

*Consolidated Financial Report*

*Jericho Road Episcopal Housing  
Initiative, Inc. and Affiliates*

*December 31, 2024*



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December 31, 2024 and 2023

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## **FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors,  
Jericho Road Episcopal Housing Initiative, Inc. and Affiliates,  
New Orleans, Louisiana.

### **Opinion**

We have audited the accompanying consolidated financial statements of Jericho Road Episcopal Housing Initiative, Inc. and Affiliates (a nonprofit organization) (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

### **Basis for Opinion**

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

### **Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Consolidated 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, including omissions, 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 consolidated 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

## **Reports on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules (Schedules 1 through 7) are presented for purposes of additional analysis and are not a required part of the consolidated financial statements of the Organization. The supplementary information in Schedule 7 is presented for purposes of additional analysis, is required by Louisiana Revised Statute 24:513(A)(3) and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

## **Report on Summarized Comparative Information**

We have previously audited the Organization's 2023 consolidated financial statements, and our report dated June 25, 2024, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Bourgeois Bennett, L.L.C." in a cursive script.

Certified Public Accountants.

New Orleans, Louisiana,  
June 24, 2025.

## **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

### **Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**

New Orleans, Louisiana

December 31, 2024  
(with comparative totals for 2023)

#### **ASSETS**

	<u>2024</u>	<u>2023</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 12,110	\$ 54,321
Grants receivable:		
Federal grants	722,366	1,246,046
Private grants	-	56,260
Inventory	6,457,793	5,451,356
Prepaid expenses	<u>14,727</u>	<u>18,829</u>
Total current assets	<u>7,206,996</u>	<u>6,826,812</u>
 <b>Property and Equipment</b>		
Office equipment	1,800	4,075
Furniture and fixtures	9,420	26,129
Vehicles	-	25,714
Less accumulated depreciation	<u>(9,134)</u>	<u>(53,262)</u>
Total property and equipment, net	<u>2,086</u>	<u>2,656</u>
 <b>Other Assets</b>		
Soft second mortgage loans receivable, net	<u>87,152</u>	<u>79,824</u>
Total assets	<u><u>\$ 7,296,234</u></u>	<u><u>\$ 6,909,292</u></u>

See notes to consolidated financial statements.

**LIABILITIES AND NET ASSETS**

	<u>2024</u>	<u>2023</u>
<b>Current Liabilities</b>		
Accounts payable	\$ 813,590	\$ 1,557,694
Accrued expenses	7,618	7,718
Accrued interest payable	16,083	10,142
Lines of credit	1,231,775	923,022
Current portion of long-term debt	-	340,354
	<u>2,069,066</u>	<u>2,838,930</u>
<b>Noncurrent Liabilities</b>		
Long-term debt, net of current portion	340,354	-
Economic Injury Disaster Loan	500,000	500,000
	<u>840,354</u>	<u>500,000</u>
Total noncurrent liabilities	<u>840,354</u>	<u>500,000</u>
Total liabilities	<u>2,909,420</u>	<u>3,338,930</u>
<b>Net Assets</b>		
Without donor restrictions	4,366,814	3,550,362
With donor restrictions	20,000	20,000
	<u>4,386,814</u>	<u>3,570,362</u>
Total net assets	<u>4,386,814</u>	<u>3,570,362</u>
Total liabilities and net assets	<u><u>\$ 7,296,234</u></u>	<u><u>\$ 6,909,292</u></u>

**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**AND CHANGES IN NET ASSETS**

**Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2024  
(with comparative totals for 2023)

	2024			
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals	2023 Totals
<b>Support and Revenue</b>				
Sales of homes	\$ -	\$ -	\$ -	\$ 230,000
Grant income:				
Federal grants	1,963,108	-	1,963,108	3,825,762
Private grants	250,838	-	250,838	360,581
Contributions	10,077	-	10,077	14,067
In-kind support	-	-	-	99,818
Miscellaneous income	15,819	-	15,819	29,135
Property development income	-	-	-	16,250
Total support and revenue	2,239,842	-	2,239,842	4,575,613
<b>Expenses</b>				
Program expenses:				
Cost of homes sold/donated:				
Inventory cost	141,284	-	141,284	299,977
Closing costs paid by seller	-	-	-	8,298
Total cost of homes sold	141,284	-	141,284	308,275
Home development	908,947	-	908,947	738,764
Vacant land management	22,232	-	22,232	37,158
Community engagement	44,269	-	44,269	99,458
Total program expenses	1,116,732	-	1,116,732	1,183,655

	2024			
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals	2023 Totals
<b>Expenses (Continued)</b>				
Administrative expenses	259,648	-	259,648	255,660
Marketing/fundraising	47,010	-	47,010	38,467
Total expenses	1,423,390	-	1,423,390	1,477,782
Change net assets	816,452	-	816,452	3,097,831
<b>Net Assets</b>				
Beginning of year	3,550,362	20,000	3,570,362	472,531
End of year	<u>\$ 4,366,814</u>	<u>\$ 20,000</u>	<u>\$ 4,386,814</u>	<u>\$ 3,570,362</u>

See notes to consolidated financial statements.

**CONSOLIDATED STATEMENT OF**  
**FUNCTIONAL EXPENSES**

**Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2024  
(with comparative totals for 2023)

	Program Expenses			Total
	Home Development	Vacant Land Management	Community Engagement	Program Expenses
Advertising and marketing	\$ -	\$ -	\$ -	\$ -
Amortization of soft second mortgages	23,840	-	-	23,840
Bank fees	11,480	-	-	11,480
Business registration fees	-	-	-	-
Community development contract labor	-	-	25,000	25,000
Community promotions	-	350	420	770
Computer software and equipment	-	-	-	-
Cost of homes sold/donated	141,284	-	-	141,284
Depreciation	-	-	-	-
Fundraising	-	-	-	-
Home development	395,141	-	-	395,141
Insurance	46,788	-	-	46,788
Interest	55,762	-	-	55,762
Office supplies	3,373	-	-	3,373
Payroll taxes	-	-	-	-
Postage	-	-	-	-
Printing and copying	-	-	-	-
Professional fees	500	-	-	500
Rent	2,940	1,320	3,960	8,220
Salaries and benefits	368,648	13,388	14,889	396,925
Salaries and benefits in-kind	-	-	-	-
Telephone expense	-	-	-	-
Travel and meetings	475	-	-	475
Vacant land management	-	7,174	-	7,174
	<u>\$ 1,050,231</u>	<u>\$ 22,232</u>	<u>\$ 44,269</u>	<u>\$ 1,116,732</u>

See notes to consolidated financial statements.

Administrative Expenses	Marketing/ Fundraising	Totals	
		2024	2023
\$ -	\$ 2,157	\$ 2,157	\$ 3,528
-	-	23,840	32,684
1,877	-	13,357	4,408
434	-	434	1,122
-	37,913	62,913	50,000
-	-	770	3,361
5,597	-	5,597	5,029
-	-	141,284	308,275
570	-	570	581
-	6,940	6,940	8,186
-	-	395,141	231,771
62,500	-	109,288	92,669
35,548	-	91,310	41,933
7,536	-	10,909	9,697
17,358	-	17,358	16,756
-	-	-	73
-	-	-	2,817
24,722	-	25,222	20,837
15,780	-	24,000	24,600
82,959	-	479,884	505,368
-	-	-	99,818
4,767	-	4,767	3,600
-	-	475	2,991
-	-	7,174	7,678
<u>\$ 259,648</u>	<u>\$ 47,010</u>	<u>\$ 1,423,390</u>	<u>\$ 1,477,782</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS****Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**

New Orleans, Louisiana

For the year ended December 31, 2024  
(with comparative totals for 2023)

	<u>2024</u>	<u>2023</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 816,452	\$ 3,097,831
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	570	581
Amortization of soft second mortgages	23,840	32,684
Cost of homes sold/donated	141,284	78,275
(Increase) decrease in operating assets:		
Grants receivable	579,940	(1,126,856)
Prepaid expenses	4,102	(1,841)
Increase (decrease) in operating liabilities:		
Accounts payable	(529,843)	(21,089)
Accrued expenses	(100)	(10,038)
Accrued interest payable	5,941	(3,174)
Net cash provided by operating activities	<u>1,042,186</u>	<u>2,046,373</u>
<b>Cash Flows From Investing Activities</b>		
Proceeds from homes sold	-	221,702
Cost of home/lot purchased for construction	<u>(471,415)</u>	<u>(3,052,921)</u>
Net cash used in investing activities	<u>(471,415)</u>	<u>(2,831,219)</u>
<b>Cash Flows From Financing Activities</b>		
Payments of accounts payable used to finance inventory acquisition	(921,735)	-
Lines of credit draws, net	<u>308,753</u>	<u>679,305</u>
Net cash provided by (used in) financing activities	<u>(612,982)</u>	<u>679,305</u>
<b>Net Decrease In Cash and Cash Equivalents</b>	<u>(42,211)</u>	<u>(105,541)</u>



**Exhibit D  
(Continued)**

	<u>2024</u>	<u>2023</u>
<b>Cash and Cash Equivalents</b>		
Beginning of year	<u>54,321</u>	<u>159,862</u>
End of year	<u><u>\$ 12,110</u></u>	<u><u>\$ 54,321</u></u>
 <b>Supplemental Disclosure of Non-Cash Investing Activities</b>		
Inventory purchases included in accounts payable	<u><u>\$ 707,474</u></u>	<u><u>\$ 1,518,010</u></u>
 <b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid for:		
Interest	<u><u>\$ 109,865</u></u>	<u><u>\$ 108,599</u></u>

See notes to consolidated financial statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

December 31, 2024

**Note 1 - NATURE OF ACTIVITIES**

Jericho Road Episcopal Housing Initiative, Inc. and Affiliates (the “Organization”) is a neighborhood-based non-profit organization that was formed as a tax exempt organization in March 2006. It is located in New Orleans, Louisiana, and the initial and sole member of the Organization was the Diocese of the Episcopal Church of Louisiana (the “Diocese”). In October 2011, sole membership was assigned and conveyed by the Diocese to Christ Church Corporation, a Louisiana non-profit religious corporation. The primary purpose of the Organization is to provide healthy and energy efficient affordable housing opportunities in New Orleans neighborhoods for working families and individuals.

The Organization works with other non-profit organizations, businesses, governmental agencies, and neighborhood residents to create and maintain a stable and thriving community. Long-term housing strategies include new construction and rehabilitation of existing owner-occupied homes. The Organization is supported primarily through contributions and grants.

On October 8, 2014, Jericho QALICB, L.L.C., (QALICB) was established as a non-profit corporation to operate exclusively for the benefit of the Organization and to support the charitable and social purposes of the Organization and specifically to facilitate the New Markets Tax Credit transaction. Upon dissolution of the QALICB, all of its assets, in excess of those necessary to liquidate its outstanding liabilities, shall be and becomes the property of the Organization. On October 23, 2020, QALICB exercised an option to assign and transfer the debt to QALICB in full satisfaction of the initial agreement. There was no activity in QALICB during the years ended December 31, 2024 and 2023.

On November 1, 2017, the Organization became the sole member of Project Homecoming, Inc. (“Project Homecoming”). Project Homecoming is a faith-based community development non-profit organization, established in April 2010, building resilient neighborhoods in the greater New Orleans area. Project Homecoming is committed to facilitating a culture of care in targeted communities through safe, durable, affordable, and environmentally sensitive construction, community driven partnerships, service, and fellowship.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Organization and Income Taxes**

The Organization is a non-profit organization organized under the laws of the State of Louisiana and is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the IRC. It is also exempt from Louisiana income tax under the authority of R.S. 47.121(5).

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of December 31, 2024, management believes the Organization has no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements. The Organization recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. Tax years ended December 31, 2021 and later remain subject to examination by the taxing authorities.

**b. Basis of Accounting**

The consolidated financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as promulgated by the Financial Accounting Standards Board. Under this method, revenues are recognized when earned, and expenses are recorded when incurred.

**c. Use of Estimates**

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that impact certain reported amounts and disclosures. Actual results could differ from those estimates.

**d. Basis of Presentation**

Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as:

*Net Assets without Donor Restrictions* - Resources that are available to support the general operations of the Organization.

*Net Assets with Donor Restrictions* - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time, or net assets that are maintained permanently by the Organization. As of December 31, 2024 and 2023, the Organization has \$20,000 of net assets restricted for the purchase of a vehicle.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e. Principles of Consolidation**

The accompanying consolidated financial statements show the combined assets, liabilities and transactions of the Jericho Road Episcopal Housing Initiative, Inc., QALICB, and Project Homecoming. All intercompany transactions and resulting balances accounts have been eliminated from the consolidated financial statements.

**f. Cash and Cash Equivalents**

For purposes of the Consolidated Statements of Cash Flows, the Organization considers all short-term highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

**g. Grants Receivable**

The Organization records private grants receivable when grants are awarded and government grants receivable on an expense reimbursement basis. Grants receivable are stated at the amount management expects to collect based on their review of outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has made reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. There was no allowance for credit losses provided by Organization's management for both of the years ended December 31, 2024 and 2023.

**h. Inventory**

All direct material, labor, and equipment costs and those indirect costs related to home construction such as indirect labor, supplies and tool costs are recorded as inventory on the Consolidated Statements of Financial Position as they are incurred. Land costs included in inventory are stated at cost or fair value at the date of the contribution. Included in land costs are any costs incurred in development. When revenue from the sale of a home is recognized, the corresponding costs are then expensed in the Consolidated Statements of Activities.

**i. Property and Equipment**

Property and equipment is stated at cost. The Organization capitalizes all costs with an estimated useful life greater than one year and an original cost in excess of \$2,500. Expenditures for maintenance, repairs, and minor renewals are charged against earnings as incurred. Major expenditures for renewals and betterments are capitalized.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i. Property and Equipment (Continued)**

Depreciation is provided principally on the straight-line method, over the following estimated useful lives:

	<u>Years</u>
Office equipment	5
Furniture and fixtures	5-20
Vehicles	5

**j. Soft Second Mortgage Loans Receivable**

Soft second mortgage loans receivable consist of non-interest bearing forgivable loans secured by real estate. No repayment is required unless the borrower fails to maintain ownership of the property and resides in it as his/her principal place of residency for the duration of the applicable period of affordability, which is 15 years. In the event the borrower ceases to occupy the property, the entire amount of the loan, less any portion earned by the borrower, will be due and payable.

The borrower will earn a portion of the loan for each month that he/she owns and resides in the property as his/her principal place of residency. The borrower will earn the loan on a pro-rata basis for each month of ownership and occupancy as measured against the period of affordability.

The Organization records the earned portion on a straight-line basis. The amortization expense is included in administrative expenses in the Consolidated Statements of Activities and Changes in Net Assets.

Soft second mortgage loans receivable totaled \$87,152 and \$79,824, net of amortization of \$270,451 and \$499,209 as of December 31, 2024 and 2023, respectively.

**k. Revenue Recognition**

Revenue from Exchange Transactions: The Organization recognizes revenue in accordance with Accounting Standards Update (ASU) No. 2014-09, “*Revenue from Contracts with Customers*”, as amended. ASU No. 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Organization records the following exchange transaction revenue in its Consolidated Statements of Activities and Changes in Net Assets for the years ended December 31, 2024 and 2023:

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k. Revenue Recognition (Continued)**

**Homes Sold** - The Organization's mission to provide affordable housing opportunities results in the sale of homes constructed in the course of business. The performance obligation is the delivery of the home to the customer. Revenue is recognized at the closing date of the sale of the home.

**Property Development Income** - The Organization has significant expertise in project management as it relates to the construction of affordable housing supported by private funding. The Organization offers development services to other non-profit organizations that are also developing affordable housing but do not have the level of expertise that the Organization does. The performance obligation is the delivery of services to the co-developer. Revenue is recognized at the time that services are rendered.

Costs incurred by the Organization in obtaining a contract are not capitalized. As part of the Organization's adoption of the revenue recognition guidance, the Organization elected to apply the practical expedient to recognize the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the Organization otherwise would have recognized is one year or less. These costs are included in operating expenses in the Consolidated Statements of Activities and Changes in Net Assets.

The Organization has elected to apply practical expedients to not disclose the revenue related to unsatisfied performance obligations if the contract has an original duration of one year or less, and the Organization has recognized revenue for the amount in which it has the right to bill.

**l. Support**

Contributions are recorded as contributions without donor restrictions, or contributions with donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the Consolidated Statements of Activities and Changes in Net Assets as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as contributions without donor restrictions.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m. Methods Used for Allocation of Expenses**

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated based on direct identification of expense related to each function.

**n. Land Development Costs**

Costs that relate to land development projects are capitalized. Costs are allocated to project components by the specific identification method.

**o. Warranties**

The Organization provides a new home warranty in the deed of trust on the sale of new homes as required by the State of Louisiana's New Warranty Act. The warranty is for one year and is generally for defects in materials and workmanship. The Organization did not record a warranty liability because the subcontractor furnishes a warranty. The Organization would only be liable if the subcontractor fails to honor their warranty.

**p. Advertising and Marketing**

The Organization uses advertising and marketing to promote its programs. Advertising and marketing costs are expensed as incurred. Advertising and marketing expenses for the years ended December 31, 2024 and 2023 totaled \$2,157 and \$3,528, respectively.

**q. Subsequent Events**

Management evaluates events occurring subsequent to the date of the consolidated financial statements in determining the accounting for and disclosure of transactions and events that affect the consolidated financial statements. Subsequent events have been evaluated through June 24, 2025, which is the date the financial statements were available to be issued.

**Note 3 - LIQUIDITY AND AVAILABILITY OF ASSETS**

The Organization is substantially supported by restricted contributions and grants. Because a donor's or grantor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors and grantors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Annual operations are defined as activities occurring during, and included in the budget for, a fiscal year.

The following table represents financial assets available for general expenditures within one year as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents	\$ 12,110	\$ 54,321
Grants receivable	<u>722,366</u>	<u>1,246,046</u>
Total financial assets, as of		
December 31, 2024 and 2023	734,476	1,300,367
Less amounts not available to be		
used within one year, due to:		
Contractual or donor imposed restrictions:		
Purpose restricted net assets	<u>(20,000)</u>	<u>(20,000)</u>
Financial assets available to meet general		
expenditures within one year	<u><u>\$ 714,476</u></u>	<u><u>\$ 1,280,367</u></u>

**Note 4 - CONCENTRATIONS OF CREDIT RISK**

The Organization maintains deposits with local financial institutions. Accounts at these institutions are insured by the U.S. Federal Deposit Insurance Corporation up to \$250,000 per account. The balances at times may exceed federally insured limits. As of December 31, 2024, there were no balances in excess of insured amounts.



**Note 5 - INVENTORY**

Inventory activity for the years ended December 31, 2024 and 2023 consist of the following components:

Inventory Classification	# of Units	2024				Balance End of Year
		Balance Beginning of Year	Additions	Deletions	Transfers	
Lots available for development	23	\$ 587,644	\$ 20,052	\$ 38,546	\$ -	\$ 569,150
Construction-in-progress	20	4,843,112	1,197,372	172,441	-	5,868,043
Completed homes	-	-	-	-	-	-
Project Homecoming	1	20,600	-	-	-	20,600
Totals		<u>\$ 5,451,356</u>	<u>\$ 1,217,424</u>	<u>\$ 210,987</u>	<u>\$ -</u>	<u>\$ 6,457,793</u>

  

Inventory Classification	# of Units	2023				Balance End of Year
		Balance Beginning of Year	Additions	Deletions	Transfers	
Lots available for development	23	\$ 575,842	\$ 11,802	\$ -	\$ -	\$ 587,644
Construction-in-progress	22	583,960	4,552,363	-	(293,211)	4,843,112
Completed homes	-	-	-	293,211	293,211	-
Project Homecoming	1	20,600	-	-	-	20,600
Totals		<u>\$ 1,180,402</u>	<u>\$ 4,564,165</u>	<u>\$ 293,211</u>	<u>\$ -</u>	<u>\$ 5,451,356</u>

Inventories are stated at cost plus the estimated fair value of donated land and property at the time of donation.

**Note 6 - LINES OF CREDIT**

On May 4, 2023, the Organization entered into a line of credit of \$1,000,000 with a maturity date of November 30, 2025. The line of credit had a balance of \$666,775 and \$588,001 as of December 31, 2024 and 2023, respectively. Interest on the line of credit accrues at 5%. The line of credit is secured with property under construction. Interest expense on the line of credit totaled \$24,042 and \$50,000 for the years ended December 31, 2024 and 2023, respectively. This interest was capitalized as inventory.

On September 13, 2023, the Organization entered into a line of credit of \$350,000 with a maturity date of September 24, 2025. The line of credit had a balance of \$350,000 and \$175,000 as of December 31, 2024 and 2023, respectively. Interest on the line of credit accrues at the bank's prime rate plus 2.4%, with a floor of 6% (9.9% and 10.9% as of December 31, 2024 and 2023, respectively). The line of credit is secured with property under construction. Interest expense on the line of credit totaled \$35,430 and \$4,352 for the years ended December 31, 2024 and 2023, respectively.

**Note 6 - LINES OF CREDIT (Continued)**

On March 6, 2020, the Organization entered into a construction line of credit with a maturity date of August 22, 2025, and had a balance of \$215,000 and \$160,021 as of December 31, 2024 and 2023, respectively. Interest on the line of credit accrues at Wall Street Journal prime rate plus 1% (8.5% and 9.5% as of December 31, 2024 and 2023, respectively). The line of credit is secured with property under construction. Interest expense on the line of credit totaled \$13,728 and \$8,356 for the years ended December 31, 2024 and 2023, respectively.

On February 2, 2022, the Organization entered into a construction line of credit of \$150,000 with a maturity date of February 24, 2023. The line of credit was paid in full upon the sale of inventory during the year ended December 31, 2023. Interest on the line of credit accrued at Wall Street Journal Prime rate plus 1%, with a floor of 4.75% (9.5% as of December 31, 2023). The line of credit was secured with property under construction. Interest expense on the line of credit totaled \$5,151 for the year ended December 31, 2023. This interest was capitalized as inventory.

**Note 7 - NOTE PAYABLE**

Note payable as of December 31, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Note payable to Hancock Whitney Bank, executed October 16, 2014, bearing interest at 5.5%, interest payable with a balloon payment due April 30, 2026, secured by inventory.	<u>\$ 340,354</u>	<u>\$ 340,354</u>

Interest expense on the note payable totaled \$28,330 and \$18,953 for the years ended December 31, 2024 and 2023, respectively.

The maturity of long-term debt is as follows:

<u>Year Ending December 31,</u>	
2026	<u>\$ 340,354</u>

**Note 8 - ECONOMIC INJURY DISASTER LOAN**

On June 23, 2020, the Organization entered into an Economic Injury Disaster Loan (EIDL) agreement administered by the United States Small Business Administration (SBA) totaling \$150,000. On May 5, 2022, the Organization borrowed an additional \$350,000 under this program. Interest on the loan is 2.75%. The loan requires principal and interest payments of \$2,191 beginning December 22, 2022 through maturity, June 30, 2050. The loan is secured by substantially all tangible and intangible property of the Organization. The Organization has a balance outstanding of \$500,000 as of both December 31, 2024 and 2023. Interest expense on the loan totaled \$13,822 and \$18,628 for the years ended December 31, 2024 and 2023, respectively.

The future maturities of this loan as of December 31, 2024 are as follows:

<u>Year Ending</u> <u>December 31,</u>	
2025	\$ -
2026	5,310
2027	12,849
2028	13,207
2029	13,575
Thereafter	<u>455,059</u>
Total	<u><u>\$ 500,000</u></u>

**Note 9 - GRANTS**

During the years ended December 31, 2024 and 2023, the following grant revenue was recorded:

Grantor	2024	2023
U.S. Department of Housing and Urban Development - Pass-through funds from Louisiana Housing Corporation	\$ 1,517,063	\$ 3,643,252
U.S. Department of Housing and Urban Development - Pass-through funds from Jefferson Parish	413,325	182,510
Baptist Community Ministries	75,000	17,500
The Joe W. and Dorothy Dorsett Brown Foundation	50,000	35,000
W.K. Kellogg Foundation	50,000	50,000
Enterprise Community Partners, Inc.	41,460	174,081
Capital One	25,000	25,000
Other miscellaneous	17,098	25,000
Deep South Center for Environmental Justice	15,000	-
Southern Coalition for Social Justice	10,000	-
Greater New Orleans Foundation	-	21,500
United Way of Greater New Orleans	-	12,500
Totals	<u>\$ 2,213,946</u>	<u>\$ 4,186,343</u>

Grants receivable as of December 31, 2024 and 2023 are as follows:

	2024	2023
Grants receivable:		
US Department of Housing and Urban Development - Pass-through funds from Louisiana Housing Corporation	\$ 722,366	\$ 1,246,046
Enterprise Community Partners	-	56,260
Totals	<u>\$ 722,366</u>	<u>\$ 1,302,306</u>

**Note 10 - HOMES SOLD/DONATED**

During the year ended December 31, 2024, home improvements for one property was donated to a qualifying applicant. During the year ended December 31, 2023, one home was sold to a qualifying applicant.

	<u>2024</u>	<u>2023</u>
Homes sold	\$ -	\$ 230,000
Less due to seller	<u>-</u>	<u>(8,298)</u>
Homes sold, net proceeds	<u>-</u>	<u>221,702</u>
Cost of homes sold/donated	141,284	308,275
Less due to seller	<u>-</u>	<u>(8,298)</u>
Costs of homes sold, net	<u>141,284</u>	<u>299,977</u>
Net loss on homes sold	<u><u>\$ (141,284)</u></u>	<u><u>\$ (78,275)</u></u>

**Note 11 - CONTRIBUTED NONFINANCIAL ASSETS**

The Organization records the in-kind value of goods and services contributed to support various activities as support and related expenses. The Organization did not receive any In-kind support for the year ended December 31, 2024. In-kind support for the year ended December 31, 2023 consisted of \$99,818 in donated salaries and benefits.

The Organization recognized contributed nonfinancial assets within contributions and other grants on the Consolidated Statements of Activities and Changes in Net Assets.

	<u>Revenue Recognized 2024</u>	<u>Revenue Recognized 2023</u>	<u>Utilization in Programs/ Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
Professional fees and consultants	<u>\$ -</u>	<u>\$99,818</u>	Home Development, Community Engagement, Marketing/Fundraising	No associated donor restrictions.	The Organization estimated the fair value based on the market salary of individuals providing the services.

**Note 12 - LEASE**

During the years ended December 31, 2024 and 2023, the Organization leased office space under a month-to-month lease agreement from Christ Church Corporation. On April 1, 2023, the monthly rent for the lease was decreased to \$2,000 per month. Monthly rent was \$2,200 from January 1, 2023 to March 31, 2023. Rent expense related to the lease totaled \$24,000 and \$24,600 for the years ended December 31, 2024 and 2023, respectively.

**Note 13 - PENSION PLAN**

The Organization, as an eligible sponsoring employer, participates in the Episcopal Church Lay Employees' Defined Benefit Plan. The plan is administered by the Church Pension Fund. The Organization contributes 9% of each employee's base pay. Pension expenses totaled \$17,963 and \$19,800 for the years ended December 31, 2024 and 2023, respectively, and covered current service costs.

The actuarial information for the plan as of March 31, 2023 and 2022 indicates that it is in compliance with the Employee Retirement Security Act (ERISA) regulations regarding funding. The assumed interest rate used in determining actuarial present values of accumulated benefits was 5.29% and 5.03% for the years ended December 31, 2024 and 2023, respectively. There were no changes in the actuarial assumption or the treatment of actuarial gains and losses. The actuarial valuation includes all plan amendments as of March 31, 2024.

**Note 14 - COMMITMENT**

The Organization has a contract with a construction company of approximately \$4,560,000 for housing construction of which approximately \$4,200,000 has been completed as of December 31, 2024.

**Note 15 - RELATED PARTY TRANSACTIONS**

For the years ended December 31, 2024 and 2023, the Organization rented office space from Christ Church Corporation (see Note 12).

**Note 16 - MAJOR VENDORS**

During the year ended December 31, 2024, the Organization incurred \$574,799 of construction expense from one major vendor which accounted for approximately 44% of total construction expenses. During the year ended December 31, 2023, the Organization incurred \$3,877,864 of construction expense from two major vendor which accounted for approximately 85% of total construction expenses.

**Note 17 - MAJOR GRANTORS**

During the year ended December 31, 2024, the Organization received a substantial portion of its grant income from two major grantors totaling \$1,930,388, which accounted for 87% of grant income.

During the year ended December 31, 2023, the Organization received a substantial portion of its grant income from three major grantors totaling \$3,999,252 which accounted for 96% of grant income.

## **SUPPLEMENTARY INFORMATION**



**CONSOLIDATING STATEMENT OF FINANCIAL POSITION****Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**

New Orleans, Louisiana

December 31, 2024

**ASSETS**

	Jericho Road Episcopal Housing Initiative, L.L.C.	Project Homecoming, Inc.	Eliminated	Totals
<b>Current Assets</b>				
Cash and cash equivalents	\$ 11,473	\$ 637	\$ -	\$ 12,110
Grants receivable:				
Federal grants	722,366	-	-	722,366
Inventory	6,437,193	20,600	-	6,457,793
Prepaid expenses	14,727	-	-	14,727
	<u>7,185,759</u>	<u>21,237</u>	<u>-</u>	<u>7,206,996</u>
<b>Property and Equipment</b>				
Office equipment	1,800	-	-	1,800
Furniture and fixtures	9,420	-	-	9,420
Less accumulated depreciation	(9,134)	-	-	(9,134)
	<u>2,086</u>	<u>-</u>	<u>-</u>	<u>2,086</u>
<b>Other Assets</b>				
Soft second mortgage loans receivable, net of accumulated amortization of \$270,451 as of December 31, 2024	87,152	-	-	87,152
	<u>87,152</u>	<u>-</u>	<u>-</u>	<u>87,152</u>
<b>Total assets</b>	<u>\$ 7,274,997</u>	<u>\$ 21,237</u>	<u>\$ -</u>	<u>\$ 7,296,234</u>

**LIABILITIES AND NET ASSETS**

	Jericho Road Episcopal Housing Initiative, L.L.C.	Project Homecoming, Inc.	Eliminated	Totals
<b>Current Liabilities</b>				
Accounts payable	\$ 761,914	\$ 51,676	\$ -	\$ 813,590
Accrued expenses	4,613	3,005	-	7,618
Accrued interest	16,083	-	-	16,083
Lines of credit	<u>1,231,775</u>	<u>-</u>	<u>-</u>	<u>1,231,775</u>
Total current liabilities	<u>2,014,385</u>	<u>54,681</u>	<u>-</u>	<u>2,069,066</u>
<b>Noncurrent Liabilities</b>				
Long-term debt, net of current portion	340,354	-	-	340,354
Economic Injury Disaster Loan	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Total noncurrent liabilities	<u>840,354</u>	<u>-</u>	<u>-</u>	<u>840,354</u>
Total liabilities	<u>2,854,739</u>	<u>54,681</u>	<u>-</u>	<u>2,909,420</u>
<b>Net Assets</b>				
Without donor restrictions	4,400,258	(33,444)	-	4,366,814
With donor restrictions	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Total net assets	<u>4,420,258</u>	<u>(33,444)</u>	<u>-</u>	<u>4,386,814</u>
Total liabilities and net assets	<u><u>\$ 7,274,997</u></u>	<u><u>\$ 21,237</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,296,234</u></u>

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION****Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**

New Orleans, Louisiana

December 31, 2023

**ASSETS**

	<u>Jericho Road Episcopal Housing Initiative, L.L.C.</u>	<u>Project Homecoming, Inc.</u>	<u>Eliminated</u>	<u>Totals</u>
<b>Current Assets</b>				
Cash and cash equivalents	\$ 52,697	\$ 1,624	\$ -	\$ 54,321
Grants receivable				
Federal grants	1,246,046	-		1,246,046
Private grants	56,260	-	-	56,260
Inventory	5,430,756	20,600	-	5,451,356
Prepaid expenses	18,829	-	-	18,829
	<u>6,804,588</u>	<u>22,224</u>	<u>-</u>	<u>6,826,812</u>
Total current assets				
	<u>6,804,588</u>	<u>22,224</u>	<u>-</u>	<u>6,826,812</u>
<b>Property and Equipment</b>				
Office equipment	1,800	2,275	-	4,075
Furniture and fixtures	9,420	16,709	-	26,129
Vehicles	-	25,714	-	25,714
Less accumulated depreciation	(8,564)	(44,698)	-	(53,262)
	<u>2,656</u>	<u>-</u>	<u>-</u>	<u>2,656</u>
Total property and equipment, net				
	<u>2,656</u>	<u>-</u>	<u>-</u>	<u>2,656</u>
<b>Other Assets</b>				
Soft second mortgage loans receivable, net of accumulated amortization \$499,209 as of December 31, 2023	79,824	-	-	79,824
	<u>79,824</u>	<u>-</u>	<u>-</u>	<u>79,824</u>
Total other assets				
	<u>79,824</u>	<u>-</u>	<u>-</u>	<u>79,824</u>
<b>Total assets</b>	<u>\$ 6,887,068</u>	<u>\$ 22,224</u>	<u>\$ -</u>	<u>\$ 6,909,292</u>

**LIABILITIES AND NET ASSETS**

	Jericho Road Episcopal Housing Initiative, L.L.C.	Project Homecoming, Inc.	Eliminated	Totals
<b>Current Liabilities</b>				
Accounts payable	\$ 1,531,097	\$ 26,597	\$ -	\$ 1,557,694
Accrued expenses	4,613	3,105	-	7,718
Accrued interest	10,142	-	-	10,142
Lines of credit	923,022	-	-	923,022
Current portion of long-term debt	340,354	-	-	340,354
	<u>2,809,228</u>	<u>29,702</u>	<u>-</u>	<u>2,838,930</u>
Total current liabilities				
	<u>2,809,228</u>	<u>29,702</u>	<u>-</u>	<u>2,838,930</u>
<b>Noncurrent Liabilities</b>				
Economic Injury Disaster Loan	500,000	-	-	500,000
	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Total noncurrent liabilities				
	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Total liabilities	<u>3,309,228</u>	<u>29,702</u>	<u>-</u>	<u>3,338,930</u>
<b>Net Assets</b>				
Without donor restrictions	3,557,840	(7,478)	-	3,550,362
With donor restrictions	20,000	-	-	20,000
	<u>3,577,840</u>	<u>(7,478)</u>	<u>-</u>	<u>3,570,362</u>
Total net assets				
	<u>3,577,840</u>	<u>(7,478)</u>	<u>-</u>	<u>3,570,362</u>
Total liabilities and net assets	<u>\$ 6,887,068</u>	<u>\$ 22,224</u>	<u>\$ -</u>	<u>\$ 6,909,292</u>

**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**AND CHANGES IN NET ASSETS**

**Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2024

	Jericho Road Episcopal Housing Initiative, L.L.C.	Project Homecoming, Inc.	Totals
<b>Support and Revenue</b>			
Grant income			
Federal grants	\$ 1,963,108	\$ -	\$ 1,963,108
Private grants	250,838	-	250,838
Contributions	10,077	-	10,077
Miscellaneous income	15,819	-	15,819
Transfers	17,106	(17,106)	-
	<u>2,256,948</u>	<u>(17,106)</u>	<u>2,239,842</u>
Total support and revenue			
<b>Expenses</b>			
Program expenses:			
Cost of homes donated:			
Inventory costs	141,284	-	141,284
Home development	908,947	-	908,947
Vacant land management	22,232	-	22,232
Community engagement	44,269	-	44,269
	<u>1,116,732</u>	<u>-</u>	<u>1,116,732</u>
Total program expenses			
Administrative expenses	250,788	8,860	259,648
Marketing/fundraising	47,010	-	47,010
	<u>1,414,530</u>	<u>8,860</u>	<u>1,423,390</u>
Total expenses			
Change net assets	842,418	(25,966)	816,452
<b>Net Assets</b>			
Beginning of year	3,577,840	(7,478)	3,570,362
End of year	<u>\$ 4,420,258</u>	<u>\$ (33,444)</u>	<u>\$ 4,386,814</u>

**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**AND CHANGES IN NET ASSETS**

**Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2023

	Jericho Road Episcopal Housing Initiative, L.L.C.	Project Homecoming, Inc.	Totals
<b>Operating Revenue</b>			
Homes sold	\$ 230,000	\$ -	\$ 230,000
Grant income:			
Federal grants	3,825,762	-	3,825,762
Private grants	360,581	-	360,581
Contributions	14,052	15	14,067
In-kind support	99,818	-	99,818
Miscellaneous income	16,293	12,842	29,135
Property development income	16,250	-	16,250
	<u>4,562,756</u>	<u>12,857</u>	<u>4,575,613</u>
Total support and revenue			
<b>Expenses</b>			
Program expenses:			
Cost of homes sold:			
Inventory costs	299,977	-	299,977
Closing costs paid by seller	8,298	-	8,298
	<u>308,275</u>	<u>-</u>	<u>308,275</u>
Total costs of homes sold			
Home development	721,259	17,505	738,764
Vacant land management	37,158	-	37,158
Community engagement	99,458	-	99,458
	<u>1,166,150</u>	<u>17,505</u>	<u>1,183,655</u>
Total program expenses			
Administrative expenses	248,786	6,874	255,660
Marketing/ fundraising	37,238	1,229	38,467
	<u>1,452,174</u>	<u>25,608</u>	<u>1,477,782</u>
Total expenses			
Change net assets	3,110,582	(12,751)	3,097,831
<b>Net Assets</b>			
Beginning of year	467,258	5,273	472,531
End of year	<u>\$ 3,577,840</u>	<u>\$ (7,478)</u>	<u>\$ 3,570,362</u>

**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES****Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2024

	Jericho Road Episcopal Housing Initiative, L.L.C.	Project Homecoming, Inc.	Totals
<b>Expenses</b>			
Advertising and marketing	\$ 2,157	\$ -	\$ 2,157
Amortization of soft second mortgages	23,840	-	23,840
Bank fees	13,065	292	13,357
Business registration fees	434	-	434
Community development contract labor	62,913	-	62,913
Community promotions	770	-	770
Computer software and equipment	5,123	474	5,597
Cost of homes donated	141,284	-	141,284
Depreciation	570	-	570
Fundraising	6,940	-	6,940
Home development	395,141	-	395,141
Insurance	109,288	-	109,288
Interest	91,310	-	91,310
Office supplies	3,462	7,447	10,909
Payroll taxes	17,358	-	17,358
Professional fees	24,575	647	25,222
Rent	24,000	-	24,000
Salaries and benefits	479,884	-	479,884
Telephone expense	4,767	-	4,767
Travel and meetings	475	-	475
Vacant land management	7,174	-	7,174
Total expenses	<u>\$ 1,414,530</u>	<u>\$ 8,860</u>	<u>\$ 1,423,390</u>

**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES****Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2023

	<u>Jericho Road Episcopal Housing Initiative, L.L.C.</u>	<u>Project Homecoming, Inc.</u>	<u>Totals</u>
<b>Expenses</b>			
Advertising and marketing	\$ 3,106	\$ 422	\$ 3,528
Amortization of soft second mortgages	32,684	-	32,684
Bank fees	4,360	48	4,408
Business registration fees	1,122	-	1,122
Community development contract labor	50,000	-	50,000
Community promotions	2,591	770	3,361
Computer software and equipment	5,029	-	5,029
Cost of homes sold	291,608	16,667	308,275
Depreciation	581	-	581
Fundraising	8,149	37	8,186
Home development	230,933	838	231,771
Insurance	92,669	-	92,669
Interest	41,933	-	41,933
Office supplies	9,011	686	9,697
Payroll taxes	16,756	-	16,756
Postage	73	-	73
Printing and copying	2,817	-	2,817
Professional fees	20,610	227	20,837
Rent	24,600	-	24,600
Salaries and benefits	499,455	5,913	505,368
Salaries and benefits in-kind	99,818	-	99,818
Telephone expense	3,600	-	3,600
Travel and meetings	2,991	-	2,991
Vacant land management	7,678	-	7,678
Total expenses	<u>\$ 1,452,174</u>	<u>\$ 25,608</u>	<u>\$ 1,477,782</u>



**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2024

**Agency Head Name:** Nicole Barnes, Executive Director

**Purpose**

Salary	\$ 105,004
Benefits - insurance	9,396
Benefits - retirement	8,100
Benefits - other	1,200
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
	<hr/>
	<u><u>\$ 123,700</u></u>

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

**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,  
Jericho Road Episcopal Housing Initiative, Inc. and Affiliates,  
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 consolidated financial statements of Jericho Road Episcopal Housing Initiative, Inc. and Affiliates (a non-profit organization) (the “Organization”), which comprise the consolidated statement of financial position as of December 31, 2024 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 24, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of material misstatements, 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 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.



Certified Public Accountants.

New Orleans, Louisiana,  
June 24, 2025.

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE**  
**FOR EACH MAJOR PROGRAM AND ON INTERNAL**  
**CONTROL OVER COMPLIANCE REQUIRED**  
**BY THE UNIFORM GUIDANCE**

To the Board of Directors,  
Jericho Road Episcopal Housing Initiative, Inc. and Affiliates,  
New Orleans, Louisiana.

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited Jericho Road Episcopal Housing Initiative, Inc. and Affiliates (the “Organization”) compliance with the types of compliance requirements described in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Organization’s major federal programs for the year ended December 31, 2024. The Organization’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, Cost Principles, and Audit Requirements for Federal Award (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization’s compliance with the compliance requirements referred to above.

## **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants.

New Orleans, Louisiana,  
June 24, 2025.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2024

Federal Grantor/Program Title	Federal AL Number	Federal Expenditures	Subrecipient Costs
<b>Department of Housing and Urban Development</b>			
<b>Pass through from Louisiana Housing Corporation</b>			
Home Investment Partnership Program	14.239	\$ 1,517,063	\$ -
<b>Pass through from Jefferson Parish</b>			
Home Investment Partnership Program	14.239	413,325	-
<b>Pass through from Enterprise Community Partners</b>			
Capacity Building for Community Development and Affordable Housing	14.252	32,720	
Total Department of Housing and Urban Development		1,963,108	-
Total expenditures of federal awards		\$ 1,963,108	\$ -

See accompanying notes to Schedule of Expenditures of Federal Awards.



## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

### **Jericho Road Episcopal Housing Initiative, Inc. and Affiliates** New Orleans, Louisiana

For the year ended December 31, 2024

#### **Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **a. General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of Jericho Road Episcopal Housing Initiative, Inc. and Affiliates (the "Organization"). The Organization's reporting entity is defined in Note 1 to the consolidated financial statements for the year ended December 31, 2024. All federal awards received directly from federal agencies are included on the schedule, as well as federal awards passed through other government agencies.

##### **b. Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 2b to the Organization's consolidated financial statements for the year ended December 31, 2024. The Organization has not elected to use the 10% *de minimus* indirect cost rate as allowed under Uniform Guidance.

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

### **Jericho Road Episcopal Housing Initiative, Inc. and Affiliates** New Orleans, Louisiana

For the year ended December 31, 2024

#### **Section I - Summary of Auditor's Results**

##### **a) Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ☐ Yes ☒ None reported

Noncompliance material to consolidated financial statements noted?

☐ Yes ☒ No

##### **b) Federal Awards**

Internal controls over major programs:

- Material weakness(as) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ☐ Yes ☒ No

Type of auditor's report issued on compliance for major programs: unmodified

- Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? ☐ Yes ☒ No

**Section I - Summary of Auditor's Results (Continued)**

## c) Identification of Major Programs:

<u>Federal AL Number</u>	<u>Name of Federal Program</u>
14.239	Department of Housing and Urban Development Pass through from Louisiana Housing Corporation Home Investment Partnership Program Pass through from Jefferson Parish Home Investment Partnership Program

Dollar threshold used to distinguish  
between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? ☐ Yes ☒ No

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters  
Material to the Consolidated Financial Statements****Internal Control Over Financial Reporting**

No material weaknesses were reported during the audit of the consolidated financial statements for the year ended December 31, 2024.

No significant deficiencies were reported during the audit of the consolidated financial statements for the year ended December 31, 2024.

**Compliance and Other Matters**

There were no compliance findings material to the consolidated financial statements reported during the audit for the year ended December 31, 2024.

**Section III - Federal Award Findings and Questioned Costs****Internal Control/Compliance**

There were no findings or questioned costs reported during the audit of the consolidated financial statements for the year ended December 31, 2024 related to internal control and compliance material to federal awards.

## **REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

### **Jericho Road Episcopal Housing Initiative, Inc. and Affiliates New Orleans, Louisiana**

For the year ended December 31, 2024

#### **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Consolidated Financial Statements**

##### **Internal Control Over Financial Reporting**

No material weaknesses were reported during the audit of the consolidated financial statements for the year ended December 31, 2023.

No significant deficiencies were reported during the audit of the consolidated financial statements for the year ended December 31, 2023.

##### **Compliance and Other Matters**

There were no compliance findings material to the consolidated financial statements reported during the audit for the year ended December 31, 2023.

#### **Section II - Internal Control and Compliance Material to Federal Awards**

There were no findings or questioned costs reported during the audit of the consolidated financial statements for the year ended December 31, 2023 related to internal control and compliance material to federal awards.

#### **Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2023.

**MANAGEMENT'S CORRECTIVE ACTION PLAN**  
**ON CURRENT YEAR FINDINGS**

**Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2024

**Section I - Internal Control Over Financial Reporting and Compliance and Other Matters  
Material to the Consolidated Financial Statements**

**Internal Control Over Financial Reporting**

No material weaknesses were reported during the audit of the consolidated financial statements for the year ended December 31, 2024.

No significant deficiencies were reported during the audit of the consolidated financial statements for the year ended December 31, 2024.

**Compliance and Other Matters**

There were no compliance findings material to the consolidated financial statements reported during the audit for the year ended December 31, 2024.

**Section II - Internal Control and Compliance Material to Federal Awards**

There were no findings or questioned costs reported during the audit of the consolidated financial statements for the year ended December 31, 2024, related to internal control and compliance material to federal awards.

**Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2024.

## **STATEWIDE AGREED-UPON PROCEDURES**

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

To the Board of Directors,  
Jericho Road Episcopal Housing Initiative, Inc. and Affiliates,  
New Orleans, Louisiana.

We have performed the procedures described in Schedule 8 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2024 through December 31, 2024. Jericho Road Episcopal Housing Initiative, Inc. and Affiliates (the “Organization”) management is responsible for those C/C areas identified in the SAUPs.

The Organization 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 the LLA’s SAUPs for the fiscal period January 1, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. 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 described in Schedule 8.

We were engaged by the Organization to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the 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 these 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 the Organization 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.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, Louisiana,  
June 24, 2025.

**SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS**  
**OF THE STATEWIDE AGREED-UPON PROCEDURES**

**Jericho Road Episcopal Housing Initiative, Inc. and Affiliates**  
New Orleans, Louisiana

For the year ended December 31, 2024

The required procedures and our findings are as follows:

**1. Procedures Performed on the Organization's Written Policies and Procedures:**

Prior year testing resulted in no exceptions related to the written policies and procedures. Therefore, testing is not required in the current year.

**2. Procedures Performed on the Organization's Board:**

Prior year testing resulted in no exceptions related to the board or finance committee. Therefore, testing is not required in the current year.

**3. Procedures Performed on the Organization's Bank Reconciliations:**

Prior year testing resulted in no exceptions related to the bank reconciliations. Therefore, testing is not required in the current year.

**4. Procedures Performed on the Organization's Collections (Excluding Electronic Funds Transfers):**

Prior year testing resulted in no exceptions related to the collections. Therefore, testing is not required in the current year.

**5. Procedures Performed on the Organization's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):**

Prior year testing resulted in no exceptions related to the non-payroll disbursements. Therefore, testing is not required in the current year.

**6. Procedures Performed on the Organization's Credit Cards, Debit Cards, Fuel Cards, Purchase-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.

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and purchase-cards for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

- 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, 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.

Performance: Observed evidence that the statement and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There were no exceptions noted.

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

Performance: Observed that there were no finance charges and/or late fees assessed on the selected statements.

Exceptions: There were no exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #6B, excluding fuel cards, select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to inspection).

For each transaction, report whether the transaction is supported by:

- i. An original itemized receipt that identifies precisely what was purchased.

Performance: Observed that the transactions from the monthly statements were supported by original itemized receipts that identify precisely what was purchased.

Exceptions: There were no exceptions noted.

**6. Procedures Performed on the Organization's Credit Cards, Debit Cards, Fuel Cards, Purchase-Cards: (Continued)**

ii. Written documentation of the business/public purpose.

Performance: Observed that the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There were no exceptions noted.

iii. Documentation of the individuals participating in meals (for meal charges only).

Performance: Observed that the selected transactions for meal charges were supported by documentation of the individuals participating in meals.

Exceptions: There were no exceptions noted.

**7. Procedures Performed on the Organization's Travel and Travel-Related Expense Reimbursements (Excluding Card Transactions):**

Prior year testing resulted in no exceptions related to the travel and travel related expense reimbursements. Therefore, testing is not required in the current year.

**8. Procedures Performed on the Organization's Contracts:**

Prior year testing resulted in no exceptions related to the contracts. Therefore, testing is not required in the current year.

**9. Procedures Performed on the Organization's Payroll and Personnel:**

Prior year testing resulted in no exceptions related to payroll and personnel. Therefore, testing is not required in the current year.

**10. Procedures Performed on the Organization's Ethics:**

A. Using the 5 selected employees from Payroll and Personnel procedure #9A obtain ethics compliance documentation from management and:

Not applicable for not-for-profit entities.

i. Observe whether the documentation demonstrates each employee completed one hour of ethics training during the period as required by R.S. 42:1170.

Not applicable for not-for-profit entities.

ii. Observe whether the Organization maintains documentation which demonstrates each employee was notified of any changes to the Organization's ethics policy during the fiscal period, as applicable.

Not applicable for not-for-profit entities.

**10. Procedures Performed on the Organization's Ethics: (Continued)**

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

Not applicable for not-for-profit entities.

**11. Procedures Performed on the Organization's 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 State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Not applicable for not-for-profit entities.

- 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.

Not applicable for not-for-profit entities.

**12. Procedures Performed on the Organization's Fraud Notice:**

Prior year testing resulted in no exceptions related to the fraud notice. Therefore, testing is not required in the current year.

**13. Procedures Performed on the Organization's Information Technology Disaster Recovery/ Business Continuity:**

Prior year testing resulted in no exceptions related to the information technology disaster recovery/business continuity. Therefore, testing is not required in the current year.

**14. Procedures Performed on the Organization's Prevention of Sexual Harassment:**

- A. Using the 5 randomly selected employees from procedure #9A under "Procedures Performed on the Organization's Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Not applicable for not-for-profit entities.

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

Not applicable for not-for-profit entities.

**14. Procedures Performed on the Organization's Prevention of Sexual Harassment: (Continued)**

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

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

Not applicable for not-for-profit entities.

ii. Number of sexual harassment complaints received by the .

Not applicable for not-for-profit entities.

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

Not applicable for not-for-profit entities.

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

Not applicable for not-for-profit entities.

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

Not applicable for not-for-profit entities.

**Management's Overall Response to Exceptions:**

No exceptions noted.