



*Luther Speight & Company, LLC*  
*Certified Public Accountants and Consultants*

**OPERATION RESTORATION, INC.**

**AUDITED FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT**

**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024**

**WITH COMPARATIVE TOTALS FOR 2023**

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*Luther Speight & Company, LLC*  
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Operation Restoration, Inc.  
New Orleans, LA

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Operation Restoration, Inc. ("OR") (a non-profit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OR as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

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

**Responsibilities of Management for the Financial Statements**

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Operation Restoration, Inc.'s internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Operation Restoration, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Supplementary Information**

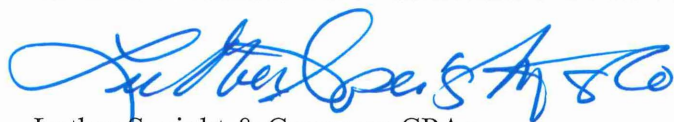
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025 on our consideration of the Operation Restoration, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Operation Restoration, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Operation Restoration, Inc.'s internal control over financial reporting and compliance.

### **Report on Summarized Comparative Information**

We have previously audited Operation Restoration, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 17, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in blue ink, appearing to read "Luther Speight", is written over the printed name.

Luther Speight & Company CPAs  
New Orleans, Louisiana  
June 30, 2025

**OPERATION RESTORATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2024**  
**WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023**

|   | <u>2024</u>          | <u>2023</u>          |
|---|----------------------|----------------------|
| <b>ASSETS</b>                             |                      |                      |
| Cash and Cash Equivalents                 | \$ 7,747,401         | \$ 6,032,551         |
| Accrued Interest Receivable               | 84,277               | 57,740               |
| Grants Receivable                         | 3,437,211            | 3,700,931            |
| Loans Receivable                          | 140,000              | -                    |
| Bail Project Receivable                   | 71,443               | 76,423               |
| Prepaid Expense                           | 188,455              | 81,875               |
| Right of Use Asset - Operating Lease      | 87,131               | 167,622              |
| Fixed Assets, net                         | 621,875              | 627,534              |
| Total Assets                              | <u>\$ 12,377,793</u> | <u>\$ 10,744,676</u> |
| <b>LIABILITIES &amp; NET ASSETS</b>       |                      |                      |
| Liabilities                               |                      |                      |
| Accounts Payable                          | \$ 116,507           | \$ 14,131            |
| Accrued Payroll                           | -                    | 26,227               |
| Agency Grants Payable                     | 1,013,311            | 632,885              |
| Bail Project Payable                      | 659,145              | 674,410              |
| Escrow                                    | 100,000              | -                    |
| Mortgage Payable                          | 172,016              | 159,887              |
| Operating Lease Liability                 | 87,131               | 167,622              |
| Total Liabilities                         | <u>\$ 2,148,110</u>  | <u>1,675,162</u>     |
| <b>NET ASSETS</b>                         |                      |                      |
| Without Donor Restrictions                | 7,694,953            | 6,152,272            |
| With Donor Restrictions                   | 2,534,730            | 2,917,242            |
| Total Net Assets                          | <u>10,229,683</u>    | <u>9,069,514</u>     |
| <b>TOTAL LIABILITIES &amp; NET ASSETS</b> | <u>\$ 12,377,793</u> | <u>\$ 10,744,676</u> |

The accompanying notes are an integral part of these financial statements.

OPERATION RESTORATION, INC.  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023

|   | 2024                          |                            |               | 2023         |
|---|-------------------------------|----------------------------|---------------|--------------|
|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total         | Total        |
| <b><u>REVENUE AND OTHER SUPPORT</u></b> |                               |                            |               |              |
| Foundation Grants                       | \$ 3,879,017                  | \$ 1,408,724               | \$ 5,287,741  | \$ 3,018,308 |
| In-Kind Donations                       | 95,933                        | -                          | 95,933        | 116,145      |
| Donation Income                         | 84,052                        | -                          | 84,052        | 132,286      |
| Private Contributions                   | 134,415                       | -                          | 134,415       | 106,901      |
| Program Income                          | 38,366                        | -                          | 38,366        | 104,467      |
| Interest Income                         | 156,489                       | -                          | 156,489       | 133,590      |
| Other Income                            | 16,670                        | -                          | 16,670        | 17,390       |
| Fundraising Income                      | 192,256                       | -                          | 192,256       | -            |
| Released from Restrictions              | 1,791,236                     | (1,791,236)                | -             | -            |
| Total Revenues and Other Support        | 6,388,434                     | (382,512)                  | 6,005,922     | 3,629,087    |
| <b><u>EXPENSES</u></b>                  |                               |                            |               |              |
| Program Services                        | 2,958,133                     | -                          | 2,958,133     | 2,268,315    |
| Management and General                  | 1,848,880                     | -                          | 1,848,880     | 1,774,174    |
| Fundraising                             | 274,735                       | -                          | 274,735       | -            |
| Total Expenses                          | 5,081,748                     | -                          | 5,081,748     | 4,042,489    |
| <b><u>CHANGE IN NET ASSETS</u></b>      | 1,306,686                     | (382,512)                  | 924,174       | (413,402)    |
| Net Assets, Beginning of Year           | 6,152,272                     | 2,917,242                  | 9,069,514     | 9,462,707    |
| Net Assets Adjustment                   | 235,995                       | -                          | 235,995       | 20,209       |
| Net Assets, End of Year                 | \$ 7,694,953                  | \$ 2,534,730               | \$ 10,229,683 | \$ 9,069,514 |

The accompanying notes are an integral part of these financial statements

**OPERATION RESTORATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023**

| Expense Description                   | Program<br>Services | Management<br>and<br>General | Fundraising       | 2024<br>Total       | 2023<br>Total       |
|---------------------------------------|---------------------|------------------------------|-------------------|---------------------|---------------------|
| Salaries & Wages                      | \$ 1,551,735        | \$ 667,157                   | \$ -              | \$ 2,218,892        | \$ 1,679,350        |
| Contract Services                     | 139,036             | 192,769                      | -                 | 331,805             | 369,847             |
| Travel, Meeting, and Meals            | 112,182             | 78,536                       | -                 | 190,718             | 116,838             |
| Fringe Benefits                       | 104,898             | 131,605                      | -                 | 236,503             | 173,608             |
| Payroll Taxes                         | 121,715             | 56,755                       | -                 | 178,470             | 107,754             |
| Office Expense                        | 182,737             | 70,891                       | -                 | 253,628             | 114,125             |
| Professional Services                 | 22,938              | 203,678                      | -                 | 226,616             | 210,696             |
| Lease Expense                         | 13,125              | 106,581                      | 141,420           | 261,126             | 235,071             |
| Advertising                           | 5,477               | 1,298                        | -                 | 6,775               | 54,150              |
| Miscellaneous                         | 2,852               | 3,769                        | -                 | 6,621               | 7,485               |
| Stipends                              | 37,250              | -                            | -                 | 37,250              | 49,265              |
| Program Expense                       | 290,715             | 1,435                        | 7,334             | 299,484             | 473,273             |
| Charitable Contributions              | 1,499               | 7,591                        | -                 | 9,090               | 5,750               |
| Subrecipient Expense                  | 330,411             | 235,984                      | -                 | 566,395             | 326,211             |
| Insurance                             | 18,790              | 18,231                       | -                 | 37,021              | 20,211              |
| Interest                              | -                   | 14,567                       | -                 | 14,567              | -                   |
| Facilities and Equipment              | 4,391               | 5,054                        | -                 | 9,445               | 6,317               |
| Project Events                        | 18,382              | -                            | 125,981           | 144,363             | 47,051              |
| Total Expenses Before<br>Depreciation | 2,958,133           | 1,795,901                    | 274,735           | 5,028,769           | 3,997,002           |
| Depreciation                          | -                   | 52,979                       | -                 | 52,979              | 45,487              |
| Total Expenses                        | <u>\$ 2,958,133</u> | <u>\$ 1,848,880</u>          | <u>\$ 274,735</u> | <u>\$ 5,081,748</u> | <u>\$ 4,042,489</u> |

The accompanying notes are an integral part to these financial statements.



**OPERATION RESTORATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023**

|  | <u>2024</u>                | <u>2023</u>                |
|--|----------------------------|----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>      |                            |                            |
| Change in Net Assets                             | \$ 924,174                 | \$ (413,402)               |
| Net Assets Adjustment                            | 235,995                    | 20,209                     |
| Adjustments to Reconcile Net Income to Net Cash  |                            |                            |
| Provided by Operating Activities:                |                            |                            |
| Depreciation                                     | 52,979                     | 45,487                     |
| (Increase) Decrease in Operating Assets:         |                            |                            |
| Accrued Interest Receivable                      | (26,537)                   | (57,740)                   |
| Accounts Receivable                              | 263,720                    | (541,775)                  |
| Loans Receivable                                 | (140,000)                  | -                          |
| Bail Project Receivable                          | 4,980                      | 69,750                     |
| Prepaid Expense                                  | (106,580)                  | (81,875)                   |
| Lease Asset                                      | 80,491                     | 74,357                     |
| Increase (Decrease) in Operating Liabilities:    |                            |                            |
| Accrued Payroll                                  | (26,227)                   | (435)                      |
| Accounts Payable                                 | 102,376                    | 14,131                     |
| Agency Grants Payable                            | 380,426                    | 593,106                    |
| Lease Liability                                  | (80,491)                   | (74,357)                   |
| Other Current Liabilities                        | 100,000                    | -                          |
| Net Cash Provided/(Used) by Operating Activities | <u>1,765,306</u>           | <u>(352,544)</u>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>      |                            |                            |
| Purchases of Fixed Assets                        | (47,320)                   | (92,460)                   |
| Net Cash Used by Investing Activities            | <u>(47,320)</u>            | <u>(92,460)</u>            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>      |                            |                            |
| Borrowings/(Payments) of Mortgage Loan; Net      | 12,129                     | (18,566)                   |
| Bail Project Loan, Net Borrowings                | (15,265)                   | 375,970                    |
| Net Cash Provided by Financing Activities        | <u>(3,136)</u>             | <u>357,404</u>             |
| <b>NET CHANGE IN CASH AND EQUIVALENTS</b>        | 1,714,850                  | (87,600)                   |
| Cash and Cash Equivalents - Beginning of Year    | <u>6,032,551</u>           | <u>6,120,151</u>           |
| Cash and Cash Equivalents - End of Year          | <u><u>\$ 7,747,401</u></u> | <u><u>\$ 6,032,551</u></u> |

The accompanying notes are an integral part to these financial statements.

**OPERATION RESTORATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 – ORGANIZATION AND BACKGROUND**

Formed in 2016 and led by Syrita Steib, CEO, Operation Restoration, Inc. (“OR”) is a 501(c)(3) organization whose mission is to support women and girls impacted by incarceration to recognize their full potential, restore their lives, and discover new possibilities. OR started building relationships with local and national organizations, and the founder began participating in speaking engagements across the nation. In 2017, OR wrote and successfully advocated for the passage of LA Act 276 (Ban the Box), prohibiting public colleges in Louisiana from asking about criminal history in admissions. Louisiana was the first state to pass this historic legislation. In 2018, OR absorbed the Louisiana Prison Education Coalition (LPEC), founded by Annie Phoenix, and started education programming in prison and in the community. OR is dedicated to building a community and support system for women impacted by incarceration through education.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Principles of Accounting

OR’s financial statements are prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Reporting

In accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 958, which established standards for external financial reporting by not-for-profit organizations, the organization classifies resources for accounting and reporting purposes into two net asset categories which are with donor restrictions and without donor restrictions. A description of these two net asset categories is as follows:

- Net assets without donor restrictions include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of OR are included in this category. OR has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of the Organization and therefore, their policy is to record those net assets as unrestricted.

**OPERATION RESTORATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Basis of Reporting (Continued)

- Net assets with donor restrictions include funds that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. See Note 7 for additional details of Net Assets With Donor Restrictions.

Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised if the condition is not met.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as revenue with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional contributions are recognized when the barriers to entitlement are overcome, and the promises become unconditional. Unconditional contributions are recognized as revenue when received. Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Promises to Give

All promises to give are recognized as assets less an allowance for uncollectible amounts, and revenues. On December 31, 2024, OR did not have outstanding contributions or pledge receivables. Therefore, no allowance for uncollectible accounts was recorded.

**OPERATION RESTORATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Cash and Cash Equivalents

For purposes of reporting cash flows, cash consists of cash and cash equivalents. OR considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Compensated Absences

Employees of OR are entitled to paid vacation, paid sick days, and leaves of absence, depending on job classification, length of service, and other factors. When estimating compensated absences, management determined that the amount is considered immaterial to the financial statements. As a result, no liability has been recorded in the accompanying financial statements. OR recognizes the costs of compensated absences when actually paid to employees.

Income Taxes

OR is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Services as other than a private foundation. The Organization's Forms 990, Return of Organization Exempt from Income Tax are subject to examination by the IRS, generally for three years after they are filed. OR did not pay any federal income tax for the years ended December 31, 2024.

In-kind Contributions

In-kind contributions are recognized if services or support to enhance nonfinancial assets or conditions would require specialized skills or otherwise be purchased by OR. OR received free use of office space and legal services during 2024 and recorded in-kind revenue of \$95,933. Total expenses of \$95,933 were recorded in Rent expense and Professional Services. See NOTE 9 for additional information on the office lease.

Functional Allocation of Expenses

The costs of providing various program and supporting services have been reported on a functional basis in the Statements of Functional Expenses. Expenses that are identified with a specific program or support service are charged directly, according to the natural classification. Other shared costs have been allocated among the various program and supporting services based on usage or other estimates made by management.

**OPERATION RESTORATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Leases

OR determines if a contract contains a lease when the contract conveys the right to control the use of identified assets for a period in exchange for consideration. Upon identification and commencement of a lease OR establishes a right-of-use (ROU) asset and a lease liability. Operating leases, if any, are included in ROU Asset – Operating Lease and Operating Lease Liability on the accompanying balance sheet. Finance leases, if any, are included in property and equipment and Finance Lease Liability.

The total lease term is determined by considering the initial term per the lease agreement, which is adjusted to include any renewal options that OR is reasonably certain to exercise as well as any period that OR has control over the asset before the stated initial term of the agreement. If OR determines a reasonable certainty of exercising termination or early buyout options, then the lease terms are adjusted to account for these facts. OR's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

OR uses a risk-free rate as the discount rate for all classes of underlying assets when the interest rate is not implicitly or explicitly stated in the lease agreement at commencement date. OR does not recognize ROU assets and lease liabilities for leases with a term of 12 months or less.

**NOTE 3 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are recorded at \$7,747,401 at December 31, 2024. Cash and cash equivalents are on deposit with three depository financial institutions, including some interest-bearing accounts. OR's uninsured cash balance totaled \$7,088,486 on December 31.

**NOTE 4 – GRANTS RECEIVABLE**

Grants receivable represents private foundation and city grant amounts earned by OR that were not received by December 31, 2024. Total grants receivable as of December 31, 2024 were \$3,437,211. Management has determined that all grants receivable balances are collectable due to there being written agreements for each balance. Therefore, management has not recorded an allowance for doubtful accounts.

**OPERATION RESTORATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 5 – FIXED ASSETS**

All acquisitions of fixed assets in excess of \$500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Fixed assets are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

|                        |          |
|------------------------|----------|
| Building               | 40 years |
| Leasehold Improvements | 15 years |
| Computers              | 5 years  |
| Office Furniture       | 7 years  |
| Equipment              | 5 years  |

Such assets and related accumulated depreciation on December 31, 2024 consists of the following:

|                          | <b><u>2024</u></b>       |
|--------------------------|--------------------------|
| Leasehold Improvements   | 320,095                  |
| Computers                | 12,460                   |
| Office Furniture         | 65,061                   |
| Equipment                | 3,299                    |
| Building                 | 293,036                  |
| Land                     | -                        |
| Construction in Progress | 120,000                  |
| Accumulated Depreciation | <u>(192,076)</u>         |
| Fixed Assets, net        | <u><u>\$ 621,875</u></u> |

Depreciation expense for the year ended December 31, 2024 was \$52,979.

**NOTE 6 – REVENUE CONCENTRATIONS**

Foundation grant revenue makes up 88% of total revenues. Foundation Grant Revenue consists of private foundation grants from multiple grantors. During the year ended December 31, 2024, OR received grants from two grantors totaling \$2,650,000, which represents approximately 44% of total revenue. At December 31, 2024, OR has an outstanding accounts receivable balance from one of these grantors totaling \$300,000.

**OPERATION RESTORATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions on December 31, 2024 consist of the following:

| <u>Program</u>                  | <u>2024</u>         |
|---------------------------------|---------------------|
| Operation Education             | \$ 594,566          |
| Operation General Funds         | 765,595             |
| Operation Policy                | 56,250              |
| Operation Safety & Freedom Fund | 165,375             |
| Operation Social Services       | 952,944             |
|                                 | <u>\$ 2,534,730</u> |

**NOTE 8 – LEASES**

During the year ended December 31, 2022, OR adopted ASC 842, *Leases*, which requires an organization to record a lease asset and liability based upon its lease agreements. OR currently occupies office space that is paid for by the New Orleans Saints' organization. However, there is an official lease agreement, and it meets the requirement of a lease per ASC 842. As a result, OR recorded a lease asset and liability at the origination date of the lease. The ending date of the lease is December 2025. Each year, the asset and liability are reduced based upon the actual payments and a calculated amortization schedule. Since OR does not expend any cash as a result of the agreement, the monthly payment is recorded as an In-Kind Donation. As of December 31, 2024, the lease asset and liability totaled \$87,131. Total rent expense related to this lease for the year ended December 31, 2024 \$94,320.

Supplemental balance sheet information related to the lease was as follows:

|  | <u>2024</u>      |
|--|------------------|
| <b><i>Operating Lease</i></b>                      |                  |
| Operating Lease ROU Asset                          | \$ 450,589       |
| Operating Lease ROU Asset Accumulated Amortization | (363,458)        |
|  | <u>\$ 87,131</u> |

**OPERATION RESTORATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 8 – LEASES (CONTINUED)**

|  | <u>2024</u>      |
|--|------------------|
| Current Portion of Operating Lease Liability   | \$ 87,131        |
| Long-Term Portion of Operating Lease Liability | -                |
| Operating Lease Liability                      | <u>\$ 87,131</u> |

***Other Information***

|  |       |
|--|-------|
| Weighted-Average Remaining Lease Term in Years for Operating Lease | 1.00  |
| Weighted-Average Discount Rate for Operating Lease                 | 8.25% |

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liability recognized on the balance sheet are as follows as of December 31, 2024:

| Year Ending December 31,                 | Lease Payments   |
|--|------------------|
| 2025                                     | \$ 94,320        |
| 2026                                     | -                |
| 2027                                     | -                |
| 2028                                     | -                |
| 2029                                     | -                |
| Thereafter                               | -                |
| Total Future Minimum Lease Payments      | <u>94,320</u>    |
| Less imputed interest                    | <u>(7,189)</u>   |
| Total Present Value of Lease Liabilities | <u>\$ 87,131</u> |

OR has another lease for additional space in a building in New Orleans. The lease commenced in July 2024 and expires in July 2025. The monthly rent payment totals \$1,800. Upon the conclusion of the lease agreement, the lease will go month to month unless otherwise agreed upon between OR and the lessor. Due to the short-term nature of the agreement, OR did not recognize a lease liability and lease asset, per the Organization's lease policy. Rent expense related to this lease totaled \$21,600 for the year ended December 31, 2024.



**OPERATION RESTORATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 9 – SUPERDOME SUITE LEASE**

During the year ended December 31, 2023, OR purchased user access to a Suite in the Caesars Superdome. The Suite is utilized to advance the OR mission through events geared towards raising awareness and support for women and girls affected by incarceration, while also serving as a fundraising tool by marking up and selling tickets for profit. During the year ended December 31, 2024, OR sold \$164,006 in tickets in the suite for various events. The revenue is included in Fundraising Income.

The lease was renewed in 2024. The agreement made with the New Orleans Saints organization gives OR access to use the suite during the Saints' NFL football games and certain other dates for concerts and other sporting events. The terms of the agreement state that OR must pay rent in the amount of \$188,560 for the period of April 2024 through March 2025, \$194,217 for the period of April 2025 through March 2026, and \$175,043 for the period of April 2026 through March 2027. Management reviewed the lease agreement to determine if the agreement qualifies as a lease under ASC 842, *Leases* (see NOTE 8), and has determined that the new lease accounting treatment does not apply due to the following reason:

1. To qualify as a lease, the agreement must grant "control" of an identifiable asset for a specific period of time in exchange for payment. To demonstrate control of an asset, an entity must be able to obtain "substantially all" of the economic benefit from the asset's use and direct its use throughout the period of the contract. Due to the fact that OR can only access the suite during specific dates and times and does not have access or control of the suite during other major events indicates they do not demonstrate control of the suite for purposes of the lease accounting standard.

**NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of the following:

|   |                      |
|---|----------------------|
| Cash and Cash Equivalents                                     | \$ 7,747,401         |
| Accrued Interest Receivable                                   | 84,277               |
| Grants Receivable   | 3,437,211            |
| Loans Receivable  | 140,000              |
| Bail Project Receivable                                       | 71,443               |
| Subtotal  | <u>\$ 11,480,332</u> |
| Net Assets With Donor Restrictions                            | <u>(2,534,730)</u>   |
| Net Assets Available for General Expenditures Within One Year | <u>\$ 8,945,602</u>  |

**OPERATION RESTORATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 11 – RETIREMENT PLAN**

OR has a Simple IRA where employees contribute a percentage of their salary. OR matches these contributions up to 3%. During the year ended December 31, 2024, OR recorded matching contributions totaling \$31,794.

**NOTE 12 – SAFETY & FREEDOM FUND**

During the year ended December 31, 2020, OR entered an agreement with The Bail Project, Inc. (“TBP”), a New York not-for-profit that was established in 2016 with the charitable purpose of paying bail for people in need. TBP provided a loan of \$300,000 to OR to start posting bonds on behalf of people who are incarcerated solely because they are poor. Any bonds posted on behalf of others must meet certain criteria per the agreement.

Per the terms of the agreement, OR started making payments on the loan 14 days after the execution date of the agreement. OR must remit all returned bail funds to date from bails posted by individuals. Subsequent payments are due every 30 days thereafter and the amount due will be the amount of returned bail funds to OR. As a result, the monthly payment will differ and a 5-year maturity schedule cannot be determined. OR has recorded a receivable balance for all bonds posted on behalf of others. During the year ended December 31, 2023, OR obtained additional loans from TBP.

The receivable balance is reduced when bail funds are returned. As of December 31, 2024, the receivable balance was \$71,443 and is disclosed as the Bail Project Receivable on the Statement of Financial Position. The loan balance at December 31, 2024 was \$659,145 and is disclosed as the Bail Project Payable on the Statement of Financial Position. Management does not believe an allowance for doubtful accounts is necessary.

**NOTE 13 – MORTGAGE PAYABLE**

During the year ended December 31, 2022, OR financed the purchase of a building totaling \$180,000 through a financial institution. The mortgage is payable in monthly principal and interest payments of \$1,547 with an interest rate of 8.25%. The final payment in November 2042 will consist of all unpaid principal and interest. As of December 31, 2024, the outstanding balance of the mortgage was \$172,016.

**OPERATION RESTORATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 13 – MORTGAGE PAYABLE (CONTINUED)**

Future maturities of the mortgage payable are as follows:

|            |    |                |
|------------|----|----------------|
| 2025       | \$ | 4,339          |
| 2026       |    | 4,716          |
| 2027       |    | 5,126          |
| 2028       |    | 5,533          |
| 2029       |    | 6,052          |
| Thereafter |    | 146,250        |
|            | \$ | <u>172,016</u> |

**NOTE 14 – NET ASSETS ADJUSTMENT**

During the year ended December 31, 2024, management identified certain prior audit adjusting entries that were not properly recorded. In order to properly state beginning net assets, management recorded a net assets adjustment totaling \$235,995.

**NOTE 15 – SUBSEQUENT EVENTS**

Management evaluated subsequent events as of June 30, 2025, which is the date these financial statements were available to be issued. No subsequent events have been evaluated for inclusion in the financial statements past this date. Management has noted that there are no additional disclosures or adjustments required to these financial statements.



*Luther Speight & Company, LLC*  
*Certified Public Accountants and Consultants*

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

To the Board of Directors of  
Operation Restoration, Inc.  
New Orleans, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Operation Restoration, Inc. (a nonprofit organization) ("OR") which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

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*New Orleans Office: 1100 Poydras Street, Suite 1225 / New Orleans, LA 70163 / (504)561-8600*  
*Memphis Office: 1661 International Drive, Suite 441 / Memphis, TN 38120 / (901)202-4688*  
*Atlanta Office: 1201 Peachtree St. NE, Suite 200 / Atlanta, GA 30328 / (678)971-3700*

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

A handwritten signature in blue ink, appearing to read "Luther Speight & Company CPAs", is positioned above the printed text.

Luther Speight & Company CPAs  
New Orleans, Louisiana  
June 30, 2025

**OPERATION RESTORATION, INC.**  
**SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES**  
**DECEMBER 31, 2024**

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

**Financial Statements**

A unmodified opinion was issued on the financial statements of the auditee.

Internal Control Over Financial Reporting:

Material weaknesses identified? \_\_\_\_\_ Yes      X   No

Significant deficiencies identified  
not considered to be material weaknesses? \_\_\_\_\_ Yes      X   No

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes      X   No

**Federal Awards**

Not applicable, as OR did not expend \$750,000 or more in federal funds.

**OPERATION RESTORATION, INC.**  
**SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES**  
**DECEMBER 31, 2024**

There were no findings noted during the year ended December 31, 2024.

**OPERATION RESTORATION, INC.**  
**SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES**  
**DECEMBER 31, 2024**

No findings were noted during the year ended December 31, 2023.



**OPERATION RESTORATION, INC.**  
**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER**  
**PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**Agency Head Name:** Syrita Steib, Chief Executive Officer

| <b><u>Purpose</u></b>                  | <b><u>2024</u></b> |
|--|--------------------|
| Salary                                 | 437,610            |
| Benefits-Insurance                     | 20,415             |
| Benefits-Retirement                    | 6,575              |
| Benefits-Section 125                   | -                  |
| Car allowance                          | 3,353              |
| Vehicle provided by government         | -                  |
| Per diem                               | -                  |
| Reimbursements                         | 530                |
| Travel                                 | -                  |
| Registration fees                      | -                  |
| Conference travel                      | -                  |
| Continuing professional education fees | -                  |
| Housing                                | -                  |
| Unvouchered expenses                   | -                  |
| Special meals                          | -                  |



*Luther Speight & Company, LLC*  
*Certified Public Accountants and Consultants*

**OPERATION RESTORATION, INC.**

**AGREED UPON PROCEDURES REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2024**



*Luther Speight & Company, LLC*  
*Certified Public Accountants and Consultants*

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

To the Board of Directors of  
Operation Restoration  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024, through December 31, 2024. Operation Restoration's management is responsible for those C/C areas identified in the SAUPs.

Operation Restoration has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

---

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

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

***Results:*** *We noted no information pertaining to amending the budget in the Financial Manual Draft provided by the Entity.*

***Management's Response:*** *Operation Restoration is working in partnership with Carter & Company International to revise the organization's finance manual.*

- b) **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.

**Results:** *The written policies and procedures appropriately address the required elements above except for controls to ensure compliance with the public bid law and documentation required to be maintained for all bids and price quotes.*

**Management's Response:** *Vendors are entered into QuickBooks and ADP only after a contract is signed or an invoice is presented to the organization. These documents are reviewed by both the finance team and the President and CEO before being entered into the system. Controls with the public bid law and required documentation will be added to the Operation Restoration finance manual*

- c) **Disbursements**, including processing, reviewing, and approving.

**Results:** *The written policies and procedures appropriately address the required elements above.*

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

**Results:** *The written policies and procedures appropriately address the required elements above.*

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

**Results:** *The Employee Handbook appropriately addresses the required elements above.*

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

**Results:** *No information regarding types of services requiring written contracts, standard terms and conditions, legal review, approval process, and monitoring process noted in Financial Manual Draft provided by the Entity.*

**Management's Response:** *Operation Restoration ensures that all contractors who undertake duties for an extended period receive a written contract. This contract is drafted by the Financial Support Administrator and then sent to both the contractor and the*

*President & CEO for signatures. Once signed by both parties, the contract is entered into the ADP platform.*

- g) 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)

**Results:** *The written policies and procedures appropriately address the required elements above.*

- h) Travel and expense reimbursement,** including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

**Results:** *The written policies and procedures appropriately address the required elements above.*

- i) Ethics,** including (1) the 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) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

**Results:** *Not applicable, as the Entity is a nonprofit.*

- j) Debt Service,** including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Results:** *Not applicable, as the Entity is a nonprofit.*

- k) 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.

**Results:** *The Entity provided a Statement of Work from their IT provider which appropriately addresses the elements above related to disaster recovery and business continuity.*

- l) Sexual Harassment,** including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results:** *Not applicable, as the Entity is a nonprofit.*

## ***Board or Finance Committee***

---

2. **Results:** *There were no findings in this section in the 2023 AUP report. As a result, this section is not applicable for 2024. However, these procedures will be required to be performed for 2025.*

## ***Bank Reconciliations***

---

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

**Results:** *We obtained a listing of the Entity's bank accounts from management, as well as management's representation that the listing was complete. We selected the month of December 2023 for testing and observed the following.*

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

**Results:** *We noted that all bank account reconciliations were prepared and electronically signed within 2 months of the closing date.*

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

**Results:** *We noted no evidence showing that the bank reconciliations were reviewed by an employee who does not handle cash, post ledgers, or issue checks.*

**Management's Response:** *Once the reconciliation is completed, all bank reconciliations are uploaded to the finance drive for the CFO's approval. If the CFO has any questions, we communicate directly through Canopy.*

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

**Results:** *We noted that none of the Entity's December 2024 statements had reconciling items that have been outstanding for more than 12 months from the fiscal year-end.*

- d) Review completed within 1 month of the date the reconciliation was prepared.

**Results:** *We noted no evidence showing that any of the bank reconciliations were reviewed within 1 month of the date the reconciliation was prepared.*

**Management's Response:** *All bank reconciliations are completed and reviewed by the 15th of the following month.*

### **Collections**

---

4. **Results:** *There were no findings in this section in the 2023 AUP report. As a result, this section is not applicable for 2024. However, these procedures will be required to be performed for 2025.*

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

---

5. **Results:** *There were no findings in this section in the 2023 AUP report. As a result, this section is not applicable for 2024. However, these procedures will be required to be performed for 2025.*

### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

---

6. 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.

**Results:** *We obtained a listing of all active credit cards and management's representation that the listing was complete.*

7. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

**Results:** *We did not observe any evidence that the monthly CC statements were reviewed and approved in writing.*

**Management's Response:** All credit card statements are currently reviewed by the CFO as part of our month-end closing procedures. Going forward, we will implement a process to ensure that all credit card statements are formally approved in writing.

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

**Results:** LSC obtained statements from each account and observed that there were no late fees or finance charges assessed. No exceptions noted.

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

**Results:** LSC tested 30 credit card transactions. We noted 3 transactions where the purchase approval did not agree with the receipt total, 3 transactions that did not have written documentation of the business/public purpose, and 2 transactions that did not document the individuals participating in meals.

**Management's Response:** We acknowledge the exceptions noted in your testing of 30 credit card transactions. We recognize the importance of accurate documentation and appropriate approvals for all credit card purchases.

- For the three transactions where purchase approval did not match the receipt total, the price may have changed after the initial purchase request was approved. Going forward, we will reinforce our policy that the final receipt must match the approved amount or include written justification for any variance.
- For the three transactions lacking written documentation of business or public purpose, we will remind all cardholders that clearly stating the business purpose is a requirement for reimbursement and audit compliance.
- For the two transactions that did not document the individuals participating in meals, we will ensure that all meal expenses include attendee names and their relationship with the business purpose, as required by our policy.

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

9. **Results:** There were no findings in this section in the 2023 AUP report. As a result, this section is not applicable for 2024. However, these procedures will be required to be performed for 2025.



### ***Contracts***

---

- 10. Results:** *There were no findings in this section in the 2023 AUP report. As a result, this section is not applicable for 2024. However, these procedures will be required to be performed for 2025.*

### ***Payroll and Personnel***

---

- 11. Results:** *There were no findings in this section in the 2023 AUP report. As a result, this section is not applicable for 2024. However, these procedures will be required to be performed for 2025.*

### ***Ethics***

---

- 12. Results:** *Not applicable as the Entity is non-profit.*

### ***Debt Service***

---

- 13. Results:** *Not applicable as the Entity is non-profit.*

### ***Fraud Notice***

---

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

**Results:** *There were no misappropriations of funds or assets during the fiscal period.*

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

**Results:** *We observed the required notice is not posted on the Entity's website.*

**Management Response:** *Operation Restoration will inform the communications team that the post should be published on both the website and the OR premises.*

## *Information Technology Disaster Recovery/Business Continuity*

---

**16. Results:** *There were no findings in this section in the 2023 AUP report. As a result, this section is not applicable for 2024. However, these procedures will be required to be performed for 2025.*

## *Sexual Harassment*

---

**17. Results:** *Not applicable as the Entity is non-profit.*

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

We are required to be independent of Operation Restoration 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.



Luther Speight & Company CPAs  
New Orleans, Louisiana  
June 30, 2025