

THE WALLS PROJECT
BATON ROUGE, LOUISIANA
JUNE 30, 2022

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Directors of
The Walls Project

We have reviewed the accompanying financial statements of The Walls Project (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA, and the standards applicable to review engagements contained in *Governmental Auditing Standards*, issued by the United States Comptroller. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

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

Accountant's Conclusion

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

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to the agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Report on Agreed-Upon Procedures

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated November 2, 2022, on the results of our agreed-upon procedures.

L. A. Champagne & Co, LLP

Baton Rouge, Louisiana

November 2, 2022

THE WALLS PROJECT
STATEMENTS OF FINANCIAL POSITION

For the years ended June 30, 2022 and 2021
(See Independent Accountant's Review Report)

	<u>2022</u>	<u>2021</u> <u>As Restated</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 52,157	\$ 225,573
Pledges receivable, net	216,632	186,166
Prepaid expenses	<u>10,124</u>	<u>18,010</u>
Total current assets	<u>278,913</u>	<u>429,749</u>
PROPERTY AND EQUIPMENT		
Furniture and office equipment	52,140	23,134
Curriculum digitization	86,911	85,546
Software development	1,152	-
Less accumulated depreciation	<u>(11,635)</u>	<u>(6,652)</u>
Total property and equipment, net	<u>128,568</u>	<u>102,028</u>
NON-CURRENT ASSETS		
Security Deposit	<u>149</u>	<u>-</u>
Total assets	<u>\$ 407,630</u>	<u>\$ 531,777</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 202,037	\$ 202,238
Retirement payable	2,489	-
Long term debt (current portion)	4,930	-
Deferred revenue	-	5,000
Accrued interest	<u>-</u>	<u>3,838</u>
Total current liabilities	209,456	211,076
NON-CURRENT LIABILITIES		
Long term debt	<u>100,765</u>	<u>150,000</u>
Total liabilities	<u>310,221</u>	<u>361,076</u>
NET ASSETS		
With donor restrictions	292,426	234,894
Without donor restrictions	<u>(195,017)</u>	<u>(64,193)</u>
Total net assets	<u>97,409</u>	<u>170,701</u>
Total liabilities and net assets	<u>\$ 407,630</u>	<u>\$ 531,777</u>

See accompanying notes

THE WALLS PROJECT
STATEMENTS OF ACTIVITIES
For the years ended June 30, 2022 and 2021
(See Independent Accountant's Review Report)

	2022			2021 As Restated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Public support	\$ 289,829	\$ 1,239,790	\$ 1,529,619	\$ 128,020	\$ 822,035	\$ 950,055
Inkind revenue	240,000	-	240,000	1,384	-	1,384
Program service	1,020	-	1,020	989	-	989
Net assets released from restrictions	1,182,258	(1,182,258)	-	796,130	(796,130)	-
Total support and revenue	<u>1,713,107</u>	<u>57,532</u>	<u>1,770,639</u>	<u>926,523</u>	<u>25,905</u>	<u>952,428</u>
EXPENSES						
Program	1,428,858	-	1,428,858	778,970	-	778,970
Administration and general	296,236	-	296,236	103,662	-	103,662
Fundraising	118,837	-	118,837	11,515	-	11,515
Total expenses	<u>1,843,931</u>	<u>-</u>	<u>1,843,931</u>	<u>894,147</u>	<u>-</u>	<u>894,147</u>
Increase (decrease) in net assets	(130,824)	57,532	(73,292)	32,376	25,905	58,281
Net assets - beginning of year (as restated)	<u>(64,193)</u>	<u>234,894</u>	<u>170,701</u>	<u>(96,569)</u>	<u>208,989</u>	<u>112,420</u>
Net assets - end of year (as restated)	<u>\$ (195,017)</u>	<u>\$ 292,426</u>	<u>\$ 97,409</u>	<u>\$ (64,193)</u>	<u>\$ 234,894</u>	<u>\$ 170,701</u>

See accompanying notes

THE WALLS PROJECT
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2022 and 2021
(See Independent Accountant's Review Report)

	2022	2021 As Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (73,292)	\$ 58,281
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	4,983	2,215
Decrease (increase) in		
Pledges receivable	(30,466)	(66,345)
Other receivables	-	10,325
Prepaid expenses	7,886	(18,010)
Security deposits	(149)	-
Increase (decrease) in		
Accounts payable	(201)	2,476
Retirement payable	2,489	-
Deferred revenue	(5,000)	-
Accrued interest	(3,838)	3,838
Total adjustments	(24,296)	(65,501)
Net cash used in operating activities	(97,588)	(7,220)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(31,523)	(38,957)
Net cash used in investing activities	(31,523)	(38,957)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds	-	150,000
Principal payments	(44,305)	-
Net cash provided by (used in) financing activities	(44,305)	150,000
 Increase (Decrease) in cash	(173,416)	103,823
Cash - Beginning of year	225,573	121,750
Cash - End of year	\$ 52,157	\$ 225,573

See accompanying notes

THE WALLS PROJECT
STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended June 30, 2022

(See Independent Accountant's Review Report)

	Program Services				Total Program	Administration and Fundraising		Total
	Create	Cultivate	Reactivate	One Rouge Coalition		General	Fundraising	
Contract services	\$ 450	\$ 156,678	\$ -	\$ -	\$ 157,128	\$ 52,539	\$ 71,200	\$ 280,867
Program management	3,450	141,007	450	49,341	194,248	7,559	-	201,807
Facilities and equipment	454	334,927	-	-	335,381	28,692	-	364,073
Salaries and wages	-	501,624	6,152	46,483	554,259	150,015	-	704,274
Curriculum development	100	1,659	-	-	1,759	1,913	-	3,672
Community events	-	-	-	1,968	1,968	-	-	1,968
Murals	66,911	1,117	32,033	-	100,061	6,675	-	106,736
Insurance	-	21,314	-	-	21,314	8,994	-	30,308
Student stipends	-	38,400	-	-	38,400	-	-	38,400
Travel and auto	1,045	4,867	-	-	5,912	-	44,092	50,004
Office	-	760	-	-	760	8,748	413	9,921
Meals and entertainment	218	562	-	-	780	-	2,257	3,037
Dues and subscriptions	208	8,594	-	-	8,802	4,349	875	14,026
Interest	-	-	-	-	-	3,407	-	3,407
Gifts	-	-	-	-	-	650	-	650
Postage and printing	-	33	-	-	33	2,430	-	2,463
Software and licenses	-	2,148	-	132	2,280	7,914	-	10,194
Depreciation	-	-	-	-	-	4,983	-	4,983
Telephone	-	68	-	-	68	2,495	-	2,563
Web development	-	-	-	-	-	72	-	72
Bank charges	-	-	-	-	-	1,484	-	1,484
Videography	-	-	-	5,100	5,100	-	-	5,100
Photography	500	-	-	-	500	3,150	-	3,650
Background checks	-	105	-	-	105	-	-	105
Repairs and maintenance	-	-	-	-	-	167	-	167
	<u>\$ 73,336</u>	<u>\$ 1,213,863</u>	<u>\$ 38,635</u>	<u>\$ 103,024</u>	<u>\$ 1,428,858</u>	<u>\$ 296,236</u>	<u>\$ 118,837</u>	<u>\$ 1,843,931</u>

See accompanying notes

THE WALLS PROJECT
STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended June 30, 2021
(See Independent Accountant's Review Report)

	Program Services				Administration and Fundraising		
	Create	Cultivate	Reactivate	Total Program	General	Fundraising	Total
Contract services	\$ 12,718	\$ 201,609	\$ 11,600	\$ 225,927	\$ 66,014	\$ 9,400	\$ 301,341
Program management	3,000	292,022	500	295,522	-	-	295,522
T1900xt	360	179,041	-	179,401	11,151	-	190,552
Curriculum development (as restated)	-	11,872	-	11,872	1,400	-	13,272
Murals	11,926	12,759	-	24,685	-	-	24,685
Insurance	-	10,564	-	10,564	1,700	-	12,264
Donations	-	11,463	-	11,463	98	-	11,561
Bad debt	-	-	-	-	5,500	-	5,500
Travel and auto	200	4,412	-	4,612	140	31	4,783
Office	-	1,637	-	1,637	2,732	-	4,369
Meals and entertainment	18	2,066	-	2,084	1,918	61	4,063
Dues and subscriptions	-	433	-	433	2,495	1,075	4,003
Interest	-	-	-	-	3,838	-	3,838
Gifts	-	2,794	-	2,794	-	784	3,578
Postage and printing	-	353	-	353	2,534	-	2,887
Software and licenses	-	1,937	-	1,937	739	-	2,676
Depreciation	-	2,215	-	2,215	-	-	2,215
Telephone	-	163	-	163	2,190	-	2,353
Web development	-	1,225	-	1,225	15	-	1,240
Merchandise	-	516	-	516	613	-	1,129
Bank charges	-	403	-	403	585	164	1,152
Videography	-	800	-	800	-	-	800
Background checks	-	348	-	348	-	-	348
Repairs and maintenance	-	16	-	16	-	-	16
	\$ 28,222	\$ 738,648	\$ 12,100	\$ 778,970	\$ 103,662	\$ 11,515	\$ 894,147

See accompanying notes

THE WALLS PROJECT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

The Walls Project (the Organization) is a non-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization was incorporated in 2012 with the purpose of enhancing the artistic and aesthetic beauty of the large wall spaces of the City of Baton Rouge and East Baton Rouge Parish. The Organization advances and fosters public awareness, creativity, collaboration, community growth, and unity through the following program activities:

1. Create – Create is the Arts Program of the Organization. This work ranges from producing ten-story murals on high rise buildings, creating interactive healing-arts sculptures at hospitals, and recycling yard signs into mini-mural canvasses for children.
2. Cultivate – Cultivate programs offer young adults different routes to learn direct and indirect skills to become college and career-ready. The programs center around creative hustle and contributions towards community betterment.
3. Reactivate – Reactive strives to address blight in the Baton Rouge community through volunteer services. The Organization hosts an annual MLK Fest and several city clean-up projects throughout the year to further this goal.
4. One Rouge Coalition – One Rouge Coalition is a movement risen from the pandemic to alter the course of the Drivers of Poverty in the East Baton Rouge Parish. Comprised of over 400 organizations, the collective impact model by promoting strategies, programs, and teams to mobilize groups of community members into systems-level collective action, expend individual and community capacities, build prosperity, and establish sustainability for individuals and communities in need.

Basis of accounting

The Organization prepares its financial statements on the accrual basis of accounting. Under this method of accounting, revenue is recognized when earned or billed, and expenses are recognized when goods or services are received and the obligation for payment is incurred.

Basis of presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). The Organization reports information regarding its financial position and activities according to the two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets with donor restrictions to net assets without donor restrictions.

Support and revenue recognition

Contributions received, government support, and unconditional promises to give are measured at their fair values and are reported as an increase in net assets.

The Organization recognizes revenue when it transfers promised goods or services in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods and services. To accomplish this, the Organization applies the following five-step process to achieve this core principle:

- Identification of the contract with the member;
- Identification of the performance obligations under the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the identified performance obligations; and
- Recognition of revenue when (or as) an entity satisfies the identified performance obligations.

Program income consists of fees for student photography services and produce and farm goods as part of the Organization's Cultivate program.

Donated services

Donated services are recognized as contributions (a) if the services create or enhance nonfinancial assets or (b) if specialized skills are required, are performed by people with those skills, and would otherwise be purchased by the Organization. These services are recorded based on the fair value of the services provided and reported as in-kind revenue on the Statement of Activities. Volunteer services are not recognized in the financial statements when the recognition criteria has not been met.

Use of estimates

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

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash

For the purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with a maturity of three months or less when acquired to be cash.

Allowance for uncollectible accounts

An allowance for uncollectible accounts is established based on prior experience and management's assessment of collectability. Management maintains an allowance of \$5,500 as of June 30, 2022 and 2021.

Prepaid expenses

Insurance and similar services which extend benefits over more than one accounting period as well as expenses incurred for future events have been recorded as prepaid.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on the straight-line basis over the estimated useful life of the assets as follows:

Furniture and equipment	5-7 years
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Costs of major additions and improvements are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

When property is retired or otherwise disposed of, the accounts are relieved of the applicable cost and accumulated depreciation, and any resulting gain or loss is reflected in operations.

Income tax status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the financial statements.

The Organization accounts for income taxes in accordance with the income tax accounting guidance included in the FASB ASC. Under this guidance, the Organization may recognize the tax effects from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by tax authorities. The Organization has evaluated its position regarding the accounting for uncertain tax positions and does not believe that it has any material uncertain tax positions.

Functional allocation of expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs are charged specifically to a program or function, and the remaining costs are allocated among programs, management, and fundraising. Contract service allocations are determined by management on an equitable basis based on time and effort.

B: PLEDGES RECEIVABLE

The pledges receivable balance as of June 30, 2022 and 2021, consists of the following:

	2022	2021
Individual donors	\$ 21,226	\$ 337
Corporate donors	7,835	17,500
Foundation grants	77,400	63,000
Government grants	115,671	110,829
	<u>\$ 222,132</u>	<u>\$ 191,666</u>
Less allowance for doubtful accounts	(5,500)	(5,500)
	<u>\$ 216,632</u>	<u>\$ 186,166</u>

All receivables are due within one year of June 30, 2022.

C: NON-CASH INVESTING AND FINANCING ACTIVITIES

There were no non-cash investing and financing activities for the year ended June 30, 2022 and 2021.

D: LIQUIDITY

The Organization has no financial assets available within one year of the balance sheet date to meet cash needs for general expenditures for the year ended June 30, 2022.

	2022	2021
Cash	\$ 52,157	\$225,573
Pledges receivable	216,632	186,166
Less donor imposed restrictions	(292,426)	(234,894)
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ (23,637)</u>	<u>\$ 176,845</u>

E: LONG TERM DEBT

On July 26, 2020, the Organization obtained a \$150,000 Economic Injury Disaster Loan (EIDL) from the Small Business Administration (SBA) related to the COVID-19 pandemic. The loan bears interest at 2.75% and is payable in 360 monthly installments of \$641, starting July 2021. The loan is secured by the Organization's receivables and equipment. The SBA will apply each installment payment first to pay interest accrued, then apply any remaining balance to reduce principal. Principal payments made as of June 30, 2022 amounted to \$44,305.

E: LONG TERM DEBT *(Continued)*

Remaining principal payments on the EIDL loan are due as follows:

2023	\$	4,930
2024		5,067
2025		5,208
2026		5,353
2027		5,502
2028 and later years		<u>79,635</u>
	\$	<u><u>105,695</u></u>

F: LEASE COMMITMENTS

The Organization leases office space under an agreement that is classified as an operating lease. This lease provides for monthly rent of \$1,200 and expires July 31, 2022, with automatic yearly renewals. The lease can be terminated by either party with written notice at least 30 days prior to the automatic renewal date. The lease was automatically renewed through July 31, 2023.

Lease expense under this agreement was \$14,400 for the years ended June 30, 2022 and 2021. The future minimum lease payments required under the operating leases are \$15,600 as of June 30, 2022.

G: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2022 and 2021, are restricted for the Cultivate and One Rouge Coalition programs.

H: NON-CASH CONTRIBUTIONS

During the years ended June 30, 2022 and 2021, the Organization received the following non-cash contributions that have been reflected as such in the accompanying statement of activities. The corresponding expenses are included in the Schedule of Functional Expenses in the appropriate categories:

	<u>2022</u>	<u>2021</u>
Facilities and equipment	\$ 240,000	\$ -
Contract services - Admin	-	1,384
Total in kind contributions	<u>\$ 240,000</u>	<u>\$ 1,384</u>

I: RELATED PARTY TRANSACTIONS

The Organization shares office space with The Force Agency, which was owned by the executive director of the Organization. The Force Agency billed the Organization for monthly project management fees and out of pocket expense reimbursements until June 30, 2021. As of July 1, 2021, The Force Agency is no longer associated with the Organization as employees were hired on a W-2 basis.

Amounts billed by The Force Agency for the year ended June 30, 2022 and 2021 were as follows:

Statement of Activities Line Item	2022				2021			
	Program Services				Program Services			
	Create	Cultivate	Reactive	Total	Create	Cultivate	Reactive	Total
Contract services	\$ -	\$ -	\$ -	\$ -	\$ 14,950	\$ 73,288	\$ 9,350	\$ 97,588
Meals and entertainment	-	-	-	-	200	42	-	242
	\$ -	\$ -	\$ -	\$ -	\$ 15,150	\$ 73,330	\$ 9,350	\$ 97,830

As of June 30, 2022, the Organization owed The Force Agency \$91,193, which was classified as an account payable and \$121,843 as of June 30, 2021.

J: PRIOR PERIOD ADJUSTMENT

The Organization’s financial statements from the previous year did not include the capitalization of the Curriculum Digitization amounting to \$85,546 or public support income of \$25,000. Net assets have increased by \$110,546 as a result of these adjustments.

K: SUBSEQUENT EVENTS

Subsequent events were evaluated through November 2, 2022, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

THE WALLS PROJECT
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD

For the year ended June 30, 2022
(See Independent Accountant's Review Report)

Agency Head
Casey Phillips, Director and Development

Purpose	Amount
Salary	\$32,848

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

August 29, 2022 (Date Transmitted)

LA Champagne & Co, LLP (CPA Firm Name)

4911 Bennington Ave (CPA Firm Address)

Baton Rouge, LA 70808 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2022 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

Open Meetings

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

Yes No N/A

Budget

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

Yes No N/A

Reporting

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

Prior-Year Comments

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

Yes No N/A

General

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

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

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

Yes No N/A

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

Thomas Donley Thomas Donley (Chief Financial Officer) _____ Treasurer 2022.08.29 _____ Date
CR Casey Phillips (Executive Director) _____ President 2022.08.29 _____ Date



**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING
AGREED-UPON PROCEDURES**

The Board of Directors of
The Walls Project

We have performed the procedures enumerated below, which were agreed to by the management of The Walls Project and the Legislative Auditor (the specified parties), on the Organization’s compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2022, as required by Louisiana Revised Statute 24:513 and *the Louisiana Governmental Audit Guide*. The Management of The Walls Project is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Federal, State, and Local Awards

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

The Organization provided us with the following list of expenditures for federal, state, and local government grant awards for the year ended June 30, 2022:

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
City of Baton Rouge, Parish of East Baton Rouge, CARES Act, Futures Fund Coding Boot Camp: Dislocated Adults & Veterans Public Service Grant # B-20-MW-22-002	2020	14.218	\$ 100,000
Delta Regional Authority, Project LA-54257	2021	90.201	\$ 88,910

Louisiana Department of Revenue	2022		\$ 25,000
Louisiana Department of Agriculture & Forestry, Specialty Crop Block Grant Program #2000528695	2021	10.170	\$ 3,445
Louisiana Department of Agriculture & Forestry, Specialty Crop Block Grant Program #2000618800	2022	10.170	\$ 24,456
Louisiana Department of Culture, Recreation and Tourism, Office of Cultural Development, Division of the Arts	2021	45.025	\$ 5,000
National Endowment for the Arts #1863189-42	2021		\$ 81,400

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.
3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.
Each of the selected disbursements agreed to the amount and payee in the supporting documentation.
4. Report whether the selected disbursements were coded to the correct fund and general ledger account.
Each of the selected disbursements were coded to the correct fund and general ledger account.
5. Report whether the selected disbursements were approved in accordance with the Organization's policies and procedures.
Each of the selected disbursements were approved by the Executive Director, which is in accordance with their policies and procedures.
6. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant

agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

Each of the selected disbursements met the requirements of the related grant agreement.

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

No program selected in Procedure 2 was closed out in the current fiscal year.

Open Meetings

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there were any exceptions. Note: Please refer to the Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at <http://appl.la.state.la.us/llala.nsf>, to determine whether a non-profit agency is subject to the open meetings law.

The Organization is not required to comply with LA R.S. 42:11 through 42:28 (the open meetings law) because the Organization is not a public body.

Budget

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

The Organization provided a comprehensive budget to each applicable agency for the programs mentioned previously. These budgets specified the anticipated uses of the funds and estimate of the duration of the project.

State Audit Law

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

The Organization's report was submitted to the Legislative Auditor before the statutory due date.

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

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

Prior Comments

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

There were no prior year suggestions, exceptions, recommendations or commented from the prior year, as represented in the current year management representation letter.

This agreed-upon procedures engagement was performed in accordance with 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, the objective of which would be the expression of an opinion or conclusion, respectively, on the Organization's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

L. A. Champagne & Co, LLP

*Baton Rouge, Louisiana
November 2, 2022*