

Financial Report

Rebuilding Together New Orleans, Inc.

December 31, 2020

Financial Report

Rebuilding Together New Orleans, Inc.

December 31, 2020

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2020 and 2019 and the related statements of activities, functional expenses, and cash flows for the year ended December 31, 2020 and initial period March 21, 2019 through December 31, 2019, and the related notes to the financial statements.

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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RTNO as of December 31, 2020 and 2019 and the changes in its net assets and its cash flows for the year ended December 31, 2020 and the initial period March 21, 2019 through December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Other Matter

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 20, 2021, on our consideration of RTNO's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RTNO's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
May 20, 2021.

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

December 31, 2020 and 2019

ASSETS

	<u>2020</u>	<u>2019</u>
Assets		
Cash	\$ 3,125,014	\$ 644,269
Private grants receivable	111,756	20,000
Government grants receivable	121,903	25,732
Other receivables	8,500	850
Prepaid expenses	21,199	521
Other assets	66,830	-
Property and equipment, net	<u>620,210</u>	<u>605,871</u>
Total assets	<u>\$ 4,075,412</u>	<u>\$ 1,297,243</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 35,842	\$ 51,415
Accrued expenses	59,239	27,558
Note payable	<u>73,974</u>	<u>73,974</u>
Total liabilities	<u>169,055</u>	<u>152,947</u>
Net Assets		
Without donor restrictions:		
Undesignated	1,089,988	521,545
Designated	<u>1,943,293</u>	<u>-</u>
Total without donor restrictions	3,033,281	521,545
With donor restrictions	<u>873,076</u>	<u>622,751</u>
Total net assets	<u>3,906,357</u>	<u>1,144,296</u>
Total liabilities and net assets	<u>\$ 4,075,412</u>	<u>\$ 1,297,243</u>

See notes to financial statements.

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

For the year ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Support and Revenue			
Contribution - RTNO a program of the Preservation Resource Center	\$ 440,293	\$ -	\$ 440,293
Contributions	131,080	5,000	136,080
Settlements	1,943,293	-	1,943,293
Grant income	625,114	399,330	1,024,444
Paycheck Protection Program loan forgiveness	131,500	-	131,500
Rental income	4,500	-	4,500
Dividends and interest income	8,784	-	8,784
Gain on sale of asset	997	-	997
Other income	56,581	-	56,581
Net assets released from restrictions satisfaction of restrictions	154,005	(154,005)	-
Total support and revenue	<u>3,496,147</u>	<u>250,325</u>	<u>3,746,472</u>
Expenses			
Program services	879,221	-	879,221
General and administrative	105,190	-	105,190
Total expenses	<u>984,411</u>	<u>-</u>	<u>984,411</u>
Changes in net assets	2,511,736	250,325	2,762,061
Net Assets			
Beginning of year	<u>521,545</u>	<u>622,751</u>	<u>1,144,296</u>
End of year	<u>\$ 3,033,281</u>	<u>\$ 873,076</u>	<u>\$ 3,906,357</u>

See notes to financial statements.

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

For the initial period March 21, 2019 through December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Support and Revenue			
Contribution - RTNO a program of the Preservation Resource Center	\$ 547,199	\$ -	\$ 547,199
Contributions	5,538	468,746	474,284
Grant income	60,732	154,005	214,737
Other income	950	-	950
	<u>614,419</u>	<u>622,751</u>	<u>1,237,170</u>
Expenses			
Program services	90,508	-	90,508
General and administrative	2,366	-	2,366
	<u>92,874</u>	<u>-</u>	<u>92,874</u>
Changes in net assets	521,545	622,751	1,144,296
Net Assets			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 521,545</u>	<u>\$ 622,751</u>	<u>\$ 1,144,296</u>

See notes to financial statements.

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

For the year ended December 31, 2020

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Totals</u>
Americorp expense	\$ 13,597	\$ -	\$ 13,597
Bank charges	-	616	616
Construction expenses	215,319	-	215,319
Equipment expenses	20,427	1,411	21,838
Depreciation	17,408	-	17,408
Dues and subscriptions	17,663	1,440	19,103
Insurance	53,725	1,696	55,421
Miscellaneous	12,890	51	12,941
Professional fees	9,570	790	10,360
Salaries and payroll taxes	480,727	97,020	577,747
Telephone	13,999	1,005	15,004
Travel expense	9,720	1,161	10,881
Utilities	4,338	-	4,338
Volunteer expenses	9,838	-	9,838
	<u>\$ 879,221</u>	<u>\$ 105,190</u>	<u>\$ 984,411</u>
Totals	<u>\$ 879,221</u>	<u>\$ 105,190</u>	<u>\$ 984,411</u>

See notes to financial statements.

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

For the initial period March 21, 2019 through December 31, 2019

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Totals</u>
Americorp expense	\$ 3,924	\$ -	\$ 3,924
Bank charges	-	126	126
Construction expenses	13,427	-	13,427
Depreciation	-	1,829	1,829
Dues and subscriptions	18,771	-	18,771
Insurance	28,238	-	28,238
Professional fees	-	371	371
Salaries and payroll taxes	25,938	-	25,938
Travel expense	155	-	155
Utilities	-	40	40
Volunteer expenses	55	-	55
	<u>55</u>	<u>-</u>	<u>55</u>
Totals	<u>\$ 90,508</u>	<u>\$ 2,366</u>	<u>\$ 92,874</u>

See notes to financial statements.

STATEMENTS OF CASH FLOWS**Rebuilding Together New Orleans, Inc.**
New Orleans, LouisianaFor the year ended December 31, 2020
and initial period March 21, 2019 through December 31, 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Changes in net assets	\$ 2,762,061	\$ 1,144,296
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	17,408	1,829
Gain on sale of property and equipment	(997)	-
Donation of property and equipment	-	(533,726)
Paycheck Protection Program loan forgiveness	(131,500)	-
(Increase) in operating assets:		
Private grants receivable	(91,756)	(5,000)
Government grants receivable	(96,171)	(40,732)
Other receivables	(7,650)	(850)
Prepaid expenses	(20,678)	(521)
Other assets	(66,830)	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(15,573)	51,415
Accrued expenses	31,681	27,558
Net cash provided by operating activities	<u>2,379,995</u>	<u>644,269</u>
Cash Flows From Investing Activities		
Purchases of property and equipment	<u>(30,750)</u>	<u>-</u>
Cash Flows From Financing Activities		
Proceeds from Paycheck Protection Program Loan	<u>131,500</u>	<u>-</u>
Net Increase in Cash	2,480,745	644,269
Cash		
Beginning of year	<u>644,269</u>	<u>-</u>
End of year	<u>\$ 3,125,014</u>	<u>\$ 644,269</u>
Supplementary Non-Cash Investing Activities		
Note payable used to finance acquisition of property	<u>\$ -</u>	<u>\$ 73,974</u>
See notes to financial statements.		

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

December 31, 2020 and 2019

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, 2020, management believes it has no uncertain tax positions.

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 Statement 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, 2020 and 2019.

f. 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:

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

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Property and Equipment (Continued)

Depreciation expense was \$17,408 and \$1,829 for the year ended December 31, 2020 and the initial period March 21, 2019 through December 31, 2019, respectively.

g. 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, 2020 and 2019.

h. 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 Statement of Activities for the year ended December 31, 2020 and the initial period March 21, 2019 through December 31, 2019:

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. Fee for service income is not considered material to the financial statements.

i. 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)

i. Contributions (Continued)

Non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

j. Donated Services of Volunteers

In addition, 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 \$192,000 for the year ended December 31, 2020, are not recognized in the accompanying financial statements due to the unspecialized nature of these services. There were no donated services to RTNO for the initial period March 21, 2019 through December 31, 2019.

k. 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.

l. 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 Statement of Activities and the Statement of Cash Flows will be substantially unchanged from the existing lease accounting guidance. The ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. RTNO is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Reclassifications

Certain amounts in the 2019 financial statements have been reclassified to conform to the 2020 financial statement presentation.

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 May 20, 2021, 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, 2020, there was approximately \$2,950,000 in excess of insured amounts.

Note 4 - GRANTS RECEIVABLE

The details of grants receivable as of December 31, 2020 and 2019 are as follows:

	2020	2019
Private grants receivable:		
Baptist Community Ministries	\$ 22,750	\$ -
Home Depot Foundation	87,506	-
Rebuilding Together, Inc.	1,500	5,000
Preserving Historic Algiers Community Corp.	-	15,000
Total private grants receivable	111,756	20,000
Government grants receivable:		
City of New Orleans - CDBG grants	102,308	-
Sate of Louisiana - Volunteer Louisiana Commission	19,595	25,732
Total government grants receivable	121,903	25,732
Total grants receivable	\$ 233,659	\$ 45,732

Note 5 - PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following as of December 31, 2020 and 2019:

	2020	2019
Land	\$ 120,600	\$ 120,600
Buildings and improvements	469,400	469,400
Vehicles	49,100	17,700
	639,100	607,700
Less: accumulated depreciation and amortization	(18,890)	(1,829)
	<u>\$ 620,210</u>	<u>\$ 605,871</u>

Note 6 - 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 is not paid in full on the maturity date the interest rate will be 5% per annum. The note payable is secured with property. As of December 31, 2020 and 2019, the balance on the note payable was \$73,974. The total maturities of expected repayments of long-term debt as of December 31, 2020 are as follows:

Year Ending December, 31	
2021	\$ -
2022	73,974
	<u>\$ 73,974</u>

Note 7 - BOARD DESIGNATIONS

Board designations consist of the following as of December 31, 2020 and 2019:

	2020	2019
Future needs of the ongoing mission	\$ 1,943,293	\$ -

Note 8 - 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.

Net assets with donor restrictions as of December 31, 2020 and 2019 are available for the following purposes:

	2020	2019
Job training	\$468,746	\$468,746
Home repairs for low income families	160,000	100,000
Home repairs for low income veterans	149,330	-
Home repairs for New Orleans East families	75,000	-
Safe at Home Program	20,000	-
Tornado recovery in New Orleans East	-	49,005
Martin Luther King Jr. Day Service Event	-	5,000
Total net assets with donor restrictions	\$873,076	\$622,751

Net assets released from restrictions for the year ended December 31, 2020 and initial period March 21, 2019 through December 31, 2019 are as follows:

	2020	2019
Purpose restrictions satisfied:		
Home repairs for low income families	\$100,000	\$ -
Tornado Recovery in New Orleans East	49,005	-
Martin Luther King Jr. Day Service Event	5,000	-
Totals purpose restrictions satisfied	\$154,005	\$ -

Note 9 - 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 10 - COOPERATIVE ENDEAVOR AGREEMENT

RTNO had been a program of Preservation Resource Center (PRC) since 1988. In 2018, the PRC's Board of Directors passed a strategic plan that called for the separation of RTNO from PRC to become its own separate 501(c)(3) organization. On December 20, 2019, RTNO entered into a Cooperative Endeavor Agreement (CEA) with PRC which set forth terms of the separation with the goal of being wholly separated by December 31, 2019. On December 21, 2019, RTNO, a program of PRC, made a contribution of \$516,026 to RTNO of land and buildings (\$590,000 appraised value less note payable of \$73,974, see Note 6), four vehicles with a total value of \$17,700, and cash of \$13,473. As of December 31, 2020, there were no amounts due to PRC.

Note 11 - CHINESE DRYWALL SETTLEMENT

During 2010, RTNO operating as a program within PRC became aware that drywall obtained from another local non-for-profit organization and installed in the homes of approximately twenty-five RTNO clients was contaminated with Chinese drywall. A settlement was reached on February 13, 2020 with the manufacturer, Taishan Gypsum Co., Ltd. in the amount of \$1,398,870. A separate settlement was reached on June 30, 2020 with the insurance company, AIG, in the amount of \$488,948. RTNO also received \$55,475 in attorney fee reimbursements.

Note 12 - PAYCHECK PROTECTION PROGRAM

On April 23, 2020, RTNO received a \$131,500 loan from Hancock Whitney Bank under the Paycheck Protection Program (PPP) of the U.S. Small Business Administration (SBA). This loan was repaid on January 19, 2021, and all expenditures paid from the loan proceeds were approved as eligible for loan forgiveness under the requirements of the PPP program. The amount was recognized as revenue in the year ended December 31, 2020 on the Statement of Activities.

Note 13 - LEASES

RTNO leases building space. The two lease terms in effect during the year ended December 31, 2020 were for the period January 1, 2020 through October 31, 2020 with monthly lease payments of \$1,100 and for the period November 1, 2020 through October 31, 2021 with monthly lease payments of \$600. Rental income was \$4,500 for the year ended December 31, 2020. Rental payments were postponed for a period of time in 2020 due to the COVID-19 pandemic. Future minimum lease payments due as of December 31, 2020 are as follows:

Year Ending December 31, 2021	<u>\$ 6,000</u>
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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, 2020 and 2019, \$42,825 and \$27,558 was due to Rebuilding Together, Inc. for insurance expense. Additionally, RTNO remits a percentage of its gross annual receipts as part of its annual dues. As of December 31, 2020 and 2019, \$19,103 and \$18,771 was due to Rebuilding Together, Inc. for annual dues expense.

Note 15 - CONSTRUCTION COMMITMENTS

During 2020, RTNO entered into construction contracts for five homes totaling approximately \$184,000. As of December 31, 2020, RTNO incurred approximately \$59,000 in 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, 2020, reduced by amounts not available for general use because of donor-imposed restrictions and board designations.

Financial assets:	
Cash	\$3,125,014
Private grant receivable	111,756
Government grant receivable	121,903
Other receivables	<u>8,500</u>
Total financial assets as of December 31, 2020	3,367,173
Less amounts unavailable for general expenditures within one year, due to:	
Donor imposed restrictions:	
Restricted by donors with purpose restrictions	<u>(873,076)</u>
Financial assets available to meet cash needs for general expenditures within one year before board designations	2,494,097
Less board designations	<u>(1,943,293)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 550,804</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, 2020

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, 2020.

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, 2020, 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 20, 2021.

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") to determine the 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 over financial reporting 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.

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 determination of financial statement amounts. 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 20, 2021.

SCHEDULE OF FINDINGS AND RESPONSES

Rebuilding Together New Orleans, Inc. New Orleans, Louisiana

For the year ended December 31, 2020

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: 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 receive federal awards in excess of \$750,000 during the year ended December 31, 2020 and, 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

There were no findings noted during the audit for the year ended December 31, 2020 related to internal control over financial reporting.

(Continued)

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

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2020.

Section III - Internal Control and Compliance Material to Federal Awards

Internal Control/Compliance

RTNO did not expend federal awards in excess of \$750,000 during the year ended December 31, 2020 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Rebuilding Together New Orleans, Inc. New Orleans, Louisiana

For the year ended December 31, 2020

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

Internal Control Over Financial Reporting

No internal control over financial reporting findings were reported during the audit for the year ended December 31, 2019.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2019.

Section II - Federal Award Findings and Questioned Cost

The RTNO did not expend federal awards in excess of \$750,000 during the year ended December 31, 2019 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, 2019.

MANAGEMENT'S CORRECTIVE ACTION PLAN
ON CURRENT YEAR FINDINGS

Rebuilding Together New Orleans, Inc.
New Orleans, Louisiana

For the year ended December 31, 2020

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

Internal Control Over Financial Reporting

There were no findings noted during the audit for the year ended December 31, 2020 related to internal control over financial reporting.

Compliance and Other Matters

There were no findings noted during the audit for the year ended December 31, 2020 related to compliance and other matters.

Section II - Internal Control and Compliance Material to Federal Awards

RTNO did not expend federal awards in excess of \$750,000 during the year ended December 31, 2020 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, 2020.