



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

**BROTHERHOOD INCORPORATED
(A NONPROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT THEREON**

**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Brotherhood Incorporated

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Brotherhood Incorporated (a nonprofit organization) ("Brotherhood"), which comprise the statement of financial position as of December 31, 2024, and the related statement 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 present fairly, in all material respects, the financial position of Brotherhood as of December 31, 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Brotherhood 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 Brotherhood'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 Brotherhood's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, which raise substantial doubt about Brotherhood's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, 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 16, 2025 on our consideration of Brotherhood'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 Brotherhood'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 Brotherhood's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Brotherhood's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 24, 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 & Company CPAs".

Luther Speight & Company CPAs
New Orleans, Louisiana
June 16, 2025

BROTHERHOOD INCORPORATED
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash	\$ 89,938	\$ 104,769
Accounts Receivable	132,117	96,912
Other Current Assets	3,032	3,032
Fixed Assets, Net	67,052	108,947
Total Assets	<u>292,139</u>	<u>313,660</u>
 Liabilities		
Accounts Payable	972	117
Accrued Payroll	-	13,586
Payroll Tax Liabilities	36,585	10,256
Other Current Liabilities	6,709	3,837
Total Liabilities	<u>44,266</u>	<u>27,796</u>
 Net Assets		
Without Donor Restrictions	247,873	285,864
Total Net Assets	<u>247,873</u>	<u>285,864</u>
 Total Liabilities and Net Assets	<u>\$ 292,139</u>	<u>\$ 313,660</u>

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

BROTHERHOOD INCORPORATED
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 Restrictions	With Donor Restrictions	Permanently Restricted	Total	Total
Public Support and Revenues					
Grant Support	\$ 704,099	\$ -	-	\$ 704,099	\$ 706,782
Program Income	36,932	-	-	36,932	42,284
Other Income	15,587	-	-	15,587	31,758
Total Public Support and Revenues	756,618	-	-	756,618	780,824
Expenses					
Program Services:					
A. HIV/AIDS Housing	209,637	-	-	209,637	293,770
B. OPH HIV/AIDS Testing	202,410	-	-	202,410	199,140
C. ViiV Hideaway/GOF/MonkeyPox	119,905	-	-	119,905	200,371
D. Other Programs	132,058	-	-	132,058	57,312
Support Services:					
Management and General	119,897	-	-	119,897	86,334
Total Expenses	783,907	-	-	783,907	836,927
Change in Net Assets from Operations	(27,289)	-	-	(27,289)	(56,103)
Net Assets, Beginning of Period	285,864	-	-	285,864	341,967
Net Assets Adjustment	(10,702)	-	-	(10,702)	-
Net Assets, End of Period	<u>\$ 247,873</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 247,873</u>	<u>\$ 285,864</u>

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

BROTHERHOOD INCORPORATED
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023

Expenses	HIV/AIDS Housing	OPH HIV/AIDS Testing	ViiV Hideaway/GOF/ MonkeyPox	Other Programs	Program Total	Management & General	2024 Total	2023 Total
Salaries & Related Expenses	\$ 169,013	\$ 130,277	\$ 83,596	\$ 54,605	\$ 437,491	\$ 83,596	\$ 521,087	\$ 516,332
Advertising Expense	-	-	-	-	-	820	820	785
Communications	4,818	4,232	1,849	4,394	15,293	-	15,293	6,846
Contractual Expense	-	10,500	10,000	6,735	27,235	-	27,235	30,000
Fees, Taxes and Assessments	250	-	-	829	1,079	-	1,079	1,095
Food & Nutrition	2,208	-	-	8,029	10,237	-	10,237	13,178
Indirect Costs	-	18,315	10,895	-	29,210	(27,141)	2,069	2,313
Insurance	16,423	8,067	5,679	10,017	40,186	-	40,186	43,254
Interest Expense	-	-	-	750	750	-	750	-
Medical Lab Costs	-	2,447	-	-	2,447	-	2,447	25,307
Office Expenses	1,745	2,599	122	2,881	7,347	-	7,347	28,142
Other Expenses	660	63	400	4,253	5,376	-	5,376	6,086
Professional Fees	3,000	2,250	2,000	3,850	11,100	7,250	18,350	28,350
Program Incentives	-	6,165	250	2,692	9,107	4,300	13,407	8,405
Program Supplies	464	815	282	211	1,772	-	1,772	1,411
Rent Expense	-	12,420	4,832	15,230	32,482	-	32,482	49,090
Repairs & Maintenance	500	891	-	8,958	10,349	-	10,349	5,358
Travel & Training	-	-	-	-	-	4,107	4,107	2,129
Utilities & Household	10,556	3,369	-	8,624	22,549	-	22,549	22,895
Sub-Totals	<u>209,637</u>	<u>202,410</u>	<u>119,905</u>	<u>132,058</u>	<u>664,010</u>	<u>72,932</u>	<u>736,942</u>	<u>790,976</u>
Depreciation Expense	-	-	-	-	-	46,965	46,965	45,951
Totals	<u>\$ 209,637</u>	<u>\$ 202,410</u>	<u>\$ 119,905</u>	<u>\$ 132,058</u>	<u>\$ 664,010</u>	<u>\$ 119,897</u>	<u>\$ 783,907</u>	<u>\$ 836,927</u>

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

BROTHERHOOD INCORPORATED
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>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (27,289)	\$ (56,103)
Net Asset Adjustment	(10,702)	-
Adjustments to reconcile changes in net assets to net cash provided in operating activities:		
Depreciation	46,965	45,951
(Increase)/Decrease in Accounts Receivable	(35,205)	86,755
Increase/(Decrease) in Accounts Payable	855	(20,656)
Increase/(Decrease) in Accrued Payroll	(13,586)	(825)
Increase/(Decrease) in Payroll Liabilities	26,329	(15,482)
Increase/(Decrease) in Other Current Liabilities	2,872	(58)
Net Cash (Used)/Provided By Operating Activities	<u>(9,761)</u>	<u>39,582</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Fixed Assets	<u>(5,070)</u>	<u>(21,295)</u>
Net Cash Used By Investing Activities	<u>(5,070)</u>	<u>(21,295)</u>
Net Change in Cash and Cash Equivalents	(14,831)	18,287
Beginning Cash and Cash Equivalents	<u>104,769</u>	<u>86,482</u>
Ending Cash and Cash Equivalents	<u><u>\$ 89,938</u></u>	<u><u>\$ 104,769</u></u>

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

BROTHERHOOD INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 – ORGANIZATION

Brotherhood Incorporated (“Brotherhood”) is a nonprofit, community-based organization that is dedicated to providing housing and healthcare for individuals suffering from Human Immune/Deficiency Virus (HIV)/Acquired Immune Deficiency Syndrome (AIDS) and to provide support services for their families. Brotherhood was incorporated on June 7, 1996 pursuant to the provisions of the Louisiana Nonprofit Law, Louisiana R. S. 12:201 – 12:269 (1950 as amended).

Brotherhood offers and provides the following programs and services:

- HIV/AIDS Education and Training
- Risk Reduction Workshops
- African American Community Leader Training
- Community Awareness Sessions and Health Fairs
- Street and Venue Based Outreach
- Condom Distribution
- HIV Counseling and Testing
- Peer Led Support Groups
- Referrals and Other Services
- Support housing for people with special needs.
- Capacity building assistance to other community-based organizations

Programs and services provided by Brotherhood are funded primarily by grants from the following agencies:

- U. S. Department of Health and Human Services
- Center for Disease Control and Prevention
- U.S. Department of Housing and Urban Development

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Accounting

Brotherhood is a non-profit, community-based organization whose financial statements are prepared on the 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, and 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.

BROTHERHOOD INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, Brotherhood 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 Brotherhood are included in this category. Brotherhood has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of Brotherhood and, therefore, their policy is to record those net assets as without donor restrictions.
- 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.

At December 31, 2024, Brotherhood did not have any net assets with donor restrictions.

Use of Estimates

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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Brotherhood considers all cash in demand deposits and investments purchased with a maturity date of three months or less to be cash equivalents. For the years ended December 31, 2024 and 2023, Brotherhood did not have any cash equivalents.

BROTHERHOOD INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uncollectible Accounts, Grants Receivable, and Promises to Give

Brotherhood uses the direct charge-off method whereby uncollectible accounts are recognized as bad debts at the time information becomes available which would indicate the collectability of the particular receivable. The direct charge-off method is used because it does not cause a material departure from GAAP, and it approximates the valuation method. For the years ended December 31, 2024 and 2023, Brotherhood did not record an allowance for doubtful accounts.

Fixed Assets

Land, furniture, equipment, vehicles, and building and improvements of Brotherhood are recorded as assets and are stated at historical cost, if purchased, or at fair market value at the date of the gift, if donated. Additions, improvements, and expenditures that significantly extend the useful life of an asset are capitalized. Long-lived assets over \$5,000 are capitalized.

Depreciation is provided using the straight-line method over the estimated useful lives of assets as follows:

Furniture and Equipment	3-7 Years
Vehicles	5 Years
Building and Improvements	10-27.5 Years

Advertising Expenses

Brotherhood uses advertising to promote its programs amongst the communities it serves. Costs are expensed as incurred. Advertising expenses were \$820 and \$785 For the years ended December 31, 2024 and 2023, respectively and are recorded in the statement of functional expenses.

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, which is more than trivial, 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.

BROTHERHOOD INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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. Exchange transactions are reimbursed based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed.

Concentration of Credit

Brotherhood maintains cash accounts with one commercial bank. The balances did not exceed the federal insured amount of \$250,000 during the years ended December 31, 2024 and 2023.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based upon hours worked.

Income Taxes

Brotherhood 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 Service as other than a private foundation. Brotherhood'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.

Recent Accounting Pronouncements

There are no new accounting pronouncements that have an impact on the financial statements for the year ended December 31, 2024.

Leases

Brotherhood 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, Brotherhood establishes a right-of-use (ROU) asset and a lease liability. Operating leases, if any, are included in Operating Lease ROU Asset and Operating Lease Liability on the accompanying balance sheet. Finance leases, if any, are included in Finance Lease ROU Asset and Finance Lease Liability.

BROTHERHOOD INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The total lease term is determined by considering the initial term per the lease agreement, which is adjusted to include any renewal options that the Organization is reasonably certain to exercise, as well as any period that Brotherhood has control over the asset before the stated initial term of the agreement. Brotherhood determines a reasonable certainty of exercising termination or early buyout options, then the lease terms are adjusted to account for these facts.

Brotherhood lease agreements do not contain any material residual value guarantees or material restrictive covenants. Brotherhood uses the 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. Brotherhood does not recognize ROU assets and lease liabilities for leases with a term of twelve (12) months or less. Brotherhood also does not recognize ROU assets and lease liabilities for leases with immaterial cumulative lease payments over the course of the lease term.

On September 17, 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The Update is expected to increase transparency around contributed nonfinancial assets (also known as “gifts-in-kind”) received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. The Update requires that contributed nonfinancial assets be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It also requires additional disclosures. The ASU is applicable for periods beginning after June 15, 2021. During the year ended December 31, 2024, the Organization did not receive any contributed non-financial assets so no changes to the financial statements were needed.

NOTE 3 – FIXED ASSETS

A summary of fixed assets is as follows:

Land	\$	12,000
Furniture and Fixtures		71,775
Buildings and Improvements		474,475
Equipment		228,463
Vehicles		86,484
		<u>873,197</u>
Accumulated Depreciation		<u>(806,145)</u>
Net Fixed Assets	\$	<u>67,052</u>

Depreciation expenses were \$46,965 and \$45,951 during the years ended December 31, 2024 and 2023, respectively.

BROTHERHOOD INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 – ECONOMIC DEPENDENCY

The primary source of revenue for Brotherhood is federal grants provided through various funding agencies. Grant support represents 93% and 91% of total revenues for the years ended December 31, 2024 and 2023, respectively. The continued success of Brotherhood is dependent upon the renewal of contracts from current funding sources as well as obtaining new funding.

NOTE 5 – GOVERNMENT GRANTS

Brotherhood is the recipient of several federal awards. Included in grant revenue are funds disbursed from several funding sources to provide funds for the implementation of various community programs as well as to support the operations of Brotherhood.

NOTE 6 – OPERATING LEASES

Brotherhood leases multiple suites in a building located at 2714 Canal Street. As of December 31, 2024, the lease agreements were on a month-to-month basis. Brotherhood also rents office space at 200 South Broad Street from 200 South Enterprises, LLS. The current lease agreement is on a month-to-month basis since the prior lease expired in September 2023. Total rent expense for the year for all office spaces was \$32,482 and is included in the statement of functional expenses. Due to the short-term (12 months or lease) nature of the leases, they do not qualify for the accounting treatment described in ASC 842, *Leases*.

NOTE 7 – FEDERAL COMPLIANCE CONTINGENCIES

Brotherhood is a recipient of several grants and awards of federal funds. These grants and awards are governed by various federal guidelines, regulations, and contractual agreements. The administration of the programs and activities funded by these grants and awards is under the control and administration of Brotherhood and is subject to audit and/or review by the applicable funding sources. Any grant or award funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding sources may be subject to recapture.

BROTHERHOOD INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 – LINE OF CREDIT

Brotherhood has one line of credit with a financial institution. The line of credit has an interest rate of 8.5%. At December 31, 2024, the line of credit had an outstanding balance of \$0 with a maturity date of May 2, 2026. The line of credit interest incurred for the period was \$259 and was reported as Interest Expense on the statement of functional expenses with an available balance of \$80,000 as of December 31, 2024 and 2023.

NOTE 9 – PENSION PLAN

Brotherhood has a 403(b) Pension Plan. Employees who have successfully completed their 90-day probationary period are qualified to join the plan. Brotherhood does not contribute money to the plan.

NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects Brotherhood's financial assets as of December 31, 2024, reduced by the amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

Cash	\$ 89,938
Accounts Receivable	<u>132,117</u>
Total	222,055
Net Assets with Donor Restrictions	<u>-</u>
Financial Assets Available to Meet Expenditures Over the next 12 months	<u><u>\$ 222,055</u></u>

NOTE 11 – COMPENSATED ABSENCES

Per Brotherhood's policy, sick time is accrued from year to year but not paid upon termination. Accrued vacation time is allowed up to a 90-day probationary period to be used in the subsequent year and upon termination, vacation time not used by staff is compensated. However, management has determined that an accrual for compensated absences is not necessary at December 31, 2024 because no vacation time has been deemed outstanding at year end.

BROTHERHOOD INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 12 – NET ASSETS ADJUSTMENT

Management determined that a net assets adjustment was necessary to properly state the accrued payroll beginning balance. A net assets adjustment totaling (\$10,702) was made.

NOTE 13 – SUBSEQUENT EVENTS

Management evaluated subsequent events as of June 16, 2025, which is the date these financial statements were available to be issued. Management noted that there are no additional disclosures or adjustments required to these financial statements. No subsequent events have been evaluated for inclusion in the financial statements after this date.



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
Brotherhood Incorporated

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 Brotherhood Incorporated (a nonprofit organization) ("Brotherhood"), 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, and have issued our report thereon dated June 16, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Brotherhood'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 Brotherhood's internal control. Accordingly, we do not express an opinion on the effectiveness of Brotherhood'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 the 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. 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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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Brotherhood's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and 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.

A handwritten signature in blue ink, appearing to read "Luther Speight & Co".

Luther Speight & Company CPAs
New Orleans, Louisiana
June 16, 2025

BROTHERHOOD INCORPORATED
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Section I – Summary of Auditor’s Results

Financial Statements

An 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 Brotherhood did not expend \$750,000 or more in federal funding during the year ended December 31, 2024.

**BROTHERHOOD INCORPORATED
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Section II – Financial Statement Findings and Questioned Costs

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

**BROTHERHOOD INCORPORATED
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024**

There were no findings noted in the prior year audit.

BROTHERHOOD INCORPORATED
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2024

Agency Head Name: Donnisha Patterson, Executive Director

Purpose	Amount
Salary	\$ 66,464
Benefits-FICA	5,085
Benefits-State	-
Benefits-SUTA	267
Benefits-executive parking	-
Car allowance	-
vehicle provided by government	332
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	783
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

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



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

BROTHERHOOD INCORPORATED

AGREED UPON PROCEDURES REPORT

FOR THE FISCAL 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 Brotherhood Incorporated
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. Brotherhood Incorporated's management is responsible for those C/C areas identified in the SAUPs.

Brotherhood Incorporated 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. **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.*

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 2024 for testing and made the observations below.*

- 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 the 5 bank reconciliations we reviewed included evidence that they were prepared within 2 months of the related statement's closing date. No exceptions noted.*

- b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g. initialed and dated or electronically logged); and

Results: *We noted that the bank reconciliations included evidence of review by an employee who does not handle cash, post ledgers, or issue checks. No exceptions noted.*

- 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 no reconciling items that have been outstanding for more than 12 months. No exceptions noted.*

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. **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.*

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

7. **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

8. **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

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.*

Ethics

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

Debt Service

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

Fraud Notice

12. 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:** Management confirmed there were no misappropriations of public funds and assets during the fiscal year ended December 31, 2024.*

13. 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 noted the required notice is posted on the Entity's premises and the Entity's website. No exceptions noted.*

Information Technology Disaster Recovery/Business Continuity

14. ***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

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

We were engaged by Brotherhood Incorporated 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 Brotherhood Incorporated 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.

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

Luther Speight & Company CPAs
New Orleans, Louisiana
June 16, 2025