



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

BROTHERHOOD INCORPORATED
(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2024

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Luther Speight & Company, LLC
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Brotherhood Incorporated
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Brotherhood Incorporated (a nonprofit organization) ("Brotherhood"), which comprise the statement of financial position as of December 31, 2025, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Brotherhood as of December 31, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Brotherhood and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 April 21, 2026 on our consideration of Brotherhood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Brotherhood's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Brotherhood's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Brotherhood's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 16, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Luther Speight & Co. CPAs

Luther Speight & Company CPAs
New Orleans, Louisiana
April 21, 2026

BROTHERHOOD INCORPORATED
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025
WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2024

	2025	2024
Assets		
Cash	\$ 157,938	\$ 89,938
Accounts Receivable	162,500	132,117
Other Current Assets	1,753	3,032
Fixed Assets, Net	20,087	67,052
Total Assets	342,278	292,139
 Liabilities		
Accounts Payable	1,471	972
Payroll Tax Liabilities	42,863	36,585
Other Current Liabilities	6,659	6,709
Total Liabilities	50,993	44,266
 Net Assets		
Without Donor Restrictions	291,285	247,873
Total Net Assets	291,285	247,873
 Total Liabilities and Net Assets	\$ 342,278	\$ 292,139

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

BROTHERHOOD INCORPORATED
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues and Support				
Grant Support	\$ 793,295	\$ -	\$ 793,295	\$ 704,099
Program Income	23,562	-	23,562	36,932
Other Income	10,080	-	10,080	15,587
Total Revenues and Support	826,937	-	826,937	756,618
Expenses				
Program Services:				
A. HIV/AIDS Housing	202,509	-	202,509	209,637
B. OPH HIV/AIDS Testing	217,364	-	217,364	202,410
C. ViiV Hideaway	208,226	-	208,226	119,905
D. Other Programs	68,834	-	68,834	132,058
Support Services:				
Management and General	86,592	-	86,592	119,897
Total Expenses	783,525	-	783,525	783,907
Change in Net Assets	43,412	-	43,412	(27,289)
Net Assets, Beginning of Year	247,873	-	247,873	285,864
Net Assets Adjustment	-	-	-	(10,702)
Net Assets, End of Year	\$ 291,285	\$ -	\$ 291,285	\$ 247,873

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

BROTHERHOOD INCORPORATED
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024

Expenses	Program Services				Supporting Services		2025 Total	2024 Total
	HIV/AIDS Housing	OPH HIV/AIDS Testing	ViiV Hideaway	Other Programs	Program Total	Management & General		
Salaries & Related Expenses	\$ 162,271	\$ 137,713	\$ 139,141	\$ 43,600	\$ 482,725	\$ 79,534	\$ 562,259	\$ 521,087
Advertising Expense	-	-	-	-	-	2,417	2,417	820
Communications	5,332	5,026	5,744	23	16,125	-	16,125	15,293
Contractual Expense	-	12,000	10,400	-	22,400	-	22,400	27,235
Fees, Taxes, and Assessments	272	40	-	485	797	-	797	1,079
Food & Nutrition	4,705	-	-	2,332	7,037	-	7,037	10,237
Indirect Costs	-	20,391	24,030	-	44,421	(42,324)	2,097	2,069
Insurance	13,762	10,725	6,164	7,968	38,619	-	38,619	40,186
Interest Expense	-	-	-	476	476	-	476	750
Medical Lab Costs	-	1,438	-	-	1,438	-	1,438	2,447
Office Expenses	1,719	1,127	1,137	672	4,655	-	4,655	7,347
Other Expenses	-	-	50	2,334	2,384	-	2,384	5,376
Professional Fees	3,000	6,000	9,250	-	18,250	-	18,250	18,350
Program Incentives	-	6,450	612	-	7,062	-	7,062	13,407
Program Supplies	206	1,513	-	15	1,734	-	1,734	1,772
Lease Expense	-	11,385	9,663	-	21,048	-	21,048	32,482
Repairs & Maintenance	1,061	-	-	8,096	9,157	-	9,157	10,349
Travel & Training	-	-	2,035	-	2,035	-	2,035	4,107
Utilities & Household	10,181	3,556	-	2,833	16,570	-	16,570	22,549
Sub-Totals	<u>202,509</u>	<u>217,364</u>	<u>208,226</u>	<u>68,834</u>	<u>696,933</u>	<u>39,627</u>	<u>736,560</u>	<u>736,942</u>
Depreciation Expense	-	-	-	-	-	46,965	46,965	46,965
Totals	<u>\$ 202,509</u>	<u>\$ 217,364</u>	<u>\$ 208,226</u>	<u>\$ 68,834</u>	<u>\$ 696,933</u>	<u>\$ 86,592</u>	<u>\$ 783,525</u>	<u>\$ 783,907</u>

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

BROTHERHOOD INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	43,412	\$ (27,289)
Net Assets Adjustment	-	(10,702)
Adjustments to reconcile changes in net assets to net cash provided in operating activities:		
Depreciation	46,965	46,965
Changes in operating assets and liabilities:		
Increase in Accounts Receivable	(30,383)	(35,205)
Decrease in Other Current Assets	1,279	-
Increase in Accounts Payable	499	855
Decrease in Accrued Payroll	-	(13,586)
Increase in Payroll Liabilities	6,278	26,329
Increase/(Decrease) in Other Current Liabilities	(50)	2,872
Net Cash Provided By/(Used In) Operating Activities	68,000	(9,761)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Fixed Assets	-	(5,070)
Net Cash Used In Investing Activities	-	(5,070)
NET CHANGE IN CASH	68,000	(14,831)
CASH, BEGINNING OF YEAR	89,938	104,769
CASH, END OF YEAR	\$ 157,938	\$ 89,938

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

BROTHERHOOD INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 – ORGANIZATION

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

Brotherhood offers and provides the following programs and services:

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Accounting

Brotherhood is a non-profit, community-based organization whose financial statements are prepared on the basis of accounting and in accordance with generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

BROTHERHOOD INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Reporting

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

- Net assets without donor restrictions include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of Brotherhood are included in this category. Brotherhood has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of Brotherhood and, therefore, their policy is to record those net assets as without donor restrictions.
- Net assets with donor restrictions include funds that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

At December 31, 2025, Brotherhood did not have any net assets with donor restrictions.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, Brotherhood considers all cash in demand deposits and investments purchased with a maturity date of three months or less to be cash equivalents. For the year ended December 31, 2025, Brotherhood did not have any cash equivalents.

BROTHERHOOD INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uncollectible Accounts, Grants Receivable, and Promises to Give

Brotherhood uses the direct charge-off method whereby uncollectible accounts are recognized as bad debts at the time information becomes available which would indicate the collectability of the particular receivable. The direct charge-off method is used because it does not cause a material departure from GAAP, and it approximates the valuation method. For the year ended December 31, 2025, Brotherhood did not record an allowance for doubtful accounts.

Fixed Assets

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

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

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

Advertising Expenses

Brotherhood uses advertising to promote its programs amongst the communities it serves. Costs are expensed as incurred. Advertising expenses amounted to \$2,417 for the year ended December 31, 2025, and are included in the statement of functional expenses.

Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions.

A contribution or promise to give contains a donor or grantor condition when both of the following are present:

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

BROTHERHOOD INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Unconditional contributions, or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor, are recorded as revenue with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional contributions are recognized when the barriers to entitlement are overcome, and the promises become unconditional. Unconditional contributions are recognized as revenue when received. Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award. Revenue generated from contracts with customers are recognized when (or as) the entity satisfies a performance obligation by transferring control of promised goods or services, in an amount reflecting the consideration expected in exchange.

Concentration of Credit

Brotherhood maintains cash accounts with one commercial bank. The balances did not exceed the federal insured amount of \$250,000 during the year ended December 31, 2025.

Functional Allocation of Expenses

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

Income Taxes

Brotherhood is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Brotherhood's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally for three years after they are filed.

Recent Accounting Pronouncements

There are no new accounting pronouncements that have an impact on the financial statements for the year ended December 31, 2025.

Leases

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

BROTHERHOOD INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

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

Brotherhood lease agreements do not contain any material residual value guarantees or material restrictive covenants. Brotherhood uses the risk-free rate as the discount rate for all classes of underlying assets when the interest rate is not implicitly or explicitly stated in the lease agreement at commencement date. Brotherhood does not recognize ROU assets and lease liabilities for leases with a term of twelve (12) months or less. Brotherhood also does not recognize ROU assets and lease liabilities for leases with immaterial cumulative lease payments over the course of the lease term.

On September 17, 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The Update is expected to increase transparency around contributed nonfinancial assets (also known as “gifts-in-kind”) received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. The Update requires that contributed non-financial assets be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It also requires additional disclosures. The ASU is applicable for periods beginning after June 15, 2021. During the year ended December 31, 2025, the Organization did not receive any contributed non-financial assets so no changes to the financial statements were needed.

NOTE 3 – FIXED ASSETS

A summary of fixed assets is as follows:

Land	\$	12,000
Furniture and Fixtures		71,775
Buildings and Improvements		474,475
Equipment		228,463
Vehicles		84,984
		<u>871,697</u>
Accumulated Depreciation		<u>(851,610)</u>
Net Fixed Assets	\$	<u>20,087</u>

BROTHERHOOD INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 3 – FIXED ASSETS (CONTINUED)

Depreciation expense was \$46,965 during the year ended December 31, 2025.

NOTE 4 – ECONOMIC DEPENDENCY

The primary source of revenue for Brotherhood is federal grants provided through various funding agencies. Grant support represents 96% of total revenues for the year ended December 31, 2025. The continued success of Brotherhood is dependent upon the renewal of contracts from current funding sources as well as obtaining new funding.

NOTE 5 – GOVERNMENT GRANTS

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

NOTE 6 – OPERATING LEASES

Brotherhood leases multiple suites in a building located at 2714 Canal Street. As of December 31, 2025, the lease agreements were on a month-to-month basis. Total rent expense for the year for all office spaces was \$21,048 and is included in the statement of functional expenses. Due to the short-term (12 months or lease) nature of the leases, they do not qualify for the accounting treatment described in ASC 842, *Leases*.

NOTE 7 – FEDERAL COMPLIANCE CONTINGENCIES

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

NOTE 8 – LINE OF CREDIT

Brotherhood has one line of credit with a financial institution. The line of credit has an interest rate of 8.5%. At December 31, 2025, the line of credit had an outstanding balance of \$0 with a maturity date of May 2, 2026. The line of credit incurred interest amounting to \$476 for the current period. The line of credit had an available balance of \$80,000 as of December 31, 2025.

BROTHERHOOD INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 9 – PENSION PLAN

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

NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects Brotherhood’s financial assets as of December 31, 2025, reduced by the amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

Cash	\$ 157,938
Accounts Receivable	<u>162,500</u>
Total	320,438
Net Assets with Donor Restrictions	<u>-</u>
Financial Assets Available to Meet Expenditures Over the next 12 months	<u>\$ 320,438</u>

NOTE 11 – COMPENSATED ABSENCES

Per Brotherhood’s policy, sick time is accrued from year to year but not paid upon termination. Accrued vacation time is allowed up to a 90-day probationary period to be used in the subsequent year and upon termination, vacation time not used by staff is compensated. However, management has determined that an accrual for compensated absences is not necessary at December 31, 2025 because no vacation time has been deemed outstanding at year end.

NOTE 12 – SUBSEQUENT EVENTS

Management evaluated subsequent events as of April 21, 2026, which is the date these financial statements were available to be issued. Management noted that there are no additional disclosures or adjustments required to these financial statements. No subsequent events have been evaluated for inclusion in the financial statements after this date.



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

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

To the Board of Directors of
Brotherhood Incorporated
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Brotherhood Incorporated (a nonprofit organization) ("Brotherhood"), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 21, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Luther Speight & Co. CPAs

Luther Speight & Company CPAs
New Orleans, Louisiana
April 21, 2026

**BROTHERHOOD INCORPORATED
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Section I – Summary of Auditor’s Results

Financial Statements

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

Internal Control Over Financial Reporting:

Material weaknesses identified?	_____	yes	_____	X	no
Significant deficiencies identified, not considered to be material weaknesses?	_____	yes	_____	X	no

Noncompliance material to financial statements noted? _____ yes _____ X no

Federal Awards

Not applicable, as Brotherhood did not expend \$1,000,000 or more in federal funding during the year ended December 31, 2025.

**BROTHERHOOD INCORPORATED
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Section II – Financial Statement Findings and Questioned Costs

We noted no findings during the year ended December 31, 2025.

**BROTHERHOOD INCORPORATED
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025**

There were no findings noted in the prior year audit.

BROTHERHOOD INCORPORATED
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head Name: Donnisha Patterson, Executive Director

Purpose	Amount
Salary	\$ 67,950
Benefits-FICA	5,198
Benefits-State	1,761
Benefits-SUTA	267
Benefits-Health Insurance	2,557
Travel	1,800

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



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

BROTHERHOOD INCORPORATED
AGREED-UPON PROCEDURES REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Brotherhood Incorporated
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025, through December 31, 2025. Brotherhood Incorporated's management is responsible for those C/C areas identified in the SAUPs.

Brotherhood Incorporated has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs, for the fiscal period January 1, 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.

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

- 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.

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

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

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

- 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).

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

- 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.

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

- 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.

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

- vii. **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.

- 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).

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

- 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.

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

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

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

- 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.

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

- 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: *This section is non-applicable because the entity is a nonprofit organization.*

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.

Results: We observed that the board met with a quorum on a quarterly basis, in accordance with the Board's bylaws. No exceptions were noted.

- ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month 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.*

Results: We noted that the entity reports on the nonprofit accounting model. We observed that the minutes referenced overall financial activity, including public funds and all other collections.

- 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.

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

- 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: Not applicable, as there were no findings observed in the prior year's audit report.

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:

Results: We obtained a listing of the entity's bank accounts from management, as well as management's representation that the listing was complete. We selected the month of December 2025 for testing and made the observations below:

- 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).

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

- 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).

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

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

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).

Results: We noted the entity's only deposit site is located at 1422 Kerlerec Street, New Orleans, LA 70116.

- 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.

***Results:** We noted the entity's only deposit site is located at 1422 Kerlerec Street, New Orleans, LA 70116. This location is also the only collection location. We have obtained and inspected written policies and procedures relating to employee job duties at the collection location and observed that the job duties are properly segregated. Funds are deposited by the Administrative Assistant and bank reconciliations are performed by the Director of Finance. No exceptions noted.*

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

***Results:** The entity provided a copy of a commercial crime bond that was enforced during the fiscal period. No exceptions were noted.*

- 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.

Results: We observed the procedures above and noted that the entity's supporting documentation provided evidence to satisfy each requirement. We noted no exceptions.

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).

Results: We noted the entity's only location for processing payments is 1422 Kerlerec Street, New Orleans, LA 70116.

- 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;

Results: We have obtained a listing of the employees involved and the written policies and procedures relating to employee job duties at the location mentioned above, and observed that the job duties are properly segregated.

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

Results: Requests are initiated by the Director of Finance, and approvals are made by the Executive Director before the requests are processed.

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

Results: The Director of Finance processes the payment after receiving approval from the Executive Director.

- 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;

Results: The Director of Finance has the capability to add/modify) the vendor files. However, the Executive Director is responsible for periodically reviewing changes to the 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

Results: The Director of Finance processes the payments, and the Executive Director approves them and mails the checks.

- 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.

Results: The Executive Director signs the checks and approves the electronic disbursements.

- 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.

Results: We have selected and tested 5 items and found no exceptions

- 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: We have selected and tested 5 items and found no exceptions

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.

Results: We obtained a listing of all active cards used during the fiscal period, which were all debit cards, and obtained management's representation that the listing was 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., itemized 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

Results: There is evidence showing that the statements were reviewed and approved by someone other than the cardholder.

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

Results: There were no finance charges or late fees assessed on any of the cards.

- 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.

Results: *We selected transactions from the entity’s card listing and performed the procedures detailed above with no exceptions being noted. All transactions were supported by itemized receipts and written documentation of the business purpose of the transaction.*

- 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: *The terminated employees during the current engagement period were all considered part-time staff. None of the terminated staff members had access to any of the entity’s cards.*

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 (doa.la.gov/oa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);

Results: *The entity uses the reimbursement rate established by the US. General Services Administration.*

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

Results: Reimbursements using actual costs were supported by an original itemized receipt that identified what was purchased. No exceptions were noted.

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

Results: Each reimbursement was supported by documentation of the business/public purpose. No exceptions were noted.

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

Results: Exception noted. The travel expense report is reviewed and approved by the person receiving the reimbursement.

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.

Result: We obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period, and obtained management's representation that the listing was complete. The entity only had two contracts for professional services that were renewed during the current period, one being the contract with our firm, being the practitioner of the current audit engagement. We selected one payment from the fiscal period, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract. No exceptions were noted.

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.

Results: We have obtained a full list of the employees during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees, and obtained related salaries and personnel files, and agreed the paid salaries to authorized pay rates in the personnel files without exception.

- 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.

Results: We performed the procedures above and noted no exceptions.

- 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.

Results: We obtained a listing of terminated employees and management's representation that the list is complete. We randomly selected two employees, and observed that both were part-time staff members who did not receive any severance pay.

- 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) have been paid, and any associated forms have been filed, by required deadlines.

Results: We observed that the entity had outstanding liabilities for payroll taxes due at year-end.

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.

Results: Not applicable as the entity is a nonprofit organization.

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).

Results: Not applicable as the entity is a nonprofit organization.

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.

Results: Management confirmed there were no misappropriations of public funds or assets during the fiscal year ended December 31, 2025.

- 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: We noted the required notice is posted on the entity's website.

13) Information Technology Disaster Recovery/Business Continuity

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 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.

Results: *We performed the procedures 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, 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.

Results: *We performed the procedures 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 procedures 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 Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: *We performed the procedures and discussed the results with management.*

- E. 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: *Not applicable as the entity is not required to participate in cybersecurity training because it is a nonprofit organization.*

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.

Results: Not applicable as the entity is a nonprofit organization.

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

We are required to be independent of Brotherhood, Incorporated and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures agreement.

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 & Co. CPAs

Luther Speight & Company CPAs
New Orleans, Louisiana
April 21, 2026