

UNION BETHEL AFRICAN METHODIST EPISCOPAL CHURCH
(d/b/a Union Bethel Community Development Corporation)
New Orleans, Louisiana

FINANCIAL STATEMENT
Year Ended December 31, 2016

Roslyn J. Johnson, LLC
Certified Public Accountant

UNION BETHEL AFRICAN METHODIST EPISCOPAL CHURCH
(d/b/a Union Bethel Community Development Corporation)
New Orleans, Louisiana

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Union Bethel African Methodist Episcopal Church
(d/b/a Union Bethel Community Development Corporation)
New Orleans, Louisiana

Report on the Schedule of Expenditures of Federal Awards

I have audited the accompanying schedule of expenditures of federal awards for the Department of Homeland Security Disaster Grants – Public Assistance of **Union Bethel African Methodist Episcopal Church d/b/a Union Bethel Community Development Corporation** for the year ended December 31, 2016, and the related notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on this financial statement based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies

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used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statement referred to above present fairly, in all material respects, the expenditures of federal awards for the Department of Homeland Security Disaster Grants – Public Assistance of **Union Bethel African Methodist Episcopal Church d/b/a Union Bethel Community Development Corporation** for the year ended December 31, 2016, in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated October 16, 2017, on my consideration of **Union Bethel African Methodist Episcopal Church d/b/a Union Bethel Community Development Corporation's** internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Union Bethel African Methodist Episcopal Church d/b/a Union Bethel Community Development Corporation's** internal control over financial reporting and compliance.

Roslyn J. Johnson, LLC

Baton Rouge, Louisiana
October 16, 2017

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Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Federal Grantor / Pass Through or Grantor / Program Title	Federal CFDA Number	Grantor Project No.	Federal Expenditures
United States Department of Homeland Security - Passed Through the Louisiana Governor's Office of Homeland Security and Emergency Preparedness:			
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	DR-1603	<u>\$ 2,318,619</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,318,619</u></u>

The accompanying Notes to the Schedule of Federal Awards are an integral part of this schedule.

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Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Note A – Basis of Presentation

The schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of **Union Bethel African Methodist Episcopal Church (d/b/a Union Bethel Community Development Corporation)** under programs of the federal government for the year ended December 31, 2016. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations*. Because the Schedule presents only a portion of the operations of **Union Bethel African Methodist Episcopal Church (d/b/a Union Bethel Community Development Corporation)** it is not intended to and does not present the financial position, changes in net assets, or cash flows of **Union Bethel African Methodist Episcopal Church (d/b/a Union Bethel Community Development Corporation)**.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and OMB Circular A-122, *Cost Principles for Nonprofit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR A FEDERAL
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

To the Board of Directors
Union Bethel African Methodist Episcopal Church
(d/b/a **Union Bethel Community Development Corporation**)
New Orleans, Louisiana

Report on Compliance for Department of Homeland Security Disaster Grants – Public Assistance (Presidentially Declared Disaster) Program

I have audited **Union Bethel African Methodist Episcopal Church d/b/a Union Bethel Community Development Corporation's** compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on its Department of Homeland Security Disaster Grants – Public Assistance (Presidentially Declared Disaster) Program for the year ended December 31, 2016.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to Department of Homeland Security Disaster Grants – Public Assistance (Presidentially Declared Disaster) Program.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for **Union Bethel African Methodist Episcopal Church d/b/a Union Bethel Community Development Corporation's** Department of Homeland Security Disaster Grants – Public Assistance (Presidentially Declared Disaster) Program based on my audit of the types of compliance requirements referred to above.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on Department of Homeland Security Disaster Grants – Public Assistance (Presidentially Declared Disaster) Program occurred. An audit includes examining, on a test basis, evidence about **Union Bethel African Methodist Episcopal Church d/b/a Union Bethel Community Development Corporation's**

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compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for **Union Bethel African Methodist Episcopal Church d/b/a Union Bethel Community Development Corporation's** Department of Homeland Security Disaster Grants – Public Assistance (Presidentially Declared Disaster) Program. However, my audit does not provide a legal determination of **Union Bethel African Methodist Episcopal Church d/b/a Union Bethel Community Development Corporation's** compliance.

Opinion on Compliance for Department of Homeland Security Disaster Grants – Public Assistance Program

In my opinion, **Union Bethel African Methodist Episcopal Church d/b/a Union Bethel Community Development Corporation** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its Department of Homeland Security Disaster Grants – Public Assistance (Presidentially Declared Disaster) Program for the year ended December 31, 2016.

Report on Internal Control Over Compliance

Management of **Union Bethel African Methodist Episcopal Church d/b/a Union Bethel Community Development Corporation** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered **Union Bethel African Methodist Episcopal Church d/b/a Union Bethel Community Development Corporation's** internal control over compliance with the types of requirements that could have a direct and material effect on Department of Homeland Security Disaster Grants – Public Assistance (Presidentially Declared Disaster) Program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its Department of Homeland Security Disaster Grants – Public Assistance Program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of **Union Bethel African Methodist Episcopal Church d/b/a Union Bethel Community Development Corporation's** internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on

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a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Roslyn J. Johnson, LLC

Baton Rouge, Louisiana
October 16, 2017

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Schedule of Findings and Questioned Costs
Year Ended December 31, 2016

Section I - Summary of Auditor's Results

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes x No
- Significant deficiency (ies) identified? _____ Yes x No

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

_____ Yes x No

Identification of major program:

CFDA Numbers	Name of Federal Program or Cluster
97.036	Disaster Grants - Public Assistance

Dollar threshold used to distinguish between type A and type B programs:

\$ 500,000

Auditee qualified as low-risk auditee? _____ Yes x No

Section II - Financial Statement Findings

No findings or questioned costs for the year ended December 31, 2016.

Section III - Federal Awards Findings

No findings or questioned costs for the year ended December 31, 2016.

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Schedule of Prior Year Findings and Questioned Costs
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No matters reported.