

LOUISIANA BLACK HISTORY HALL OF FAME
Baton Rouge, Louisiana

AUDITED FINANCIAL STATEMENTS
For the Year Ended December 31, 2025



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Louisiana Black History Hall of Fame
Baton Rouge, Louisiana

Opinion

We have audited the accompanying financial statements of Louisiana Black History Hall of Fame (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 Louisiana Black History Hall of Fame as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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. 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 Louisiana Black History Hall of Fame's and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Louisiana Black History Hall of Fame'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 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 Louisiana Black History Hall of Fame'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 Louisiana Black History Hall of Fame'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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head, Political Subdivision Head, or Chief Executive Officer is required by Louisiana Revised Statute 24:513 (A)(3) and is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2025, on our consideration of Louisiana Black History Hall of Fame'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 solely 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 effectiveness of Louisiana Black History Hall of Fame's 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 Louisiana Black History Hall of Fame's internal control over financial reporting and compliance.

TWRU

TWRU CPAs & Financial Advisors
Baton Rouge, Louisiana
June 19, 2026



TWRU
CPAs & Financial Advisors

The Louisiana Black History Hall of Fame
(A Not-For-Profit Organization)
Baton Rouge, Louisiana

STATEMENT OF FINANCIAL POSITION
(See Notes to Financial Statements)
December 31, 2025

ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents	\$	206,029
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TOTAL CURRENT ASSETS

\$ 206,029

PROPERTY AND EQUIPMENT:

Construction in Progress		4,323,015
Building		345,000

TOTAL PROPERTY AND EQUIPMENT

4,668,015

Land

208,730

NET PROPERTY AND EQUIPMENT

4,876,745

TOTAL ASSETS

\$ 5,082,774

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$	184,757
Accrued Expenses		4,919
Retainage Payable		134,841

TOTAL LIABILITIES (ALL CURRENT)

\$ 324,517

NET ASSETS:

Without Donor Restrictions		4,757,257
With Donor Restrictions		1,000

TOTAL NET ASSETS

4,758,257

TOTAL LIABILITIES AND NET ASSETS

\$ 5,082,774



Louisiana Black History Hall of Fame
(A Not-For-Profit Organization)
Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES
(See Notes to Financial Statements)
For the Year Ended December 31, 2025

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

REVENUES

State Grants	\$ 1,560,037	
Other Donations	43,097	
Interest Income	1	
Contributions of Non-Financial Assets	24	
Other Revenues	763	
Total Revenues Without Donor Restrictions		\$ 1,603,922

Expenses:

Program Expenditures	29,295	
General and Administrative	7,796	
Fundraising	3,975	
Total Expenses		41,066

Increase in Net Assets Without Donor Restrictions 1,562,856

Net Assets at Beginning of Year 3,195,401

Net Assets at End of Year \$ 4,758,257



Louisiana Black History Hall of Fame
(A Not-For-Profit Organization)
Baton Rouge, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES
(See Notes to Financial Statements)
For the Year Ended December 31, 2025

	Functional Expenses			
	Program Expenditures	General & Administrative	Fundraising	Total
Advertising	\$ 318	\$ 212	\$ -	\$ 530
Bank Charges	91	61	-	152
Consulting	2,000	-	-	2,000
Events	-	-	3,975	3,975
Insurance	9,693	-	-	9,693
Licenses	15	10	-	25
Office Supplies	136	90	-	226
Operations	79	53	-	132
Professional Fees	10,630	7,086	-	17,716
Postage	66	44	-	110
Security System	709	-	-	709
Storage	988	-	-	988
Utilities	4,210	-	-	4,210
Website	360	240	-	600
Total	\$ 29,295	\$ 7,796	\$ 3,975	\$ 41,066



The Louisiana Black History Hall of Fame
(A Not-For-Profit Organization)
Baton Rouge, Louisiana

STATEMENT OF CASH FLOWS
(See Notes to Financial Statements)
For the Year Ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ 1,562,856
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Decrease (Increase) in Assets:	
Grants Receivable	476,633
Increase (Decrease) in Liabilities:	
Accounts Payable	(291,876)
Retainage Payable	<u>79,552</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES \$ 1,827,165

CASH FLOWS FROM INVESTING ACTIVITIES:

Building Improvements	<u>(1,657,589)</u>
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NET CASH USED BY INVESTING ACTIVITIES (1,657,589)

NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH 169,576

BEGINNING CASH, CASH EQUIVALENTS, AND RESTRICTED CASH 36,453

ENDING CASH, CASH EQUIVALENTS, AND RESTRICTED CASH \$ 206,029



Louisiana Black History Hall of Fame
(A Not-For-Profit Organization)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS -1-
December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - The Louisiana Black History Hall of Fame, (the Organization), founded in 1989, is a nonprofit organization with the goal of the collection, preservation, and honoring of successful African American contributions. The Organization has initiated the restoration of the Lincoln Theater in Baton Rouge, Louisiana. Historically, the Lincoln Theater served the African American community as a venue for performances by a variety of entertainers. The Lincoln Theater fell into disrepair through abandonment; however, the Organization is in the process of restoring the property to its original state. The Lincoln Theater has been placed on The National Registry of Historic Places and the restoration is being conducted in accordance with the applicable requirements. Once restoration is completed, the Organization plans to resume operations of the Lincoln Theater to host arts, entertainment, educational, and community services, as well as serving as a repository for memorabilia relating to the history of African Americans' contributions with an emphasis on Baton Rouge, Louisiana.

Basis of Accounting - The financial statements of the Louisiana Black History Hall of Fame (the Organization) have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation - The Organization reports information regarding its financial position and activities according to 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 with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates those resources be maintained in perpetuity. 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 corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. 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 from net assets with donor restrictions to net assets without donor restrictions. The Organization has both net assets without donor restrictions and net assets with donor restrictions as of December 31, 2025. At December 31, 2025, the Organization had restricted assets of \$1,000.

Revenue Recognition - Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Use of Estimates - Management used estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could vary from the estimates that were assumed in preparing the financial statements.



LOUISIANA BLACK HISTORY HALL OF FAME
(A Not-For-Profit Organization)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS -2-
December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments, both unrestricted and restricted, with a maturity of three months or less to be cash equivalents. However, cash, money funds, and other such items with a maturity greater than three months are classified as certificates of deposits in the statement of financial position and are considered investments for the purpose of the statement of cash flows.

Accounts Receivable – The Organization determines past due accounts based on contractual terms and does not charge interest on the accounts. Receivables consist of amounts due from grants and other receivables. The Organization charges off a receivable if management considers the collection of the outstanding balance to be doubtful. Management believes that all existing receivables are collectible.

Property and Equipment – Property is carried at cost and includes the building frame and related restoration in progress. Additions and improvements that extend the useful lives of assets are capitalized. Maintenance and repair expenses are expensed as incurred. When applicable, depreciation is computed using the straight-line method over the estimated useful lives of the property. The Organization is in the process of restoring the Lincoln Theatre that has been in disrepair for some time; therefore, the building and improvements are not yet in service, and depreciation has not commenced. The Organization has received donations of numerous items of memorabilia related to the property and the African American community. The Organization does not capitalize its collection of memorabilia and historic artifacts. The Organization incurred no depreciation expense for 2025, as the building and improvements are not yet in service.

Income Taxes – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the financial statements. The Organization follows the guidance of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management believes it has no material uncertain tax positions and, accordingly, has not recognized a liability related to income taxes. Generally, tax returns may be examined for three years from the filing date, and the current and prior three years remain subject to examination as of December 31, 2025. At December 31, 2025, the Organization recognized \$0 in accrued expenses related to penalties associated with its 2014 information return. See Note 3.

Concentration of Credit Risk – The Organization maintains its cash balance at financial institutions where they are insured by the Federal Deposit Insurance Company. The balance of these accounts from time to time exceeds federally insured limits. The Organization has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk on cash and cash equivalents.

Contributed Non-Financial Assets – During the year a few board members and the executive director paid expenses on behalf of the Organization. The total amount of non-financial contributions was \$24 as of December 31, 2025.

Advertising – The Organization expenses advertising costs as they are incurred. The Organization had advertising expenses of \$530 during 2025.



LOUISIANA BLACK HISTORY HALL OF FAME
(A Not-For-Profit Organization)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS -3-
December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expense Allocation – Directly identifiable expenses are charges to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

NOTE 2 - PROGRAM AND SUPPORT

The Organization's restoration of its property is primarily being funded by state and federal grants. The loss of this significant support would have a material adverse effect on the Organization's ability to restore the Lincoln Theater to its original state; however, management is confident that the necessary governmental funding needed to complete the project will continue to be secured in a timely manner. Additionally, the state and federal grants referenced above represents approximately 97% of total revenue for 2025.

NOTE 3 - COMMITMENTS AND CONTINGENCIES

Grant Reimbursements- In the normal course of operations, the Organization receives grants and support from East Baton Rouge Parish and the State of Louisiana. This funding is subject to audit by the granting authority, the purpose of which is to ensure compliance with conditions applicable to providing such funds. Such audits could lead to requests for reimbursement to the grantor agency for expenses disallowed under terms of the grant. Management believes the liability, if any, for any reimbursement, which may arise as a result or audits, would not be material.

Income Taxes- During 2023, the Organization received notice from the Internal Revenue Service (IRS) that the Organization was being penalized due to incorrect filing for the 2014 tax period. In 2023, the Organization incurred \$4,919 in accrued expenses related to the IRS penalty. The Organization is currently seeking abatement of the penalties and related interest accumulated through 2024. Management anticipates that after following the necessary corrective action the Organization will be relieved of such penalties

NOTE 4: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by any amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

	<u>12/31/25</u>
Current Assets, excluding nonfinancial assets	\$ 206,029
Less those unavailable for general expenditures within one year:	
Donor restrictions for specific purposes	<u>1,000</u>
Financial Assets available to meet cash needs for General expenditures within one year	<u>\$ 205,029</u>

LOUISIANA BLACK HISTORY HALL OF FAME
(A Not-For-Profit Organization)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS -4-
December 31, 2025

NOTE 5: SUBSEQUENT EVENTS

The Company has evaluated all subsequent events through June 19, 2025, the date the financial statements were available to be issued.

LOUISIANA BLACK HISTORY HALL OF FAME
(A Not-For-Profit Organization)
Baton Rouge, Louisiana

SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD, POLITICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER

For the Year Ended December 31, 2025

Agency Head Name: Brenda Perry Dunn, Executive Director

The Organization does not pay any compensation, reimbursements, benefits or other payments to the executive director or other board members. All board members serve in a volunteer capacity. There are no reportable amounts.



INDEPENDENT AUDITORS' 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
Louisiana Black History Hall of Fame
Baton Rouge, Louisiana

We have audited, in accordance with the 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 Louisiana Black History Hall of Fame (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 19, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana Black History Hall of Fame's internal control over financial reporting (internal control) as a basis for designing 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 Louisiana Black History Hall of Fame's internal control. Accordingly, we do not express an opinion on the effectiveness of Louisiana Black History Hall of Fame'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 the entity'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 material weaknesses 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Black History Hall of Fame's financial statements are free from 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 the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

TWRU

CPAs and Financial Advisors
Baton Rouge, Louisiana
June 19, 2026



TWRU
CPAs & Financial Advisors

LOUISIANA BLACK HISTORY HALL OF FAME
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2025

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Louisiana Black History Hall of Fame.
2. Current Year Findings – None
3. No instances of noncompliance material to the financial statements of the Louisiana Black History Hall of Fame were disclosed during the audit.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025, through December 31, 2025. Louisiana Black History Hall of Fame's management is responsible for those C/C areas identified in the SAUPs.

Louisiana Black History Hall of Fame has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025, through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

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

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

ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

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

iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

- vii. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- viii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No exceptions noted.

2) Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- i. Report whether the managing board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws or other equivalent document.

Exception: Quorum status not documented in one month of provided minutes.

Management's Response: Moving forward, the board meeting minutes will note whether a quorum has been met.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue fund. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

No exception noted.

- iii. For governmental entities, **obtain the prior year audit report and observe the unassigned fund balance in the general fund.** If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Not applicable

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exception noted

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged).

No exception noted.

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

No exception noted.

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

No exception noted.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties)

at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

No exception noted.

- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

No exception noted.

- iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exception noted.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exception noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No exceptions noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

No exception noted.

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

No exception noted.

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

No exception noted.

- iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exception noted.

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

No exception noted.

5) Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

No exceptions noted.

- B. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

No exception noted.

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

No exception noted.

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

No exception noted.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exception noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exception noted.

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

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

No exception noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

No exception noted.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons

authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

No exception noted.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

No exception noted.

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

No exception noted.

- C. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Not Applicable – no credit/debit/fuel/p-cards..

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Not Applicable – No travel expenses paid.

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

Not Applicable – No travel expenses paid.

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

Not Applicable – No travel expenses paid.

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

Not Applicable – No travel expenses paid.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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

No exceptions noted.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law.

No exceptions noted.

- iii. If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

No exceptions noted.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related

paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Not Applicable – no employees.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

Not Applicable – no employees.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.

Not Applicable – no employees.

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

Not Applicable – no employees.

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

Not Applicable – no employees.

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

Not Applicable – no employees.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Not Applicable – no employees.

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Not applicable.

- ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Not applicable.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Not Applicable.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Not applicable – no debt service.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not Applicable – no debt service.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Not applicable.

- B. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Not Applicable.

13) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures,

- A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

- E. Using 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. That requires employees hired before 6/9/2020 to have completed the training and the employees hired after 6/9/2020 to have completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

14) Prevention Sexual Harassment

- A. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Not applicable.

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

Not applicable.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements.

Not applicable.

- ii. Number of sexual harassment complaints received by the agency.
Not applicable.
- iii. Number of complaints which resulted in a finding that sexual harassment occurred.
Not applicable.
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
Not applicable.
- v. Amount of time it took to resolve each complaint.
Not Applicable.

We were engaged by Louisiana Black History Hall of Fame to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
June 19, 2026