNO complied, in all material respects, with the 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 Award (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 RTNO and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe 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 RTNO's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to RTNO'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 RTNO's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 RTNO's compliance with the requirements of the federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding RTNO'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 RTNO'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 RTNO'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.

Other Matters

The results of our auditing procedures did not disclose instances of noncompliance which are required to be reported in accordance with the Uniform Guidance. Our opinion on each major federal program is not modified with respect to these matters.

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 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 to be 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
May 23, 2023.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Rebuilding Together New Orleans, Inc.
New Orleans, Louisiana

For the year ended December 31, 2022

<u>Federal Grantor/Program Title</u>	<u>Grant Number</u>	<u>Federal AL Number</u>	<u>Federal Expenditures</u>	<u>Subrecipient Costs</u>
Corporation for National and Community Service				
Pass-through Programs From:				
<u>State of Louisiana Office of the Lieutenant Governor -</u>				
<u>Volunteer Louisiana Commission</u>				
Americorps State Program	21AFGLA0010006	94.006	\$ 148,732	\$ -
Department of Health and Human Services				
Pass-through Programs From:				
<u>The Oasis Institute</u>				
Community Care Corps (C3) Program				
Special Programs for the Aging, Title IV, and	90CCDG0001	93.048	25,826	-
Title II, Discretionary Projects	90CCDG0001-02-00	93.048	73,636	-
Total Department of Health and Human Services			99,462	-
U.S. Department of Housing and Urban Development				
Pass-through Programs From:				
<u>City of New Orleans:</u>				
Home Investment Partnerships Program:				
Substantial Rehab Program	CDBG 2019-001 K20-173	14.239	424,452	-
Health and Safety Program	CDBG 2019-002 K20-174	14.239	176,482	-
Home Modification Program	CDBG 2019-003 K20-172	14.239	178,674	-
Paint Program	CDBG 2019-004 K20-175	14.239	59,548	-
Pass-through Programs From:				
<u>Rebuilding Together, Inc</u>				
Veterans Housing Rehabilitation and	V-R2-OD-CO-0002	14.278	76,860	-
Modification Program				
Total Department of Housing and Urban Development			916,016	-
Total expenditures of federal awards			\$ 1,164,210	\$ -

See accompanying notes to Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Rebuilding Together New Orleans, Inc. New Orleans, Louisiana

For the year ended December 31, 2022

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of Rebuilding Together New Orleans, Inc. (RTNO). RTNO's reporting entity is defined in Note 1 to the financial statements for the year ended December 31, 2022. All federal awards received directly from federal agencies are included on the schedule, as well as federal awards passed through other government agencies.

b. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to RTNO's financial statements for the year ended December 31, 2022. RTNO has elected to use the 10% *de minimus* indirect cost rate as allowed under Uniform Guidance.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Rebuilding Together New Orleans, Inc.
New Orleans, Louisiana

For the year ended December 31, 2022

Section I - Summary of Auditor's Results

a) Financial Statements

Type of report issued on the financial statements: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are
not considered to be a material weakness? ___ Yes X None reported

Noncompliance material to financial statements noted? ___ Yes X No

b) Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are
not considered to be a material weakness? ___ Yes X No

Type of auditor's report issued on compliance for major programs unmodified

- Any audit findings disclosed that are required
to be reported in accordance with the
Uniform Guidance? ___ Yes X No

Section I - Summary of Auditor's Results (Continued)

c) Identification of Major Programs:

<u>AL Number</u>	<u>Name of Federal Program</u>
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14.239	Home Investment Partnerships Program:
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Dollar threshold used to distinguish
between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? Yes No

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements**

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit of the financial statements for the year ended December 31, 2022.

No significant deficiencies were reported during the audit of the financial statements for the year ended December 31, 2022.

Compliance and Other Matters

There were no compliance findings material to the financial statements reported during the audit for the year ended December 31, 2022.

Section III - Internal Control and Compliance Material to Federal Awards

Internal Control/Compliance

There were no findings or questioned costs 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.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Rebuilding Together New Orleans, Inc. New Orleans, Louisiana

For the year ended December 31, 2022

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit of the financial statements for the year ended December 31, 2021.

No significant deficiencies were reported during the audit of the financial statements for the year ended December 31, 2021.

Compliance and Other Matters

There were no compliance findings material to the financial statements reported during the audit for the year ended December 31, 2021.

Section II - Federal Award Findings and Questioned Cost

RTNO did not expend federal awards in excess of \$750,000 during the year ended December 31, 2021 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended December 31, 2021.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Rebuilding Together New Orleans, Inc. New Orleans, Louisiana

For the year ended December 31, 2022

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit of the financial statements for the year ended December 31, 2022.

No significant deficiencies were reported during the audit of the financial statements for the year ended December 31, 2022.

Compliance and Other Matters

There were no compliance findings material to the financial statements reported during the audit for the year ended December 31, 2022.

Section II - Internal Control and Compliance Material to Federal Awards

There were no findings or questioned costs 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.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended December 31, 2022.

STATEWIDE AGREED-UPON PROCEDURES (R.S. 24:513)

INDEPENDENT ACCOUNTANT’S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors,
Rebuilding Together New Orleans, Inc.,
New Orleans, Louisiana.

We have performed the procedures described in Schedule 2 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2022 through December 31, 2022 (the “fiscal period”). Rebuilding Together New Orleans, Inc. (RTNO) management is responsible for those C/C areas identified in the SAUPs.

RTNO 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 the 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 purpose. 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 described in Schedule 2.

We were engaged by RTNO to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the 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 these 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 RTNO 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

New Orleans, Louisiana,
May 23, 2023.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

Rebuilding Together New Orleans, Inc.
 New Orleans, Louisiana

For the year ended December 31, 2022

The required procedures and our findings are as follows:

1. Procedures Performed on RTNO's Written Policies and Procedures:

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

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

Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.

Exceptions: 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.

Performance: Obtained and read the written policy for purchasing and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.

Exceptions: 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.

Performance: Obtained and read the written policy for receipts/collections and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

1. Procedures Performed on RTNO's Written Policies and Procedures: (Continued)

- 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.
Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.
Exceptions: 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.
Performance: Obtained and read the purchasing handbook for contracting and found it to address all the functions listed above.
Exceptions: 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.
Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.
Exceptions: 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).
Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- ix. Ethics, including (1) prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees annually attest through signature verification that they have read RTNO's ethics policy.
Not applicable for not-for-profit entities.

- x. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Not applicable for not-for-profit entities.

1. Procedures Performed on RTNO's Written Policies and Procedures: (Continued)

- 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.

Performance: Obtained and read the information technology disaster recovery/business continuity policy and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- 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.

Not applicable for not-for-profit entities.

2. Procedures Performed on RTNO's Board:

- 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, or other equivalent document.

Performance: RTNO's bylaws require that the board meets a minimum of 5 times per year. We obtained and read minutes from 8 board meetings during the year ended December 31, 2022. The frequency of and quorum representation of those meetings was appropriate.

Exceptions: There were no exceptions noted.

- ii. 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 RTNO's collections during the fiscal period.

Performance: Inspected meeting minutes and determined that the minutes referenced or included financial activity relating to public funds.

Exceptions: 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 unrestricted fund balance in the general fund.

Not applicable for not-for-profit entities.

2. Procedures Performed on RTNO's Board: (Continued)

- 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.

Not applicable. RTNO had no audit findings for the years ended December 31, 2022 and 2021.

3. Procedures Performed on RTNO's Bank Reconciliations:

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

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

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

Performance: Obtained monthly bank reconciliation for the month of December for the main operating bank account and the one other account. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.

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

Performance: Inspected RTNO's documentation for the December bank reconciliation for the two bank accounts and verified a member of management who does not handle cash, post ledgers, or issue checks has reviewed the bank reconciliations.

Exceptions: There were no exceptions noted.

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

Performance: Inspected documents for items outstanding for more than 12 months. We noted no checks outstanding for longer than 12 months as of the end of the fiscal period.

Exceptions: There were no exceptions noted.

4. Procedures Performed on RTNO's 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).

Performance: Obtained the listing of deposit sites from management and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

- 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Obtained the listing of collection locations from management, and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals, inquired of client as to all the requirements and observed that job duties are properly segregated.

Exceptions: There were no exceptions noted.
- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Performance: Inspected policy manuals, inquired of client as to all the requirements and observed that job duties are properly segregated.

Exceptions: 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 is responsible for reconciling ledger postings to each other and to the deposit.

Performance: Inspected policy manuals, inquired of client as to all the requirements and observed that job duties are properly segregated.

Exceptions: 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, are not responsible for collecting cash, unless another employee verifies the reconciliation.

Performance: Inspected policy manuals, inquired of client as to all the requirements and observed that job duties are properly segregated.

Exceptions: There were no exceptions noted.

**4. Procedures Performed on RTNO's Collections (Excluding Electronic Funds Transfers):
(Continued)**

- 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.

Performance: Obtained a copy of the insurance policy for theft covering all employees who have access to cash. Observed that the insurance policy for theft was enforced during the fiscal period.

Exceptions: There were no exceptions noted.

- D. Randomly select two deposit dates for each of RTNO's bank accounts selected for procedures under "Procedures Performed on RTNO's Bank Reconciliations" #3A. Obtain supporting documentation for each of the deposits selected and:

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

Performance: Randomly selected two deposit dates for the main operating account and obtained supporting documentation for the selected deposits and observed that receipts were sequentially pre-numbered.

Exceptions: There were no exceptions noted.

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

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

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

Performance: Traced deposit slip total to actual deposit per bank statement.

Exceptions: There were no exceptions noted.

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

Performance: Observed that the deposits tested were made within one business day of receipt.

Exceptions: There were no exceptions noted.

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

Performance: Traced the actual deposit per the bank statement to the general ledger.

Exceptions: There were no exceptions noted.

5. Procedures Performed on RTNO's 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).

Performance: Obtained a listing of locations that process payments for the fiscal period from management and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

- 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 RTNO has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

Performance: Obtained a listing of employees involved in initiating a purchase request, approving a purchasing, and placing an order/making a purchase. Observed at least two employees are involved.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of employees involved in processing and approving payments to vendors. Observed at least two employees are involved.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of employees involved in processing payments to vendors. Observed that no employees involved in processing payments are adding/modifying vendor files.

Exceptions: 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.

Performance: Obtained a listing of employees involved with signing and mailing checks and verified they are not involved in the processing of payments.

Exceptions: There were no exceptions noted.

5. Procedures Performed on RTNO's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

- 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.

Performance: Obtained a listing of employees/officials authorized to sign checks and verified they approve the electronic disbursements of funds.

Exceptions: There were no exceptions noted.

- C. For each location selected under #5A above, obtain RTNO'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:

Performance: Obtained RTNO's non-payroll disbursement transaction population and received management's representation in a separate letter that the population is complete.

Selected 5 disbursements from the sole location that processes payment for testing.

Exceptions: There were no exceptions noted.

- i. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by RTNO.

Performance: Observed the 5 disbursements matched the related original invoice/billing statements and documentation that the deliverables were received.

Exceptions: 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 #5B, as applicable.

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

- D. Using RTNO's main operating account and the month selected for procedures #3A under "Procedures Performed on RTNO's Bank Reconciliations", randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was:

- i. Approved by only those persons authorized to disburse funds (e.g., sign checks) per RTNO's policy.

Performance: Observed that 5 disbursements included evidence of approval by authorized person.

Exceptions: There were no exceptions noted.

- ii. Approved by the required number of authorized signers per RTNO's policy.

Performance: Observed the 5 disbursements included evidence of approval by required number of authorized signers.

Exceptions: There were no exceptions noted.

6. Procedures Performed on RTNO's 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.

Performance: Obtained 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. Received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

- B. Using the listing prepared by management, select 5 cards (or all cards if less than 5) that were used during the fiscal period, rotating cards each year. Select one monthly statement or combined statement for each card (for a debit card, select one monthly bank statement), obtain supporting documentation, and:

- i. Observe that 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) was reviewed and approved, in writing, by someone other than the authorized card holder.

Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There were no exceptions noted.

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

Performance: Observed that there were no finance charges and/or late fees assessed on the selected statements.

Exceptions: There were no exceptions noted.

- C. Using the monthly statements or combined statements selected under #6B above, excluding fuel cards, 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, report whether the transaction is supported by:

- i. An original itemized receipt that identifies precisely what was purchased.

Performance: Observed that the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.

Exceptions: There were no exceptions noted.

**6. Procedures Performed on RTNO's Credit Cards, Debit Cards, Fuel Cards, P-Cards:
(Continued)**

- ii. Written documentation of the business/public purpose.

Performance: Observed that the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There were no exceptions noted.

- iii. Documentation of the individuals participating in meals (for meal charges only).

Performance: Observed that selected transactions for meal charges were supported by documentation of the individuals participating in the meals.

Exceptions: There were no exceptions noted.

7. Procedures Performed on RTNO's Travel and Travel-Related Expense Reimbursements:

- 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:

Performance: Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period from management and received management's representation in a separate letter that the listing is complete. Obtained the travel-related expense reimbursement forms and supporting documentation for 5 reimbursements.

Exceptions: There were no exceptions noted.

- i. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Performance: Per diem was used for 2 of the 5 selected reimbursements. Agreed the reimbursement rate for the 2 selected reimbursements using a per diem rate to those rates established by the U.S. General Service Administration.

Exceptions: There were no exceptions noted.

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

Performance: Actual costs were used for 3 of the 5 selected reimbursements. Observed that the 3 reimbursements using actual cost were supported by an original itemized receipt that identified precisely what was purchased.

Exceptions: There were no exceptions noted.

**7. Procedures Performed on RTNO's Travel and Travel-Related Expense Reimbursements:
(Continued)**

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

Performance: Observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, observed that the documentation included the names of those individuals participating) and other documentation required by written policies.

Exceptions: There were no exceptions noted.

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

Performance: Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person that received the reimbursement.

Exceptions: There were no exceptions noted.

8. Procedures Performed on RTNO's Contracts:

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation in a separate letter that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, and:

Performance: Obtained 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, and obtained management's representation in a separate letter that the listing is complete. Selected 5 contracts for testing.

Exceptions: There were no exceptions noted.

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

Performance: Observed whether the contracts selected did not require the bids to be in accordance with Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

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

Performance: Inspected board meeting minutes and confirmed the board approved the contracts requiring board approval.

Exceptions: There were no exceptions noted.

8. Procedures Performed on RTNO's Contracts: (Continued)

iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment were made in compliance with the contract terms.

Performance: Observed that the original contract terms allowed contract amendments and amendments were made in accordance with contract terms.

Exceptions: 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 that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Obtained supporting invoices, agreed invoices to the contract terms, and observed invoices related to the payment agreed to terms and conditions of the contract.

Exceptions: There were no exceptions noted.

9. Procedures Performed on RTNO's Payroll and Personnel:

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

Performance: Obtained a listing of employees employed during the fiscal period from management, and received management's representation in a separate letter that the listing is complete. Selected 5 employees, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

Exceptions: There were no exceptions noted.

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

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

Performance: Randomly selected one pay period to test leave taken during that period.

Inspected daily attendance and leave record for proper documentation.

Exceptions: There were no exceptions noted.

ii. Observe that supervisors approved the attendance and leave of the selected employees.

Performance: Observed that supervisors approved the attendance and leave of the selected employees.

Exceptions: There were no exceptions noted.

9. Procedures Performed on RTNO's Payroll and Personnel: (Continued)

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

Performance: Observed that any leave accrued or taken during the pay period was reflected in the cumulative leave records.

Exceptions: There were no exceptions noted.

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

Performance: Agreed the pay rates to authorized salary/pay rates maintained in employee files.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of those employees that received termination payments during the fiscal period from management, and received management's representation in a separate letter that the listing is complete. The hours used in management's termination payment calculations were agreed to cumulative leave records and the pay rates agreed to authorized pay rates in the personnel files.

Exceptions: 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.

Performance: Obtained management's representation that employer and employee portions of third-party payroll accounts have been paid, and any associated forms have been filed by the required deadlines.

Exceptions: There were no exceptions noted.

10. Procedures Performed on RTNO's Ethics:

A. Using the 5 selected employees from procedures #9A under "Procedures Performed on RTNO's Payroll and Personnel", obtain ethics compliance documentation from management and:

Not applicable for not-for-profit entities.

i. Observe that the documentation demonstrates each employee completed one hour of ethics training during the fiscal period.

Not applicable for not-for-profit entities.

10. Procedures Performed on RTNO's Ethics: (Continued)

- ii. Observe whether RTNO maintains documentation which demonstrates each employee was notified of any changes to RTNO's ethics policy during the fiscal period, as applicable.
Not applicable for not-for-profit entities.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.
Not applicable for not-for-profit entities.

11. Procedures Performed on RTNO's Debt Service:

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each bond/note issued.
Not applicable for not-for-profit entities.
- 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.
Not applicable for not-for-profit entities.

12. Procedures Performed on RTNO's Fraud Notice:

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that RTNO reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which RTNO is domiciled as required by R.S. 24:523.
Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period, none were noted.
Exceptions: There were no exceptions noted.
- B. Observe RTNO 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.
Performance: Inspected the fraud notice posted on the premises and website concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.
Exceptions: There were no exceptions noted.

13. Procedures Performed on RTNO's Information Technology Disaster Recovery/Business Continuity:

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

i. Obtain and inspect RTNO'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 (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

Performance: We performed the procedures and discussed the results with management.

ii. Obtain and inspect RTNO'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.

Performance: We performed the procedures and discussed the results with management.

iii. Obtain a listing of RTNO's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 five 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.

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

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

Performance: Observed evidence that the selected terminated employees have been removed or disabled from the network.

Exceptions: There were no exceptions noted.

14. Procedures Performed on RTNO's Prevention of Sexual Harassment:

A. Using the 5 randomly selected employees from procedure #9A under "Procedures Performed on RTNO's Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee completed at least one hour of sexual harassment training during the calendar year.

Not applicable for not-for-profit entities.

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

Not applicable for not-for-profit entities.

14. Procedures Performed on RTNO's Prevention of Sexual Harassment: (Continued)

- C. Obtain RTNO'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;
Not applicable for not-for-profit entities.
 - ii. Number of sexual harassment complaints received by the agency;
Not applicable for not-for-profit entities.
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
Not applicable for not-for-profit entities.
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action
Not applicable for not-for-profit entities.
 - v. Amount of time it took to resolve each complaint.
Not applicable for not-for-profit entities.

Management's Overall Response to Exceptions:

- There were no exceptions noted.