

**LAFAYETTE
HABITAT FOR HUMANITY, INC.**

Financial Report

Years Ended June 30, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

Victor R. Slaven, CPA* - retired 2020
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* A Professional Accounting Corporation

To the Board of Directors of
Lafayette Habitat for Humanity, Inc.
Lafayette, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lafayette Habitat for Humanity, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lafayette Habitat for Humanity, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 Lafayette Habitat for Humanity, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement 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 Lafayette Habitat for Humanity, Inc.'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 Lafayette Habitat for Humanity, Inc.'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 Lafayette Habitat for Humanity, Inc.'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 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 schedule of expenditures of federal awards 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 September 14, 2023, on our consideration of Lafayette Habitat for Humanity, Inc.'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 Lafayette Habitat for Humanity, Inc.'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 Lafayette Habitat for Humanity, Inc.'s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 14, 2023

FINANCIAL STATEMENTS

LAFAYETTE HABITAT FOR HUMANITY, INC.

Statements of Financial Position
June 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents- | | |
| Unrestricted | \$ 318,576 | \$ 1,615,596 |
| Reserved for escrow deposits | 82,566 | 94,532 |
| Investments | 722,530 | - |
| Other receivables | 248,731 | 44,474 |
| Notes and mortgage notes receivable, net | 86,785 | 82,432 |
| Inventory | 850,895 | 729,749 |
| Prepaid expenses | 119,248 | 117,272 |
| Prepaid escrow | 110,063 | - |
| Other current assets | 11,543 | 11,543 |
| Total current assets | <u>2,550,937</u> | <u>2,695,598</u> |
| Property and equipment, net of accumulated depreciation | 735,191 | 696,124 |
| Operating right-of-use assets, net | 4,082,776 | - |
| Notes and mortgage notes receivable, net | <u>1,857,118</u> | <u>1,685,232</u> |
| Total assets | <u>\$ 9,226,022</u> | <u>\$ 5,076,954</u> |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities: | | |
| Accounts payable | \$ 233,289 | \$ 223,131 |
| Accrued payroll and related liabilities | 49,079 | 39,503 |
| Other current liabilities | 31,499 | 36,061 |
| Escrow payable | - | 12,613 |
| Current maturities of long-term debt | 16,213 | 14,759 |
| Current lease liability | 292,385 | - |
| Total current liabilities | <u>622,465</u> | <u>326,067</u> |
| Noncurrent liabilities: | | |
| Long-term debt, less current portion | 605,778 | 321,833 |
| Long-term lease liability | <u>3,630,200</u> | <u>-</u> |
| Total noncurrent liabilities | <u>4,235,978</u> | <u>321,833</u> |
| Total liabilities | <u>4,858,443</u> | <u>647,900</u> |
| Net assets: | | |
| Without donor restrictions | 4,326,598 | 4,379,257 |
| With donor restrictions | <u>40,981</u> | <u>49,797</u> |
| Total net assets | <u>4,367,579</u> | <u>4,429,054</u> |
| Total liabilities and net assets | <u>\$ 9,226,022</u> | <u>\$ 5,076,954</u> |

The accompanying notes are an integral part of this statement.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Statement of Activities
Year Ended June 30, 2023

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---------------------------------------|------------------------------------|---------------------|
| Revenue and support: | | | |
| Public support - | | | |
| Contributions | \$ 167,162 | \$ 4,000 | \$ 171,162 |
| Grants | 1,491,447 | - | 1,491,447 |
| Services and materials | <u>20,000</u> | <u>-</u> | <u>20,000</u> |
| Total public support | 1,678,609 | 4,000 | 1,682,609 |
| Sales to homeowners | 961,500 | - | 961,500 |
| Amortization of discount on notes and mortgage loans | 164,810 | - | 164,810 |
| Gain on sale of mortgages | 613,839 | - | 613,839 |
| ReStore | 1,126,115 | - | 1,126,115 |
| Other income | 426,263 | - | 426,263 |
| Net assets released from restrictions | <u>12,816</u> | <u>(12,816)</u> | <u>-</u> |
| Total revenue and support | <u>4,983,952</u> | <u>(8,816)</u> | <u>4,975,136</u> |
| Expenses and losses: | | | |
| Program services - | | | |
| Home construction | | | |
| Construction | 2,536,858 | - | 2,536,858 |
| Homeowner services | 292,174 | - | 292,174 |
| Volunteers | 41,682 | - | 41,682 |
| ReStore - Midtown | 667,436 | - | 667,436 |
| ReStore - North | 667,743 | - | 667,743 |
| McComb-Veazey | 191,827 | - | 191,827 |
| Disaster Recovery | <u>16,884</u> | <u>-</u> | <u>16,884</u> |
| Total program services | <u>4,414,604</u> | <u>-</u> | <u>4,414,604</u> |
| Supporting services - | | | |
| Management and general | <u>358,233</u> | <u>-</u> | <u>358,233</u> |
| Fundraising | | | |
| Development | 214,630 | - | 214,630 |
| Grants | <u>49,144</u> | <u>-</u> | <u>49,144</u> |
| Total fundraising | <u>263,774</u> | <u>-</u> | <u>263,774</u> |
| Total supporting services | <u>622,007</u> | <u>-</u> | <u>622,007</u> |
| Total expenses | <u>5,036,611</u> | <u>-</u> | <u>5,036,611</u> |
| Changes in net assets | (52,659) | (8,816) | (61,475) |
| Net assets, beginning of year | <u>4,379,257</u> | <u>49,797</u> | <u>4,429,054</u> |
| Net assets, end of year | <u>\$ 4,326,598</u> | <u>\$ 40,981</u> | <u>\$ 4,367,579</u> |

The accompanying notes are an integral part of this statement.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Statement of Activities
Year Ended June 30, 2022

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---------------------------------------|------------------------------------|---------------------|
| Revenue and support: | | | |
| Public support - | | | |
| Contributions | \$ 2,647,557 | \$ 262,375 | \$ 2,909,932 |
| Grants | 496,818 | - | 496,818 |
| Services and materials | <u>24,000</u> | <u>-</u> | <u>24,000</u> |
| Total public support | 3,168,375 | 262,375 | 3,430,750 |
| Sales to homeowners | 485,770 | - | 485,770 |
| Amortization of discount on notes and mortgage loans | 71,789 | - | 71,789 |
| Gain on sale of mortgages | 547,582 | - | 547,582 |
| ReStore | 840,923 | - | 840,923 |
| Other income | 208,976 | - | 208,976 |
| Net assets released from restrictions | <u>358,476</u> | <u>(358,476)</u> | <u>-</u> |
| Total revenue and support | <u>5,681,891</u> | <u>(96,101)</u> | <u>5,585,790</u> |
| Expenses and losses: | | | |
| Program services - | | | |
| Home construction | | | |
| Construction | 1,446,313 | - | 1,446,313 |
| Homeowner services | 226,214 | - | 226,214 |
| Volunteers | 42,278 | - | 42,278 |
| ReStore - Midtown | 475,994 | - | 475,994 |
| Restore - North | 709,126 | - | 709,126 |
| McComb-Veazey | 208,073 | - | 208,073 |
| Disaster Recovery | <u>165,950</u> | <u>-</u> | <u>165,950</u> |
| Total program services | <u>3,273,948</u> | <u>-</u> | <u>3,273,948</u> |
| Supporting services - | | | |
| Management and general | <u>397,316</u> | <u>-</u> | <u>397,316</u> |
| Fundraising | | | |
| Development | 178,335 | - | 178,335 |
| Grants | <u>54,700</u> | <u>-</u> | <u>54,700</u> |
| Total fundraising | <u>233,035</u> | <u>-</u> | <u>233,035</u> |
| Total supporting services | <u>630,351</u> | <u>-</u> | <u>630,351</u> |
| Total expenses | <u>3,904,299</u> | <u>-</u> | <u>3,904,299</u> |
| Changes in net assets | 1,777,592 | (96,101) | 1,681,491 |
| Net assets, beginning of year | <u>2,601,665</u> | <u>145,898</u> | <u>2,747,563</u> |
| Net assets, end of year | <u>\$ 4,379,257</u> | <u>\$ 49,797</u> | <u>\$ 4,429,054</u> |

The accompanying notes are an integral part of this statement.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Statement of Functional Expenses
Year Ended June 30, 2023

| | Program Services | | | | | | |
|------------------------------------|---------------------|--------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| | Construction | Homeowner Services | Volunteers | ReStore Midtown | ReStore North | McComb Veazey | Disaster Recovery |
| Compensation and related expenses: | | | | | | | |
| Salaries | \$ 398,727 | \$ 202,686 | \$ 26,500 | \$ 211,802 | \$ 197,723 | \$ 72,809 | \$ - |
| Employee benefits - | | | | | | | |
| Medical | 44,449 | 16,599 | - | 32,387 | 20,865 | 7,544 | - |
| Payroll taxes | 26,318 | 15,169 | 1,944 | 15,774 | 14,188 | 5,415 | - |
| | <u>469,494</u> | <u>234,454</u> | <u>28,444</u> | <u>259,963</u> | <u>232,776</u> | <u>85,768</u> | <u>-</u> |
| Advertising cost | - | - | - | 14,380 | 27,396 | 3,145 | - |
| Administrative cost | - | 20 | - | 13,523 | 14,232 | - | - |
| Building material and supplies | 940,630 | - | - | 69,824 | 89,480 | - | - |
| Contract labor | 12,998 | 3,095 | 1,825 | 9,485 | 43,094 | 7,526 | 1,980 |
| Depreciation | 24,951 | - | - | 9,643 | 9,364 | 381 | - |
| Amortization | - | - | - | 99,108 | 24,847 | - | - |
| Fuel | 19,665 | - | - | 14,061 | 13,860 | 187 | - |
| Insurance | 126,327 | 1,167 | - | 41,941 | 44,881 | 1,932 | - |
| Interest | - | - | - | - | - | - | - |
| Meals and entertainment | 1,129 | 1,487 | - | 896 | - | 10,856 | 1,203 |
| Membership fees | 6,003 | 2,397 | 2,143 | 1,371 | 1,371 | 817 | - |
| Miscellaneous | 8,006 | 11,500 | 411 | 15,738 | 14,118 | 29,795 | - |
| Mortgage discounts | 751,805 | - | - | - | - | - | - |
| Office expenses | 33,016 | 3,136 | - | 11,709 | 6,112 | 26,066 | - |
| Postage and printing | 1,552 | 417 | - | 9,169 | 9,760 | 2,296 | - |
| Professional fees | 31,335 | 19,525 | 1,950 | 975 | 975 | - | - |
| Property tax | - | 479 | - | 8,206 | 12,506 | - | - |
| Rent and lease expense | 1,291 | - | - | 50,503 | 75,832 | 826 | - |
| Repairs and maintenance | 95,459 | 1,171 | - | 8,941 | 8,497 | 3,251 | 13,701 |
| Technology | 5,205 | 8,052 | 900 | 4,766 | 7,365 | 10,355 | - |
| Telephone | 3,764 | 3,164 | 3,164 | 5,710 | 7,695 | 2,192 | - |
| Tithe | - | - | - | - | - | - | - |
| Training | 595 | 751 | - | 600 | 250 | 1,600 | - |
| Travel | - | - | - | 2,910 | 1,865 | 2,974 | - |
| Utilities | 3,633 | 1,359 | 2,845 | 14,014 | 21,467 | 1,860 | - |
| Total | <u>\$ 2,536,858</u> | <u>\$ 292,174</u> | <u>\$ 41,682</u> | <u>\$ 667,436</u> | <u>\$ 667,743</u> | <u>\$ 191,827</u> | <u>\$ 16,884</u> |

The accompanying notes are an integral part of this statement.

| Total Program Services | Supporting Services | | | | Total Supporting Services | Total Expenses |
|------------------------------|------------------------------|-------------------|------------------|----------------------|---------------------------------|---------------------|
| | Management and General | Fundraising | | | | |
| | | Development | Grants | Total Fundraising | | |
| \$ 1,110,247 | \$ 130,309 | \$ 138,612 | \$ 36,243 | \$ 174,855 | \$ 305,164 | \$ 1,415,411 |
| 121,844 | 14,288 | 7,339 | - | 7,339 | 21,627 | 143,471 |
| 78,808 | 9,428 | 10,454 | 2,709 | 13,163 | 22,591 | 101,399 |
| <u>1,310,899</u> | <u>154,025</u> | <u>156,405</u> | <u>38,952</u> | <u>195,357</u> | <u>349,382</u> | <u>1,660,281</u> |
| 44,921 | - | 23,268 | - | 23,268 | 23,268 | 68,189 |
| 27,775 | 4,333 | - | - | - | 4,333 | 32,108 |
| 1,099,934 | - | - | - | - | - | 1,099,934 |
| 80,003 | 1,825 | 1,825 | 1,825 | 3,650 | 5,475 | 85,478 |
| 44,339 | 13,909 | 125 | - | 125,000 | 14,034 | 58,373 |
| 123,955 | - | - | - | - | - | 123,955 |
| 47,773 | 69 | - | - | - | 69 | 47,842 |
| 216,248 | 53,332 | 454 | - | 454 | 53,786 | 270,034 |
| - | 39,950 | - | - | - | 39,950 | 39,950 |
| 15,571 | 1,941 | 1,087 | - | 1,087 | 3,028 | 18,599 |
| 14,102 | 2,283 | 3,018 | 2,143 | 5,161 | 7,444 | 21,546 |
| 79,568 | 3,024 | 459 | 411 | 870 | 3,894 | 83,462 |
| 751,805 | - | - | - | - | - | 751,805 |
| 80,039 | 10,579 | 2,229 | - | 2,229 | 12,808 | 92,847 |
| 23,194 | 3,171 | 1,395 | - | 1,395 | 4,566 | 27,760 |
| 54,760 | 15,832 | 7,756 | 1,950 | 9,706 | 25,538 | 80,298 |
| 21,191 | 11 | - | - | - | 11 | 21,202 |
| 128,452 | - | - | - | - | - | 128,452 |
| 131,020 | 8,032 | - | - | - | 8,032 | 139,052 |
| 36,643 | 18,319 | 7,777 | - | 7,777 | 26,096 | 62,739 |
| 25,689 | 3,164 | 3,313 | 3,163 | 6,476 | 9,640 | 35,329 |
| - | 20,000 | - | - | - | 20,000 | 20,000 |
| 3,796 | 1,272 | 2,162 | - | 2,162 | 3,434 | 7,230 |
| 7,749 | 2,462 | 2,657 | - | 2,657 | 5,119 | 12,868 |
| <u>45,178</u> | <u>700</u> | <u>700</u> | <u>700</u> | <u>1,400</u> | <u>2,100</u> | <u>47,278</u> |
| <u>\$ 4,414,604</u> | <u>\$ 358,233</u> | <u>\$ 214,630</u> | <u>\$ 49,144</u> | <u>\$ 263,774</u> | <u>\$ 622,007</u> | <u>\$ 5,036,611</u> |

LAFAYETTE HABITAT FOR HUMANITY, INC.

Statement of Functional Expenses
Year Ended June 30, 2022

| | Program Services | | | | | | |
|------------------------------------|---------------------|--------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| | Construction | Homeowner Services | Volunteers | ReStore Midtown | ReStore North | McComb Veazey | Disaster Recovery |
| Compensation and related expenses: | | | | | | | |
| Salaries | \$ 301,660 | \$ 147,957 | \$ 23,068 | \$ 178,869 | \$ 235,155 | \$ 67,846 | \$ - |
| Employee benefits - | | | | | | | |
| Medical | 31,765 | 7,030 | - | 11,815 | 16,535 | 7,016 | - |
| Payroll taxes | 21,037 | 12,832 | 2,675 | 13,054 | 16,642 | 3,887 | - |
| | <u>354,462</u> | <u>167,819</u> | <u>25,743</u> | <u>203,738</u> | <u>268,332</u> | <u>78,749</u> | <u>-</u> |
| Advertising cost | - | - | - | 14,476 | 39,512 | 5,087 | - |
| Administrative cost | - | 55 | - | 9,571 | 11,964 | - | - |
| Building material and supplies | 559,954 | - | - | 16,523 | 22,416 | - | - |
| Contract labor | 57,366 | 6,542 | 4,081 | 6,420 | 13,320 | 5,986 | 5,919 |
| Depreciation | 17,982 | - | - | 20,488 | 9,347 | 382 | - |
| Fuel | 9,915 | - | - | 7,488 | 11,090 | 1,192 | - |
| Insurance | 56,153 | 648 | - | 17,076 | 25,832 | 8,511 | - |
| Interest | - | - | - | - | - | - | - |
| Meals and entertainment | 594 | 135 | - | 392 | - | 5,448 | 1,055 |
| Membership fees | 3,983 | 2,533 | 2,143 | 1,121 | 1,169 | 276 | - |
| Miscellaneous | 10,850 | 332 | 332 | 12,327 | 8,469 | 71,802 | 150,000 |
| Mortgage discounts | 288,590 | 8,051 | - | - | - | - | - |
| Office expenses | 8,748 | 2,793 | - | 4,208 | 13,157 | 6,304 | - |
| Postage and printing | 994 | 1,435 | - | 651 | 3,087 | 9,093 | - |
| Professional fees | 18,904 | 22,161 | 1,589 | 795 | 795 | - | - |
| Property tax | - | - | - | 6,643 | 9,948 | - | - |
| Rent | - | 150 | - | 127,000 | 230,640 | - | - |
| Repairs and maintenance | 43,261 | 2,511 | 540 | 5,597 | 10,758 | 752 | 8,300 |
| Technology | 3,859 | 6,146 | 900 | 2,292 | 4,216 | 4,218 | - |
| Telephone | 3,409 | 2,792 | 2,792 | 5,709 | 6,860 | 1,745 | - |
| Tithe | - | - | - | - | - | - | - |
| Training | 1,675 | 54 | - | 470 | 660 | 4,503 | - |
| Travel | 1,987 | 1,120 | - | 2,518 | 3,476 | 1,835 | 653 |
| Utilities | 3,627 | 937 | 4,158 | 10,491 | 14,078 | 2,190 | 23 |
| Total | <u>\$ 1,446,313</u> | <u>\$ 226,214</u> | <u>\$ 42,278</u> | <u>\$ 475,994</u> | <u>\$ 709,126</u> | <u>\$ 208,073</u> | <u>\$ 165,950</u> |

The accompanying notes are an integral part of this statement.

| Total Program Services | Supporting Services | | | | Total Supporting Services | Total Expenses |
|------------------------------|------------------------------|-------------------|------------------|----------------------|---------------------------------|---------------------|
| | Management and General | Fundraising | | Total Fundraising | | |
| | | Development | Grants | | | |
| \$ 954,555 | \$ 84,960 | \$ 114,127 | \$ 34,674 | \$ 148,801 | \$ 233,761 | \$ 1,188,316 |
| 74,161 | 8,234 | 6,788 | - | 6,788 | 15,022 | 89,183 |
| 70,127 | 6,916 | 8,952 | 3,382 | 12,334 | 19,250 | 89,377 |
| <u>1,098,843</u> | <u>100,110</u> | <u>129,867</u> | <u>38,056</u> | <u>167,923</u> | <u>268,033</u> | <u>1,366,876</u> |
| 59,075 | - | 23,464 | - | 23,464 | 23,464 | 82,539 |
| 21,590 | 3,950 | 427 | - | 427 | 4,377 | 25,967 |
| 598,893 | - | - | - | - | - | 598,893 |
| 99,634 | 35,232 | 4,029 | 4,029 | 8,058 | 43,290 | 142,924 |
| 48,199 | 7,905 | - | - | - | 7,905 | 56,104 |
| 29,685 | 160 | - | - | - | 160 | 29,845 |
| 108,220 | 66,420 | 275 | - | 275 | 66,695 | 174,915 |
| - | 24,718 | - | - | - | 24,718 | 24,718 |
| 7,624 | 3,162 | 79 | - | 79 | 3,241 | 10,865 |
| 11,225 | 2,536 | 2,518 | 2,143 | 4,661 | 7,197 | 18,422 |
| 254,112 | 6,182 | 332 | 5,332 | 5,664 | 11,846 | 265,958 |
| 296,641 | - | - | - | - | - | 296,641 |
| 35,210 | 11,412 | 999 | - | 999 | 12,411 | 47,621 |
| 15,260 | 1,966 | 470 | - | 470 | 2,436 | 17,696 |
| 44,244 | 15,422 | 3,564 | 1,589 | 5,153 | 20,575 | 64,819 |
| 16,591 | 50 | - | - | - | 50 | 16,641 |
| 357,790 | - | - | - | - | - | 357,790 |
| 71,719 | 66,336 | 1,044 | - | 1,044 | 67,380 | 139,099 |
| 21,631 | 17,415 | 7,429 | - | 7,429 | 24,844 | 46,475 |
| 23,307 | 2,881 | 3,079 | 2,792 | 5,871 | 8,752 | 32,059 |
| - | 21,000 | - | - | - | 21,000 | 21,000 |
| 7,362 | 2,190 | - | - | - | 2,190 | 9,552 |
| 11,589 | 7,510 | - | - | - | 7,510 | 19,099 |
| <u>35,504</u> | <u>759</u> | <u>759</u> | <u>759</u> | <u>1,518</u> | <u>2,277</u> | <u>37,781</u> |
| <u>\$ 3,273,948</u> | <u>\$ 397,316</u> | <u>\$ 178,335</u> | <u>\$ 54,700</u> | <u>\$ 233,035</u> | <u>\$ 630,351</u> | <u>\$ 3,904,299</u> |

LAFAYETTE HABITAT FOR HUMANITY, INC.

Statements of Cash Flows
Years Ended June 30, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|--|--------------------|---------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ (61,475) | \$ 1,681,491 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities - | | |
| Sales of homes to participants, net of discounts | (384,204) | (189,129) |
| Gain on sale of mortgage notes receivable | (613,839) | (547,582) |
| Assumption of mortgage notes receivable | (350,719) | - |
| Depreciation | 58,373 | 56,104 |
| Amortization of right-of-use assets | 123,955 | - |
| Amortization of mortgage discount | (164,810) | (71,789) |
| Changes in assets and liabilities- | | |
| (Increase) decrease in: | | |
| Other receivables | (204,257) | (11,506) |
| Inventory | (121,146) | (34,806) |
| Prepaid expenses | (1,976) | (38,698) |
| Other current assets | - | 1,000 |
| Accounts payable | 10,158 | 24,941 |
| Accrued payroll and related liabilities | 9,576 | (9,166) |
| Escrow payable | (110,710) | (81,655) |
| Operating lease liabilities | (284,146) | - |
| Other current liabilities | (4,562) | (25,489) |
| Net cash provided (used) by operating activities | <u>(2,099,782)</u> | <u>753,716</u> |
| Cash flows from investing activities: | | |
| Proceeds from notes and mortgage notes receivable, net | 375,833 | 595,556 |
| Proceeds from the sale of mortgage notes | 961,500 | 606,992 |
| Purchases of investments | (722,530) | - |
| Purchases of property and equipment | (97,440) | (108,936) |
| Net cash provided by investing activities | <u>517,363</u> | <u>1,093,612</u> |
| Cash flows from financing activities: | | |
| Advance (payment) on line of credit | 300,000 | (100,342) |
| Net proceeds (principal payments) on long-term debt | (14,601) | (360,646) |
| Net cash provided (used) by financing activities | <u>285,399</u> | <u>(460,988)</u> |
| Net increase (decrease) in cash and cash equivalents | (1,297,020) | 1,386,340 |
| Cash and cash equivalents, beginning of year | <u>1,615,596</u> | <u>229,256</u> |
| Cash and cash equivalents, end of year | <u>\$ 318,576</u> | <u>\$ 1,615,596</u> |
| Supplemental disclosure for the statements of cash flows: | | |
| Interest paid | <u>\$ 39,950</u> | <u>\$ 24,718</u> |
| Non-interest bearing mortgage loans issued | <u>\$ 577,296</u> | <u>\$ 288,590</u> |

The accompanying notes are an integral part of this statement.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Financial Statements

(1) Nature of Organization and Significant Accounting Policies

A. Organization and Purpose

Lafayette Habitat for Humanity, Inc. (Organization) is a non-profit corporation organized under the laws of the State of Louisiana and is an affiliate of Habitat for Humanity International, Inc. The Organization's purpose is to help provide housing for low-income families by identifying potential home sites, constructing new homes, and refurbishing existing structures. The homes are located in Vermilion and Lafayette Parishes and are financed to qualified families with mortgage notes carrying an affordable interest rate.

The Organization owns and operates Lafayette Habitat for Humanity ReStore, which sells donated building materials, household goods, and items purchased in bulk to the general public at a below retail price. The net proceeds from the ReStore operations are used to help support the programs which carry out the primary purpose of the Organization.

B. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as net assets without donor restrictions or net assets with donor restrictions.

C. Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents.

D. Reserved Cash

The Organization services the mortgages on homes it sells. Included in cash and cash equivalents are amounts received from homeowners for insurance, property taxes, and for mortgage payments received prior to closing. As of June 30, 2023 and 2022, reserved cash for escrow deposits was \$82,566 and \$94,532, respectively.

E. Investments and Related Income, Gains, and Losses

In accordance with FASB ASC subtopic 958-320, "*Not-for-Profit Entities – Investments – Debt and Equity Securities*", the Organization carries investments at their fair values based on quoted prices in active markets in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Financial Statements (Continued)

F. Notes and Mortgage Notes Receivable

Notes and mortgage notes receivable consist of non-interest-bearing mortgage notes which are collateralized by movable property or real estate in Lafayette Parish and payable in monthly installments over the life of the mortgage loans. The notes and mortgage notes receivable balances are net of discounts, which represent the difference between the stated amount of the notes and the present value based on an imputed amount of interest. The discounts are amortized over the lives of the loans. The imputed rates are set by Habitat for Humanity International, Inc. The rates are based on rates published by the Internal Revenue Service. Notes and mortgage notes receivable are considered past due if payments are more than thirty days late. Management believes that the values of such collateral are in excess of the receivable as of June 30, 2023 and 2022 and therefore, no additional allowance for losses has been recorded.

G. Pledges Receivable

Contributions receivable that are expected to be collected in future years are recorded at their fair value based on the present value of their estimated future cash flows and are discounted at the rate applicable to the year in which the contribution was made.

H. Inventory

Inventory includes new homes valued at costs incurred, exclusive of contributed labor, and repossessed homes valued at cost, which includes the unpaid mortgage and related costs at the time of the foreclosure and the cost of repairs after the foreclosure.

ReStore inventory represents purchased materials and household goods to be sold in the retail operations, as well as building materials and goods on hand for use in the construction of homes. Gift in-kind inventory is recorded at the fair value on the date of the receipt, and such items are expensed as program service expense when used. Purchased inventory is recorded at the lower of cost or market determined by the specific identification method. As of June 30, 2023 and 2022, inventory consists of the following:

| | <u>2023</u> | <u>2022</u> |
|--------------------------|-------------------|-------------------|
| Construction in progress | \$ 674,553 | \$ 708,862 |
| Repossessions | 54,064 | - |
| ReStore | <u>122,278</u> | <u>20,887</u> |
| Total inventory | <u>\$ 850,895</u> | <u>\$ 729,749</u> |

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Financial Statements (Continued)

I. Property and Equipment

The Organization's capitalization policy is \$1,000 for property and equipment recorded at cost, if purchased, or at estimated fair market value if donated. Donations of property and equipment are recorded as contributions at their estimated fair value. In the absence of donor stipulations regarding how long the contributed assets must be used, the Organization has adopted a policy of implying a time restriction on contributions of such assets that expires over useful lives of the assets. Depreciation is computed using the straight-line method over the following estimated useful lives:

| | <u>Years</u> |
|----------------------------|--------------|
| Buildings and improvements | 15 - 39 |
| Furniture and equipment | 3 - 7 |

J. Revenue and Expense Recognition

Contributions are recognized when the donor makes a commitment to give and are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions designated for future periods or restricted by the donor for specific purposes are reported as restricted support that increases the net assets with donor restrictions net asset class. Expenses are recognized in the period incurred in accordance with the accrual basis of accounting. When a restriction expires, that is when a stipulated time restriction ends or purpose restrictions are accomplished, new assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

K. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and support services benefited.

L. Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service (IRS) as other than a private foundation. However, the organization's tax-exempt status has no effect on its liability for any federal excise taxes. Accounting principles generally accepted in the United States of America require the organization's management to evaluate tax positions taken and recognize a tax liability (or asset) if the organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the organization, and has concluded that as of June 30, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The organization is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2019.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Financial Statements (Continued)

M. Compensated Absences

The Organization allows employees annual leave based on years of service. The length of eligible service is calculated on the basis of the employee's benefit year, the twelve-month period beginning when the employee started earning PTO. Annual leave will be carried forward without prior written approval and will not expire. Upon termination of employment, an employee is paid for no more than ten days of any accrued leave. At June 30, 2023 and 2022, total compensated absences liability was \$25,350 and \$23,045, respectively.

N. Donated Materials and Services

The Organization receives a significant amount of donated materials and services from unpaid volunteers who assist in program services during the year. Some of the donated services are not reflected in the statement of activities because the criteria for recognition under professional standards have not been satisfied.

Donations meeting the criteria are recorded at estimated fair value as follows:

| | <u>2023</u> | <u>2022</u> |
|------------------------|------------------|------------------|
| Program services: | | |
| Advertising | \$ 20,000 | \$ 20,000 |
| Materials and supplies | - | 2,000 |
| Professional fees | - | 2,000 |
| Total | <u>\$ 20,000</u> | <u>\$ 24,000</u> |

O. Advertising

Advertising costs are expensed as incurred. Total advertising expense was \$68,189 and \$82,539 for the years ended June 30, 2023 and 2022, respectively.

P. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Q. Grant Audits

The Organization receives grants for specific purposes that are subject to review and audit by the funding agencies. Such audits and reviews could result in expenses being disallowed under the terms and conditions of the grants. In the opinion of management, such disallowances, if any, would be immaterial.

R. Reclassifications

Certain amounts in the 2022 financial statements have been reclassified to conform with the 2023 presentation.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Financial Statements (Continued)

(2) Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of June 30, 2023, reduced by amounts not available for general use because of contractual restrictions or Board designations within one year of the statement of financial position date.

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|--------------------|
| Financial assets at June 30, 2023 and 2022: | \$ 1,459,188 | \$1,837,034 |
| Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions: | | |
| Restricted by donor with time or purpose restrictions | <u>(40,981)</u> | <u>(49,797)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 1,418,207</u> | <u>\$1,787,237</u> |

As part of the Organization's liquidity management, the Organization maintains sufficient cash balances throughout the year through the receipt of grants and donations, and proceeds from the operation of the Lafayette Habitat for Humanity ReStore to support the Organization's objective to help provide housing for low-income families by identifying potential home sites, constructing new homes, and refurbishing existing structures. To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of \$600,000 which it could draw upon.

(3) Investments

Investments are carried at fair value based on quoted market prices in active markets (all Level 1 Measurements) and consist of the following at June 30, 2023 and 2022 consist of the following:

| <u>Investment Type</u> | <u>2023</u> | | <u>2022</u> | |
|-----------------------------|-------------------|-------------------|-------------|-------------------|
| | <u>Cost</u> | <u>Fair Value</u> | <u>Cost</u> | <u>Fair Value</u> |
| Mutual funds | \$ 100,002 | \$ 102,636 | \$ - | \$ - |
| Government and agency bonds | <u>616,130</u> | <u>619,894</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 716,132</u> | <u>\$ 722,530</u> | <u>\$ -</u> | <u>\$ -</u> |

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Financial Statements (Continued)

(4) Notes and Mortgage Notes Receivable

Notes and mortgage notes receivable at June 30, 2023 and 2022 consist of the following:

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|
| Notes and mortgage notes receivable | \$ 3,534,028 | \$ 3,324,325 |
| Less unamortized discount | <u>1,590,125</u> | <u>1,556,661</u> |
| Notes and mortgage notes receivable, net | <u>\$ 1,943,903</u> | <u>\$ 1,767,664</u> |
| Current portion | \$ 86,785 | \$ 82,432 |
| Long-term portion | <u>1,857,118</u> | <u>1,685,232</u> |
| Total | <u>\$ 1,943,903</u> | <u>\$ 1,767,664</u> |

Amortization of discounts was \$164,810 and \$71,789 for the years ended June 30, 2023 and 2022, respectively.

The contractual maturities of mortgage notes receivable are as follows:

| <u>Year ending June 30,</u> | <u>Amount</u> |
|---------------------------------|---------------------|
| 2024 | \$ 223,937 |
| 2025 | 217,270 |
| 2026 | 216,522 |
| 2027 | 214,068 |
| 2028 | 206,449 |
| Thereafter | <u>2,455,782</u> |
| Total | <u>\$ 3,534,028</u> |

During the year ended June 30, 2023, the Organization acquired ownership of 7 Habitat homeowner mortgages from Habitat for Humanity of Iberia Parish with a net value of \$350,719.

(5) Mortgage Notes Receivable Sold With Recourse

During the current fiscal year, the Organization entered into an agreement to sell several mortgages at 90-100% of the total outstanding mortgage note. As a result of the sale of the mortgages and recognition of the remaining unamortized mortgage discount, the Organization realized a net gain of \$613,839. As part of the sale agreement, the Organization administers and services the related mortgage loans that were sold until their maturity. The outstanding balance of loans sold with recourse at June 30, 2023 and 2022 was \$6,422,172 and \$5,576,921, respectively. In the event of default, the Organization is required to purchase the loan for the remaining outstanding balance.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Financial Statements (Continued)

(6) Property and Equipment

Property and equipment consists of the following as of June 30, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|-------------------------------|-------------------|-------------------|
| Construction in progress | \$ - | \$ 1,170 |
| Building and improvements | 866,207 | 790,401 |
| Furniture and Equipment | <u>202,149</u> | <u>196,594</u> |
| | 1,068,356 | 988,165 |
| Less accumulated depreciation | <u>(333,165)</u> | <u>(292,041)</u> |
| Balance, ending | <u>\$ 735,191</u> | <u>\$ 696,124</u> |

Depreciation expense for the years ended June 30, 2023 and 2022 was \$58,373 and \$56,104, respectively.

(7) Long-term Debt

At June 30, 2023 and 2022, long-term debt was comprised of the following:

| | <u>2023</u> | <u>2022</u> |
|--|-------------------|-------------------|
| Note payable to Iberia Bank, dated December 26, 2019, original principal of \$214,917 bearing interest at 4%, due in 59 monthly installments of \$1,597 including interest with final principal payment of \$158,887 due on December 30, 2024, secured by real estate. | \$ 175,723 | \$ 187,565 |
| Note payable to Digitech Financial Services, dated June 29, 2018, original principal of \$4,000 bearing interest at 1.74%, due in 60 monthly installments of \$108 including interest due on June 30, 2023, secured by a printer with a book value of \$4,000. | - | 1,187 |
| Note payable to Digitech Financial Services, dated June 29, 2018, original principal of \$4,000 bearing interest at 2.51%, due in 60 monthly installments of \$130 including interest due on June 30, 2023, secured by a printer with a book value of \$4,000. | - | 1,186 |
| Revolving line of credit with Iberia Bank dated February 16, 2023 and maturing February 16, 2026 bearing interest at the variable interest rate of 1.00% over Prime as quoted in The Wall Street Journal with an initial interest rate of 8.75%. | 300,000 | - |
| EIDL Secured Disaster Loan Note payable to U.S. Small Business Administration, due May 2050, due in monthly installments of \$641 beginning May 2021, bearing interest at 2.75%. | <u>146,268</u> | <u>146,654</u> |
| Total long-term debt | 621,991 | 336,592 |
| Less current maturities of long-term debt | <u>(16,213)</u> | <u>(14,759)</u> |
| Net long-term debt | <u>\$ 605,778</u> | <u>\$ 321,833</u> |

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Financial Statements (Continued)

The future maturities of long-term debt are as follows:

| Year ending June 30, | <u>Amount</u> |
|-------------------------|-------------------|
| 2024 | \$ 16,213 |
| 2025 | 167,358 |
| 2026 | 303,766 |
| 2027 | 3,657 |
| 2028 | 3,544 |
| Thereafter | <u>127,453</u> |
| Total | <u>\$ 621,991</u> |

(8) Operating Leases

The Organization is obligated under various real property and equipment leases for varying terms expiring September 30, 2024 through April 7, 2035.

The following is a maturity analysis of the annual undiscounted cash flows (payments) of the operating lease liability as of June 30, 2023:

| Year ending June 30, | <u>Payment</u> |
|--|--------------------|
| 2024 | \$ 397,752 |
| 2025 | 443,922 |
| 2026 | 453,732 |
| 2027 | 453,732 |
| 2028 | 453,732 |
| Thereafter | <u>2,298,450</u> |
| Total operating lease liability - payments | <u>\$4,501,320</u> |

The following is a reconciliation of the total operating lease liability – payments on the schedule above to the operating lease liability on the accompanying statement of net position:

| | | |
|-----------------------------|------------------|-------------------|
| Operating lease liability - | | |
| Payments | | \$4,501,320 |
| Current | \$ 292,385 | |
| Noncurrent | <u>3,630,200</u> | <u>3,922,585</u> |
| Present value adjustment | | <u>\$ 578,735</u> |

Lease cost of \$110,005 is included in program services in the statement of activities for the year ended June 30, 2023. The weighted average of the remaining lease term is 9.06 years and the weighted average discount rate used was 2.78%.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Financial Statements (Continued)

As of June 30, 2023, the related right-of-use (ROU) assets had a balance of \$4,082,776, net of accumulated amortization of \$123,955, as shown in noncurrent assets on the statement of financial position.

Leases of Retail Space (prior to adoption of ASU No. 2016-02) -

In April 2015, the Organization entered into an operating lease for retail space. The initial term of the lease was for five years commencing on the effective date and ending on April 7, 2020, at a rate of \$9,932 per month. In March 2020, the Organization exercised its option to renew for the period April 8, 2020, through April 7, 2025, at a rate of \$9,932 per month. The Organization has two consecutive options remaining to extend the term for a period of five years on each extension.

In November 2020, the Organization entered into an operating lease for retail space. This lease was retroactively amended on August 1, 2023. The term of the amended lease is for eleven years commencing on the effective date June 15, 2021, and ending on June 14, 2032, at a rate of \$18,625 per month for the first year, \$20,625 per month for the second and third years, \$25,000 per month for the next five years, and \$26,000 per month for the remaining three years. The Organization has two consecutive options to extend the term for a period of five years on each extension.

Lease expense related to retail space totaled \$344,684 for the year ended June 30, 2022.

Future minimum lease payments as of June 30, 2022, were as follows:

| <u>June 30,</u> | <u>Midtown</u> | <u>North</u> | <u>Total</u> |
|-----------------|-------------------|---------------------|---------------------|
| 2023 | \$ 119,184 | \$ 247,500 | \$ 366,684 |
| 2024 | 119,184 | 247,500 | 366,684 |
| 2025 | 123,654 | 300,000 | 423,654 |
| 2026 | 137,064 | 300,000 | 437,064 |
| 2027 | 137,064 | 300,000 | 437,064 |
| | <u>\$ 636,150</u> | <u>\$ 1,395,000</u> | <u>\$ 2,031,150</u> |

(9) Net Assets

Net assets as of June 30, 2023 and 2022 was comprised of the following:

| | <u>2023</u> | <u>2022</u> |
|-----------------------------|---------------------|---------------------|
| With donor restrictions: | | |
| Purpose restricted | \$ 40,981 | \$ 49,797 |
| Without donor restrictions: | | |
| Undesignated | <u>4,326,598</u> | <u>4,379,257</u> |
| Total | <u>\$ 4,367,579</u> | <u>\$ 4,429,054</u> |

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Financial Statements (Continued)

(10) Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following at June 30, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|-----------------------------------|------------------|------------------|
| Unspent funds from the following: | | |
| Disaster donations | \$ 37,583 | \$ 46,399 |
| Pocket Park donations | <u>3,398</u> | <u>3,398</u> |
| Total | <u>\$ 40,981</u> | <u>\$ 49,797</u> |

(11) Net Assets Released from Restrictions

Details of net assets released from restrictions for the years ended June 30, 2023 and 2022 follows:

| | <u>2023</u> | <u>2022</u> |
|------------------------------------|------------------|-------------------|
| Purpose restrictions accomplished: | | |
| Disaster donations | \$ 8,816 | \$ 164,895 |
| McComb-Veazey | - | 193,581 |
| H&R Block | <u>4,000</u> | <u>-</u> |
| | <u>\$ 12,816</u> | <u>\$ 358,476</u> |

(12) Concentration of Credit Risk

The Organization maintains cash balances at local financial institutions, which at times may exceed federally insured limits. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 at each financial institution. At June 30, 2023, cash balances (bank balances) exceeded the federally insured limit by approximately \$29,512. At June 30, 2022, cash balances (bank balances) exceeded the federally insured limit by approximately \$1,156,022. The Organization has not experienced any loss on such deposits.

The Organization builds and rehabilitates houses in the Lafayette and surrounding areas. As a result, all of the mortgage receivables from homeowners are concentrated to an area of geographic risk. Additionally, all houses built are transferred to low-income families, which represents a credit risk.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Financial Statements (Continued)

(13) Compensation, Benefits, and Other Payments to Agency Head

The portion of the Organization's agency head's compensation, benefits, or other payments made from public funds received for the year ended June 30, 2023 follows:

| <u>Purpose</u> | <u>Amount</u> |
|-----------------------|------------------|
| Salary | \$ 30,000 |
| Benefits - insurance | 117 |
| Benefits - retirement | <u>162</u> |
| | <u>\$ 30,279</u> |

(14) Change in Accounting Principle

The FASB issued ASU No. 2016-02, Leases (Topic 842) intended to improve financial reporting regarding leasing transactions. Under the new standard, a lessee is required to recognize leases on its balance sheet. At initial recognition of a lease, the lessee measures the liability for its lease obligation and the related right-of-use asset at the present value of lease payments not yet paid. The guidance also requires qualitative and quantitative disclosures providing additional information about the amounts recorded in the financial statements. The Organization applied Topic 842 to all leases effective July 1, 2022. The implementation of Topic 842 resulted in an operating right-of-use asset of \$4,082,776, net of accumulated amortization of \$123,955 and an operating lease liability of \$3,922,585 on the statement of net position as of June 30, 2023. There was no net effect on beginning equity.

(15) Subsequent Event Review

The Organization's management has evaluated subsequent events through September 14, 2023, the date which the financial statements were available to be issued.

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
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Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

C. Burton Kolder, CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA – retired 2022

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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 of
Lafayette Habitat for Humanity, Inc.
Lafayette, 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 Lafayette Habitat for Humanity, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated September 14, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lafayette Habitat for Humanity, Inc.'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 Lafayette Habitat for Humanity, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Habitat for Humanity, Inc.'s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lafayette Habitat for Humanity, Inc.'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*.

Lafayette Habitat for Humanity, Inc.'s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Lafayette Habitat for Humanity, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Lafayette Habitat for Humanity, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 14, 2023

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Lafayette Habitat for Humanity, Inc.
Lafayette, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Lafayette Habitat for Humanity, Inc.'s (Organization) compliance with the types of compliance requirements identified as subject to audit in the in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2023. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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 major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose; however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 14, 2023

LAFAYETTE HABITAT FOR HUMANITY, INC.

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

| Federal Grantor / Pass-Through Grantor / Program Name | Assistance Listing Number | Expenditures |
|--|---------------------------------|-------------------|
| <u>U.S. Department of Housing and Urban Development</u> | | |
| Passed-through Lafayette Consolidated Government | | |
| CDBG - Entitlement Grants Cluster - | | |
| CDBG/Entitlement Grants | 14.218 | <u>\$ 80,000</u> |
| Total CDBG/Entitlement Grants Cluster | | <u>80,000</u> |
| Passed-through Louisiana Housing Corporation | | |
| HOME Investment Partnership Program | 14.239 | 562,406 |
| Passed-through Lafayette Consolidated Government | | |
| HOME Investment Partnership Program | 14.239 | <u>213,688</u> |
| Total HOME Investment Partnership Program | | <u>776,094</u> |
| TOTAL FEDERAL EXPENDITURES | | <u>\$ 856,094</u> |

The accompanying notes are an integral part of this schedule.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Lafayette Habitat for Humanity, Inc. (Organization) under programs of the federal government for the year ended June 30, 2023. The information presented in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

(2) 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Lafayette Habitat for Humanity, Inc. has elected not to use the 10 percent *de minimus* indirect cost rate allowed under the Uniform Guidance.

(3) Subrecipients

The Organization provided no federal awards to subrecipients.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Part I. Summary of Auditor's Results

| | | |
|---|---|----------------------------|
| <i>Financial Statements</i> | | <u>Type of Opinion</u> |
| 1. Type of auditor's opinion issued on financial statements: | | Unmodified |
| 2. Internal control over financial reporting: | | |
| Material weakness(es) identified? | <u> x </u> yes <u> </u> no | |
| Significant deficiency(ies) identified? | <u> x </u> yes <u> </u> no | |
| 3. Noncompliance material to the financial statements? | <u> </u> yes <u> x </u> no | |
| <i>Federal Awards</i> | | |
| 4. Internal control over major federal programs: | | |
| Material weakness(es) identified? | <u> </u> yes <u> x </u> no | |
| Significant deficiency(ies) identified? | <u> </u> yes <u> x </u> no | |
| 5. Major programs and type of auditor's report issued: | | |
| Assistance | | |
| Listing | | <u>Type of</u> |
| Number | <u>Federal Agency and Name of Major Program</u> | <u>Opinion</u> |
| | <u>U.S. Department of Housing and Urban Development</u> | |
| 14.239 | Home Investment Partnerships Program | Unmodified |
| 6. Audit findings required to be reported in accordance with 2 CFR §200.516(a)? | <u> </u> yes <u> x </u> no | |
| 7. Threshold for distinguishing type A and B programs? | | <u>\$ 750,000</u> |
| 8. Qualified as a low-risk auditee? | <u> </u> yes <u> x </u> no | |
| <i>Other</i> | | |
| 9. Management letter issued? | <u> </u> yes <u> x </u> no | |

LAFAYETTE HABITAT FOR HUMANITY, INC.

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023

Part II. Findings reported in accordance with Government Auditing Standards

A. Internal Control over Financial Reporting –

2023-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The Organization did not have adequate segregation of functions within the accounting system.

CRITERIA: AU-C§315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

“Internal control is a process, effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

CAUSE: The cause of the condition is the fact that the Organization does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) record keeping; and (4) reconciliation.

MANAGEMENT’S CORRECTIVE ACTION PLAN: The Organization has evaluated processes within the accounting system and the cost vs. benefit of hiring additional personnel and has determined that it may not be feasible to achieve complete segregation of duties.

2023-002 Payroll Overpayment

Fiscal year finding initially occurred: 2023

CONDITION: The Organization overpaid a former employee for PTO at termination. The individual employee was owed \$176 representing 16 hours of PTO but was paid \$1,936 representing 176 hours in error resulting in an overpayment of \$1,760. The error was identified shortly after submitting the direct deposit payroll file to the financial institution. When the error was identified, the Organization immediately contacted the financial institution requesting the direct deposit be reversed; however, the former employee had already withdrawn the funds. All

LAFAYETTE HABITAT FOR HUMANITY, INC.

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023

other attempts to recover the overpayment from the former employee failed. A notice of trial has been filed in an attempt to recover the overpayment, and a trial is scheduled to take place on September 26, 2023.

CRITERIA: AU-C§315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

“Internal control is a process, effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

CAUSE: The cause of the condition is the fact that when entering the payroll information, the Organization erroneously entered 176 hours as PTO payout for an individual instead of 16 hours owed.

EFFECT: Failure to scrutinize the payroll journal and direct deposit file prior to submitting to the financial institution increases the risk that errors and/or irregularities may occur and not be prevented and/or detected timely. Such errors could lead to payments being made to employees for which they are not entitled to. Louisiana Civil Code provides for cases involving “payment of a thing not due.” Civil Code Article 2299 provides that “a person who has received a payment or a thing not owed to him/her is bound to restore it to the person from who he/she received it.”

RECOMMENDATION: Management should implement policies and procedures to ensure that the payroll journal and direct deposit file are properly reviewed prior to submitting to the financial institution.

MANAGEMENT’S CORRECTIVE ACTION PLAN: The Organization has implemented procedures to ensure that the payroll journal and direct deposit file are properly reviewed prior to submitting to the financial institution. A notice of trial has been filed in an attempt to recover the overpayment.

B. Compliance –

There were no items to be reported under this section.

Part III. Findings and questioned costs for Federal Awards defined in the Uniform Guidance

There were no items to be reported under this section.

CORRECTIVE ACTION PLAN

APPENDIX A



We build strength, stability, self-reliance and shelter.

CORRECTIVE ACTION PLAN FOR CURRENT AUDIT FINDINGS

September 14, 2023

U.S. Department of Housing and Urban Development

Lafayette Habitat for Humanity, Inc. respectfully submits the following corrective action plan for the year ended June 30, 2023.

Name and address of independent public accounting firm:
Kolder, Slaven, & Company, LLC
183 South Beadle Road
Lafayette, LA 70508

Audit period: June 30, 2023

The findings from the June 30, 2023 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

INTERNAL CONTROL:

2023-001 – Inadequate Segregation of Accounting Functions

Recommendation: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recording keeping, and (4) reconciliation.

Action Taken: The Organization has evaluated processes within the accounting system and the cost vs. benefit of hiring additional personnel and has determined that it may not be feasible to achieve complete segregation of duties.

2023-002 – Payroll Overpayment

Recommendation: Management should implement policies and procedures to ensure that the payroll journal and direct deposit file are properly reviewed prior to submitting to the financial institution.

Action Taken: The Organization has implemented procedures to ensure the payroll journal and direct deposit file are properly reviewed prior to submitting to the financial institution. A notice of trial has been filed in an attempt to recover the overpayment.

If the U.S. Department of Housing and Urban Development has questions regarding this plan, please call Melinda Taylor, Executive Director, at 337-261-5041.

Sincerely yours,

A handwritten signature in blue ink, appearing to be 'MT' with a flourish.

Melinda Taylor
Executive Director

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

APPENDIX B



We build **strength, stability, self-reliance** and shelter.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Part II. Findings reported in accordance with *Governmental Auditing Standards*:

Internal Control –

2022-001 Inadequate Segregation of Accounting Functions

CONDITION: The Organization did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) record keeping; and (4) reconciliation.

CURRENT STATUS: Unresolved. See item 2023-001.

Part III. Findings and questioned costs for Federal Awards defined in the Uniform Guidance:

There were no findings to be reported under this section.

Sincerely yours,

A handwritten signature in blue ink, appearing to be "MT" or similar initials, written over a horizontal line.

Melinda Taylor
Executive Director

LAFAYETTE HABITAT FOR HUMANITY, INC.

Statewide Agreed-Upon Procedures Report

Year Ended June 30, 2023

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Lafayette Habitat for Humanity, Inc.
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 July 1, 2022 through June 30, 2023. Lafayette Habitat for Humanity, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Lafayette Habitat for Humanity, Inc. 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 July 1, 2022 through June 30, 2023. 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.

Lafayette Habitat for Humanity, Inc. is not legally required to prepare a budget; therefore, this category is not applicable.

- 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.

Written policies and procedures were obtained and do not address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

- 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).
- Written policies and procedures were obtained and address the functions noted above.*
- 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.
- Written policies and procedures were obtained and address the functions noted above.*
- 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.
- Written policies and procedures were obtained, and it was noted that the policies and procedures do not address the types of services requiring written contracts, standard terms and conditions, or legal review.*
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- Written policies and procedures were obtained and do not address the functions noted above.*
- viii. **Credit Cards (and debit cards, fuel cards, purchase 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).
- Written policies and procedures were obtained and address the functions noted above.*
- 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. *The provisions of R.S. 42:1111-1121 do not apply to not-for-profit entities. This step is not applicable to Lafayette Habitat for Humanity, Inc. However, the organization has anti-harassment policies in place.*
- Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- Written policies and procedures were obtained and address the functions noted above that would be applicable to a not-for-profit entity.*
- 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.
- Written policies and procedures were obtained and do not address the functions noted above.*
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
- The provisions of R.S. 42:342-344 do not apply to not-for-profit entities. This step is not applicable to Lafayette Habitat for Humanity, Inc..*

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. Observe that the board/finance committee 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.
No exceptions were found as a result of this procedure.
 - 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 funds.
No exceptions were found as a result of this procedure.
 - 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.
No exceptions were found as a result of this procedure
 - 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.
It was noted that the board/finance committee did not receive written updates of the progress of resolving audit finding(s).

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:
- Obtained a listing of entity bank accounts for the fiscal period and managements representation that the listing is complete.*
- 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);
Obtained and reviewed bank reconciliations noting that 3 out of the 5 bank reconciliations selected for testing were not prepared within 2 months of the related statement closing date.
 - ii. Bank reconciliations include written evidence that a member of management or a 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
Obtained and reviewed bank reconciliations noting that 5 out of the 5 bank reconciliations selected for testing did not include evidence of review by a member of management or a board member who does not handle cash, post ledgers, or issue checks.
 - 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.

Obtained and reviewed bank reconciliations noting that there was no items outstanding for more than 12 months from the statement closing date.

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).

Obtained a listing of deposit sites for the fiscal period and managements representation that the listing is complete.

- 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;

Observed that employees responsible for cash collections do not share the same cash drawers/registers.

- 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;

Observed that employees responsible for collecting cash are not responsible for preparing/making bank deposits.

- 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; and

Observed that employees responsible for collecting cash are not responsible for posting cash collection entries to the general ledger.

- 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.

Observed that employees responsible for reconciling cash collections to the general ledger are not responsible for collecting cash.

- 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.

Obtained and reviewed a copy of the bond or insurance policy for theft covering all employees who have access to cash.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). Obtain supporting documentation for each of the 10 deposits and:

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

Observed that receipts are sequentially pre-numbered.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip, noting no exceptions.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
Traced the deposit slip total to the actual deposit per the bank statement, noting no exceptions.
- 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).
Observed that 2 out of the 2 deposits selected for testing were not made within one business day of receipt at the collection location.
- v. Trace the actual deposit per the bank statement to the general ledger.
Traced the actual deposit per the bank statement to the general ledger, noting no exceptions.

5) Non-Payroll Disbursements (excluding card purchases, 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).
Obtained a listing of locations that process payments for the fiscal period and managements representation that the listing is complete.
- B. For each location selected under procedure #5A 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 or making the purchase;
Observed that at least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - ii. At least two employees are involved in processing and approving payments to vendors;
Observed that at least two employees are involved in processing and approving payments to vendors.
 - 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;
Observed that the employee responsible for processing payments is not prohibited from adding/modifying vendor files. However, another employee is responsible for periodically reviewing changes to vendor files.
 - 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; and
Observed that the employee responsible for signing checks is not also responsible for mailing the payments.
 - 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.

Observed that 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, noting no exceptions.

- C. For each location selected under procedure #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, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity; and

Observed that the disbursements matched the related original itemized invoices and supporting documentation indicates deliverables included on the invoices were received by the entity, noting no exceptions.

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

Observed that for 5 out of the 5 disbursements selected for testing, disbursement documentation did not include evidence of segregation of duties.

- 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.

Observed that there was approval by only those persons authorized to disburse funds per the entity's policy, noting no exceptions. Also observed that there was approval by the required number of authorized signers per the entity's policy, noting no exceptions.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

Obtained a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards for the fiscal period and management's representation that the listing is complete.

- 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 (those instances requiring such approval that may constrain the legal authority of certain public officials such as the mayor of a Lawrason Act municipality, should not be reported); and

Observed that for 5 out of the 5 credit cards selected for testing, the monthly statements and supporting documentation were not reviewed and approved, in writing, by someone other than the authorized card holder.

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

Observed that finance charges and late fees were not assessed on the selected statements.

- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to testing). For each transaction, observe that 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 observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Three transactions selected for testing were not supported by original itemized receipt that identifies precisely what was purchased, written documentation of the business/public purpose of the transactions, and did not contain documentation of the individuals participating in the meals.

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 and 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:

Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and managements representation that the listing is complete.

- 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);

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- iii. Observe that 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 Policies and Procedures procedure #1A(vii); and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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:

Obtained 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 and managements representation that the listing is complete.

- 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 were found as a result of this procedure.
- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
No exceptions were found as a result of this procedure.
- iii. If the contract was amended (e.g., change order), observe that 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 documented approval); and
No exceptions were found as a result of this procedure.
- 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 that the invoice and related payment agreed to the terms and conditions of the contract.
No exceptions were found as a result of this procedure.

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.

Obtained a listing of employees and officials employed during the fiscal period and managements representation that the listing is complete. Obtained related paid salaries and personnel files and agreed to authorized salaries/pay rates in the personnel files, noting no exceptions.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
Observed that all selected employees or officials documented their daily attendance and leave, noting no exceptions.
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
Observed that supervisors approved the attendance and leave of the selected employees or officials, noting no exceptions.

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

Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records, noting no exceptions.

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

Observed the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file, noting no exceptions.

- 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 and 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's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

Obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. It was noted that for 1 out of the 2 employees selected for testing, there was an error when computing the termination payment which resulted in an overpayment of \$1,760. A notice of trial has been filed in an attempt to recover the overpayment. The trial is scheduled to take place on September 26, 2023.

- 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.

Obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, garnishments, and workers' compensation premiums have been paid, and any associated forms have been filed, by required deadlines.

10) Ethics

This section is not applicable to Lafayette Habitat for Humanity, Inc., a not-for-profit entity.

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

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 that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Per discussion with management, it was noted that there were no bonds/notes or other debt instruments issued during the fiscal period.

- 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).

No exceptions were found as a result of this procedure.

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 as required by R.S. 24:523.

Per discussion with management, there were no misappropriations of public or assets during the fiscal period.

- 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.

Observed the entity does not have the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds posted on their premises or their website.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures:

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then 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.

- iii. 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.

- B. 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.

No exceptions were found as a result of this procedure.

14) Prevention of Sexual Harassment

This section is not applicable to Lafayette Habitat for Humanity, Inc., a not-for-profit entity.

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that 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).
- 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 that the report 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;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Management's Response

Management of Lafayette Habitat for Humanity, Inc. concurs with the exceptions and are working to address the deficiencies identified.

We were engaged by Lafayette Habitat for Humanity, Inc. 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 Lafayette Habitat for Humanity, Inc. 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.

Kolder, Slaven & Company, LLC

Certified Public Accountants

Lafayette, Louisiana
September 14, 2023