

*Consolidated Financial Report*

*Jericho Road Episcopal Housing  
Initiative, Inc. and Affiliates*

*December 31, 2023*



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December 31, 2023 and 2022

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**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors,  
Jericho Road Episcopal Housing Initiative, Inc. and Affiliates,  
New Orleans, Louisiana.

### **Opinion**

We have audited the accompanying consolidated financial statements of Jericho Road Episcopal Housing Initiative, Inc. and Affiliates (a nonprofit organization) (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated 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 consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

## **Reports on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) 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 consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules (Schedules 1 through 7) are presented for purposes of additional analysis and are not a required part of the consolidated financial statements of the Organization. The supplementary information in Schedule 7 is presented for purposes of additional analysis, is required by Louisiana Revised Statute 24:513(A)(3) and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

## **Report on Summarized Comparative Information**

We have previously audited the Organization's 2022 consolidated financial statements, and our report dated June 27, 2023, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.



## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Bougeois Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, Louisiana,  
June 25, 2024.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### Jericho Road Episcopal Housing Initiative, Inc. and Affiliates New Orleans, Louisiana

December 31, 2023  
(with comparative totals for 2022)

#### ASSETS

	<u>2023</u>	<u>2022</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 54,321	\$ 159,862
Grants receivable:		
Federal grants	1,246,046	-
Private grants	56,260	175,450
Inventory	5,451,356	1,180,402
Prepaid expenses	18,829	16,988
	<u>6,826,812</u>	<u>1,532,702</u>
Total current assets		
	<u>6,826,812</u>	<u>1,532,702</u>
<b>Property and Equipment</b>		
Office equipment	4,075	4,075
Furniture and fixtures	26,130	26,130
Vehicles	25,714	25,714
Less accumulated depreciation	<u>(53,263)</u>	<u>(52,682)</u>
	<u>2,656</u>	<u>3,237</u>
Total property and equipment, net		
	<u>2,656</u>	<u>3,237</u>
<b>Other Assets</b>		
Soft second mortgage loans receivable, net	<u>79,824</u>	<u>112,508</u>
	<u>\$ 6,909,292</u>	<u>\$ 1,648,447</u>
Total assets		
	<u>\$ 6,909,292</u>	<u>\$ 1,648,447</u>

See notes to consolidated financial statements.

**LIABILITIES AND NET ASSETS**

	<u>2023</u>	<u>2022</u>
<b>Current Liabilities</b>		
Accounts payable	\$ 1,557,694	\$ 60,773
Accrued expenses	7,718	17,756
Accrued interest payable	10,142	13,316
Lines of credit	923,022	243,717
Current portion of long-term debt	340,354	-
Total current liabilities	<u>2,838,930</u>	<u>335,562</u>
<b>Noncurrent Liabilities</b>		
Long-term debt	-	340,354
Economic Injury Disaster Loan	500,000	500,000
Total noncurrent liabilities	<u>500,000</u>	<u>840,354</u>
Total liabilities	<u>3,338,930</u>	<u>1,175,916</u>
<b>Net Assets</b>		
Without donor restrictions	3,550,362	472,531
With donor restrictions	20,000	-
Total net assets	<u>3,570,362</u>	<u>472,531</u>
Total liabilities and net assets	<u>\$ 6,909,292</u>	<u>\$ 1,648,447</u>

**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**AND CHANGES IN NET ASSETS**

**Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2023  
(with comparative totals for 2022)

	2023		Totals	2022 Totals
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions		
<b>Support and Revenue</b>				
Sales of homes	\$ 230,000	\$ -	\$ 230,000	\$ 829,700
Grant income:				
Federal grants	3,825,762	-	3,825,762	-
Private grants	340,581	20,000	360,581	521,366
Contributions	14,067	-	14,067	41,152
In-kind support	99,818	-	99,818	89,053
Miscellaneous income	29,135	-	29,135	11,885
Property development income	16,250	-	16,250	5,652
	<u>4,555,613</u>	<u>20,000</u>	<u>4,575,613</u>	<u>1,498,808</u>
Total support and revenue				
<b>Expenses</b>				
Program expenses:				
Cost of homes sold:				
Inventory cost	299,977	-	299,977	779,838
Closing costs paid by seller	8,298	-	8,298	37,572
	<u>308,275</u>	<u>-</u>	<u>308,275</u>	<u>817,410</u>
Total cost of homes sold				
Home development	738,764	-	738,764	619,225
Vacant land management	37,158	-	37,158	30,171
Community engagement	99,458	-	99,458	56,908
	<u>1,183,655</u>	<u>-</u>	<u>1,183,655</u>	<u>1,523,714</u>
Total program expenses				

	2023			2022
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals	Totals
<b>Expenses (Continued)</b>				
Administrative expenses	255,660	-	255,660	225,105
Marketing/fundraising	38,467	-	38,467	98,577
Total expenses	1,477,782	-	1,477,782	1,847,396
Change net assets	3,077,831	20,000	3,097,831	(348,588)
<b>Net Assets</b>				
Beginning of year	472,531	-	472,531	821,119
End of year	\$ 3,550,362	\$ 20,000	\$ 3,570,362	\$ 472,531

See notes to consolidated financial statements.

**CONSOLIDATED STATEMENT OF  
FUNCTIONAL EXPENSES**

**Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2023  
(with comparative totals for 2022)

	<u>Program Expenses</u>			Total Program Expenses
	<u>Home Development</u>	<u>Vacant Land Management</u>	<u>Community Engagement</u>	
Advertising and marketing	\$ -	\$ -	\$ -	\$ -
Amortization of soft second mortgages	32,684	-	-	32,684
Bank fees	-	-	-	-
Business registration fees	-	-	-	-
Community development contract labor	-	-	25,000	25,000
Community promotions	-	394	2,967	3,361
Computer software and equipment	1,259	-	-	1,259
Cost of cancelled properties	-	-	-	-
Cost of homes sold	293,328	25	-	293,353
Depreciation	-	-	-	-
Fundraising	-	-	-	-
Home development	209,596	7,410	-	217,006
Insurance	41,502	-	-	41,502
Interest	7,526	-	-	7,526
Office supplies	7,019	7	-	7,026
Payroll taxes	-	-	-	-
Postage	-	-	-	-
Printing and copying	1,500	-	-	1,500
Professional fees	6,610	-	-	6,610
Rent	19,320	1,320	3,960	24,600
Salaries and benefits	378,517	20,324	13,085	411,926
Salaries and benefits in-kind	45,372	-	54,446	99,818
Telephone expense	-	-	-	-
Travel and meetings	2,806	-	-	2,806
Vacant land management	-	7,678	-	7,678
	<u>\$ 1,047,039</u>	<u>\$ 37,158</u>	<u>\$ 99,458</u>	<u>\$ 1,183,655</u>

See notes to consolidated financial statements.

Administrative Expenses	Marketing/ Fundraising	Totals	
		2023	2022
\$ 149	\$ 3,379	\$ 3,528	\$ 2,690
-	-	32,684	37,601
4,408	-	4,408	2,518
1,122	-	1,122	462
-	25,000	50,000	50,000
-	-	3,361	10,722
3,770	-	5,029	3,506
-	-	-	59,216
14,922	-	308,275	822,588
581	-	581	561
-	8,186	8,186	8,618
14,765	-	231,771	109,627
51,167	-	92,669	67,070
34,407	-	41,933	30,742
2,671	-	9,697	10,719
16,756	-	16,756	16,756
73	-	73	225
-	1,317	2,817	217
14,227	-	20,837	14,159
-	-	24,600	26,400
93,042	400	505,368	465,605
-	-	99,818	89,053
3,600	-	3,600	3,800
-	185	2,991	6,541
-	-	7,678	8,000
<u>\$ 255,660</u>	<u>\$ 38,467</u>	<u>\$ 1,477,782</u>	<u>\$ 1,847,396</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS****Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, LouisianaFor the year ended December 31, 2023  
(with comparative totals for 2022)

	<u>2023</u>	<u>2022</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 3,097,831	\$ (348,588)
Adjustments to reconcile change in net assets to net cash provided by (used) in operating activities:		
Depreciation	581	561
Amortization of soft second mortgages	32,684	37,601
Cost of cancelled properties	-	59,216
(Gain) loss on homes sold	78,275	(7,112)
(Increase) decrease in operating assets:		
Grants receivable	(1,126,856)	(55,475)
Promises to give	-	10,000
Prepaid expenses	(1,841)	(3,370)
Increase (decrease) in operating liabilities:		
Accounts payable	(21,089)	7,672
Accrued expenses	(10,038)	(5,153)
Accrued interest payable	(3,174)	7,006
	<u>2,046,373</u>	<u>(297,642)</u>
<b>Cash Flows From Investing Activities</b>		
Proceeds from homes sold	221,702	783,164
Cost of home/lot purchased for construction	(3,052,921)	(839,281)
	<u>(2,831,219)</u>	<u>(56,117)</u>



**Exhibit D  
(Continued)**

	<u>2023</u>	<u>2022</u>
<b>Cash Flows From Financing Activities</b>		
Payments on long-term debt	-	(85,204)
Borrowings from Economic Injury Disaster Loan	-	350,000
Lines of credit draws, net	<u>679,305</u>	<u>19,448</u>
Net cash provided by financing activities	<u>679,305</u>	<u>284,244</u>
<b>Net Decrease In Cash and Cash Equivalents</b>	(105,541)	(69,515)
<b>Cash and Cash Equivalents</b>		
Beginning of year	<u>159,862</u>	<u>229,377</u>
End of year	<u>\$ 54,321</u>	<u>\$ 159,862</u>
<b>Supplemental Disclosure of Non-Cash Investing Activities</b>		
Inventory purchases included in accounts payable	<u>\$ 1,518,010</u>	<u>\$ -</u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid for:		
Interest	<u>\$ 108,599</u>	<u>\$ 51,499</u>

See notes to consolidated financial statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

December 31, 2023 and 2022

**Note 1 - NATURE OF ACTIVITIES**

Jericho Road Episcopal Housing Initiative, Inc. and Affiliates (the “Organization”) is a neighborhood-based non-profit organization that was formed as a tax exempt organization in March 2006. It is located in New Orleans, Louisiana, and the initial and sole member of the Organization was the Diocese of the Episcopal Church of Louisiana (the “Diocese”). In October 2011, sole membership was assigned and conveyed by the Diocese to Christ Church Corporation, a Louisiana non-profit religious corporation. The primary purpose of the Organization is to provide healthy and energy efficient affordable housing opportunities in New Orleans neighborhoods for working families and individuals.

The Organization works with other non-profit organizations, businesses, governmental agencies, and neighborhood residents to create and maintain a stable and thriving community. Long-term housing strategies include new construction and rehabilitation of existing owner-occupied homes. The Organization is supported primarily through contributions and grants.

On October 8, 2014, Jericho QALICB, L.L.C., (QALICB) was established as a non-profit corporation to operate exclusively for the benefit of the Organization and to support the charitable and social purposes of the Organization and specifically to facilitate the New Markets Tax Credit transaction. Upon dissolution of the QALICB, all of its assets, in excess of those necessary to liquidate its outstanding liabilities, shall be and becomes the property of the Organization. On October 23, 2020, QALICB exercised an option to assign and transfer the debt to QALICB in full satisfaction of the initial agreement. There was no activity in QALICB during the years ended December 31, 2023 and 2022.

On November 1, 2017, the Organization became the sole member of Project Homecoming, Inc. (“Project Homecoming”). Project Homecoming is a faith-based community development non-profit organization, established in April 2010, building resilient neighborhoods in the greater New Orleans area. Project Homecoming is committed to facilitating a culture of care in targeted communities through safe, durable, affordable, and environmentally sensitive construction, community driven partnerships, service, and fellowship.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Organization and Income Taxes**

The Organization is a non-profit organization organized under the laws of the State of Louisiana and is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the IRC. It is also exempt from Louisiana income tax under the authority of R.S. 47.121(5).

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of December 31, 2023, management believes the Organization has no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements. The Organization recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. Tax years ended December 31, 2020 and later remain subject to examination by the taxing authorities.

**b. Basis of Accounting**

The consolidated financial statements of the Organization are prepared on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded when incurred.

**c. Use of Estimates**

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that impact certain reported amounts and disclosures. Actual results could differ from those estimates.

**d. Basis of Presentation**

Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as:

*Net Assets without Donor Restrictions* - Resources that are available to support the general operations of the Organization.

*Net Assets with Donor Restrictions* - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time, or net assets that are maintained permanently by the Organization.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e. Principles of Consolidation**

The accompanying consolidated financial statements show the combined assets, liabilities and transactions of the Jericho Road Episcopal Housing Initiative, Inc., QALICB, and Project Homecoming. All intercompany transactions and resulting balances accounts have been eliminated from the consolidated financial statements.

**f. Cash and Cash Equivalents**

For purposes of the Consolidated Statements of Cash Flows, the Organization considers all short-term highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

**g. Grants Receivable**

The Organization records private grants receivable when grants are awarded and government grants receivable on an expense reimbursement basis. Grants receivable are stated at the amount management expects to collect based on their review of outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has made reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. There was no allowance for credit losses provided by Organization's management for both of the years ended December 31, 2023 and 2022.

**h. Inventory**

All direct material, labor, and equipment costs and those indirect costs related to home construction such as indirect labor, supplies and tool costs are recorded as inventory on the Consolidated Statements of Financial Position as they are incurred. Land costs included in inventory are stated at cost or fair value at the date of the contribution. Included in land costs are any costs incurred in development. When revenue from the sale of a home is recognized, the corresponding costs are then expensed in the Consolidated Statements of Activities.

**i. Property and Equipment**

Property and equipment is stated at cost. The Organization capitalizes all costs with an estimated useful life greater than one year and an original cost in excess of \$2,500. Expenditures for maintenance, repairs, and minor renewals are charged against earnings as incurred. Major expenditures for renewals and betterments are capitalized.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i. Property and Equipment (Continued)**

Depreciation is provided principally on the straight-line method, over the following estimated useful lives:

	<u>Years</u>
Office equipment	5
Furniture and fixtures	5-20
Vehicles	5

**j. Soft Second Mortgage Loans Receivable**

Soft second mortgage loans receivable consist of non-interest bearing forgivable loans secured by real estate. No repayment is required unless the borrower fails to maintain ownership of the property and resides in it as his/her principal place of residency for the duration of the applicable period of affordability, which is 15 years. In the event the borrower ceases to occupy the property, the entire amount of the loan, less any portion earned by the borrower, will be due and payable.

The borrower will earn a portion of the loan for each month that he/she owns and resides in the property as his/her principal place of residency. The borrower will earn the loan on a pro-rata basis for each month of ownership and occupancy as measured against the period of affordability.

The Organization records the earned portion on a straight-line basis. The amortization expense is included in administrative expenses in the Consolidated Statements of Activities and Changes in Net Assets.

Soft second mortgage loans receivable totaled \$79,824 and \$112,508, net of amortization of \$499,209 and \$466,525 as of December 31, 2023 and 2022, respectively.

**k. Revenue Recognition**

Revenue from Exchange Transactions: The Organization recognizes revenue in accordance with Accounting Standards Update (ASU) No. 2014-09, “*Revenue from Contracts with Customers*”, as amended. ASU No. 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Organization records the following exchange transaction revenue in its Consolidated Statements of Activities and Changes in Net Assets for the years ended December 31, 2023 and 2022:

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**k. Revenue Recognition (Continued)**

**Homes sold** - The Organization's mission to provide affordable housing opportunities results in the sale of homes constructed in the course of business. The performance obligation is the delivery of the home to the customer. Revenue is recognized at the closing date of the sale of the home.

**Property development income** - The Organization has significant expertise in project management as it relates to the construction of affordable housing supported by private funding. The Organization offers development services to other non-profit organizations that are also developing affordable housing but do not have the level of expertise that the Organization does. The performance obligation is the delivery of services to the co-developer. Revenue is recognized at the time that services are rendered.

Costs incurred by the Organization in obtaining a contract are not capitalized. As part of the Organization's adoption of the revenue recognition guidance, the Organization elected to apply the practical expedient to recognize the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the Organization otherwise would have recognized is one year or less. These costs are included in operating expenses in the Consolidated Statements of Activities and Changes in Net Assets.

The Organization has elected to apply practical expedients to not disclose the revenue related to unsatisfied performance obligations if the contract has an original duration of one year or less, and the Organization has recognized revenue for the amount in which it has the right to bill.

**l. Support**

Contributions are recorded as contributions without donor restrictions, or contributions with donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the Consolidated Statements of Activities and Changes in Net Assets as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as contributions without donor restrictions.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m. Methods Used for Allocation of Expenses**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated based on direct identification of expense related to each function.

**n. Land Development Costs**

Costs that relate to land development projects are capitalized. Costs are allocated to project components by the specific identification method.

**o. Warranties**

The Organization provides a new home warranty in the deed of trust on the sale of new homes as required by the State of Louisiana's New Warranty Act. The warranty is for one year and is generally for defects in materials and workmanship. The Organization did not record a warranty liability because the subcontractor furnishes a warranty. The Organization would only be liable if the subcontractor fails to honor their warranty.

**p. Advertising and Marketing**

The Organization uses advertising and marketing to promote its programs. Advertising and marketing costs are expensed as incurred. Advertising and marketing expenses for the years ended December 31, 2023 and 2022 totaled \$3,528 and \$2,690, respectively.

**q. Recently Issued Accounting Standards**

**Current Expected Credit Losses**

In June 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-13, "*Financial Instruments - Credit Losses*" (Topic 326) and has since modified the standard with several ASUs (collectively, the "new credit loss standard"). The new credit loss standard requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount. As of January 1, 2023, the Organization has adopted this standard, and it was applied prospectively after this date.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**r. Subsequent Events**

Management evaluates events occurring subsequent to the date of the consolidated financial statements in determining the accounting for and disclosure of transactions and events that affect the consolidated financial statements. Subsequent events have been evaluated through June 25, 2024, which is the date the financial statements were available to be issued.

**Note 3 - LIQUIDITY AND AVAILABILITY OF ASSETS**

The Organization is substantially supported by restricted contributions and grants. Because a donor's or grantor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors and grantors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Annual operations are defined as activities occurring during, and included in the budget for, a fiscal year.

The following table represents financial assets available for general expenditures within one year as of December 31, 2023 and 2022:

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 54,321	\$159,862
Grants receivable	1,246,046	-
Total financial assets, as of December 31, 2023 and 2022	1,300,367	159,862
Less amounts not available to be used within one year, due to:		
Contractual or donor imposed restrictions:		
Purpose restricted net assets	(20,000)	-
Financial assets available to meet general expenditures within one year	\$ 1,280,367	\$159,862



**Note 4 - CONCENTRATIONS OF CREDIT RISK**

The Organization maintains deposits with local financial institutions. Accounts at these institutions are insured by the U.S. Federal Deposit Insurance Corporation up to \$250,000 per account. The balances at times may exceed federally insured limits. As of December 31, 2023, there were no balances in excess of insured amounts.

**Note 5 - INVENTORY**

Inventory activity for the years ended December 31, 2023 and 2022 consist of the following components:

2023						
Inventory Classification	# of Units	Balance Beginning of Year	Additions	Deletions	Transfers	Balance End of Year
Lots available for development	23	\$ 575,842	\$ 11,802	\$ -	\$ -	\$ 587,644
Construction-in-progress	22	583,960	4,552,363	-	(293,211)	4,843,112
Completed homes	-	-	-	293,211	293,211	-
Project Homecoming	1	20,600	-	-	-	20,600
Totals		<u>\$ 1,180,402</u>	<u>\$ 4,564,165</u>	<u>\$ 293,211</u>	<u>\$ -</u>	<u>\$ 5,451,356</u>
2022						
Inventory Classification	# of Units	Balance Beginning of Year	Additions	Deletions	Transfers	Balance End of Year
Lots available for development	24	\$ 607,623	\$ 19,082	\$ -	\$ (50,863)	\$ 575,842
Construction-in-progress	2	488,950	789,956	-	(694,946)	583,960
Completed homes	-	-	-	745,809	745,809	-
Project Homecoming	1	20,600	-	-	-	20,600
Totals		<u>\$ 1,117,173</u>	<u>\$ 809,038</u>	<u>\$ 745,809</u>	<u>\$ -</u>	<u>\$ 1,180,402</u>

Inventories are stated at cost plus the estimated fair value of donated land and property at the time of donation.

**Note 6 - INVESTMENT IN COMMUNITY PROJECT**

Investment in Community Project was stated at cost. This investment represented costs incurred on a project to develop a community park. The property is owned by the City of New Orleans (the "City") and the Organization's plan was to enter into an agreement with the City, solicit grants and/or funds and direct the development of this property into a community park for the benefit of homeowners in the area. During the year ended December 31, 2022, it was determined that this project was no longer viable and was written off to cost of cancelled properties on the Statement of Functional Expenses.

**Note 7 - LINES OF CREDIT**

On May 4, 2023, the Organization entered into a line of credit of \$1,000,000 with a maturity date of May 31, 2025. The line of credit had a balance of \$588,001 as of December 31, 2023. Interest on the line of credit accrues at 5%. The line of credit is secured with property under construction. Interest expense on the line of credit totaled \$50,000 for the year ended December 31, 2023. This interest was capitalized as inventory.

On September 13, 2023, the Organization entered into a line of credit of \$350,000 with a maturity date of September 13, 2024. The line of credit had a balance of \$175,000 as of December 31, 2023. Interest on the line of credit accrues at the bank's prime rate plus 2.4%, with a floor of 6% (10.9% as of December 31, 2023). The line of credit is secured with property under construction. Interest expense on the line of credit totaled \$4,352 for the year ended December 31, 2023.

On March 6, 2020, the Organization entered into a construction line of credit with the original maturity date of September 6, 2021. The line of credit was extended through May 2024, and had a balance of \$160,021 and \$73,855 as of December 31, 2023 and 2022, respectively. Interest on the line of credit accrues at Wall Street Journal prime rate plus 1% (9.5% and 8.5% as of December 31, 2023 and 2022, respectively). The line of credit is secured with property under construction. Interest expense on the line of credit totaled \$8,356 and \$10,684 for the years ended December 31, 2023 and 2022, respectively. This interest was capitalized as inventory.

On February 2, 2022, the Organization entered into two construction lines of credit of \$150,000 each with the maturity date of February 24, 2023. One line of credit was paid in full upon the sale of inventory during the year ended December 31, 2023. This line of credit was extended through May 24, 2024, and had a balance of \$141,962 as of December 31, 2022. There was no balance on this line of credit as of December 31, 2023. The second line of credit was paid in full upon the sale of inventory during the year ended December 31, 2022. Interest on the lines of credit accrue at Wall Street Journal Prime rate plus 1%, with a floor of 4.75% (9.5% and 8.5% as of December 31, 2023 and 2022, respectively). The lines of credit are secured with property under construction. Interest expense on the lines of credit totaled \$5,151 and \$9,375 for the years ended December 31, 2023 and 2022, respectively. This interest was capitalized as inventory.

On January 12, 2021, the Organization entered into a line of credit with no stated maturity date. The line of credit had a balance of \$27,900 as of December 31, 2022. There was no balance on this line of credit as of December 31, 2023. Interest on the line of credit accrued at 2.5%. The line of credit was paid in full upon the sale of inventory during the year ended December 31, 2023. The line of credit was secured with property under construction. Interest expense on the line of credit totaled \$698 for the year ended December 31, 2022. There was no interest expense paid on the line of credit for the year ended December 31, 2023. This interest was capitalized as inventory.

**Note 8 - NOTE PAYABLE**

Note payable as of December 31, 2023 and 2022 consist of the following:

	2023	2022
Note payable to Hancock Whitney Bank, executed October 16, 2014, bearing interest at 5.5%, interest payable with a balloon payment due April 30, 2024, secured by inventory. Management anticipates extending the due date of the note payable.	<u>\$340,354</u>	<u>\$340,354</u>

Interest expense on the note payable totaled \$18,953 and \$20,685 for the years ended December 31, 2023 and 2022, respectively.

The maturity of long-term debt is as follows:

<u>Year Ending December 31,</u>	
2024	<u>\$340,354</u>

**Note 9 - ECONOMIC INJURY DISASTER LOAN**

On June 23, 2020, the Organization entered into an Economic Injury Disaster Loan (EIDL) agreement administered by the United States Small Business Administration (SBA) totaling \$150,000. On May 5, 2022, the Organization borrowed an additional \$350,000 under this program. Interest on the loan is 2.75%. The loan requires principal and interest payments of \$2,191 beginning December 22, 2022 through maturity, June 30, 2050. The loan is secured by substantially all tangible and intangible property of the Organization. The Organization has a balance outstanding of \$500,000 as of both December 31, 2023 and 2022. Interest expense on the loan totaled \$18,628 and \$10,057 for the years ended December 31, 2023 and 2022, respectively.

**Note 9 - ECONOMIC INJURY DISASTER LOAN (Continued)**

The future maturities of this loan as of December 31, 2023 are as follows:

<u>Year Ending December 31,</u>	
2024	\$ -
2025	11,892
2026	13,032
2027	13,395
2028	13,768
Thereafter	<u>447,913</u>
Total	<u>\$500,000</u>

**Note 10 - GRANTS**

During the years ended December 31, 2023 and 2022, the following grant revenue was recorded:

Grantor	2023	2022
U.S. Department of Housing and Urban Development - Pass-through funds from Louisiana Housing Corporation	\$ 3,643,252	\$ 48,158
U.S. Department of Housing and Urban Development - Pass-through funds from Jefferson Parish	182,510	20,586
Enterprise Community Partners, Inc.	174,081	47,709
W.K. Kellogg Foundation	50,000	50,000
The Joe W. and Dorothy Dorsett Brown Foundation	35,000	-
Capital One	25,000	28,993
Other miscellaneous	25,000	12,920
Greater New Orleans Foundation	21,500	28,800
Baptist Community Ministries	17,500	50,000
United Way of Greater New Orleans	12,500	25,000
New Orleans Redevelopment Authority	-	134,200
Regions Foundation	-	40,000
Ella West Foundation	-	20,000
The Max & Victoria Dreyfous Foundation	-	15,000
Totals	<u>\$4,186,343</u>	<u>\$521,366</u>

**Note 10 - GRANTS (Continued)**

Grants receivable as of December 31, 2023 and 2022 are as follows:

	2023	2022
Grants receivable:		
US Department of Housing and Urban Development - Pass-through funds from Louisiana Housing Corporation	\$ 1,246,046	\$ -
Enterprise Community Partners	56,260	-
New Orleans Redevelopment Authority	-	134,200
Regions Foundation	-	40,000
Baptist Community Ministries	-	1,250
Totals	\$ 1,302,306	\$ 175,450

**Note 11 - HOMES SOLD**

During both of the years ended December 31, 2023 and 2022, three homes were sold to qualifying applicants.

	2023	2022
Homes sold	\$ 230,000	\$ 829,700
Less due to seller	(8,298)	(46,536)
Homes sold, net proceeds	221,702	783,164
Cost of homes sold	308,275	822,588
Less due to seller	(8,298)	(46,536)
Costs of homes sold, net	299,977	776,052
Net gain (loss) on homes sold	\$ (78,275)	\$ 7,112

**Note 12 - CONTRIBUTED NONFINANCIAL ASSETS**

The Organization records the in-kind value of goods and services contributed to support various activities as support and related expenses. In-kind support for the years ended December 31, 2023 and 2022 consisted of \$99,818 and \$89,053 in donated salaries and benefits, respectively.

**Note 12 - CONTRIBUTED NONFINANCIAL ASSETS (Continued)**

The Organization recognized contributed nonfinancial assets within contributions and other grants on the Consolidated Statements of Activities and Changes in Net Assets.

	Revenue Recognized 2023	Revenue Recognized 2022	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Professional fees and consultants	<u>\$ 99,818</u>	<u>\$ 89,053</u>	Home Development, Community Engagement, Marketing/ Fundraising	No associated donor restrictions.	The Organization estimated the fair value based on the market salary of individuals providing the services.

**Note 13 - LEASE**

During the years ended December 31, 2023 and 2022, the Organization leased office space under a month-to-month lease agreement from Christ Church Corporation. On April 1, 2023, the monthly rent for the lease was decreased to \$2,000 per month. The monthly rent for the lease totaled \$2,200. Rent expense related to the lease totaled \$24,600 and \$26,400 for the years ended December 31, 2023 and 2022, respectively.

**Note 14 - PENSION PLAN**

The Organization, as an eligible sponsoring employer, participates in the Episcopal Church Lay Employees' Defined Benefit Plan. The plan is administered by the Church Pension Fund. The Organization contributes 9% of each employee's base pay. Pension expenses totaled \$19,800 and \$19,875 for the years ended December 31, 2023 and 2022, respectively, and covered current service costs.

The actuarial information for the plan as of March 31, 2023 and 2022 indicates that it is in compliance with the Employee Retirement Security Act (ERISA) regulations regarding funding. The assumed interest rate used in determining actuarial present values of accumulated benefits was 5.03% and 3.89% for the years ended December 31, 2023 and 2022, respectively. There were no changes in the actuarial assumption or the treatment of actuarial gains and losses. The actuarial valuation includes all plan amendments as of March 31, 2023.

**Note 15 - COMMITMENT**

The Organization has a contract with a construction company of approximately \$4,560,000 for housing construction of which approximately \$3,240,000 has been completed as of December 31, 2023.

**Note 16 - RELATED PARTY TRANSACTIONS**

For the years ended December 31, 2023 and 2022, the Organization rented office space from Christ Church Corporation (see Note 13).

**Note 17 - MAJOR VENDORS**

During the year ended December 31, 2023, the Organization incurred \$3,877,864 of construction expense from two major vendors which accounted for approximately 85% of total construction expenses. During the year ended December 31, 2022, the Organization incurred \$536,696 of construction expense from one major vendor which accounted for approximately 61% of total construction expenses.

**Note 18 - MAJOR GRANTORS**

During the year ended December 31, 2023, the Organization received a substantial portion of its grant income from three major grantors totaling \$3,999,252, which accounted for 96% of grant income.

During the year ended December 31, 2022, the Organization received a substantial portion of its grant income from three major grantors totaling \$234,200, which accounted for 45% of grant income.

**SUPPLEMENTARY INFORMATION**



**CONSOLIDATING STATEMENT OF FINANCIAL POSITION****Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

December 31, 2023

	<b><u>ASSETS</u></b>			
	<u>Jericho Road Episcopal Housing Initiative, L.L.C.</u>	<u>Project Homecoming, Inc.</u>	<u>Eliminated</u>	<u>Totals</u>
<b>Current Assets</b>				
Cash and cash equivalents	\$ 52,697	\$ 1,624	\$ -	\$ 54,321
Grants receivable:				
Federal grants	1,246,046	-	-	1,246,046
Private grants	56,260	-	-	56,260
Inventory	5,430,756	20,600	-	5,451,356
Prepaid expenses	18,829	-	-	18,829
	<u>6,804,588</u>	<u>22,224</u>	<u>-</u>	<u>6,826,812</u>
Total current assets				
	<u>6,804,588</u>	<u>22,224</u>	<u>-</u>	<u>6,826,812</u>
<b>Property and Equipment</b>				
Office equipment	1,800	2,275	-	4,075
Furniture and fixtures	9,421	16,709	-	26,130
Vehicles	-	25,714	-	25,714
Less accumulated depreciation	(8,565)	(44,698)	-	(53,263)
	<u>2,656</u>	<u>-</u>	<u>-</u>	<u>2,656</u>
Total property and equipment, net				
	<u>2,656</u>	<u>-</u>	<u>-</u>	<u>2,656</u>
<b>Other Assets</b>				
Soft second mortgage loans receivable, net of accumulated amortization of \$499,209 as of December 31, 2023	79,824	-	-	79,824
	<u>79,824</u>	<u>-</u>	<u>-</u>	<u>79,824</u>
Total other assets				
	<u>79,824</u>	<u>-</u>	<u>-</u>	<u>79,824</u>
<b>Total assets</b>	<u>\$ 6,887,068</u>	<u>\$ 22,224</u>	<u>\$ -</u>	<u>\$ 6,909,292</u>

**LIABILITIES AND NET ASSETS**

	<u>Jericho Road Episcopal Housing Initiative, L.L.C.</u>	<u>Project Homecoming, Inc.</u>	<u>Eliminated</u>	<u>Totals</u>
<b>Current Liabilities</b>				
Accounts payable	\$ 1,531,097	\$ 26,597	\$ -	\$ 1,557,694
Accrued expenses	4,613	3,105	-	7,718
Accrued interest	10,142	-	-	10,142
Lines of credit	923,022	-	-	923,022
Current portion of long-term debt	<u>340,354</u>	<u>-</u>	<u>-</u>	<u>340,354</u>
Total current liabilities	<u>2,809,228</u>	<u>29,702</u>	<u>-</u>	<u>2,838,930</u>
<b>Noncurrent Liabilities</b>				
Economic Injury Disaster Loan	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Total noncurrent liabilities	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Total liabilities	<u>3,309,228</u>	<u>29,702</u>	<u>-</u>	<u>3,338,930</u>
<b>Net Assets</b>				
Without donor restrictions	<u>3,577,840</u>	<u>(7,478)</u>	<u>-</u>	<u>3,570,362</u>
Total liabilities and net assets	<u>\$ 6,887,068</u>	<u>\$ 22,224</u>	<u>\$ -</u>	<u>\$ 6,909,292</u>

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION****Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

December 31, 2022

	<b><u>ASSETS</u></b>			
	<u>Jericho Road Episcopal Housing Initiative, L.L.C.</u>	<u>Project Homecoming, Inc.</u>	<u>Eliminated</u>	<u>Totals</u>
<b>Current Assets</b>				
Cash and cash equivalents	\$ 159,862	\$ -	\$ -	\$ 159,862
Grants receivable				
Private grants	175,450	-	-	175,450
Other receivable	-	1,547	(1,547)	-
Inventory	1,159,802	20,600	-	1,180,402
Prepaid expenses	16,988	-	-	16,988
	<u>1,512,102</u>	<u>22,147</u>	<u>(1,547)</u>	<u>1,532,702</u>
Total current assets				
<b>Property and Equipment</b>				
Office equipment	1,800	2,275	-	4,075
Furniture and fixtures	9,421	16,709	-	26,130
Vehicles	-	25,714	-	25,714
Less accumulated depreciation	(7,984)	(44,698)	-	(52,682)
	<u>3,237</u>	<u>-</u>	<u>-</u>	<u>3,237</u>
Total property and equipment, net				
<b>Other Assets</b>				
Soft second mortgage loans receivable, net of accumulated amortization \$466,525 as of December 31, 2022	112,508	-	-	112,508
	<u>112,508</u>	<u>-</u>	<u>-</u>	<u>112,508</u>
Total other assets				
	<u>\$ 1,627,847</u>	<u>\$ 22,147</u>	<u>\$ (1,547)</u>	<u>\$ 1,648,447</u>

**LIABILITIES AND NET ASSETS**

	<u>Jericho Road Episcopal Housing Initiative, L.L.C.</u>	<u>Project Homecoming, Inc.</u>	<u>Eliminated</u>	<u>Totals</u>
<b>Current Liabilities</b>				
Accounts payable	\$ 58,589	\$ 3,731	\$ (1,547)	\$ 60,773
Accrued expenses	4,613	13,143	-	17,756
Accrued interest	13,316	-	-	13,316
Line of credit loan	<u>243,717</u>	<u>-</u>	<u>-</u>	<u>243,717</u>
Total current liabilities	<u>320,235</u>	<u>16,874</u>	<u>(1,547)</u>	<u>335,562</u>
<b>Noncurrent Liabilities</b>				
Long-term debt, net of current portion	340,354	-	-	340,354
Economic Injury Disaster Loan	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Total noncurrent liabilities	<u>840,354</u>	<u>-</u>	<u>-</u>	<u>840,354</u>
Total liabilities	<u>1,160,589</u>	<u>16,874</u>	<u>(1,547)</u>	<u>1,175,916</u>
<b>Net Assets</b>				
Without donor restrictions	<u>467,258</u>	<u>5,273</u>	<u>-</u>	<u>472,531</u>
Total liabilities and net assets	<u>\$ 1,627,847</u>	<u>\$ 22,147</u>	<u>\$ (1,547)</u>	<u>\$ 1,648,447</u>

**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**AND CHANGES IN NET ASSETS**

**Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2023

	Jericho Road Episcopal Housing Initiative, L.L.C.	Project Homecoming, Inc.	Totals
<b>Support and Revenue</b>			
Homes sold	\$ 230,000	\$ -	\$ 230,000
Grant income			
Federal grants	3,825,762	-	3,825,762
Private grants	360,581	-	360,581
Contributions	14,052	15	14,067
In-kind support	99,818	-	99,818
Miscellaneous income	16,293	12,842	29,135
Property development income	16,250	-	16,250
	<u>4,562,756</u>	<u>12,857</u>	<u>4,575,613</u>
<b>Expenses</b>			
Program expenses:			
Cost of homes sold:			
Inventory costs	299,977	-	299,977
Closing costs paid by seller	8,298	-	8,298
	<u>308,275</u>	<u>-</u>	<u>308,275</u>
Home development	721,259	17,505	738,764
Vacant land management	37,158	-	37,158
Community engagement	99,458	-	99,458
	<u>1,166,150</u>	<u>17,505</u>	<u>1,183,655</u>
Administrative expenses	248,786	6,874	255,660
Marketing/fundraising	37,238	1,229	38,467
	<u>1,452,174</u>	<u>25,608</u>	<u>1,477,782</u>
Change net assets	3,110,582	(12,751)	3,097,831
<b>Net Assets</b>			
Beginning of year	<u>467,258</u>	<u>5,273</u>	<u>472,531</u>
End of year	<u>\$ 3,577,840</u>	<u>\$ (7,478)</u>	<u>\$ 3,570,362</u>

**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**AND CHANGES IN NET ASSETS**

**Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2022

	Jericho Road Episcopal Housing Initiative, L.L.C.	Project Homecoming, Inc.	Totals
<b>Operating Revenue</b>			
Homes sold	\$ 829,700	\$ -	\$ 829,700
Grant income:			
Private grants	521,366	-	521,366
Contributions	41,148	4	41,152
In-kind support	89,053	-	89,053
Miscellaneous income	1,823	10,062	11,885
Property development income	5,652	-	5,652
	<u>1,488,742</u>	<u>10,066</u>	<u>1,498,808</u>
Total support and revenue			
<b>Expenses</b>			
Program expenses:			
Cost of homes sold:			
Inventory costs	779,838	-	779,838
Closing costs paid by seller	37,572	-	37,572
	<u>817,410</u>	<u>-</u>	<u>817,410</u>
Total costs of homes sold			
Home development	613,572	5,653	619,225
Vacant land management	30,171	-	30,171
Community engagement	56,771	137	56,908
	<u>1,517,924</u>	<u>5,790</u>	<u>1,523,714</u>
Total program expenses			
Administrative expenses	224,455	650	225,105
Marketing/ fundraising	97,987	590	98,577
	<u>1,840,366</u>	<u>7,030</u>	<u>1,847,396</u>
Total expenses			
Change net assets	(351,624)	3,036	(348,588)
<b>Net Assets</b>			
Beginning of year	818,882	2,237	821,119
End of year	<u>\$ 467,258</u>	<u>\$ 5,273</u>	<u>\$ 472,531</u>

**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES****Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2023

	<u>Jericho Road Episcopal Housing Initiative, L.L.C.</u>	<u>Project Homecoming, Inc.</u>	<u>Totals</u>
<b>Expenses</b>			
Advertising and marketing	\$ 3,106	\$ 422	\$ 3,528
Amortization of soft second mortgages	32,684	-	32,684
Bank fees	4,360	48	4,408
Business registration fees	1,122	-	1,122
Community development contract labor	50,000	-	50,000
Community promotions	2,591	770	3,361
Computer software and equipment	5,029	-	5,029
Cost of homes sold	291,608	16,667	308,275
Depreciation	581	-	581
Fundraising	8,149	37	8,186
Home development	230,933	838	231,771
Insurance	92,669	-	92,669
Interest	41,933	-	41,933
Office supplies	9,011	686	9,697
Payroll taxes	16,756	-	16,756
Postage	73	-	73
Printing and copying	2,817	-	2,817
Professional fees	20,610	227	20,837
Rent	24,600	-	24,600
Salaries and benefits	499,455	5,913	505,368
Salaries and benefits in-kind	99,818	-	99,818
Telephone expense	3,600	-	3,600
Travel and meetings	2,991	-	2,991
Vacant land management	7,678	-	7,678
	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total expenses	<u>\$ 1,452,174</u>	<u>\$ 25,608</u>	<u>\$ 1,477,782</u>

**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES****Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2022

	Jericho Road Episcopal Housing Initiative, L.L.C.	Project Homecoming, Inc.	Totals
<b>Expenses</b>			
Advertising and marketing	\$ 2,100	\$ 590	\$ 2,690
Amortization of soft second mortgages	37,601	-	37,601
Bank fees	2,518	-	2,518
Business registration fees	462	-	462
Community development contract labor	50,000	-	50,000
Community promotions	10,585	137	10,722
Computer software and equipment	3,506	-	3,506
Cost of cancelled properties	59,216	-	59,216
Cost of homes sold	819,275	3,313	822,588
Depreciation	561	-	561
Fundraising	8,618	-	8,618
Home development	107,285	2,342	109,627
Insurance	67,070	-	67,070
Interest	30,742	-	30,742
Office supplies	10,270	449	10,719
Payroll taxes	16,756	-	16,756
Postage	225	-	225
Printing and copying	217	-	217
Professional fees	14,060	99	14,159
Rent	26,400	-	26,400
Salaries and benefits	465,605	-	465,605
Salaries and benefits in-kind	89,053	-	89,053
Telephone expense	3,700	100	3,800
Travel and meetings	6,541	-	6,541
Vacant land management	8,000	-	8,000
	<u>\$ 1,840,366</u>	<u>\$ 7,030</u>	<u>\$ 1,847,396</u>
Total expenses	<u>\$ 1,840,366</u>	<u>\$ 7,030</u>	<u>\$ 1,847,396</u>



**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2023

**Agency Head Name:** Nicole Barnes, Executive Director

**Purpose**

Salary	\$ 100,004
Benefits - insurance	9,375
Benefits - retirement	8,100
Benefits - other	1,200
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
	<hr/>
	<b><u>\$ 118,679</u></b>

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors,  
Jericho Road Episcopal Housing Initiative, Inc. and Affiliates,  
New Orleans, Louisiana.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Jericho Road Episcopal Housing Initiative, Inc. and Affiliates (a non-profit organization) (the “Organization”), which comprise the consolidated statement of financial position as of December 31, 2023 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 25, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Organization’s internal control over financial reporting (“internal control”) as a basis of designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be a material weakness or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants.

New Orleans, Louisiana,  
June 25, 2024.

**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,  
Jericho Road Episcopal Housing Initiative, Inc. and Affiliates,  
New Orleans, Louisiana.

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited Jericho Road Episcopal Housing Initiative, Inc. and Affiliates (the “Organization”) compliance with the types of compliance requirements described in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Organization’s major federal programs for the year ended December 31, 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 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 Award (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 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 Responsibilities 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 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 the 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 a 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 and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in 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.

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.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, Louisiana,  
June 25, 2024.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2023

<u>Federal Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Federal Expenditures</u>	<u>Subrecipient Costs</u>
<b>Department of Housing and Urban Development</b>			
<b>Pass through from Louisiana Housing Corporation</b>			
Home Investment Partnership Program	14.239	\$ 3,643,252	\$ -
<b>Pass through from Jefferson Parish</b>			
Home Investment Partnership Program	14.239	<u>182,510</u>	<u>-</u>
Total expenditures of federal awards		<u><u>\$ 3,825,762</u></u>	<u><u>\$ -</u></u>

See accompanying notes to Schedule of Expenditures of Federal Awards.



# **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

## **Jericho Road Episcopal Housing Initiative, Inc. and Affiliates** New Orleans, Louisiana

For the year ended December 31, 2023

### **Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **a. General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of Jericho Road Episcopal Housing Initiative, Inc. and Affiliates (the "Organization"). The Organization's reporting entity is defined in Note 1 to the consolidated financial statements for the year ended December 31, 2023. All federal awards received directly from federal agencies are included on the schedule, as well as federal awards passed through other government agencies.

#### **b. Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Organization's consolidated financial statements for the year ended December 31, 2023. The Organization has elected to use the 10% *de minimus* indirect cost rate as allowed under Uniform Guidance.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2023

**Section I - Summary of Auditor's Results**

a) Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to consolidated financial statements noted?  Yes  No

b) Federal Awards

Internal controls over major programs:

- Material weakness(as) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be a material weakness?  Yes  No

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

- Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?  Yes  No

**Section I - Summary of Auditor's Results (Continued)**

c) Identification of Major Programs:

<u>Federal AL Number</u>	<u>Name of Federal Program</u>
14.239	Department of Housing and Urban Development Pass through from Louisiana Housing Corporation Home Investment Partnership Program Pass through from Jefferson Parish Home Investment Partnership Program

Dollar threshold used to distinguish  
between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee?  Yes  No

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

**Internal Control Over Financial Reporting**

No material weaknesses were reported during the audit of the consolidated financial statements for the year ended December 31, 2023.

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

**Compliance and Other Matters**

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

**Section III - Federal Award Findings and Questioned Costs**

**Internal Control/Compliance**

There were no findings or questioned costs reported during the audit of the consolidated financial statements for the year ended December 31, 2023 related to internal control and compliance material to federal awards.

**REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

**Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2023

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

#### **Internal Control Over Financial Reporting**

No material weaknesses were reported during the audit of the consolidated financial statements for the year ended December 31, 2022.

No significant deficiencies were reported during the audit of the consolidated financial statements for the year ended December 31, 2022.

#### **Compliance and Other Matters**

There were no compliance findings material to the consolidated financial statements reported during the audit for the year ended December 31, 2022.

### **Section II - Internal Control and Compliance Material to Federal Awards**

The Organization did not expend more than \$750,000 in Federal awards during the year ended December 31, 2022, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

### **Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2022.

**MANAGEMENT’S CORRECTIVE ACTION PLAN**  
**ON CURRENT YEAR FINDINGS**

**Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2023

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

**Internal Control Over Financial Reporting**

No material weaknesses were reported during the audit of the consolidated financial statements for the year ended December 31, 2023.

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

**Compliance and Other Matters**

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

**Section II - Internal Control and Compliance Material to Federal Awards**

There were no findings or questioned costs reported during the audit of the consolidated financial statements for the year ended December 31, 2023, related to internal control and compliance material to federal awards.

**Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2023.

**STATEWIDE AGREED-UPON PROCEDURES**

**INDEPENDENT ACCOUNTANT’S REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors,  
Jericho Road Episcopal Housing Initiative, Inc. and Affiliates,  
New Orleans, Louisiana.

We have performed the procedures described in Schedule 8 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2023 through December 31, 2023. Jericho Road Episcopal Housing Initiative, Inc. and Affiliates (the “Organization”) management is responsible for those C/C areas identified in the SAUPs.

The Organization 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 the LLA’s SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. 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 described in Schedule 8.

We were engaged by the Organization to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the 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 these 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 the Organization 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.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants

New Orleans, Louisiana,  
June 25, 2024.

**SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS**  
**OF THE STATEWIDE AGREED-UPON PROCEDURES**

**Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2023

The required procedures and our findings are as follows:

**1. Procedures Performed on the Organization's Written Policies and Procedures:**

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

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

Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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.

Performance: Obtained and read the written policy for purchasing and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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.

Performance: Obtained and read the written policy for receipts and collections and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

**1. Procedures Performed on the Organization's Written Policies and Procedures: (Continued)**

- 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.  
Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
  
- 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.  
Performance: Obtained and read the policies for contracting and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
  
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.  
Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
  
- viii. **Credit Cards** (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).  
Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
  
- ix. **Ethics**, including (1) prohibitions as defined in Louisiana Revised Statute 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.  
Not applicable for not-for-profit entities.
  
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.  
Performance: Obtained and read the written policy for debt services and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.

**1. Procedures Performed on the Organization's Written Policies and Procedures: (Continued)**

- 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.

Performance: Obtained and read the information technology disaster recovery/business continuity policy and found it to address all of the functions listed above.

Exceptions: There were no exceptions noted.

- 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.

Not applicable for not-for-profit entities.

**2. Procedures Performed on the Organization's Board:**

- 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, or other equivalent document.

Performance: The Organization's bylaws required to meet bi-monthly. We obtained and read minutes from 7 board meetings during the year ended December 31, 2023. The frequency of and quorum representation of those meetings was considered to be appropriate.

Exceptions: There were no exceptions noted.

- ii. For those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the Organization's collections during the fiscal period.

Performance: Inspected meeting minutes and determined that the minutes referenced or included financial activity relating to public funds.

Exceptions: There were no exceptions noted.

**2. Procedures Performed on the Organization's Board: (Continued)**

- 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 unrestricted fund balance in the general fund.

Not applicable for not-for-profit entities.

- 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.

Not applicable. The Organization did not have audit findings for the year ended December 31, 2022.

**3. Procedures Performed on the Organization's Bank Reconciliations:**

- A. Obtain a listing of the Organization's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the main operating account. Select the Organization's main operating account and 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:

Performance: Obtained the listing of bank accounts from management, and received management's representation in a separate letter that the listing is complete. The main account and one other account were subject to the statewide agreed-upon procedures.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the selected monthly bank reconciliation for the month of July for the main operating bank account and the one additional account. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: The bank reconciliation for both accounts did not have a date of preparation.

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

Performance: Inspected the Organization's documentation for the July bank reconciliations for the 2 bank accounts and verified a member of management who does not handle cash, post ledgers, or issue checks has reviewed the bank reconciliation.

Exceptions: There were no exceptions noted.

**3. Procedures Performed on the Organization's Bank Reconciliations: (Continued)**

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

- Performance: Examined documentation from management reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

- Exceptions: There were no exceptions noted.

**4. Procedures Performed on the Organization's 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).

- Performance: Obtained the listing of deposit sites from management, and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

- Exceptions: There were no exceptions noted.

- 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that:

- Performance: Obtained the listing of collection locations from management, and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

- Exceptions: There were no exceptions noted.

- i. Employees that are responsible for cash collections do not share cash drawers/registers.
    - Performance: Inspected policy manuals, inquired of client as to all of the requirements and observed the duties were properly segregated.
    - Exceptions: There were no exceptions noted.

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

- Performance: Inspected policy manuals, inquired of client as to all of the requirements and observed the duties were not properly segregated. The Organization only has one employee that collects cash, prepares deposits, deposits money into the bank, reconciles the accounts, and posts entries into the system. To mitigate this the Organization's Executive Director reviews the financial statements at the board meetings, and all financial information is reviewed by the Executive Director.

- Exceptions: There were no exceptions noted.

**4. Procedures Performed on the Organization's Collections (Excluding Electronic Funds Transfers): (Continued)**

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

Inspected policy manuals, inquired of client as to all of the requirements and observed the duties were not properly segregated. The Organization only has one employee that collects cash, prepares deposits, deposits money into the bank, reconciles the accounts, and posts entries into the system. To mitigate this the Organization's Executive Director reviews the financial statements at the board meetings, and all financial information is reviewed by the Executive Director.

Exceptions: There were no exceptions noted.

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

Inspected policy manuals, inquired of client as to all of the requirements and observed the duties were not properly segregated. The Organization only has one employee that collects cash, prepares deposits, deposits money into the bank, reconciles the accounts, and posts entries into the system. To mitigate this the Organization's Executive Director reviews the financial statements at the board meetings, and all financial information is reviewed by the Executive Director.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a copy of the insurance policy for theft covering all employees who have access to cash. Observed that the insurance policy for theft was in force during the fiscal period.

Exceptions: There were no exceptions noted.

- D. Randomly select 2 deposit dates for each of the Organization's bank accounts selected for procedures under "Procedures Performed on the Organization's Bank Reconciliations" #3A. Obtain supporting documentation for each of the deposits selected and:

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

Performance: Obtained supporting documentation for the selected deposits and observed that no deposits required pre-numbered cash receipts.

Exceptions: There were no exceptions noted.

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

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

**4. Procedures Performed on the Organization's Collections (Excluding Electronic Funds Transfers): (Continued)**

- iii. Trace the deposit slip total to the actual deposit per the bank statement.  
Performance: Traced deposit slip total to actual deposit per bank statement.  
Exceptions: There were no exceptions noted.
  
- iv. Observe that 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).  
Performance: Observed that the deposits tested were made within one business day of receipt.  
Exceptions: There were no exceptions noted.
  
- v. Trace the actual deposit per the bank statement to the general ledger.  
Performance: Traced the actual deposit per the bank statement to the general ledger.  
Exceptions: There were no exceptions noted.

**5. Procedures Performed on the Organization's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):**

- A. Obtain a listing of locations that process payments for the fiscal period, and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).  
Performance: Obtained a listing of locations that process payments for the fiscal period from management, and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.  
Exceptions: There were no exceptions noted.
  
- B. For each location selected under procedure #5A, 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 Organization has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:  
Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions and reviewed written policies and procedures related to employee job duties. Observed if the job duties were properly segregated.  
Exceptions: There were no exceptions noted.
  
- i. At least 2 employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.  
Performance: Obtained a listing of employees involved in initiating a purchase request, approving a purchase, and placing an order/making a purchase. Observed at least 2 employees are involved.  
Exceptions: There were no exceptions noted.



**5. Procedures Performed on the Organization's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)**

- ii. At least 2 employees are involved in processing and approving payments to vendors.  
Performance: Obtained a listing of employees involved in processing and approving payments to vendors. Observed at least 2 employees are involved.  
Exceptions: There were no exceptions noted.

- iii. The employee responsible for processing payments are prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.  
Performance: Obtained a listing of employees involved in processing payments to vendors. Observed that the employee involved in processing payments can add/modify vendor files. Observed the employee who processes payments adds and modifies vendor files. All disbursements made are to be reviewed by the Executive Director and the check is to be signed by the Executive Director and the Chair of the Organization.  
Exceptions: There were no exceptions noted.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.  
Performance: Obtained a listing of employees involved with signing and mailing checks and verified they are not involved in the processing of payments.  
Exceptions: There were no exceptions noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearing house (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.  
Performance: Obtained a listing of employees/officials authorized to sign checks and verified they approve the electronic disbursements of funds.  
Exceptions: There were no exceptions noted.

- C. For each location selected under procedure #5A, obtain the Organization'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:  
Performance: Obtained the Organization's non-payroll disbursement transaction population and received management's representation in a separate letter that the population is complete. Randomly selected 5 disbursements from the sole location that processes payment for testing.  
Exceptions: There were no exceptions noted.

**5. Procedures Performed on the Organization’s Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):  
(Continued)**

- 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 Organization.

Performance: Observed the 5 disbursements matched the related original invoice/billing statements and documentation indicates deliverables were received.

Exceptions: There were no exceptions noted.

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

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

- D. Using the Organization’s main operating account and the month selected for procedures #3A under “Procedures Performed on the Organization’s Bank Reconciliations”, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was:

- i. Approved by only those persons authorized to disburse funds (e.g., sign checks) per the Organization’s policy.

Performance: Observed all 3 disbursements included evidence of approval by authorized persons.

Exceptions: There were no exceptions noted.

- ii. Approved by the required number of authorized signers per the Organization’s policy.

Performance: Observed all 3 disbursements included evidence of approval by required number of authorized signers.

Exceptions: There were no exceptions noted.

**6. Procedures Performed on the Organization’s Credit Cards, Debit Cards, Fuel Cards, P-Cards:**

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

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Received management’s representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

**6. Procedures Performed on the Organization's Credit Cards, Debit Cards, Fuel Cards, P-Cards: (Continued)**

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, 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.

Performance: Observed evidence that the statement and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: Observed Executive Director approves all credit cards including her own credit cards.

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

Performance: Observed that there were no finance charges and/or late fees assessed on the selected statements.

Exceptions: There were no exceptions noted.

C. Using the monthly statements or combined statements selected under procedure #6B, excluding fuel cards, select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to inspection).

For each transaction, report whether the transaction is supported by:

- i. An original itemized receipt that identifies precisely what was purchased.

Performance: Observed that the transactions from the monthly statements were supported by original itemized receipts that identify precisely what was purchased.

Exceptions: There were no exceptions noted.

- ii. Written documentation of the business/public purpose.

Performance: Observed that the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There were no exceptions noted.

- iii. Documentation of the individuals participating in meals (for meal charges only).

Performance: Observed that the selected transactions for meal charges were supported by documentation of the individuals participating in meals.

Exceptions: There were no exceptions noted.

**7. Procedures Performed on the Organization's Travel and Travel-Related Expense Reimbursements (Excluding Card Transactions):**

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Performance: Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period from management, and received management's representation in a separate letter that the listing is complete. Obtained the related expense reimbursement form and supporting documentation for all 3 reimbursements.

Exceptions: There were no exceptions noted.

- i. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

Performance: Per diem was used for 3 of the 3 selected reimbursements. Agreed the reimbursement rate for the 3 selected reimbursements using a per diem rate to those rates established by the U.S. General Services Administration.

Exceptions: There were no exceptions noted.

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

Performance: All reimbursements in the year were per diem reimbursements.

Exceptions: There were no exceptions noted.

- 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 policy procedures #1A(vii).

Performance: Observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, observed that the documentation included the names of those individuals participating) and other documentation required by written policy procedure #1A(vii).

Exceptions: There were no exceptions noted.

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

Performance: Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person that received the reimbursement.

Exceptions: There were no exceptions noted.

**8. Procedures Performed on the Organization's 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. Obtain management's representation in a separate letter 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:

Performance: 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 received management's representation in a separate letter that the listing is complete. Selected 3 contracts for testing.

Exceptions: There were no exceptions noted.

- 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.

Performance: Observed that the contracts selected did not require the bids to be in accordance with Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

- 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).

Performance: Observed that the contracts selected did not require Board approval.

Exceptions: There were no exceptions noted.

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

Performance: Observed that the contracts selected were not amended.

Exceptions: There were no exceptions noted.

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

Performance: Obtained supporting invoices, agreed invoices to the contract terms, and observed invoices related to the payment agreed to terms and conditions of the contract.

Exceptions: There were no exceptions noted.

**9. Procedures Performed on the Organization's Payroll and Personnel:**

- A. Obtain a listing of employees employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Obtained a listing of employees employed during the fiscal period from management, and received management's representation in a separate letter that the listing is complete. Selected all 4 employees, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

Exceptions: There were no exceptions noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees selected under procedure #9A, obtain attendance records and leave documentation for the pay period, and:

- i. Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Performance: Randomly selected one pay period to test attendance and/or leave taken during that period. Inspected daily attendance and leave record for proper documentation.

Exceptions: There were no exceptions noted.

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

Performance: Observed that supervisors approved the attendance and leave of the selected employees.

Exceptions: There were no exceptions noted.

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

Performance: Observed that any leave accrued or taken during the pay period was reflected in the cumulative leave records.

Exceptions: There were no exceptions noted.

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

Performance: Agreed the pay rates to authorized salary/pay rates maintained in employee files.

Exceptions: There were no exceptions noted.

**9. Procedures Performed on the Organization's Payroll and Personnel: (Continued)**

- C. Obtain a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the Organization's policy on termination payments. Agree the hours to the employees' cumulative leave records and agree the pay rates to the employees' authorized pay rates in the employees' personnel files and agree the termination payments to the Organization's policy.

Performance: Inquired of management of those employees that the Organization terminated during the fiscal period. Selected 2 employees who were terminated with payouts of accrued leave. Traced calculations of payout to leave schedule and approved pay rate.

Exceptions: There were no exceptions noted.

- 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, and workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Performance: Obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed by the required deadlines.

Exceptions: There were no exceptions noted.

**10. Procedures Performed on the Organization's Ethics:**

- A. Using the 5 selected employees from Payroll and Personnel procedure #9A obtain ethics compliance documentation from management and:

Not applicable for not-for-profit entities.

- i. Observe whether the documentation demonstrates each employee completed one hour of ethics training during the period as required by R.S. 42:1170.

Not applicable for not-for-profit entities.

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

Not applicable for not-for-profit entities.

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

Not applicable for not-for-profit entities.

**11. Procedures Performed on the Organization's Debt Service:**

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Not applicable for not-for-profit entities.

- 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.

Not applicable for not-for-profit entities.

**12. Procedures Performed on the Organization's 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 Organization reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Organization is domiciled as required by R.S. 24:523.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period and obtained management's representation in a separate letter; none were noted.

Exceptions: There were no exceptions noted.

- B. Observe the Organization 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.

Performance: Inspected the fraud notice posted on the premises and website concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions: There were no exceptions noted.

**13. Procedures Performed on the Organization's Information Technology Disaster Recovery/ Business Continuity:**

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

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

Performance: We performed the procedure and discussed the results with management.



**13. Procedures Performed on the Organization’s Information Technology Disaster Recovery/  
Business Continuity: (Continued)**

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

Performance: We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the Organization’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.

Performance: 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.

Performance: We performed the procedure and discussed the results with management.

- C. Using the 5 randomly selected employees from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Performance: We performed the procedure and discussed the results with management.

**14. Procedures Performed on the Organization’s Prevention of Sexual Harassment:**

- A. Using the 5 randomly selected employees from procedure #9A under “Procedures Performed on the Organization’s Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Not applicable for not-for-profit entities.

**14. Procedures Performed on the Organization's Prevention of Sexual Harassment:  
(Continued)**

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

Not applicable for not-for-profit entities.

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

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

Not applicable for not-for-profit entities.

ii. Number of sexual harassment complaints received by the Organization.

Not applicable for not-for-profit entities.

iii. Number of complaints which resulted in a finding that sexual harassment occurred.

Not applicable for not-for-profit entities.

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.

Not applicable for not-for-profit entities.

v. Amount of time it took to resolve each complaint.

Not applicable for not-for-profit entities.

**Management's Overall Response to Exceptions:**

6.B.i. Executive director credit card statements are not reviewed or approved by someone other than the authorized card holder.

Management's Response: Management will ensure that all credit cards are reviewed and approved by someone other than the authorized card holder.