

Financial Report

Rebuilding Together New Orleans, Inc.

December 31, 2023

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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, 2023 and 2022, 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, 2023 and 2022, 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

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 April 29, 2024, 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.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
April 29, 2024.

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

December 31, 2023 and 2022

ASSETS

	<u>2023</u>	<u>2022</u>
Assets		
Cash	\$ 2,110,710	\$ 1,763,802
Private grants receivable	168,164	252,997
Government grants receivable	96,045	137,254
Investments	1,917,252	1,619,631
Prepaid expenses	32,498	24,397
Other assets	106,604	70,725
Property and equipment, net	<u>623,451</u>	<u>615,709</u>
Total assets	<u>\$ 5,054,724</u>	<u>\$ 4,484,515</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 34,998	\$ 71,113
Accrued expenses	<u>46,321</u>	<u>31,892</u>
Total liabilities	<u>81,319</u>	<u>103,005</u>
Net Assets		
Without donor restrictions:		
Undesignated	1,531,488	1,231,618
Designated	<u>1,949,173</u>	<u>1,949,173</u>
Total without donor restrictions	3,480,661	3,180,791
With donor restrictions	<u>1,492,744</u>	<u>1,200,719</u>
Total net assets	<u>4,973,405</u>	<u>4,381,510</u>
Total liabilities and net assets	<u>\$ 5,054,724</u>	<u>\$ 4,484,515</u>

See notes to financial statements.

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

For the year ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Support and Revenue			
Contributions of cash and other financial assets	\$ 470,276	\$ 218,443	\$ 688,719
Contributions of nonfinancial assets	280,816	-	280,816
Grant income	1,859,070	376,704	2,235,774
Lease income	16,200	-	16,200
Interest income	66,437	-	66,437
Investment income, net	203,318	-	203,318
Gain on sale of asset	1,927	-	1,927
Other income	101,942	-	101,942
Net assets released from restrictions satisfaction of restrictions	303,122	(303,122)	-
Total support and revenue	<u>3,303,108</u>	<u>292,025</u>	<u>3,595,133</u>
Expenses			
Program services	2,799,823	-	2,799,823
General and administrative	203,415	-	203,415
Total expenses	<u>3,003,238</u>	<u>-</u>	<u>3,003,238</u>
Changes in net assets	299,870	292,025	591,895
Net Assets			
Beginning of year	<u>3,180,791</u>	<u>1,200,719</u>	<u>4,381,510</u>
End of year	<u>\$ 3,480,661</u>	<u>\$ 1,492,744</u>	<u>\$ 4,973,405</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 income, 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	185,646	-	185,646
 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 FUNCTIONAL EXPENSES**Rebuilding Together New Orleans, Inc.**
New Orleans, Louisiana

For the year ended December 31, 2023

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Totals</u>
Americorp expense	\$ 6,559	\$ -	\$ 6,559
Bank charges	-	759	759
Construction expenses	1,844,315	-	1,844,315
Depreciation	31,565	-	31,565
Dues and subscriptions	17,981	2,808	20,789
Employee benefits	54,498	9,267	63,765
Facility and equipment expenses	13,836	7,920	21,756
Insurance	66,046	3,140	69,186
Miscellaneous	11,945	1,589	13,534
Payroll taxes	46,545	12,313	58,858
Professional fees	19,567	3,147	22,714
Salaries	617,007	152,427	769,434
Telephone	11,505	7,048	18,553
Travel expense	33,269	2,997	36,266
Utilities	4,093	-	4,093
Volunteer expenses	21,092	-	21,092
	<u>\$ 2,799,823</u>	<u>\$ 203,415</u>	<u>\$ 3,003,238</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.

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

For the years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Changes in net assets	\$ 591,895	\$ (451,926)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	31,565	29,246
Gain on sale of property and equipment	(1,927)	-
Realized and unrealized loss (gain) on investments	(167,630)	298,241
(Increase) decrease in operating assets:		
Private grants receivable	84,833	(91,672)
Government grants receivable	41,209	92,890
Prepaid expenses	(8,101)	(5,314)
Other assets	(35,879)	2,526
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(36,115)	51,113
Accrued expenses	14,429	11,391
Net cash provided by (used in) operating activities	<u>514,279</u>	<u>(63,505)</u>
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	581,727	946,775
Investment purchases	(711,718)	(865,799)
Purchases of property and equipment	(37,380)	-
Net cash provided by (used in) investing activities	<u>(167,371)</u>	<u>80,976</u>
Cash Flows From Financing Activities		
Principal payments on debt	-	(73,974)
Net Increase (Decrease) in Cash	346,908	(56,503)
Cash		
Beginning of year	<u>1,763,802</u>	<u>1,820,305</u>
End of year	<u>\$ 2,110,710</u>	<u>\$ 1,763,802</u>
Supplementary Non-Cash Investing Activities		
Trade-in value of property used to purchase vehicle	<u>\$ 3,000</u>	<u>\$ -</u>

See notes to financial statements.

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

New Orleans, Louisiana

December 31, 2023 and 2022

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, 2023, management believes it has no uncertain tax positions. Tax years ended December 31, 2020 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 approximately \$1,001,000 in cash equivalents as of December 31, 2023. There were no cash equivalents as of December 31, 2022.

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 \$31,565 and \$29,246 for the years ended December 31, 2023 and 2022, 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, 2023 and 2022.

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, 2023 and 2022:

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 \$394,000 and \$342,000 for the years ended December 31, 2023 and 2022, 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

Measurement of Credit Losses

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, “*Financial Instruments - Credit Losses*” (Topic 326). The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Recently Issued Accounting Standards (Continued)

Measurement of Credit Losses (Continued)

The CECL methodology utilizes a lifetime “expected credit loss” measurement objective for the recognition of credit losses for loans, held-to-maturity securities and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. For available-for-sale securities where fair value is less than cost, credit-related impairment, if any, is recognized through an allowance for credit losses and adjusted each period for changes in credit risk. The ASU was adopted for the year ended December 31, 2023.

n. 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 April 29, 2024, 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, 2023, there was approximately \$307,000 in excess of insured amounts.

Note 4 - GRANTS RECEIVABLE

The details of grants receivable as of December 31, 2023 and 2022 are as follows:

	2023	2022
Private grants receivable:		
Gulf Coast Bank and Trust	\$ 67,114	\$ -
The Joe W. and Dorothy Dorsett Brown Foundation	37,500	-
United Way	30,000	65,364
Hancock Whitney Bank	12,000	7,500
Synergy Bank	12,000	-
Other	6,850	11,300
Rebuilding Together, Inc.	2,700	4,000
Bayou Community Foundation	-	125,000
HandsOn New Orleans, Inc.	-	21,133
McMahon Solutions	-	11,200
Blue Cross Blue Shield	-	7,500
	<u>168,164</u>	<u>252,997</u>
Government grants receivable:		
Veterans Housing Rehabilitation and Modification Program	38,980	20,016
USDA Rural Development - Housing Preservation Program	33,063	-
State of Louisiana - Volunteer Louisiana Commission	22,427	21,600
HUD - Older Adult Home Modification Grant Program	1,575	-
City of New Orleans - CDBG grants	-	67,229
State of Louisiana - Department of Health and Human Services	-	28,409
	<u>96,045</u>	<u>137,254</u>
Total grants receivable	<u>\$ 264,209</u>	<u>\$ 390,251</u>

Note 5 - INVESTMENTS

Investments as of December 31, 2023 and 2022 are comprised of the following:

	2023		
	Cost	Fair Market Value	Excess of Market Over Cost (Cost over Market)
Mutual funds:			
Equity	\$ 1,129,472	\$ 1,165,004	\$ 35,532
Fixed income	776,298	752,248	(24,050)
Totals	\$ 1,905,770	\$ 1,917,252	\$ 11,482
	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)

Note 5 - INVESTMENTS (Continued)

	December 31, 2023		
	Cost	Market Value	Excess of Market Over Cost
Balance, December 31, 2023	<u>\$ 1,905,770</u>	<u>\$ 1,917,252</u>	\$ 11,482
Balance, December 31, 2022	<u>\$ 1,815,885</u>	<u>\$ 1,619,631</u>	<u>(196,254)</u>
Increase in unrealized appreciation			207,736
Realized loss			(40,106)
Interest and dividend income			<u>46,417</u>
Total			214,047
Less investment expense			<u>(10,729)</u>
Investment income, net			<u>\$ 203,318</u>
	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>	<u>33,267</u>
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>

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:

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 maximize the use of relevant 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.

Note 6 - FAIR VALUE MEASUREMENTS (Continued)

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.

Assets measured at fair value on a recurring basis as of December 31, 2023 and 2022 are comprised of and determined as follows:

Description	Fair Value As Of December 31, 2023	2023 Based on		
		Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual funds:				
Equity	\$ 1,165,004	\$ 1,165,004	\$ -	\$ -
Fixed income	752,248	752,248	-	-
Totals	<u>\$ 1,917,252</u>	<u>\$ 1,917,252</u>	<u>\$ -</u>	<u>\$ -</u>
Description	Fair Value As Of December 31, 2022	2022 Based on		
		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>

As of December 31, 2023 and 2022, 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, 2023 and 2022:

	2023	2022
Land	\$ 120,600	\$ 120,600
Buildings and improvements	482,906	482,906
Vehicles	116,330	81,550
	719,836	685,056
Less: accumulated depreciation and amortization	(96,385)	(69,347)
	<u>\$623,451</u>	<u>\$615,709</u>

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, 2023, there is no note payable balance.

Note 9 - BOARD DESIGNATIONS

Board designations consist of the following as of December 31, 2023 and 2022:

	2023	2022
Future needs of the ongoing mission	<u>\$1,949,173</u>	<u>\$1,949,173</u>

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, 2023 and 2022 are available for the following purposes:

	2023	2022
Hurricane Ida relief and recovery	\$ 513,393	\$ 572,744
Job training	341,977	388,986
Tornado relief	75,000	83,000
Home repairs for low income veterans	95,704	81,374
Safe at Home Program	451,670	54,615
Home repairs for low income families	15,000	20,000
Total net assets with donor restrictions	\$1,492,744	\$1,200,719

Net assets released from restrictions for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Purpose restrictions satisfied:		
Hurricane Ida relief and recovery	\$ 104,350	\$ 472,936
Tornado relief	8,000	-
Home repairs for low income veterans	81,374	62,345
Job training	47,009	60,000
Home repairs for low income families	20,000	50,805
Home repairs for New Orleans East families	-	7,500
Safe at Home Program	42,389	-
Totals purpose restrictions satisfied	\$ 303,122	\$ 653,586

Note 11 - CONTRIBUTED NONFINANCIAL ASSETS

RTNO recognized contributed nonfinancial assets on the Statements of Activities. Contributed nonfinancial assets for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Support:		
Building supplies	\$280,816	\$228,318
Expenditures:		
Construction expense	\$280,816	\$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 - LEASE REVENUE

RTNO leases a portion of its building not currently needed for operations to third party-tenants. The three lease terms in effect during the year ended December 31, 2023 are May 1, 2022 through December 31, 2024 with monthly lease payments of \$1,200, for the periods July 1, 2022 through June 30, 2023 with monthly lease payments of \$50, and a month-to-month lease beginning May 1, 2022 with a monthly lease payment of \$100.

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.

Rental income was \$16,200 and \$15,500 for the years ended December 31, 2023 and 2022, respectively, and recorded in other income on the Statements of Activities.

Future minimum lease payments to be received under the third-party leases in effect as of December 31, 2023 are as follows:

<u>Year Ending December 31,</u>	
2024	<u>\$14,400</u>

Note 14 - 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, 2023, there were no amounts due to Rebuilding Together, Inc. As of December 31, 2022, there was \$24,899 due to Rebuilding Together, Inc. for insurance expense. Additionally, RTNO remits a percentage of its gross annual receipts as part of its annual dues. For the years ended December 31, 2023 and 2022, \$20,789 and \$21,036 was paid to Rebuilding Together, Inc. for annual dues expense, respectively.

Note 15 - CONSTRUCTION COMMITMENTS

During 2023, RTNO entered into construction contracts for five homes totaling approximately \$57,000. As of December 31, 2023, RTNO had approximately \$9,000 in incurred expenses related to these contracts.

Note 16 - 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 16 - AVAILABILITY OF FINANCIAL ASSETS (Continued)

The following reflects RTNO's financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general use because of donor-imposed restrictions and board designations.

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash	\$2,110,710	\$ 1,763,802
Private grant receivable	168,164	252,997
Government grant receivable	96,045	137,254
Investments	<u>1,917,252</u>	<u>1,619,631</u>
Total financial assets as of December 31, 2023 and 2022	4,292,171	3,773,684
Less amounts unavailable for general expenditures within one year, due to: Donor imposed restrictions: Restricted by donors with purpose restrictions	<u>(1,492,744)</u>	<u>(1,200,719)</u>
Financial assets available to meet cash needs for general expenditures within one year before board designations	2,799,427	2,572,965
Less board designations	<u>(1,949,173)</u>	<u>(1,949,173)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 850,254</u>	<u>\$ 623,792</u>

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, 2023

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	<u>0</u>
	<u>\$ 0</u>

Note:

No public funds were used to pay Mr. Stoudt's salary, benefits, or any other compensation during the year ended December 31, 2023.

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, 2023, 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 April 29, 2024.

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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
April 29, 2024.

SCHEDULE OF FINDINGS AND RESPONSES

Rebuilding Together New Orleans, Inc. New Orleans, Louisiana

For the year ended December 31, 2023

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

Noncompliance material to financial statements noted? Yes No

b) Federal Awards

RTNO did not expend more than \$750,000 in federal awards during the year ended December 31, 2023; therefore, is exempt from the audit requirements under the Uniform Guidance.

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, 2023.

No significant deficiencies were reported during the audit of the financial statements for the year ended December 31, 2023.

Compliance and Other Matters

There were no compliance findings material to the financial statements reported during the audit for the year ended December 31, 2023.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Rebuilding Together New Orleans, Inc. New Orleans, Louisiana

For the year ended December 31, 2023

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 - Federal Award Findings and Questioned Cost

There were no federal award findings or questioned costs reported during the audit of the financial statements for the year ended December 31, 2022.

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.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Rebuilding Together New Orleans, Inc. New Orleans, Louisiana

For the year ended December 31, 2023

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, 2023.

No significant deficiencies were reported during the audit of the financial statements for the year ended December 31, 2023.

Compliance and Other Matters

There were no compliance findings material to the financial statements reported during the audit for the year ended December 31, 2023.

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, 2023, 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, 2023.