RECONCILE NEW ORLEANS, INC.

Audits of Financial Statements

December 31, 2025 and 2024

Contents

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report

To the Board of Directors
Reconcile New Orleans, Inc.
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Reconcile New Orleans, Inc. (RNO), which comprise the statement of financial position as of December 31, 2025, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of RNO as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 RNO 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.

Other Matter

The financial statements of RNO, as of and for the year ended December 31, 2024, were audited by other auditors, whose report, dated June 5, 2025, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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 RNO's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS 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 GAAS 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 RNO's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about RNO's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information 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 GAAS. In our opinion, the accompanying supplementary information 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 May 12, 2026 on our consideration of RNO's internal control over financial reporting and 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 RNO'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 RNO's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Covington, LA
May 12, 2026

RECONCILE NEW ORLEANS, INC.
Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and Cash Equivalents	$ 4,007,782	$ 2,308,399
Short-Term Investments	-	2,027,518
Accounts Receivable	1,266	1,822
Grants Receivable	331,075	268,714
Contributions Receivable	795,246	1,004,016
Prepaid Expenses and Other Assets	20,683	14,495
Restricted Cash	384,680	113,357
Total Current Assets	5,540,732	5,738,321
Property and Equipment, Net	3,469,726	3,588,242
Other Assets		
Contributions Receivable, Net	693,021	344,872
Total Assets	$ 9,703,479	$ 9,671,435
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable and Accrued Expenses	$ 97,894	$ 100,395
Salaries, Taxes, and Withholdings Payable	19,691	88,975
Notes Payable, Current Portion	27,787	28,047
Total Current Liabilities	145,372	217,417
Long-Term Liabilities		
Notes Payable, Less Current Portion	903,310	925,131
Total Long-Term Liabilities	903,310	925,131
Total Liabilities	1,048,682	1,142,548
Net Assets		
Without Donor Restrictions	7,076,161	7,331,280
With Donor Restrictions	1,578,636	1,197,607
Total Net Assets	8,654,797	8,528,887
Total Liabilities and Net Assets	$ 9,703,479	$ 9,671,435

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

RECONCILE NEW ORLEANS, INC.
Statement of Activities
For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Grants	$ 281,270	$ 1,477,500	$ 1,758,770
Federal/State Funding	857,099	-	857,099
Contributions and Donations	648,889	100,000	748,889
Restaurant Sales	392,739	-	392,739
Catering Sales	116,187	-	116,187
Event Income	66,745	-	66,745
Investment Return, Net	135,016	-	135,016
Other Revenues, Net	21,383	-	21,383
Rental Income	45,000	-	45,000
Net Assets Released from Restrictions	1,196,471	(1,196,471)	-
Total Revenue, Support, and Gains	3,760,799	381,029	4,141,828
Expenses			
Program Expenses			
Workforce Development Program	3,228,019	-	3,228,019
Supporting Services			
Management and General	542,779	-	542,779
Fundraising	245,120	-	245,120
Total Expenses	4,015,918	-	4,015,918
Change in Net Assets	(255,119)	381,029	125,910
Net Assets, Beginning of Year	7,331,280	1,197,607	8,528,887
Net Assets, End of Year	$ 7,076,161	$ 1,578,636	$ 8,654,797

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

RECONCILE NEW ORLEANS, INC.
Statement of Activities
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Grants	$ 4,241,641	$ 392,500	$ 4,634,141
Federal/State Funding	883,370	-	883,370
Contributions and Donations	636,083	480,000	1,116,083
Restaurant Sales	404,009	-	404,009
Catering Sales	96,606	-	96,606
Investment Return, Net	155,212	-	155,212
Other Revenues, Net	7,587	-	7,587
Rental Income	575	-	575
Net Assets Released from Restrictions	1,022,034	(1,022,034)	-
Total Revenue, Support, and Gains	7,447,117	(149,534)	7,297,583
Expenses			
Program Expenses			
Workforce Development Program	3,236,806	-	3,236,806
Supporting Services			
Management and General	550,099	-	550,099
Fundraising	297,196	-	297,196
Total Expenses	4,084,101	-	4,084,101
Change in Net Assets	3,363,016	(149,534)	3,213,482
Net Assets, Beginning of Year	3,968,264	1,347,141	5,315,405
Net Assets, End of Year	$ 7,331,280	$ 1,197,607	$ 8,528,887

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

RECONCILE NEW ORLEANS, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2025

	Program Services	Supporting Services		
	Workforce Development Program	Management and General	Fundraising	Total
Salaries	$ 1,411,973	$ 250,726	$ 128,580	$ 1,791,279
Employee Benefits	346,874	77,126	39,552	463,552
Participant Assistance Expense	394,765	9,496	-	404,261
Contractual Services and Professional Fees	295,194	11,763	635	307,592
Cost of Sales - Food and Beverage	261,524	-	-	261,524
Depreciation	-	158,872	-	158,872
Utilities	116,449	-	-	116,449
Operating Supplies	70,923	6,290	15,816	93,029
Building and Equipment Repairs	80,273	-	-	80,273
Grant Writing Expense	39,817	5,354	19,750	64,921
Marketing and Public Relations	17,682	7,406	37,913	63,001
Insurance	59,315	-	-	59,315
Participant Meals	33,864	-	-	33,864
Technology and Software Maintenance	20,299	4,513	2,315	27,127
Credit Card Fees	19,554	-	-	19,554
Telephone	18,358	-	-	18,358
Participant Uniforms	12,718	-	-	12,718
Interest and Bank Service Charges	8,180	1,090	559	9,829
Equipment Rental	9,806	-	-	9,806
Fees, Dues, and Subscriptions	8,952	-	-	8,952
Volunteer Expense	-	5,247	-	5,247
Storage	-	3,014	-	3,014
Travel	1,499	719	-	2,218
Postage and Delivery	-	1,163	-	1,163
Total	$ 3,228,019	$ 542,779	$ 245,120	$ 4,015,918

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

RECONCILE NEW ORLEANS, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Services	Supporting Services		
	Workforce Development Program	Management and General	Fundraising	Total
Salaries	$ 1,439,496	$ 251,409	$ 160,412	$ 1,851,317
Participant Assistance Expense	449,151	19,857	-	469,008
Employee Benefits	313,866	69,060	80,892	463,818
Cost of Sales - Food and Beverage	244,301	-	-	244,301
Contractual Services and Professional Fees	204,892	11,560	1,213	217,665
Depreciation	-	151,465	-	151,465
Operating Supplies	82,656	8,744	26,444	117,844
Utilities	111,381	-	-	111,381
Building and Equipment Repairs	95,183	-	-	95,183
Insurance	82,764	-	-	82,764
Marketing and Public Relations	70,958	1,535	4,421	76,914
Grant Writing Expense	12,876	5,500	18,300	36,676
Participant Meals	36,579	-	-	36,579
Technology and Software Maintenance	16,920	3,723	4,361	25,004
Telephone	17,698	-	-	17,698
Credit Card Fees	16,477	-	-	16,477
Bad Debt Expense	-	16,116	-	16,116
Participant Uniforms	16,056	-	-	16,056
Interest and Bank Service Charges	8,295	984	1,153	10,432
Equipment Rental	9,692	-	-	9,692
Volunteer Expense	-	5,696	-	5,696
Fees, Dues, and Subscriptions	5,439	-	-	5,439
Storage	-	2,880	-	2,880
Other	1,350	-	-	1,350
Postage and Delivery	-	1,213	-	1,213
Travel	776	357	-	1,133
Total	$ 3,236,806	$ 550,099	$ 297,196	$ 4,084,101

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

RECONCILE NEW ORLEANS, INC.
Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in Net Assets	$ 125,910	$ 3,213,482
Adjustments to Reconcile Change in Net Assets to Net Cash (Used in) Provided by Operating Activities		
F Depreciation	158,872	151,465
Realized and Unrealized Gains	(31,482)	(151,802)
Bad Debt Expense	-	16,116
(Increase) Decrease in Operating Assets		
Accounts Receivable	556	29,701
Grants Receivable	(62,361)	551,793
Contributions Receivable, Net	(139,379)	(395,395)
Prepaid Expenses and Other Assets	(6,188)	2,131
Increase (Decrease) in Operating Liabilities		
Accounts Payable and Accrued Expenses	(2,501)	9,444
Salaries, Taxes, and Withholdings Payable	(69,284)	18,542
Net Cash (Used in) Provided by Operating Activities	(25,857)	3,445,477
Cash Flows from Investing Activities		
Purchases of Investments	-	(2,471,693)
Proceeds from Sales of Investments	2,059,000	595,977
Purchases of Property and Equipment	(40,356)	(114,194)
Net Cash Provided by (Used in) Investing Activities	2,018,644	(1,989,910)
Cash Flows from Financing Activities		
Payments on Notes Payable	(22,081)	(21,537)
Net Cash Used in Financing Activities	(22,081)	(21,537)
Net Increase in Cash, Cash Equivalents, and Restricted Cash	1,970,706	1,434,030
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	2,421,756	987,726
Cash, Cash Equivalents and Restricted Cash, End of Year	$ 4,392,462	$ 2,421,756
Supplemental Disclosure of Cash Flow Information		
Interest Expense Paid During the Year	$ 3,277	$ 3,822

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

Note 1. Background and General Data

Reconcile New Orleans, Inc. (RNO) is a not-for-profit organization initially founded as LSF Foundation named Desire, Inc., incorporated on January 10, 1997, and changed to its current corporate name on October 21, 2002. RNO operates a workforce development program that supports the training and development of young people ages 16-24, as the next generation of professionals in the New Orleans community.

The program nurtures young people's professional and personal growth as they explore career or educational opportunities and develop job readiness skills to stand out in the marketplace. Participants earn industry credentials, explore career and educational pathways that suit their individual abilities, and experience real-world, on-the-job training in the training restaurant Café (Café') Reconcile. When community members enjoy a meal in the Café, they become active participants in the training experience, with 100% of all restaurant profits directly funding participant stipends, learning opportunities, and other program resources.

Basis of Accounting

The financial statements of RNO have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared to focus on RNO as a whole and to present its net assets, revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of RNO and changes therein are classified and reported in two classes of net assets - without donor restrictions and with donor restrictions, as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of RNO are included in this category.

Net Assets With Donor Restrictions - Net assets that include gifts and contributions for which donor-imposed restrictions have not been met. Some income is reflected in net assets with donor restrictions until utilized for donor-imposed restrictions.

Expiration of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. Expenses are reported as a decrease in net assets with donor restrictions.

Note 2. Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements. Accordingly, actual reported amounts of revenues and expenses during the reporting period could differ from those estimates.

Cash, Cash Equivalents and Restricted Cash

For the purposes of the statements of cash flows, RNO considers all highly liquid debt instruments with an original maturity of three months, which are neither held for nor restricted by donors for long-term purposes, or less to be cash and cash equivalents. Cash and highly liquid financial instruments that are restricted by donors are excluded from this definition.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position to the sum of the corresponding amounts within the statements of cash flows:

	2025	2024
Cash and Cash Equivalents	**$ 4,007,782**	$ 2,308,399
Restricted Cash	**384,680**	113,357
Total	**$ 4,392,462**	$ 2,421,756

Short-Term Investments

Investments, primarily consisting of U.S. treasury bills, are stated at fair value. Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments, and interest and dividends, net of investment fees, are reflected in the statements of activities as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law.

Revenue Recognition

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, requires revenues to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the consideration expected to be received for those goods or services. This standard does not impact RNO's recognition of revenue from restaurant or catering sales as those sales are recognized on a cash basis at the time of the underlying sale and are presented net of sales tax and other sales-related taxes. Rental income is also not impacted by this standard as those revenues are subject to the guidance in ASC 842, *Leases*.

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Contributions, Donations, and Grants
Contributions, donations, and grants are recorded as revenue when an unconditional promise to give has been made. Contributions, donations, and grants are considered available for RNO's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as increases in net assets with donor restrictions. Amounts received with donor restrictions that are met in the same reporting period are reported as increases in net assets without donor restrictions.

Federal and State Funding
A portion of RNO's revenue is derived from cost-reimbursable federal and state contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when RNO has incurred expenditures in compliance with specific contract provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position.

Event Income
Revenue is recognized when the event occurs.

Accounts Receivable

Management determines the allowance using an estimate of expected credit losses, applied to customer groupings with similar risk characteristics, based on historical experience, current economic conditions, and certain forward-looking information. Account balances are written-off against the established allowance when management determines it is probable the receivable will not be collected. As of December 31, 2025 and 2024, there was no allowance recorded for credit losses.

Property and Equipment

Land, buildings, building improvements, furniture and fixtures, and equipment are recorded at cost or estimated cost. Donated items received are recorded at the fair value at time of receipt. RNO capitalizes all fixed asset acquisitions greater than $1,000. When assets are retired or otherwise disposed of, any resulting gain or loss is reflected in income for the period. Equipment purchased with grant funds that revert to the funding source are expensed at time of acquisition without consideration of cost. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the asset's life are not capitalized.

Note 2. Summary of Significant Accounting Policies (Continued)

Property and Equipment (Continued)

Buildings, building improvements, furniture and fixtures, and equipment are depreciated using the straight-line method and the following estimated useful lives:

Assets	Estimated Useful Lives
Buildings and Improvements	20 - 40 Years
Furniture and Fixtures	3 - 5 Years
Equipment	5 - 10 Years
Other Assets	5 Years

Impairment of Long-Lived Assets

RNO reviews its long-lived assets, including property and equipment and other intangibles, for impairment when an event or change in facts and circumstances indicates that their carrying amount may not be recoverable, but at least annually. RNO determines recoverability of the assets by comparing the carrying amount of the asset to net future undiscounted cash flows that the asset is expected to generate or estimated fair values in the case of nonrevenue generating assets. When the carrying value of an asset exceeds the estimated recoverability, an asset impairment charge is recognized. There were no such charges for impairment during the years ended December 31, 2025 and 2024.

Income Taxes

RNO is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain.

RNO believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

Advertising Expense

RNO expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2025 and 2024 totaled $48,777 and $73,523, respectively.

Note 2. Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, employee benefits, contractual services and professional fees, participant assistance expenses, grant writing expense, operating supplies, marketing and public relations, technology and software maintenance, interest and bank service charges, and travel, which are allocated on the basis of estimates of time and effort.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified in order to be comparable with the current year presentation. These reclassifications had no impact on previously reported changes in net assets.

Note 3. Contributions Receivable

At December 31, 2025 and 2024, amounts included in contributions receivable were as follows:

	2025	2024
Contributions Receivable	**$ 1,545,246**	$ 1,404,016
Less: Discount of Long-Term Contributions	**(56,979)**	(55,128)
Contributions Receivable, Net	**$ 1,488,267**	$ 1,348,888

Amounts due are as follows:

Year Ending December 31,	**Amount**
2026	$ 795,246
2027	525,000
2028	225,000
Total	$ 1,545,246

Contributions receivable due in more than one year are discounted at rates ranging between 3.47% and 3.55% at December 31, 2025 and between 4.25% and 4.27% at December 31, 2024.

Note 3. Contributions Receivable (Continued)

At December 31, 2025, two contributors accounted for 81% of total contributions receivable. At December 31, 2024, three contributors accounted for 85% of total contributions receivable.

One contributor accounted for 50% and 70% of total grants, contributions and donations revenue for the years ended December 31, 2025 and 2024, respectively.

Note 4. Concentration of Risk

RNO periodically maintains deposits in financial institutions that exceed the insured amount of $250,000 by the U.S. Federal Deposit Insurance Corporation (FDIC). RNO believes it is not exposed to any significant credit risk to cash. At December 31, 2025 and 2024, the amount RNO had in excess of the FDIC insured limit totaled $3,815,294 and $483,824, respectively.

Note 5. Property and Equipment, Net

At December 31, 2025 and 2024, property and equipment consisted of the following:

	2025	2024
Land	**$ 264,402**	$ 264,402
Buildings and Improvements	**5,009,937**	4,999,351
Furniture and Fixtures	**460,123**	430,353
Equipment	**675,019**	675,019
Other Assets	**12,250**	12,250
	6,421,731	6,381,375
Less: Accumulated Depreciation	**(2,952,005)**	(2,793,133)
Total Property and Equipment, Net	**$ 3,469,726**	$ 3,588,242

Depreciation expense totaled $158,872 and $151,465 for the years ended December 31, 2025 and 2024, respectively.

Note 6. Commitments and Contingencies

RNO is a recipient of grants which are governed by contractual agreements. The administration of the programs and activities funded by the grants are under the control and administration of RNO and subject to audit and/or review by the applicable funding source. Any grant or award funds found to be not properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

Note 7. Net Assets With Donor Restrictions

Net assets with donor restrictions are for the following purposes or periods at December 31:

		2025		2024
Subject to Expenditure for Specific Purpose				
Capital Improvements	**$**	**184,300**	$	184,300
Workforce Development Alumni Track		**15,000**		-
Youth Apprenticeship Cohort		**5,169**		-
Graduation Stipend		**-**		45,807
Partner Event Sponsorship		**-**		5,000
		204,469		235,107
Subject to the Passage of Time				
Available for General Use		**1,374,167**		962,500
Total	**$**	**1,578,636**	$	1,197,607

Note 8. Net Assets Released from Restrictions

Net assets were released from restrictions during the year by incurring expenses satisfying the restricted purpose or by the expiration of time as follows:

		2025		2024
Subject to Expenditure for Specific Purpose				
Graduation Stipend	**$**	**45,807**	$	48,500
Workforce Development Alumni Track		**22,500**		-
Data Enhancement Support		**5,000**		-
Youth Apprenticeship Cohort		**4,831**		-
Partner Event Sponsorship		**5,000**		-
Workforce Grant		**-**		36,884
Capital Improvements		**-**		65,700
Executive Coaching		**-**		5,950
		83,138		157,034
Subject to the Passage of Time				
Available for General Use		**1,113,333**		865,000
Total	**$**	**1,196,471**	$	1,022,034

Note 9. Notes Payable

At December 31, 2025 and 2024, notes payable consisted of the following:

		2025		2024
On November 8, 2011, RNO executed a promissory note payable to Gulf Coast Housing Development, Inc. in the sum of $765,828 to bear an interest rate of 0% through maturity at December 31, 2041. The entire principal balance of the note is due and payable in full at the earlier of December 31, 2041 or upon sale or refinance of the loan.	**$**	**765,828**	$	765,828
On November 8, 2011, RNO entered into a note payable with New Orleans Redevelopment Authority, a public entity, for $350,000 to pay costs and expenses associated with the rehabilitation of the building located at 1631 Oretha Castle Haley Boulevard with a stated interest rate of 2% per annum. The note matures on the earlier of the borrower's sale or refinance of the property or fifteen (15) years from the date of issuance of the building's temporary or permanent certificate of occupancy, not to exceed sixteen (16) years from the date of the loan agreement. Such payments shall commence one (1) year following issuance of a temporary or permanent certificate of occupancy. The loan is payable in monthly installments.		**165,269**		187,350
Total Notes Payable		**931,097**		953,178
Less: Current Portion of Notes Payable		**(27,787)**		(28,047)
Total Notes Payable, Less Current Portion	**$**	**903,310**	$	925,131

Note 9. Notes Payable (Continued)

Future scheduled maturities of notes payable are as follows:

Year Ending December 31,		Amount
2026	$	27,787
2027		22,373
2028		22,939
2029		23,519
2030		68,651
Thereafter		765,828
Total	$	931,097

The $350,000 note payable noted above is separated into two promissory notes: Promissory note A, totaling $305,462, of which the terms are explained above, and Promissory note B, totaling $44,538. Promissory note B states that RNO shall have no obligations to make any payment on the note if there is no default in any of the conditions agreed to. At the maturity date of this note, if all conditions are met, the $44,538 will be recognized as income.

Note 10. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

		2025		2024
Cash and Cash Equivalents	**$**	**4,007,782**	$	2,308,399
Short-Term Investments		**-**		2,027,518
Federal/State Funding Receivable		**331,075**		239,824
Accounts Receivable		**1,266**		1,822
Total	**$**	**4,340,123**	$	4,577,563

As part of its liquidity management plan, RNO invests cash in excess of daily requirements in short-term investments, CDs, and money market funds.

Note 11. Retirement Plan

Effective January 1, 2021, a traditional 401(k) Safe Harbor plan was established in which RNO participates. Employees are eligible to enroll in the plan after 60 days of employment and can contribute up to the federally designated limit. RNO contributions are limited to the maximum of four percent (4%) of an eligible employee's total compensation. These contributions include a three percent (3%) safe harbor election and a one quarter percent (0.25%) match for each one percent (1%) contributed by the employee up to a maximum of one percent (1%). Retirement plan expense for RNO totaled $56,761 and $61,815 for the years ended December 31, 2025 and 2024, respectively.

Note 12. Fair Value Measurements

RNO follows the *Fair Value Measurement* Topic of the FASB ASC (ASC 820) for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

ASC 820 defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to RNO. In addition to defining fair value, ASC 820 expands the disclosure requirements around fair value and establishes a fair value hierarchy for valuation inputs.

The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Each fair value measurement is reported in one of the three levels which is determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

Level 1 Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level 1 includes U.S. Treasury Bills.

Level 2 Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include less liquid and restricted equity securities and over-the-counter derivatives.

Note 12. Fair Value Measurements (Continued)

Level 3 Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include general and limited partnership interests in corporate private equity funds and funds of hedge funds.

The preceding methods described may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although RNO believes valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The valuation of RNO's investments by the above fair value hierarchy at December 31, 2024 was as follows:

	Level 1	Level 2	Level 3	Total
U.S. Treasury Bills	$ 2,027,518	$ -	$ -	$ 2,027,518
Total	$ 2,027,518	$ -	$ -	$ 2,027,518

There were no investments at December 31, 2025.

Note 13. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued May 12, 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.

SUPPLEMENTARY INFORMATION

Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2025

Agency Head
Kheri Billy, Chief Executive Officer

Purpose	Amount
Salary	$139,920
Bonus	$0
Benefits - Insurance	$18,326
Benefits - Retirement	$5,409
Benefits - Other	$527
Car Allowance	$0
Vehicle Provided by Organization	$0
Per Diem	$0
Reimbursements	$0
Travel	$0
Registration Fees	$0
Conference Travel	$0
Continuing Professional Education Fees	$0
Miscellaneous Expenses	$0

Louisiana Revised Statute (R.S.) 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees to be reported as a supplemental report within the financial statement or local government and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that received public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

MAULDIN & JENKINS

CPAs & ADVISORS

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*

Independent Auditor's Report

To the Board of Directors
Reconcile New Orleans, Inc.
New Orleans, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of Reconcile New Orleans, Inc. (RNO), which comprise the statement of financial position as of December 31, 2025, 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 May 12, 2026.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered RNO'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 RNO's internal control. Accordingly, we do not express an opinion on the effectiveness of RNO'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 may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Mauldin & Jenkins, LLC

Covington, LA
May 12, 2026

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

Section II. Financial Statement Findings

None.

None.

MAULDIN & JENKINS
CPAs & ADVISORS

AGREED-UPON PROCEDURES REPORT
Reconcile New Orleans, Inc.

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2025 - December 31, 2025

To Board of Directors
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) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. Reconcile New Orleans, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Reconcile New Orleans, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period 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:

1) Written Policies and Procedures

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

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

   ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

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

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

v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

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

vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

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

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

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

Results: No exceptions were found as a result of these procedures.

2) Board or Finance Committee

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

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

   ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit 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.*

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

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

Results: No exceptions were found as a result of these procedures.

3) Bank Reconciliations

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

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

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

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

Results: No exceptions were noted as a result of performing procedures #3A(i) and #3A(iii). Exceptions were noted for procedure #3A(ii). For the single month selected for testing, all 5 (five) bank reconciliations tested were not reviewed within one month of the reconciliation preparation date.

Management's Response: Management acknowledges the delay in the June reconciliation review, which relates to the timing of review for that specific month's reconciliations and is not a pattern across multiple months. This delay was due to a scheduled organizational closure and scheduled paid-time off by the CEO. Going forward, management notes they will implement formalized documentation to clearly reflect the approval date to meet the one month requirement.

4) Collections (excluding electronic funds transfers)

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

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

   i. Employees responsible for cash collections do not share cash drawers/registers;

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

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

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

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

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, 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:

   i. Observe that receipts are sequentially pre-numbered.

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

   iii. Trace the deposit slip total to the actual deposit per the bank statement.

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

   v. Trace the actual deposit per the bank statement to the general ledger.

   Not applicable.

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

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

B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

   ii. At least two employees are involved in processing and approving payments to vendors;

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

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

   v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

   i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

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

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

   Results: No exceptions were found as a result of these procedures.

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

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

B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:

   i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

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

C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Results: No exceptions were found as a result of these procedures.

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

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

i. If reimbursed using a per diem, observe that 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);

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

iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

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

Not applicable.

8) Contracts

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, 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

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

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

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

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

Results: No exceptions were found as a result of these procedures.

9) Payroll and Personnel

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

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

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

   ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

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

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

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

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

Results: No exceptions were found as a result of these procedures.

10) *Ethics*

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:

   i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

   ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

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

Not applicable.

11) Debt Service

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

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable.

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

B. 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 were found as a result of these procedures.

13) Information Technology Disaster Recovery/Business Continuity

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

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

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

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

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation 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 as required by R.S. 42:1267.

The requirements are as follows:

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

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

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

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

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

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

ii. Number of sexual harassment complaints received by the agency;

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

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

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

Not applicable.

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

We are required to be independent of Reconcile New Orleans, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Mauldin & Jenkins, LLC

Covington, LA
May 1, 2026