Luther Speight & Company, LLC
Certified Public Accountants and Consultants

**PROPELLER: A FORCE FOR SOCIAL INNOVATION
AND
AFFILIATED ENTITY**

COMBINED FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITOR'S REPORT

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

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Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Propeller: A Force for Social Innovation
And Affiliated Entity

Opinion

We have audited the accompanying combined financial statements of Propeller: A Force for Social Innovation and Affiliated Entity (referred to as "the Organization"), which comprise the combined statement of financial position as of December 31, 2025, and the related combined 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 combined financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, 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 the *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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the combined 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 combined 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 combined 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 the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.

- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, which raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period.

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 combined financial statements as a whole. The combining financial statements presented on pages 22 to 25 and the Schedule of Compensation, Benefits, and Other Payments to Agency Head (the schedule) are presented for purposes of additional analysis and are not required parts of the combined financial statements. The schedule is required by the Louisiana Legislative Auditor. 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and the Schedule are fairly stated, in all material respects, in relation to the combined 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 5, 2026 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Organization'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 the Organization's internal control over financial reporting and compliance.

Luther Speight & Co

Luther Speight & Company CPAs
New Orleans, LA
June 5, 2026

Propeller: A Force For Social Innovation
and Affiliated Entity
Combined Statement of Financial Position
As of December 31, 2025

Assets		
Cash and Cash Equivalents	$	1,912,867
Grants and Contributions Receivable		99,989
Prepaid Expenses		40,584
Investments, at Cost		150,000
Investments - Endowment Fund		325,357
Fixed Assets, Net		1,903,735
Total Assets	$	4,432,532
Liabilities		
Accounts Payable	$	37,047
Grants Payable		338,334
Accrued Expenses		28,948
Payroll Liabilities		22,826
Notes Payable		917,571
Total Liabilities		1,344,726
Net Assets		
Without Donor Restrictions		922,304
With Donor Restrictions		2,165,502
Total Net Assets		3,087,806
Total Liabilities and Net Assets	$	4,432,532

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

Propeller: A Force For Social Innovation
and Affiliated Entity
Combined Statement of Activities
For the Year Ended December 31, 2025

Public Support and Revenues	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Grant and Contribution Income	$ 193,000	$ 1,740,155	$ 1,933,155
Individual Donations	26,493	-	26,493
Miscellaneous Income	59,508	-	59,508
Membership Rent Income	226,718	-	226,718
Special Event Income	20,973	-	20,973
Investment Income	708	39,984	40,692
Released From Restrictions	2,308,548	(2,308,548)	-
Total Public Support and Revenues	2,835,948	(528,409)	2,307,539
Expenses			
Program Services	2,033,043	-	2,033,043
Management and General	458,941	-	458,941
Fundraising	307,831	-	307,831
Total Expenses	2,799,815	-	2,799,815
Change in Net Assets	36,133	(528,409)	(492,276)
Net Assets, Beginning of Year	886,171	2,693,911	3,580,082
Net Assets, End of Year	$ 922,304	$ 2,165,502	$ 3,087,806

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

Propeller: A Force For Social Innovation
and Affiliated Entity
Combined Statement of Functional Expenses
For the Year Ended December 31, 2025

	Program Services								Supporting Services		
	Access to Capital	Impact Accelerator	Education	Impact	Policy and Advocacy	Alumni	Facility	Program Total	Management and General	Fundraising	Total Expenses
Salaries	$ 131,999	$ 201,727	$ 59,757	$ 40,890	$ 133,637	$ 48,407	$ 77,560	$ 693,977	$ 283,649	$ 251,480	$ 1,229,106
Fringe Benefits	13,143	25,112	11,136	3,954	22,106	5,786	10,095	91,332	17,865	27,990	137,187
Payroll Taxes	9,744	14,884	6,622	3,018	9,860	3,572	5,724	53,424	18,637	18,564	90,625
Meals & Entertainment	264	4,837	-	-	5,557	3,452	-	14,110	1,266	310	15,686
Contractual/Professional Fees	642,377	44,820	26,359	21,315	36,201	51,482	8,819	831,373	51,158	5,091	887,622
Depreciation Expense	-	-	-	-	-	-	66,192	66,192	-	-	66,192
Fees, Taxes, and Assessments	-	-	-	-	-	-	73,609	73,609	-	-	73,609
Insurance	-	-	-	-	-	-	-	-	17,911	-	17,911
Interest Expense	-	-	-	-	-	-	71,340	71,340	-	-	71,340
Marketing	-	34	-	-	-	-	241	275	18,233	-	18,508
Other Expenses	-	-	-	-	-	79	7,171	7,250	27,048	383	34,681
Repairs & Maintenance	-	-	-	-	-	-	34,864	34,864	-	-	34,864
Subscription & Dues	-	-	-	-	-	-	-	-	17,463	-	17,463
Office Expense	-	-	-	-	-	-	18,849	18,849	-	-	18,849
Supplies	-	4,282	527	6,560	3,324	1,401	6,098	22,192	-	-	22,192
Occupancy Expense/Utilities	-	-	-	-	-	-	54,256	54,256	5,711	4,013	63,980
Sub-Totals	$ 797,527	$ 295,696	$ 104,401	$ 75,737	$ 210,685	$ 114,179	$ 434,818	$ 2,033,043	$ 458,941	$ 307,831	$ 2,799,815

The accompanying notes are an integral part of the financial statements

Propeller: A Force For Social Innovation
and Affiliated Entity
Combined Statement of Cash Flows
For the Year Ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	$ (492,276)
Adjustments to reconcile changes in net assets to net cash provided in operating activities:	
Depreciation	66,192
Net Appreciation on Investments	(38,871)
(Increase)/Decrease in the following assets:	
Grants Receivable	488,607
Prepaids	(9,594)
Increase/(Decrease) in the following liabilities:	
Accounts Payable	(117,096)
Accrued Liabilities	6,615
Payroll Liabilities	18
Net Cash Used by Operating Activities	(96,405)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Investments	(100,000)
Net Cash Used by Investing Activities	(100,000)
CASH FLOWS FROM FINANCING ACTIVIITES	
Payments of Notes Payable, Net	(304,818)
Net Cash Used by Financing Activities	(304,818)
NET CHANGE IN CASH	(501,223)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,414,090
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,912,867

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

PROPELLER: A FORCE FOR SOCIAL INNOVATION
AND AFFILIATED ENTITY
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Note 1 – Background and Nature of Operations

Propeller: A Force for Social Innovation (formerly Social Entrepreneurs of New Orleans, Inc.) ("Propeller") is a 501(c)(3) non-profit corporation incorporated on August 26, 2008 under the laws of the State of Louisiana. It is dedicated to supporting social innovation in New Orleans. The Organization's mission is to grow and support entrepreneurs to tackle social and environmental disparities. Propeller envisions an inclusive and thriving entrepreneurial ecosystem that responds to community needs and creates the conditions for an equitable future.

The Organization seeks to grow wealth and well-being in New Orleans communities to advance economic justice and close racial disparities. Propeller supports entrepreneurs, with a focus on those who are Black, native New Orleanians, who view their businesses as a catalyst for positive change in their community and those who advance anti-racism initiatives.

Note 2 – Summary of Significant Accounting Policies

Principles of Accounting
Propeller's combined financial statements are prepared on the accrual basis of accounting, whereby revenue is recorded when earned and expenses are recorded when incurred in accordance with generally accepted accounting principles.

Use of Estimates
The preparation of combined financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates, and those differences could be material.

Cash and Cash Equivalents
Cash includes amounts on deposit at financial institutions. For the purposes of the statement of cash flows, Propeller considers all highly liquid debt instruments purchased with a maturity of three months or less redeemable without penalty for the early withdrawal, to be cash equivalents. The Organization held cash equivalents balances totaling $611,827 at December 31, 2025.

Note 2 – Summary of Significant Accounting Policies (continued)

Grants and Contribution Receivables

Receivables, consisting of grants, contributions, and other receivables, are stated at the amount management expects to collect from outstanding balances. The Organization determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectible. At December 31, 2025, the Organization did not deem any receivables to be uncollectible.

Investments

Investments in marketable securities and mutual funds with readily determinable fair values and all investments in debt securities are reported at fair value in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities as increases or decreases in net assets without donor restrictions unless their use is with restrictions by explicit donor stipulations or law. Dividend, interest, and other investment income are recorded as increases in net assets without donor restriction unless the use is restricted by the donor. FASB ASC topic 820, *Fair Value Measurements and Disclosures* emphasizes market-based measurement and, in doing so, stipulates a fair value hierarchy. The hierarchy is based on the type of inputs, or data used, to measure fair value. The fair value hierarchy is summarized below:

Level 1 lies at the top of the hierarchy; inputs are quoted prices in active markets.

Level 2 inputs are in the middle of the hierarchy, where data is adjusted from similar items traded in markets that are active markets or from identical or similar items in markets that are not active. Level 2 inputs do not stem directly from quoted prices.

Level 3 inputs are unobservable and require the entity to develop its own assumptions.

Investments other than mutual funds are valued at the fair value of the trust investments as reported to the Organization by the trustees and include the use of Net Asset Values (NAV) as the primary input to measure fair value.

Note 2 – Summary of Significant Accounting Policies (continued)

Fixed Assets

Property and equipment are stated at cost, net of accumulated depreciation. The Organization capitalizes property and equipment additions over $5,000 at cost, or if donated, at fair value on the date of donation. Depreciation of these assets is provided on the straight-line basis over their estimated useful lives of 5 years for computers, copiers, and furniture, 10 years for equipment, and 27.5 years for the building.

When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Management reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended December 31, 2025.

Income Taxes

Propeller is a not-for-profit corporation organized under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax under the authority of I.R.S. 47: 121(5).

The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Note 2 – Summary of Significant Accounting Policies (continued)

Financial Statement Presentation

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 without donor restrictions and with donor restrictions. A description of these two net asset categories is as follows:

- Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

- Net assets with donor restrictions are subject to donor (or certain grantor) 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 those 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.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the combined statement of activities. The combined statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The majority of expenses have been specifically identified with a program or supporting service.

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.

Note 2 – Summary of Significant Accounting Policies (continued)

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

Rental income is recognized as the rent becomes due, which is when the relevant performance obligations are fulfilled. Rental payments received in advance are deferred until earned. The Organization has applied the revenue recognition standard, ASU Topic 606, to rental income. All leases between the Organization and the tenants of the property are operating leases.

Donated Services
Members of the Organization's board of directors and other volunteers have made significant contributions of their time to assist in the Organization's operations and related charitable programs. The value of this contributed time is not recorded in these financial statements because it does not meet the requirements to be recorded in accordance with U.S. Generally Accepted Accounting Principles.

Leases
In February 2016, the FASB issued ASU 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. In July 2018, the FASB issued ASU 2018-11, Leases (Topic 842): Targeted Improvements, to simplify the lease standard's implementation. On June 3, 2020, the FASB deferred the effective date of this standard for certain entities. As of December 31, 2025, the Organization's leases do not qualify for recognition per the new lease standards.

Note 2 – Summary of Significant Accounting Policies (continued)

Principles of Combination
The accompanying combined financial statements include the accounts of Propeller: A Force for Social Innovation, Inc. and Propeller Impact Fund II (collectively, the "Company"). These entities are combined because they are under common ownership and management by a single controlling general partner. All significant intercompany balances and transactions have been eliminated in the combination. The combined financial statements have been prepared in accordance with accounting standards generally accepted in the United States of America.

Note 3 – Investments

The Organization maintains a permanent endowment fund at the Greater New Orleans Foundation (GNOF). The endowment fund generates annual investment income for the Organization to initiate, finance, and sustain its programs. The Organization recorded $40,692 in net investment income for the year ended December 31, 2025.

During 2024, the Organization made an investment totaling $300,000 into Propeller Impact Fund II ("the Fund"), which seeks to invest in Louisiana food or beverage consumer packaged goods businesses with measurable social or environmental impact. The Organization has committed up to $1.5 million in capital to the Fund in order to match Louisiana Economic Development Corporation's up to $1.5 million commitment. The Organization is the General Partner of the Fund.

The following table sets forth by level, within the fair value hierarchy (see Note 2), the Organization's assets at fair value as of December 31, 2025:

	Level 1	Level 2	Level 3	Fair Value
GNOF Investment Pool	$ -	$ 325,357	$ -	$ 325,357
Propeller Impact Fund II	-	300,000	-	300,000
Total Investments	$ -	$ 625,357	$ -	$ 625,357

Note 4 – Endowment Fund

The Organization's Board of Directors has interpreted the Louisiana Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift absent explicit donor stipulations to the contrary. Accordingly, the original $250,000 gift is classified as net assets with donor restrictions—perpetual in nature. Accumulated investment return that has not yet been appropriated is classified as net assets with donor restrictions—purpose-time until appropriated.

Investment & Risk-Return Objectives: The Board delegates asset management to Greater New Orleans Foundation ("GNOF") and follows GNOF's Investment Policy Statement, which seeks long-term growth with a moderate level of risk. Should the manager change, the Fund will follow an Investment Policy adopted by the Board. The Finance Committee reviews asset allocation and performance at least semi-annually.

Spending Policy: The Fund's spending policy allows only current-year investment income to be appropriated, subject to these limits:

- Distributions may not reduce the Fund's fair value below the historic-dollar corpus of $250,000.
- Unexpended income at December 31 is added to corpus.
- All appropriations must be used for programmatic expenses.

This strategy is intended to protect the corpus in real terms while providing a predictable stream of resources to support ongoing programs.

Endowment net asset composition by type of fund as of December 31, 2025 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Donor-restricted endowment funds	$ -	$ 325,357	$ 325,357
Total funds	$ -	$ 325,357	$ 325,357

PROPELLER: A FORCE FOR SOCIAL INNOVATION AND AFFILIATED ENTITY NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

Note 4 – Endowment Fund (continued)

Changes in Endowment Funds net assets for the year ended December 31, 2025 were:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Endowment net assets, beginning of year	$ -	$ 286,486	$ 286,486
Contributions	-	-	-
Investment return, net	-	38,871	38,871
Amounts appropriated for expenditure	-	-	-
Endowment net assets, end of year	$ -	$ 325,357	$ 325,357

Note 5 – Fixed Assets

Fixed Assets are summarized as follows at December 31, 2025:

Asset Description	**Balance**
Land	$ 485,000
Furniture and Fixtures	72,662
Buildings and Improvements	1,658,066
	2,215,728
Accumulated Depreciation	(311,993)
Property and Equipment, net	$ 1,903,735

The Organization recorded $66,192 in depreciation expense for the year ended December 31, 2025.

Note 6 – Concentrations of Credit Risk

The Organization has concentrated its credit risk for cash by maintaining deposits in financial institutions in New Orleans, Louisiana, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation ("FDIC"). At December 31, 2025, the Organization's uninsured deposits totaled $1,234,776. The Organization has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

Note 7 – Liquidity and Availability of Resources

The following presents the Organization's financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year at December 31, 2025:

	2025
Financial assets at year-end:	
Cash	$ 1,912,867
Grants and contributions receivables	99,989
Total financial assets at year-end	2,012,856
Less amounts not available to be used within one year for general expenditures:	
Net assets with donor restrictions	2,165,502
Less: net assets with donor restrictions to be met in less than one year	(2,165,502)
	-
Financial assets available for general expenditures within one year	$ 2,012,856

The Organization's goal is to maintain a target cash reserve of two months of operating expenses, which is approximately $250,000 to $500,000. The Organization also maintains a $100,000 line of credit available to meet cash flow needs.

Note 8 – Line of Credit

The Organization established a line of credit during prior years with a maximum borrowing amount of $100,000. At December 31, 2025, the balance of the line of credit was $0. The line of credit was not used during the 2025 fiscal year.

Note 9 – Notes Payable

During 2019, a building acquisition was financed by a loan with Liberty Bank for $1,088,000 and an unsecured note with a related party in the amount of $136,000. The loan with Liberty Bank is a 25-year maturity/25-year amortization note, with an interest rate of 5.15% fixed for the first five years. In June 2024, the rate reset at the Wall Street Journal Prime index plus 0.75 for the rest of the loan term. At June 2024, the Wall Street Journal Prime index was 8.5%, resulting in a new interest rate of 9.25%. The loan is collateralized with deposit accounts, pledges of leases and rents, and real (immovable) property and all of the Organization's personal (movable) property rights with the exception of restricted grant revenues. During the year ended December 31, 2025, the Organization retired this note with a full payment of the outstanding balance.

During the year ended December 31, 2020, the Organization applied for and was approved for a $150,000 economic injury disaster loan administered by the U.S. Small Business Association as part of the relief efforts related to COVID-19 global pandemic. As part of the loan agreement, the Organization must use all of the proceeds solely as working capital to alleviate economic injury caused by the COVID-19 global pandemic. The loan has an annual interest rate of 2.75% and matures in July 2050. The loan requires monthly principal and interest payments of $641 beginning in January 2024 and is secured by substantially all assets of the Organization. At December 31, 2025, the balance on the loan was $142,232.

During the year ended December 31, 2025, the Organization applied for and was approved for a $126,900 secured disaster loan administered by the U.S. Small Business Association. As part of the loan agreement, the Organization must use the proceeds solely to rehabilitate or replace property of the Organization damaged or destroyed by Hurricane Ida. The loan has an annual interest rate of 2.00% and matures in December 2037 and is secured by substantially all assets of the Organization. At December 31, 2025, the balance on the loan was $125,338.

The Organization entered into a new long term debt agreement on April 15, 2025, in the amount of $650,000. The lender was Clif Family Foundation, a California nonprofit public benefit corporation. The stated loan purpose is to finance renovations and improvements to Borrower's facilities located at 4035 Washington Ave., New Orleans, Louisiana, and to make mortgage payments on the Property. The debt is evidenced by a promissory note with stated interest rate of $3%, with a maturity date of March 30, 2025. The Organization is required to make annual payments on the note in the amount of $80,558.

Note 9 – Notes Payable (continued)

A summary of the notes payable balance at December 31, 2025 are as follows:

Building Loan	$650,000
EIDL Loan	142,232
SBA Hurricane Ida Loan	125,339
	$917,571

The notes payable at December 31, 2025 mature as follows:

December 31,	Amount
2026	101,402
2027	101,402
2028	101,402
2029	101,402
Thereafter	511,963
Total	$917,571

Note 10 – Economic Dependency

The primary sources of revenues for the Organization are grants and contributions provided through various funding agencies. Continued operations are dependent upon the renewal of grants and contributions from current funding sources as well as obtaining new funding. In 2025, the Organization revenue portfolio was relatively diversified and did not reflect an over-concentration of individual grantors.

Note 11 – Net Assets with Donor Restrictions

During the year ended December 31, 2025, the Organization recognized $2,308,548 in net assets released from donor-imposed restrictions. As of December 31, 2025, the Organization's net assets with donor restrictions consist of the following:

		2025
Access to Capital - Purpose	$	722,955
Donor Restricted Endowment - Perpetual in Nature		325,357
Other Programs and Purposes		480,585
ECE		246,292
Propeller Impact Accelerator - Time and Purpose		390,313
Total	$	2,165,502

Note 12 – Contingencies

From time to time, the Organization is involved in certain claims and legal actions arising in the normal course of activities. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Organization's financial position.

Note 13 – Related Parties

During the year ended December 31, 2023, the Organization was awarded a grant by W.K. Kellogg Foundation totaling $715,000, which was recognized as grants and contributions revenue for the year ended December 31, 2023. A member of the Organization's board is employed by the W.K. Kellogg Foundation. As of December 31, 2024, the Organization had an outstanding receivable balance from W.K. Kellogg totaling $214,500. This balance was received in full by the Organization during the year ended December 31, 2025.

Note 14 – Grants Payable

During the year ended December 31, 2024, Propeller entered into a contract with two local nonprofit organizations to provide funding to assist small business owners overcome common barriers to access capital. The total amount Propeller agreed to fund was $616,668. The contract requires payments to be made in full no later than August 31, 2026. As of December 31, 2025, the balance for grant payables was $338,334.

Note 15 - Propeller Impact Fund II, LP Partnership

The Partnership was formed as a Delaware limited partnership under the Delaware Revised Uniform Limited Partnership Act (6 Del.C. §17-101, et seq.) (the "***Revised Uniform Limited Partnership Act***") by the filing of a Certificate of Limited Partnership with the Office of the Secretary of State of the State of Delaware during the year 2023.

The purpose of the Partnership is to participate in the State Small Business Credit Initiative (SSBCI) Program and the Louisiana Seed Capital Program (LSCP) by pooling and investing contributed SSBCI Funds and private capital in qualified businesses, all in accordance with and subject to LSCP Rules, SSBCI Rules and the Investment Guidelines of the Partnership. The General Partner shall use and employ commercially reasonable efforts to cause the Partnership to invest in Qualified Businesses that are Socially and Economically Disadvantaged Individually Owned (SEDI-Owned) Businesses and Very Small Businesses (VSBs). The Partnership shall be dissolved, and a winding up of its affairs commenced, following the close of business on the tenth (10^{th}) anniversary of the Effective Date.

The Partners are party and subject to a certain Louisiana Seed Capital Funding Agreement by and between them. The Funding Agreement (i) controls the relationship between the LEDC (as the Limited Partner) and the General Partner for all purposes, (ii) controls the General Partner's use of SSBCI Funds under the LSCP, and (iii) controls the General Partner's management and use of SSBCI Funds in connection with the Partnership.

Partnership Investment Summary

A summary of the initial investments executed by Propeller Impact Fund II is as follows:

Company Name	Investment Type	Investment Amount
True Coast, LLC	Convertible Note	$ 50,000
Dreamland Koffucha, Inc.	Simple Agreement for Future Equity (SAFE)	50,000
Cadero Brands, Inc.	Simple Agreement for Future Equity (SAFE)	50,000
		$ 150,000

Note 15 - Propeller Impact Fund II, LP Partnership (Continued)

True Coast, LLC is a Louisiana Limited Liability Company that executed a convertible note with Propeller Impact Fund II (Holder). The principal amount set forth in the convertible note agreement with all accrued and unpaid interest is due or convertible in the manner set forth in the agreement at the set maturity date.

Cadera Brands, Inc., (the Company) is a Delaware corporation. In exchange for an initial investment from Propeller Impact Fund II (the Investor), the Company issued the Investor the right to certain shares of the Company's capital stock, subject to certain terms set forth in the purchase agreement. As of December 31, 2025 none of these terms had been met.

Dreamland Koffucha, Inc., (the Company) is a Delaware corporation. In exchange for an initial investment from Propeller Impact Fund II (the Investor), the Company issued the Investor the right to certain shares of the Company's capital stock, subject to certain terms set forth in the purchase agreement. As of December 31, 2025 none of these terms had been met.

Note 16 – Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued on June 5, 2026 and determined that no events occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Propeller: A Force For Social Innovation
and Affiliated Entity
Combining Statement of Financial Position
As of December 31, 2025

	Propeller	Propeller Impact Fund, LP II	Eliminations	Total
Assets				
Cash and Cash Equivalents	1,462,982	$ 449,885	$ -	$ 1,912,867
Grants and Contributions Receivable	99,989	-	-	99,989
Prepaid Expenses	40,584	-	-	40,584
Investments, at Cost	-	150,000	-	150,000
Investments - Endowment Fund	325,357	-	-	325,357
Investments - Impact Fund II	300,000	-	(300,000)	-
Fixed Assets, Net	1,903,735	-	-	1,903,735
Total Assets	$ 4,132,647	$ 599,885	$ (300,000)	$ 4,432,532
Liabilities				
Liabilities				
Accounts Payable	$ 37,047	$ -	$ -	$ 37,047
Grants Payable	338,334	-	-	338,334
Accrued Expenses	28,948	-	-	28,948
Payroll Liabilities	22,826	-	-	22,826
Notes Payable	917,571	-	-	917,571
Total Liabilities	1,344,726	-	-	1,344,726
Net Assets				
Without Donor Restrictions	622,419	599,885	(300,000)	922,304
With Donor Restrictions	2,165,502	-	-	2,165,502
Total Net Assets	2,787,921	599,885	(300,000)	3,087,806
Total Liabilities and Net Assets	$ 4,132,647	$ 599,885	$ (300,000)	$ 4,432,532

Propeller: A Force For Social Innovation
and Affiliated Entity
Combining Statement of Activities
For the Year Ended December 31, 2025

	Without Donor Restrictions				With Donor Restrictions				
Public Support and Revenues	**Propeller**	**Propeller Impact Fund, LP II**	**Eliminations**	**Total**	**Propeller**	**Propeller Impact Fund, LP II**	**Eliminations**	**Total**	**Combined**
Grant and Contribution Income	$ 193,000	$ -	$ -	$ 193,000	$ 1,740,155	$ -	$ -	$ 1,740,155	$ 1,933,155
Individual Donations	26,493	-	-	26,493	-	-	-	-	26,493
Miscellaneous Income	59,508	-	-	59,508	-	-	-	-	59,508
Membership Rent Income	226,718	-	-	226,718	-	-	-	-	226,718
Special Event Income	20,973	-	-	20,973	-	-	-	-	20,973
Investment Income	-	708	-	708	39,984	-	-	39,984	40,692
Released From Restrictions	2,308,548	-	-	2,308,548	(2,308,548)	-	-	(2,308,548)	-
Total Public Support and Revenues	2,835,240	708	-	2,835,948	(528,409)	-	-	(528,409)	2,307,539
Expenses									
Program Services	2,033,043	-	-	2,033,043	-	-	-	-	2,033,043
Management and General	457,980	961	-	458,941	-	-	-	-	458,941
Fundraising	307,831	-	-	307,831	-	-	-	-	307,831
Total Expenses	2,798,854	961	-	2,799,815	-	-	-	-	2,799,815
Change in Net Assets	36,386	(253)	-	36,133	(528,409)	-	-	(528,409)	(492,276)
Net Assets, Beginning of Year	586,033	600,138	(300,000)	886,171	2,693,911	-	-	2,693,911	3,580,082
Net Assets, End of Year	$ 622,419	$ 599,885	$ (300,000)	$ 922,304	$ 2,165,502	$ -	$ -	$ 2,165,502	$ 3,087,806

Propeller: A Force For Social Innovation
and Affiliated Entity
Combining Statement of Functional Expenses
For the Year Ended December 31, 2025

	Program Services			Supporting Services						
				Management and General			Fundraising			
	Propeller	Propeller Impact Fund, LP II	Total	Propeller	Propeller Impact Fund, LP II	Total	Propeller	Propeller Impact Fund, LP II	Total	Combined Total
Salaries	$ 693,977	-	$ 693,977	$ 283,649	$ -	$ 283,649	$ 251,480	$ -	$ 251,480	1,229,106
Fringe Benefits	91,332	-	91,332	17,865	-	17,865.00	27,990	-	27,990.00	137,187
Payroll Taxes	53,424	-	53,424	18,637	-	18,637	18,564	-	18,564	90,625
Meals & Entertainment	14,110	-	14,110	1,266	-	1,266	310	-	310	15,686
Contractual Professional Fees	831,373	-	831,373	51,156	-	51,158	5,091	-	5,091	887,622
Depreciation Expense	66,192	-	66,192	-	-	-	-	-	-	66,192
Fees, Taxes, and Assessments	73,609	-	73,609	-	-	-	-	-	-	73,609
Insurance	-	-	-	17,911	-	17,911	-	-	-	17,911
Interest Expense	71,340	-	71,340	-	-	-	-	-	-	71,340
Marketing	275	-	275	18,233	-	18,233	-	-	-	18,508
Other Expenses	7,250	-	7,250	26,037	961	27,048	383	-	383	34,681
Repairs & Maintenance	34,864	-	34,864	-	-	-	-	-	-	34,864
Subscription & Dues	-	-	-	17,463	-	17,463	-	-	-	17,463
Office Expense	18,849	-	18,849	-	-	-	-	-	-	18,849
Supplies	22,192	-	22,192	5,711	-	5,711	4,013	-	4,013	31,916
Occupancy Expense Utilities	54,256	-	54,256	-	-	-	-	-	-	54,256
Sub-Totals	$ 2,033,043	$ -	$ 2,033,043	$ 457,980	$ 961	$ 458,941	$ 307,831	$ -	$ 307,831	$ 2,799,815

Propeller: A Force For Social Innovation
and Affiliated Entity
Combining Statement of Cash Flows
For the Year Ended December 31, 2025

	Propeller	Propeller Impact Fund, LP II	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Change in Net Assets	$ (492,023)	$ (253)	$ (492,276)
Adjustments to reconcile changes in net assets to net cash provided in operating activities			
Depreciation	66,192	-	66,192
Net Appreciation on Investments	(38,871)	-	(38,871)
(Increase) Decrease in the following assets:			
Grants Receivable	488,607	-	488,607
Prepaids	(9,594)	-	(9,594)
Increase/(Decrease) in the following liabilities:			
Accounts Payable	(117,096)	-	(117,096)
Accrued Liabilities	6,615	-	6,615
Payroll Liabilities	18	-	18
Net Cash Used by Operating Activities	(96,152)	(253)	(96,405)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of Investments	-	(100,000)	(100,000)
Net Cash Used In Investing Activities	-	(100,000)	(100,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of Notes Payable, Net	(304,818)	-	(304,818)
Net Cash Used by Financing Activities	(304,818)	-	(304,818)
NET CHANGE IN CASH	(400,970)	(100,253)	(501,223)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,863,952	550,138	2,414,090
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,462,982	$ 449,885	$ 1,912,867

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
Propeller: A Force for Social Innovation
And Affiliated Entity

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 combined financial statements of Propeller: A Force for Social Innovation (the Organization), which comprise the combined statements of financial position as of December 31, 2025, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 5, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about the Organization's combined 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*.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's combined 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 combined 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.

Luther Speight & Company CPAs
New Orleans, Louisiana
June 5, 2026

PROPELLER: A FORCE FOR SOCIAL INNOVATION
AND AFFILIATED ENTITY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Organization.

2. No significant deficiencies or material weaknesses disclosed during the audit of the financial statements are reported in the 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*.

3. No instances of noncompliance material to the financial statements were reported in the 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*.

4. A management letter was not issued for the year ended December 31, 2025.

SECTION II - FINANCIAL STATEMENT FINDINGS

No financial statement findings were noted.

**PROPELLER: A FORCE FOR SOCIAL INNOVATION
AND AFFILIATED ENTITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025**

SECTION I - FINANCIAL STATEMENT FINDINGS

No financial statement findings were noted in 2024.

PROPELLER: A FORCE FOR SOCIAL INNOVATION
AND AFFILIATED ENTITY
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2025

Total compensation, benefits, and other payments	**$ 0**

There were no compensation, benefits, or payments to the agency head that were derived from public funds, including state, local, and federal pass-through for the year ended December 31, 2025.

Luther Speight & Company, LLC
Certified Public Accountants and Consultants

PROPELLER: A FORCE FOR SOCIAL INNOVATION
AND
AFFILIATED ENTITY

STATEWIDE AGREED-UPON PROCEDURES REPORT

FOR THE YEAR ENDED DECEMBER 31, 2025

Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Propeller: A Force for Social Innovation
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, 2025 through December 31, 2025. Propeller: A Force for Social Innovation's ("Propeller) management is responsible for those C/C areas identified in the SAUPs.

Propeller 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, 2025 through December 31, 2025. 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: *The policies and procedures appropriately address the required elements above.*

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.*

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

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) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

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

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

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

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

   a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

   Results: *No exceptions noted.*

b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

***Results**: The Entity report on the nonprofit model. We observed that the minutes referenced financial activity of the Entity on a monthly basis, including any public funds. No exceptions noted.*

c) For governmental entities. obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

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

d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

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

Bank Reconciliations

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

***Results:** We obtained a listing of bank accounts and management's representation that the listing is complete. We selected the month of December 2025 for the testing below.*

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

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 within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

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

Results: *We completed the above steps and noted no exceptions.*

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select all deposit sites (or all deposit sites if less than 5).

Results*: The Propeller Office located at 4035 Washington Ave., New Orleans, LA, 70125 is the only deposit site where deposits for cash/checks/money orders (cash) are prepared.*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 2 collection locations for 2 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

a) Employees responsible for cash collections do not share cash drawers/registers.

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

c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

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

Results*: The Entity's office is the only collection location. The Entity has a clear segregation of duties that is noted in the written policies and procedures. No exceptions noted.*

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

Results*: Propeller provided a copy of an insurance policy for the fiscal period that covers all employees who have access to cash. No exceptions noted.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

   a) Observe that receipts are sequentially pre-numbered.

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

   c) Trace the deposit slip total to the actual deposit per the bank statement.

   d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

   e) Trace the actual deposit per the bank statement to the general ledger.

   Results: *We randomly selected two deposits dates for each bank account selected for procedure 3 above, obtained supporting documentation for each deposit, and performed the procedures below. We noted no exceptions.*

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select all locations (or all locations if less than 5).

   Results: *Management confirmed that payment processing is all performed from 4035 Washington Ave., New Orleans, LA 70125.*

9. For each location above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

   Results: *We obtained a list of the employees involved and the written policies and procedures relating to employee job duties relating to non-payroll purchasing and payment functions and observed that the job duties are properly segregated.*

   a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

b) At least two employees are involved in processing and approving payments to vendors.

c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

10. For each location selected under #3 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

Results: *We noted no exceptions during our examination of non-payroll disbursements.*

a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #4, as applicable.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3(a), randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements

Results: *Reviewer has reviewed and inspected documentation and determined that the electronic disbursements were approved by authorized personnel. All purchases were approved by COO. Upon review, no exceptions were noted.*

Credit Cards/Debit Cards/Fuel Cards/P-Cards

12. 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 cards, which consisted of only credit cards, and management's representation that the listing was complete.*

13. 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 noted there is evidence showing that the statements were reviewed and approved electronically by someone other than the authorized card holder.*

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

Results: *We noted there were no finance charges or late fees assessed on any of the selected statements.*

14. Using the monthly statements or combined statements selected 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: *The Entity supplied receipts and documentation for the selected transactions. We noted no exceptions.*

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

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

a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Results: *Not applicable. All selected samples were not reimburse using per diem.*

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

Results: *Reimbursements were supported by the original itemized receipts. No exceptions noted.*

c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Results: *Each reimbursement was supported by documentation detailing the business/public purpose for the charge. No exceptions noted.*

d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: *Each reimbursement was reviewed and approved in writing by someone other than the person receiving the reimbursement. No exceptions noted.*

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Results: *Not applicable. We noted that none of the vendors selected were subject to the Louisiana Public Bid Law.*

b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Results: *Not applicable. We noted the Entity is not required to obtain board approval for contracts.*

c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

Results: *Reviewer has reviewed and inspected all contracted that originated or renewed in 2025. Upon review, no exceptions noted.*

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

Results: *Reviewer has reviewed and inspected all contracted that originated ore renewed in 2025. Upon review, no exceptions were noted.*

Payroll and Personnel

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

Results: *We obtained a list of employees who were employed during the fiscal period and management's representation that the listing was complete. No exceptions noted.*

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected above, obtain attendance records, and leave documentation for the pay period, and:

a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

Results: *Upon review of the support, no exceptions noted.*

b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

Results: *Upon review of the support, no exceptions noted.*

c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results: *Upon review of the support, no exceptions noted.*

d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: *Upon review of the support, no exceptions noted.*

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

Results: *Upon review of the support, no exceptions noted.*

20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: *No exceptions noted.*

Ethics

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

Debt Service

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

Fraud Notice

23. 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: *No misappropriations of public funds and assets were noted.*

24. 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: *No exceptions noted. The required notice above is present on the Entity's website and on its premises.*

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

    a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe evidence that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

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

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

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

    c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

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

    d) Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in prior procedures. Observe evidence that the selected terminated employees have been removed or disabled from the network.

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

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

       a. Hired before June 9, 2020 – completed the training
       b. Hired on or after June 9.2020 – completed the training withing 30 days of initial service or employment.

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

Sexual Harassment

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

We were engaged by Propeller 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 Propeller 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 5, 2026