



THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024 and 2023



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The St. Bernard Project, Inc.  
d/b/a SBP, Inc.  
New Orleans, Louisiana

### **Opinion**

We have audited the consolidated financial statements of The St. Bernard Project, Inc. d/b/a SBP, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of SBP, Inc. as of December 31, 2024 and 2023, 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 audits 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 SBP, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 SBP, Inc.'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 consolidated 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 consolidated financial statements.

In performing an audit in accordance with generally accepted 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 SBP, Inc.'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 SBP, Inc.'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.

## **Other Matters**

Our audits were 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*, and the Schedule of Compensation, Benefits, and Other Payments to Agency Head are presented for purposes of additional analysis and are 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2025, on our consideration of SBP, Inc.'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 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 SBP, Inc.'s internal control over financial reporting and compliance.

Metairie, Louisiana  
June 26, 2025

*Wegmann Dazet*

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
December 31, 2024 and 2023

	2024	2023
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 14,650,690	\$ 13,112,329
Investments - current	5,766,138	6,353,652
Accounts receivable	4,281,400	1,396,411
Promises to give	59,890	775,757
Grants receivable - other	-	79,049
Grants receivable - federal	1,126,192	1,880,523
Construction in process	1,175,057	1,586,100
Real estate held for sale	70,680	70,680
Due from related parties	1,308,194	410,302
Other current assets	271,085	271,297
Total current assets	<u>28,709,326</u>	<u>25,936,100</u>
Investments - noncurrent	4,164,797	2,852,641
Due from related parties	2,349,040	2,351,483
Property and equipment, net	6,132,063	6,370,727
Construction in process	5,537,922	2,335,645
Operating lease - right of use assets, net	24,343	96,114
Other noncurrent assets	3,152,130	2,432,208
Deposits	<u>37,926</u>	<u>25,278</u>
Total assets	<u><u>\$ 50,107,547</u></u>	<u><u>\$ 42,400,196</u></u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,442,021	\$ 1,098,841
Accrued payroll and related liabilities	622,395	345,197
Refundable grant advances	6,631,267	3,707,807
Due to related parties	3,570	204,276
Current portion of long-term debt	221,665	131,000
Current portion of operating lease obligations	24,343	97,538
Total current liabilities	<u>8,945,261</u>	<u>5,584,659</u>
Long-term debt, net	<u>6,212,748</u>	<u>4,014,451</u>
Total liabilities	<u><u>15,158,009</u></u>	<u><u>9,599,110</u></u>
<b>NET ASSETS</b>		
Without donor restrictions	30,354,718	29,806,714
With donor purpose restrictions	4,594,820	2,994,372
Total net assets	<u>34,949,538</u>	<u>32,801,086</u>
Total liabilities and net assets	<u><u>\$ 50,107,547</u></u>	<u><u>\$ 42,400,196</u></u>

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Contributions	\$ 2,253,693	\$ 2,509,161	\$ 4,762,854
In-kind contributions	506,231	-	506,231
Grants	9,011,085	5,907,981	14,919,066
Property management fees	233,502	-	233,502
Homeowner funding	106,423	-	106,423
Sale of properties	784,919	-	784,919
Opportunity housing income	121,464	-	121,464
Vendor incentives	107,708	-	107,708
Interest and dividend income	733,535	-	733,535
Realized and unrealized gain on investments	310,298	-	310,298
Gain on sale of assets	156,570	-	156,570
Other income	5,161,944	-	5,161,944
Net assets released from restrictions	<u>6,816,694</u>	<u>(6,816,694)</u>	<u>-</u>
Total revenues	<u>26,304,066</u>	<u>1,600,448</u>	<u>27,904,514</u>
Expenses			
Program services			
Rebuilding	19,105,311	-	19,105,311
Opportunity housing	1,994,717	-	1,994,717
Disaster resilience and recovery lab	2,029,766	-	2,029,766
Supporting services			
General and administrative	2,446,435	-	2,446,435
Fundraising	<u>179,833</u>	<u>-</u>	<u>179,833</u>
Total expenses	<u>25,756,062</u>	<u>-</u>	<u>25,756,062</u>
Change in net assets	548,004	1,600,448	2,148,452
Net assets			
Beginning of year	<u>29,806,714</u>	<u>2,994,372</u>	<u>32,801,086</u>
End of year	<u>\$ 30,354,718</u>	<u>\$ 4,594,820</u>	<u>\$ 34,949,538</u>

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions	\$ 4,343,167	\$ 670,655	\$ 5,013,822
In-kind contributions	1,759,878	-	1,759,878
Grants	18,708,147	5,458,429	24,166,576
Property management fees	110,277	-	110,277
Homeowner funding	70,206	-	70,206
Sale of properties	1,608,649	-	1,608,649
Opportunity housing income	124,039	-	124,039
Vendor incentives	54,216	-	54,216
Interest and dividend income	476,991	-	476,991
Realized and unrealized loss on investments	363,162	-	363,162
Gain on sale of assets	63,949	-	63,949
Developers fees	955,500	-	955,500
Other income	2,628,676	-	2,628,676
Net assets released from restrictions	6,985,570	(6,985,570)	-
Total revenues	38,252,427	(856,486)	37,395,941
Expenses			
Program services			
Rebuilding	28,900,278	-	28,900,278
Opportunity housing	2,887,960	-	2,887,960
Disaster resilience and recovery lab	2,160,407	-	2,160,407
Supporting services			
General and administrative	3,318,320	-	3,318,320
Fundraising	176,065	-	176,065
Total expenses	37,443,030	-	37,443,030
Change in net assets	809,397	(856,486)	(47,089)
Net assets			
Beginning of year	28,997,317	3,850,858	32,848,175
End of year	\$ 29,806,714	\$ 2,994,372	\$ 32,801,086

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2024

	Program Services			Supporting Services		Total Expenses
	Rebuilding	Opportunity Housing	Disaster Resilience and Recovery Lab	Fundraising	General & Administrative	
Advertising	\$ 22,340	\$ -	\$ 293	\$ 1,828	\$ 234	\$ 24,695
Bad debt writeoff	100,000	-	-	-	-	100,000
Building maintenance and repairs	337	10,886	-	-	42,645	53,868
Construction	6,084,967	-	31,415	220	2,882	6,119,484
Contract services	285,886	136,154	145,661	72,705	413,864	1,054,270
Cost of property sold	-	1,083,594	-	-	-	1,083,594
Depreciation expense	19,219	22,062	-	-	151,513	192,794
Disaster deployment	8,569	-	-	-	-	8,569
Dues and subscriptions	3,024	637	54	1,171	10,774	15,660
Education and seminars	4,649	759	6,915	4,182	21,658	38,163
Fundraising expenses	7,105	-	-	17,837	2,001	26,943
Grants and awards expenses	2,189,500	-	-	6,500	500	2,196,500
Information tech	66,310	239	-	8	720	67,277
In-kind labor	506,231	-	-	-	-	506,231
Insurance	967,062	305,344	91,214	-	304,848	1,668,468
Interest expense	60,828	-	-	-	92,149	152,977
Miscellaneous expenses	17,081	11,971	212	656	166	30,086
Office rent	55,562	18,728	36,482	5,497	22,185	138,454
Office supplies	21,656	2,755	2,477	931	831	28,650
Payroll - direct	8,162,919	367,815	1,468,515	-	1,223,776	11,223,025
Postage and mailing service	9,261	203	917	14,934	600	25,915
Printing	13,360	1,516	12,245	5,721	31	32,873
Professional services	-	-	-	-	24,943	24,943
Signature support	10,884	562	2,787	53	4,588	18,874
Software licenses and fees	133,796	10,942	38,789	29,485	8,043	221,055
Special events	6,187	284	26	191	10,585	17,273
Travel and meetings	285,302	6,510	191,764	17,914	80,028	581,518
Utilities	46,128	13,756	-	-	24,871	84,755
Vehicle expenses	17,148	-	-	-	2,000	19,148
Total expenses	<u>\$ 19,105,311</u>	<u>\$ 1,994,717</u>	<u>\$ 2,029,766</u>	<u>\$ 179,833</u>	<u>\$ 2,446,435</u>	<u>\$ 25,756,062</u>

See accompanying Notes to Consolidated Financial Statements.



THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2023

	Program Services			Supporting Services		
	Rebuilding	Opportunity Housing	Disaster Resilience and Recovery Lab	Fundraising	General & Administrative	Total Expenses
Advertising	\$ 19,533	\$ 595	\$ 28,815	\$ 54,400	\$ -	\$ 103,343
Bad debt writeoff	109,329	3,372	-	-	185,633	298,334
Building maintenance and repairs	12,553	1,717	-	-	23,605	37,875
Construction	13,565,814	-	33,988	226	-	13,600,028
Contract services	732,490	209,362	56,332	46,489	779,551	1,824,224
Cost of property sold	-	2,028,954	-	-	-	2,028,954
Depreciation expense	53,410	27,564	-	-	121,814	202,788
Disaster deployment	9,634	-	-	-	-	9,634
Dues and subscriptions	6,533	125	1,000	665	12,267	20,590
Education and seminars	4,978	195	12,702	2,621	-	20,496
Fogiveable promissory note	-	1,545	-	-	-	1,545
Fundraising expenses	11,693	251	11,862	2,845	10,062	36,713
Grants and awards expenses	2,336,347	-	369,235	-	-	2,705,582
Information tech	67,786	-	67	42	35	67,930
In-kind labor	1,751,483	-	3,615	-	4,780	1,759,878
Insurance	1,120,814	141,934	64,277	7	206,368	1,533,400
Interest expense	8,600	-	-	-	89,589	98,189
Miscellaneous expenses	85,876	60,189	1,068	3,300	833	151,266
Office rent	109,673	36,966	72,010	10,850	43,789	273,288
Office supplies	28,391	5,040	9,252	328	1,041	44,052
Payroll - direct	8,112,832	338,572	1,092,687	1,179	1,596,124	11,141,394
Postage and mailing service	25,249	311	152	2,488	775	28,975
Printing	26,654	134	21,171	1,862	198	50,019
Professional services	-	2,500	-	-	3,171	5,671
Signature support	9,322	-	-	-	-	9,322
Software licenses and fees	153,564	19,938	177,621	26,725	90,191	468,039
Special events	11,503	1,261	14,691	2,681	5,959	36,095
Travel and meetings	409,549	1,921	188,862	19,357	117,374	737,063
Utilities	78,420	5,514	-	-	21,291	105,225
Vehicle expenses	38,248	-	1,000	-	3,870	43,118
Total expenses	<u>\$ 28,900,278</u>	<u>\$ 2,887,960</u>	<u>\$ 2,160,407</u>	<u>\$ 176,065</u>	<u>\$ 3,318,320</u>	<u>\$ 37,443,030</u>

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 2,148,452	\$ (47,089)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	192,794	202,788
Noncash operating lease expense	71,771	36,952
Reductions made to notes receivable - promissory notes	-	1,545
Gain on disposal of assets	(156,570)	(63,949)
Realized and unrealized gain on investments	(310,298)	(363,162)
(Increase) decrease in operating assets:		
Accounts receivable	(2,884,989)	(825,032)
Promises to give	715,867	(595,825)
Grants receivable	833,380	4,350,112
Other current assets	212	162,750
Due from related parties	(895,449)	226,899
Deposits	(12,648)	(19,178)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	343,180	(282,015)
Accrued payroll and related liabilities	277,198	(412,632)
Refundable grant advances	2,923,460	2,642,841
Due to related party	(200,706)	(218,192)
Operating lease obligations	(73,195)	(36,952)
Net cash provided by operating activities	<u>2,972,459</u>	<u>4,759,861</u>
Cash flows from investing activities:		
Proceeds from disposal of assets	225,105	69,179
Construction in process	(2,791,234)	-
Purchase of property and equipment	(22,665)	(117,564)
Purchase of investments	(10,668,902)	(5,500,855)
Proceeds from sale of investments	10,254,558	5,469,555
Other noncurrent assets	(719,922)	(876,473)
Net cash used by investing activities	<u>(3,723,060)</u>	<u>(956,158)</u>
Cash flows from financing activities:		
Borrowings under long-term debt	2,418,162	1,098,679
Repayments of long-term debt	(129,200)	(133,184)
Net cash provided by financing activities	<u>2,288,962</u>	<u>965,495</u>
Net increase in cash and cash equivalents	1,538,361	4,769,198
Cash and cash equivalents at beginning of year	<u>13,112,329</u>	<u>8,343,131</u>
Cash and cash equivalents at end of year	<u>\$ 14,650,690</u>	<u>\$ 13,112,329</u>

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2024 and 2023

1) Nature of activities

The St. Bernard Project, Inc. d/b/a SBP, Inc. (SBP, Inc.) is a non-profit organization established to shrink the time between disaster and recovery. The St. Bernard Project, Inc. is a community based organization that carries out its mission through three primary programs: Rebuilding Programs, Disaster Resilience and Recovery Lab, and an Opportunity Housing Program.

Toulouse Commercial, Inc. is a non-profit organization established on March 27, 2015 to operate exclusively for the benefit of, to perform the functions of, and to carry out the purposes of The St. Bernard Project, Inc.

SBP St. Peter Developer, LLC is a Louisiana limited liability company, owned 100% by SBP, Inc. which entered into a developer service agreement on June 1, 2017, with SBP St. Peter, LLC, a non-consolidated Louisiana limited liability company, to provide services related to the 50-unit apartment project located in New Orleans, Louisiana and commonly known as "SBP St. Peter Apartments".

SBP L9 Developer, LLC is a Louisiana limited liability company, owned 100% by SBP, Inc. which entered into a developer service agreement on June 1, 2017, with SBP L9, LLC, a non-consolidated Louisiana limited liability company, to provide services related to the 60-unit scattered-site project located in New Orleans, Louisiana and commonly known as "St. Claude Gardens".

SBP L9 Developer II, LLC is a Louisiana limited liability company, owned 100% by SBP, Inc. which entered into a developer service agreement on November 1, 2023, with SBP L9 II, LLC, a non-consolidated Louisiana limited liability company, to provide services related to the 39-unit scattered-site project located in New Orleans, Louisiana and commonly known as "St. Claude Gardens II".

2) Summary of significant accounting policies

The significant accounting policies followed by the Organization are summarized as follows:

(a) Financial statement presentation

The accompanying consolidated financial statements present the consolidated statements of financial position, changes in net assets and cash flows of The St. Bernard Project, Inc., Toulouse Commercial, Inc., SBP L9 Developer, LLC, SBP L9 Developer II, LLC, and SBP St. Peter Developer, LLC (together referred to as the "Organization"). All significant inter-company accounts and transactions have been eliminated.

(b) Revenue recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Funds received with the stipulation that the funds be returned if specified future events fail to occur are accounted for as refundable grant advances until the conditions have been substantially met.

A portion of the Organization's revenue is derived from cost-reimbursable federal, state and local contracts and grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2024 and 2023

2) Summary of significant accounting policies (continued)

(b) Revenue recognition (continued)

The Organization measures revenue for qualifying exchange transactions based on the amount of consideration expected to be received for the transfer of goods or services to a customer, then recognizes this revenue when or as it satisfies its performance obligations under the contract.

Revenue from rental agreements with tenants is recognized as earned in accordance with Accounting Standards Codification (ASC) 842, *Leases*. Real estate sales are recognized at the time the sale is complete and title has transferred to the buyer.

(c) Cash and cash equivalents

All cash-related items having a maturity of three months or less from the original maturity date, which are neither held for nor restricted by donors for long-term purposes, are classified as cash and cash equivalents. Cash and highly liquid financial instruments restricted for long-term purposes are excluded from this definition.

(d) Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statements of financial position. Net investment return/(loss) is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Investments with maturity dates greater than one year are classified as long-term.

(e) Accounts receivable and promises to give

Accounts are considered overdue if uncollected within ninety days of original invoice. The Organization considers grant receivables to be fully collectible and when a balance becomes uncollectible, they are written off.

Promises to give consists of unconditional promises to give that are expected to be collected in future years and are recorded at the present value of their estimated future cash flows.

An allowance for credit losses has been maintained for estimated losses resulting from the inability of its tenants or donors to make payments. The Organization's estimate for the allowance for credit losses is based on a review of the current accounts receivable and promises to give. Accounts receivable is presented net of an allowance for credit losses of \$164,251 and \$186,296 as of December 31, 2024 and 2023, respectively. No allowances have been recorded for promises to give as of December 31, 2024 and 2023, as management believes all promises to give are collectible.

Accounts receivable were as follows for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Accounts receivable, beginning of year	\$ 1,396,411	\$ 2,237,890
Accounts receivable, end of year	\$ 4,281,400	\$ 1,396,411

(f) Real estate held for rental

Real estate held for rental is carried at cost plus construction costs and an overhead allocation and is included in property and equipment on the consolidated statements of financial position. The real estate has been acquired to be rehabilitated and rented to qualified homeowners.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2024 and 2023

2) Summary of significant accounting policies (continued)

(g) Real estate held for sale

Real estate held for sale is carried at cost plus construction costs and an overhead allocation. The real estate has been acquired to be rehabilitated and sold to qualified homeowners.

(h) Property and equipment

Property and equipment are carried at cost. Depreciation of property is provided over the estimated useful lives of the assets using the straight-line method. Repairs and maintenance are expensed as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the assets carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations. The estimated useful lives of depreciable assets are:

	<u>Useful lives</u>
Building	39 years
Real estate held for rental	39 years
Equipment	5 years
Vehicles	5 years

(i) Construction in process

Construction in process includes houses owned by the Organization that are in the process of being rehabilitated and are carried at cost plus construction costs and an overhead allocation as a current asset on the consolidated statements of financial position. The property is transferred to real estate held for sale once it is completed and ready to be put on the market for sale. Construction in process for housing projects that will be held for future use to rent out to tenants is classified as a long-term asset on the consolidated statements of financial position.

(j) Income taxes

SBP, Inc. is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. SBP, Inc.'s determination letter is as of May 30, 2008. Toulouse Commercial, Inc. is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. Toulouse Commercial, Inc.'s determination letter is as of March 27, 2015.

SBP L9 Developer, LLC, SBP L9 Developer II, LLC, and SBP St. Peter Developer, LLC are disregarded entities for income tax purpose. SBP, Inc. is the sole member of these entities.

The Organization has adopted the provisions of ASC 740, *Income Taxes*. Management of the Organization believes it has no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits. With few exceptions, the Organization is not subject to U.S. federal and state income tax examinations by tax authorities beyond three years from the filing of those returns.

(k) Functional expenses

The costs of providing the various programs and activities has been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Program and supporting expenses, when specifically identifiable, are classified to the function which incurred the expense. Expenses allocated using management's estimate of time include payroll, employee benefits and retirement plan expenses. Expenses allocated using management's estimate of usage include professional services, certain insurance, and depreciation and amortization.



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2) Summary of significant accounting policies (continued)

(l) Fundraising

All expenses associated with fundraising events are expensed as incurred.

(m) Use of estimates

The preparation of financial statements in conformity with U.S. 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(n) Leases

The Organization leases various buildings. The Organization determines if an arrangement is a lease at inception. Operating lease assets and liabilities are recognized at the lease commencement date. Operating lease liabilities represent the present value of minimum lease payments not yet paid. Operating lease assets represent the right to use an underlying asset and are based upon the operating lease liabilities. To determine the present value of lease payments, the Organization uses the risk-free interest rate. The lease term includes the initial contractual terms as well as any options to extend the lease when it is reasonably certain that the Organization will exercise that option. Leases with an initial term of 12 months or less are not recorded on the consolidated statements of financial position. Operating lease payments are charged on a straight-line basis to rent expense over the lease term.

(o) Concentrations of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to certain limits and amounts at each investment firm are insured by the Securities Investor Protection Corporation up to certain limits. The Organization may at times have amounts in excess of these insured limits. The Organization has not experienced any losses in such accounts. The Organization has no policy requiring collateral or other security to support its deposits.

The Organization generally requires a deed of trust to support its notes receivable.

(p) Donated services

The Organization's policy is to recognize donations of in-kind services as revenue at fair value in the period such contributions are made. Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization received volunteer help to renovate homes destroyed by natural disasters. The estimated value of the contributed services for the years ended December 31, 2024 and 2023 was \$506,231 and \$1,759,878, respectively.

(q) Donated supplies

Noncash donations are recorded as contributions at their fair value at the date of donations. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. The estimated value of the donated goods for the years ended December 31, 2024 and 2023 was \$133,676 and \$531,967, respectively. The donated goods for 2024 and 2023 consisted of building supplies to renovate homes destroyed by natural disasters.

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2) Summary of significant accounting policies (continued)

(r) Net assets

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

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations are not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed or certain grantor-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.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

(s) Impairment of long-lived assets

The Organization reviews property and equipment for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The Organization did not recognize any impairment losses in 2024 or 2023 related to assets held for use or sale.

The Organization evaluates whether events and circumstances have occurred that indicate the operating lease right of use assets have been impaired. Measurement of any impairment is based on estimated fair values. Once a right of use asset is impaired, the carrying amount of the right of use asset is reduced through expense and the remaining balance is subsequently amortized on a straight-line basis. During 2024 and 2023, the Organization determined that the carrying amount of right of use assets has not exceeded its fair value; accordingly, no impairment losses exist.

(t) Reclassification

Certain amounts in the prior year consolidated financial statements have been reclassified to conform to the current presentation. Total net assets and change in net assets were not impacted by these reclassifications.

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3) Grants receivable

SBP, Inc. was awarded various grants through federal, state and other agencies. Most of the grants are considered to be exchange transactions. Balances due from the grants at year end are included in grants receivable. Grants receivable of state and other agencies for the years ended December 31, 2024 and 2023 was \$-0- and \$79,049, respectively. Federal financial assistance included in grants receivable at year end is as follows:

	2024			
	Due from grant at beginning of year	Grant receipts	Grant expenditures	Due from grant at end of year
AmeriCorp National Grant	\$ 167,496	\$(1,561,625)	\$2,030,393	\$ 636,264
Puerto Rico DOH	-	-	23,103	23,103
U.S Department of Agriculture	-	-	44,814	44,814
U.S. Department of HUD				
City of New Orleans (Sub Rehab)	735,336	(735,336)	-	-
City of New Orleans (H&S)	-	-	14,272	14,272
New York	351,809	(120,517)	-	231,292
North Carolina	282,875	(175,675)	-	107,200
HUD – VHRMP 2019	92,418	(156,408)	104,536	40,546
HUD – VHRMP 2020	150,793	(218,489)	81,683	13,987
HUD – OHAMP	99,796	(193,175)	108,093	14,714
Total federal assistance	<u>\$1,880,523</u>	<u>\$(3,161,225)</u>	<u>\$2,406,894</u>	<u>\$1,126,192</u>

	2023			
	Due from grant at beginning of year	Grant receipts	Grant expenditures	Due from grant at end of year
AmeriCorp National Grant	\$ 365,620	\$(3,344,220)	\$3,146,096	\$ 167,496
U.S. Department of HUD				
City of New Orleans (\$375k)	373,709	(373,709)	-	-
City of New Orleans (Sub Rehab)	731,943	-	3,393	735,336
New York	418,743	(66,934)	-	351,809
North Carolina	-	(118,125)	401,000	282,875
City of Columbia	3,329,761	(6,457,873)	3,128,112	-
HUD – VHRMP 2019	182,206	(282,935)	193,147	92,418
HUD – VHRMP 2020	131,185	(243,312)	262,920	150,793
HUD – OHAMP	72,307	(231,458)	258,947	99,796
Total federal assistance	<u>\$5,605,474</u>	<u>\$(11,118,566)</u>	<u>\$7,393,615</u>	<u>\$1,880,523</u>

4) Investments and fair value measurement

Investments are the only assets measured at fair value on a recurring basis. Realized and unrealized gains and losses are included in the change in net assets in the accompanying consolidated

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4) Investments and fair value measurement (continued)

statements of activities. Valuation techniques used to measure fair value are prioritized into the following hierarchy:

Level 1—Quoted prices in active markets for identical assets.

Level 2—Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data by correlation such as appraisals or other means such as calculations based on contractual rates and published tables.

Level 3—Unobservable inputs that reflect management’s assumptions and best estimates based on available data.

The Organization uses Level 1 measurements whenever possible, as they result in the most reliable measure of fair value. Investments are measured at fair value in the consolidated statements of financial position. Investment income and gains restricted by donors are reported as increases in net assets free of donor restrictions if the restrictions are met in the reporting period in which the income and gains are recognized. There were no changes in the valuation techniques during the year.

The Organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the valuation techniques. The Organization uses the following ways to determine the fair value of its investments:

*Corporate and government bonds:* Determined by the closing bid price on the last business day of the fiscal year if actively traded.

*U.S. treasury securities and equity securities:* Determined on quoted market prices in active markets.

Investments consist of the following at December 31, 2024:

	<u>Level 1</u>
Equity securities	\$ 1,799,674
U.S. treasury securities	1,445,030
U.S. government bonds	119,345
Corporate bonds	6,566,886
	<u>\$ 9,930,935</u>

Investments consist of the following at December 31, 2023:

	<u>Level 1</u>
Equity securities	\$ 1,516,404
U.S. treasury securities	1,212,349
U.S. government bonds	174,969
Corporate bonds	6,302,571
	<u>\$ 9,206,293</u>

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4) Investments and fair value measurement (continued)

A summary of return on investments consists of the following for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 471,228	\$ 355,455
Realized and unrealized income	<u>310,298</u>	<u>363,162</u>
Total return	<u>\$ 781,526</u>	<u>\$ 718,617</u>

5) Property and equipment

Property and equipment is summarized as follows:

	<u>2024</u>	<u>2023</u>
Land	\$ 1,080,000	\$ 1,080,000
Building	4,206,509	4,206,509
Equipment	217,732	186,899
Real estate held for rental	2,142,607	2,142,607
Vehicles	<u>213,098</u>	<u>349,461</u>
Total cost	7,859,946	7,965,476
Less: accumulated depreciation	<u>(1,727,883)</u>	<u>(1,594,749)</u>
Property and equipment, net	<u>\$ 6,132,063</u>	<u>\$ 6,370,727</u>

6) Notes receivable - promissory notes

The Organization had promissory notes receivable in connection with the sale of various properties. The promissory notes become due and payable if the borrower fails to occupy the residence for a five or ten year period after initial purchase date, fails to maintain homeowner's and flood insurance during the five or ten years or fails to pay property taxes when they become due during the five or ten year period. The balance of promissory notes receivable at December 31, 2024 and 2023 was \$-0-. A total of \$-0- and \$1,545 was written off in 2024 and 2023, respectively.

7) Grant note payable

SBP, Inc. was awarded a grant from the New Orleans Redevelopment Authority ("NORA") to assist with the development of single-family housing for low income families. The grant awarded provides up to \$100,000 of assistance per property and of this total, up to \$50,000 per property is payable back to NORA. As of December 31, 2024 and 2023, SBP, Inc. had a \$180,000 and \$520,000 payable to NORA, respectively, which is recorded in accrued expenses.

8) Line of credit

The Organization has an \$850,000 unsecured line of credit with a bank for its working capital needs with a maturity date of March 26, 2026. The interest rate on the line is variable, as per the agreement (7.5% at December 31, 2024). There was no balance on the line as of December 31, 2024 and 2023.



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9) Liquidity and availability

Financial assets available for general expenditure without donor or other restrictions limiting their use within the coming year comprise the following:

Financial assets:	
Cash and cash equivalents	\$ 14,650,690
Investments - current	5,766,138
Accounts receivable	4,281,400
Promises to give	59,890
Grants receivable - federal	1,126,192
Less with donor restrictions for a specific purpose	(4,594,820)
Financial assets available for general expenditure	<u>\$ 21,289,490</u>

This amount is approximately 82% of total expenditures for 2024. The Organization believes it will be able to conduct its activities at a similar level for the coming year even if revenues decline.

10) Commitments and contingencies

SBP, Inc. provided certain guarantees on its SBP L9 low-income housing tax credit (LIHTC) project, including payment and performance of all obligations of the developer (SBP L9 Developer, LLC) under the development agreement, payment and performance of all obligations of SBP L9 Manager, LLC under the SBP L9, LLC operating agreement, and payment and performance of all obligations associated with the operating entity (SBP L9, LLC) to its commercial lender and government loans.

SBP, Inc. provided certain guarantees on its SBP L9 Developer II LIHTC project, including payment and performance of all obligations of the developer (SBP L9 Developer II, LLC) under the development agreement, payment and performance of all obligations of SBP L9 Manager II, LLC under the SBP L9 II, LLC operating agreement, and payment and performance of all obligations associated with the operating entity (SBP L9 II, LLC) to its commercial lender and government loans.

SBP, Inc. provided certain guarantees on its SBP St. Peter LIHTC project, including payment and performance of all obligations of the developer (SBP St. Peter Developer, LLC) under the development agreement, payment and performance of all obligations of SBP St. Peter GP, LLC under the SBP St. Peter, LLC operating agreement and payment and performance of all obligations associated with the operating entity (SBP St. Peter, LLC) to its commercial lender and government loans.

11) Other noncurrent assets

SBP St Peter, LLC owns, developed and operates the SBP St. Peter LIHTC Project. SBP, Inc. owns 100% of the membership interests in SBP St. Peter GP, LLC (the "St. Peter GP"). The St. Peter GP is the managing member of SBP St. Peter, LLC and owns 100% of its class of membership interests and .01% of the total equity interests of SBP St. Peter, LLC.

The other members of SBP St. Peter, LLC are Boston Financial Institutional Tax Credits XLIX, LP, as the investor member contributing the tax credit equity and owning 100% of the class of members receiving the LIHTCs and 99.9% of the equity interests of SBP St. Peter, LLC; and BFIM Special Limited Partner, Inc, which owns no equity interest in SBP St. Peter, LLC but owns 100% of its class of membership as the special member. The special member has certain administrative rights on behalf of the investor member. SBP, Inc., through the St. Peter GP, has contributed \$1,100,000 to capital of SBP St. Peter, LLC.

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11) Other noncurrent assets (continued)

The Organization has contributed to a Recovery Acceleration Fund (RAF). The RAF is intended to help low-income disaster survivors awaiting federal disaster assistance who do not have the ability to self-finance their home construction projects. The RAF pre-qualifies survivors for the disaster recovery program and provides them with critical loan funding that they will use to make their necessary home repairs. The RAF clients will repay the loan funding by using federal funds once they are approved by the state agencies. A balance of \$2,052,130 and \$1,332,208 was in the RAF as of December 31, 2024 and 2023, respectively, and is included in other noncurrent assets on the consolidated statements of financial position.

12) Long-term debt

Long-term debt of the Organization at December 31, 2024 and 2023 consists of the following:

	<u>2024</u>	<u>2023</u>
Two CDBG loans from the City of Houston with no principal or interest payments due or payable unless there is default under the terms of the agreement. If no events occur for a period of 20 years after project completion, the note payable will be deemed paid in full. Additional funds will be drawn on this loan as construction progresses. The maximum amount that can be drawn on this loan is \$4,474,703.	\$ 3,683,694	\$ 1,779,422
Note payable to a lender with interest at a rate of 8.0%. Semi-annual payments equal to 16.67% of outstanding principal balance are due and the loan has a maturity date of March 2028.	513,889	-
Note payable to a lender with interest at a rate of 4.0%. Monthly payments of approximately \$18,500 are due and the loan has a maturity date of November 2037.	<u>2,236,830</u>	<u>2,366,029</u>
Total long-term debt	6,434,413	4,145,451
Less: current portion	<u>(221,665)</u>	<u>(131,000)</u>
Long-term debt, net	<u>\$ 6,212,748</u>	<u>\$ 4,014,451</u>

The maturities of long-term debt are as follows:

2025	\$ 221,665
2026	282,714
2027	241,880
2028	345,429
2029	159,435
Thereafter	4,961,625

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13) Related party transactions

The Organization has balances due from related parties for services performed. The amounts due from related parties is as follows:

	<u>2024</u>	<u>2023</u>
SBP Real Estate	\$ 560,975	\$ 375,070
SBP St. Peter, LLC	1,264,049	1,264,049
SBP L9, LLC	522,820	609,314
SBP L9 II, LLC	1,808,048	955,500
	<u>\$ 4,155,892</u>	<u>\$ 3,203,933</u>

These balances are presented on the consolidated statements of financial position as follows:

	<u>2024</u>	<u>2023</u>
Accounts Receivable	\$ 498,658	\$ 442,148
Due from related parties - current	1,308,194	410,302
Due from related parties - long term	2,349,040	2,351,483
	<u>\$ 4,155,892</u>	<u>\$ 3,203,933</u>

14) Operating leases

The Organization leases office space for its New York, Texas, Puerto Rico and Florida locations. These leases expire at various dates through October 2025. The weighted average remaining lease term and discount rate are 0.66 years and 4.16%, respectively. Total rent expense for these leases, which is included in occupancy expense was \$104,480 and \$148,808 for the years ended December 31, 2024 and 2023, respectively.

Future maturities of lease liabilities as of December 31, 2024 are as follows:

2025	<u>\$ 24,698</u>
	24,698
Less: imputed interest	<u>(355)</u>
	<u>\$ 24,343</u>

Operating lease right-of-use asset consists of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Operating lease right-of-use asset	\$ 254,288	\$ 214,923
Less: accumulated amortization	(229,945)	(118,809)
	<u>\$ 24,343</u>	<u>\$ 96,114</u>

SBP, Inc. leases office space to various other organizations. The Organization recognized \$81,129 and \$110,277 of income on these leases for the years ended December 31, 2024 and 2023, respectively. The leases expire at various dates through July 2026.

THE ST. BERNARD PROJECT, INC.  
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14) Operating leases (continued)

Future minimum rental payments under the leases are as follows:

2025	\$ 39,987
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15) Economic dependence

In 2024, the Organization received approximately 54% of its revenue from federal, state and other grants and 17% from contributions. In 2023, the Organization received approximately 65% of its revenue from federal, state and other grants and 12% from contributions.

16) Supplementary disclosures of cash flows information

	<u>2024</u>	<u>2023</u>
Cash paid for interest	\$ 152,977	\$ 98,189
Construction in process converted to due from related party	\$ -	\$ 1,284,786

17) Employee benefit plan

The Organization maintains a 401(k) retirement plan for the benefit of all eligible employees, whereby the employees may elect to defer compensation pursuant to a salary reduction agreement. The Organization contributes a match as described in the plan documents. For the years ended December 31, 2024 and 2023, the Organization contributed \$111,227 and \$92,760, respectively.

18) Net assets with donor restrictions

Net assets with donor purpose restrictions are available for the following programs:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
Florida - Hurricane Ian	\$ -	\$ 309,216
Florida - Hurricane Idalia	355,736	-
Louisiana - Hurricane Ida	726,199	665,185
Disaster Assistance Program	811,898	612,171
Hawaii - Wildfires (2023)	58,549	989,931
Hurricane Helene & Milton	2,107,872	-
National Share Program	275,693	417,869
National Prepare Program	258,873	-
Total net assets with donor purpose restrictions	<u>\$ 4,594,820</u>	<u>\$ 2,994,372</u>

THE ST. BERNARD PROJECT, INC.  
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19) Net assets released from restrictions

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donor as follows for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Satisfaction of purpose restrictions:		
Lake Charles - Hurricane Laura and Delta and Other	\$ -	\$ 5,087
Texas - Hurricane Harvey	-	596,986
Florida - Hurricane Ian	2,750,964	4,274,778
Florida - Hurricane Idalia	939,433	-
Louisiana - Hurricane Ida	-	535,777
Disaster Assistance Program	422,762	147,322
Hawaii - Wildfires (2023)	981,382	226,404
Hurricane Helene & Milton	541,868	-
Kentucky - Tornado (2022)	-	265,931
National Share Program	789,158	401,257
National Prepare Program	391,127	86,924
Bahamas - Hurricane Dorian	-	198,766
St. Vincent - Volcano	-	246,338
Total net assets released from restrictions	<u>\$ 6,816,694</u>	<u>\$ 6,985,570</u>

20) Insurance proceeds

In February 2023, the Organization experienced a fire in a rental development in Houston, Texas, that resulted in property damage of approximately \$959,000. The Organization's property insurance covered approximately \$834,000 of the total losses incurred. No other insurance proceeds are expected to be received related to this matter.

21) Subsequent events

The Organization has evaluated subsequent events through the date of the independent auditor's report, the date which the consolidated financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors  
The St. Bernard Project, Inc.  
d/b/a SBP, Inc.  
New Orleans, Louisiana

We have audited the consolidated financial statements of SBP, Inc. and subsidiaries as of and for the years ended December 31, 2024 and 2023, and our report thereon dated June 26, 2025, which expressed an unmodified opinion on those financial statements, appears on pages 1-3. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies, and it 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.

Metairie, Louisiana  
June 26, 2025

*Wegmann Dazet*

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

December 31, 2024

	SBP, Inc.	Toulouse Commercial, Inc.	SBP St. Peter Developer, LLC	SBP L9 Developer, LLC	SBP L9 Developer II, LLC	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
<b>ASSETS</b>								
Current assets								
Cash and cash equivalents	\$ 13,817,955	\$ 832,735	\$ -	\$ -	\$ -	\$ 14,650,690	\$ -	\$ 14,650,690
Investments - current	5,766,138	-	-	-	-	5,766,138	-	5,766,138
Accounts receivable	4,281,400	-	-	-	-	4,281,400	-	4,281,400
Promises to give	59,890	-	-	-	-	59,890	-	59,890
Grants receivable - federal	1,126,192	-	-	-	-	1,126,192	-	1,126,192
Construction in process	1,175,057	-	-	-	-	1,175,057	-	1,175,057
Real estate held for sale	70,680	-	-	-	-	70,680	-	70,680
Due from related parties	1,313,194	-	-	977,272	-	2,290,466	(982,272)	1,308,194
Other current assets	259,865	11,220	-	-	-	271,085	-	271,085
Total current assets	27,870,371	843,955	-	977,272	-	29,691,598	(982,272)	28,709,326
Investments - noncurrent	4,164,797	-	-	-	-	4,164,797	-	4,164,797
Due from related parties	268,575	-	902,237	222,728	955,500	2,349,040	-	2,349,040
Property and equipment, net	1,920,705	5,063,815	-	-	-	6,984,520	(852,457)	6,132,063
Construction in process	5,537,922	-	-	-	-	5,537,922	-	5,537,922
Operating lease - right of use assets, net	24,343	-	-	-	-	24,343	-	24,343
Notes receivable	2,347,770	-	-	-	-	2,347,770	(2,347,770)	-
Other noncurrent assets	3,152,130	-	-	-	-	3,152,130	-	3,152,130
Deposits	31,826	6,100	-	-	-	37,926	-	37,926
Total assets	<u>\$ 45,318,439</u>	<u>\$ 5,913,870</u>	<u>\$ 902,237</u>	<u>\$ 1,200,000</u>	<u>\$ 955,500</u>	<u>\$ 54,290,046</u>	<u>\$ (4,182,499)</u>	<u>\$ 50,107,547</u>
<b>LIABILITIES</b>								
Current liabilities								
Accounts payable and accrued expenses	\$ 1,437,844	\$ 4,177	\$ -	\$ -	\$ -	\$ 1,442,021	\$ -	\$ 1,442,021
Accrued payroll and related liabilities	622,395	-	-	-	-	622,395	-	622,395
Refundable grant advances	6,631,267	-	-	-	-	6,631,267	-	6,631,267
Due to related party	977,272	8,570	-	-	-	985,842	(982,272)	3,570
Current portion of long-term debt	85,665	136,000	-	-	-	221,665	-	221,665
Current portion of operating lease obligations	24,343	-	-	-	-	24,343	-	24,343
Total current liabilities	9,778,786	148,747	-	-	-	9,927,533	(982,272)	8,945,261
Long-term debt, net	4,111,918	4,448,600	-	-	-	8,560,518	(2,347,770)	6,212,748
Total liabilities	<u>13,890,704</u>	<u>4,597,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,488,051</u>	<u>(3,330,042)</u>	<u>15,158,009</u>
<b>NET ASSETS</b>								
Without donor restrictions	26,832,915	1,316,523	902,237	1,200,000	955,500	31,207,175	(852,457)	30,354,718
With donor purpose restrictions	4,594,820	-	-	-	-	4,594,820	-	4,594,820
Total net assets	<u>31,427,735</u>	<u>1,316,523</u>	<u>902,237</u>	<u>1,200,000</u>	<u>955,500</u>	<u>35,801,995</u>	<u>(852,457)</u>	<u>34,949,538</u>
Total liabilities and net assets	<u>\$ 45,318,439</u>	<u>\$ 5,913,870</u>	<u>\$ 902,237</u>	<u>\$ 1,200,000</u>	<u>\$ 955,500</u>	<u>\$ 54,290,046</u>	<u>\$ (4,182,499)</u>	<u>\$ 50,107,547</u>

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

December 31, 2023

	SBP, Inc.	Toulouse Commercial, Inc.	SBP St. Peter Developer, LLC	SBP L9 Developer, LLC	SBP L9 Developer II, LLC	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
<b>ASSETS</b>								
<b>Current assets</b>								
Cash and cash equivalents	\$ 12,238,959	\$ 873,370	\$ -	\$ -	\$ -	\$ 13,112,329	\$ -	\$ 13,112,329
Investments - current	6,353,652	-	-	-	-	6,353,652	-	6,353,652
Accounts receivable	1,396,161	250	-	-	-	1,396,411	-	1,396,411
Promises to give	775,757	-	-	-	-	775,757	-	775,757
Grants receivable - other	79,049	-	-	-	-	79,049	-	79,049
Grants receivable - federal	1,880,523	-	-	-	-	1,880,523	-	1,880,523
Construction in process	1,586,100	-	-	-	-	1,586,100	-	1,586,100
Real estate held for sale	70,680	-	-	-	-	70,680	-	70,680
Due from related party	410,302	-	-	977,272	-	1,387,574	(977,272)	410,302
Other current assets	274,058	(2,761)	-	-	-	271,297	-	271,297
Total current assets	25,065,241	870,859	-	977,272	-	26,913,372	(977,272)	25,936,100
Investments - noncurrent	2,852,641	-	-	-	-	2,852,641	-	2,852,641
Due from related parties	271,018	-	902,237	222,728	955,500	2,351,483	-	2,351,483
Property and equipment, net	2,036,093	5,187,091	-	-	-	7,223,184	(852,457)	6,370,727
Construction in process	2,335,645	-	-	-	-	2,335,645	-	2,335,645
Operating lease - right of use assets, net	96,114	-	-	-	-	96,114	-	96,114
Notes receivable	2,347,770	-	-	-	-	2,347,770	(2,347,770)	-
Other noncurrent assets	2,432,208	-	-	-	-	2,432,208	-	2,432,208
Deposits	19,178	6,100	-	-	-	25,278	-	25,278
Total assets	\$ 37,455,908	\$ 6,064,050	\$ 902,237	\$ 1,200,000	\$ 955,500	\$ 46,577,695	\$ (4,177,499)	\$ 42,400,196
<b>LIABILITIES</b>								
<b>Current liabilities</b>								
Accounts payable and accrued expenses	\$ 1,093,805	\$ 5,036	\$ -	\$ -	\$ -	\$ 1,098,841	\$ -	\$ 1,098,841
Accrued payroll and related liabilities	345,197	-	-	-	-	345,197	-	345,197
Refundable grant advances	3,707,807	-	-	-	-	3,707,807	-	3,707,807
Due to related party	1,177,978	3,570	-	-	-	1,181,548	(977,272)	204,276
Current portion of long-term debt	-	131,000	-	-	-	131,000	-	131,000
Current portion of operating lease obligations	97,538	-	-	-	-	97,538	-	97,538
Total current liabilities	6,422,325	139,606	-	-	-	6,561,931	(977,272)	5,584,659
Long-term debt, net	1,779,422	4,582,799	-	-	-	6,362,221	(2,347,770)	4,014,451
Total liabilities	8,201,747	4,722,405	-	-	-	12,924,152	(3,325,042)	9,599,110
<b>NET ASSETS</b>								
Without donor restrictions	26,259,789	1,341,645	902,237	1,200,000	955,500	30,659,171	(852,457)	29,806,714
With donor purpose restrictions	2,994,372	-	-	-	-	2,994,372	-	2,994,372
Total net assets	29,254,161	1,341,645	902,237	1,200,000	955,500	33,653,543	(852,457)	32,801,086
Total liabilities and net assets	\$ 37,455,908	\$ 6,064,050	\$ 902,237	\$ 1,200,000	\$ 955,500	\$ 46,577,695	\$ (4,177,499)	\$ 42,400,196

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENTS OF ACTIVITIES  
For the Year Ended December 31, 2024

	SBP, Inc. Without Donor Restrictions	SBP, Inc. With Donor Restrictions	Toulouse Commercial, Inc. Without Donor Restrictions	SBP St. Peter Developer, LLC Without Donor Restrictions	SBP L9 Developer, LLC Without Donor Restrictions	SBP L9 Developer II, LLC Without Donor Restrictions	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
<b>Revenues</b>									
Contributions	\$ 2,253,693	\$ 2,509,161	\$ -	\$ -	\$ -	\$ -	\$ 4,762,854	\$ -	\$ 4,762,854
In-kind contributions	506,231	-	-	-	-	-	506,231	-	506,231
Grants	9,011,085	5,907,981	-	-	-	-	14,919,066	-	14,919,066
Property management fees	233,502	-	-	-	-	-	233,502	-	233,502
Homeowner funding	106,423	-	-	-	-	-	106,423	-	106,423
Sale of properties	784,919	-	-	-	-	-	784,919	-	784,919
Opportunity housing income	121,464	-	-	-	-	-	121,464	-	121,464
Vendor incentives	107,708	-	-	-	-	-	107,708	-	107,708
Interest and dividend income	733,535	-	-	-	-	-	733,535	-	733,535
Realized and unrealized gain on investments	310,298	-	-	-	-	-	310,298	-	310,298
Gain on sale of assets	156,570	-	-	-	-	-	156,570	-	156,570
Rental income	-	-	388,480	-	-	-	388,480	(388,480)	-
Other income	5,161,944	-	-	-	-	-	5,161,944	-	5,161,944
Net assets released from restrictions	6,816,694	(6,816,694)	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>26,304,066</b>	<b>1,600,448</b>	<b>388,480</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,292,994</b>	<b>(388,480)</b>	<b>27,904,514</b>
<b>Expenses</b>									
Program services									
Rebuilding	19,270,723	-	-	-	-	-	19,270,723	(165,412)	19,105,311
Opportunity housing	2,047,317	-	-	-	-	-	2,047,317	(52,600)	1,994,717
Disaster resilience and recovery lab	2,132,241	-	-	-	-	-	2,132,241	(102,475)	2,029,766
Supporting services									
General and administrative	2,085,386	-	413,602	-	-	-	2,498,988	(52,553)	2,446,435
Fundraising	195,273	-	-	-	-	-	195,273	(15,440)	179,833
<b>Total expenses</b>	<b>25,730,940</b>	<b>-</b>	<b>413,602</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,144,542</b>	<b>(388,480)</b>	<b>25,756,062</b>
<b>Change in net assets</b>	<b>573,126</b>	<b>1,600,448</b>	<b>(25,122)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,148,452</b>	<b>-</b>	<b>2,148,452</b>
<b>Net assets</b>									
Beginning of year	26,259,789	2,994,372	1,341,645	902,237	1,200,000	955,500	33,653,543	(852,457)	32,801,086
End of year	<u>\$ 26,832,915</u>	<u>\$ 4,594,820</u>	<u>\$ 1,316,523</u>	<u>\$ 902,237</u>	<u>\$ 1,200,000</u>	<u>\$ 955,500</u>	<u>\$ 35,801,995</u>	<u>\$ (852,457)</u>	<u>\$ 34,949,538</u>

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENTS OF ACTIVITIES  
For the Year Ended December 31, 2023

	SBP, Inc. Without Donor Restrictions	SBP, Inc. With Donor Restrictions	Toulouse Commercial, Inc. Without Donor Restrictions	SBP St. Peter Developer, LLC Without Donor Restrictions	SBP L9 Developer, LLC Without Donor Restrictions	SBP L9 Developer II, LLC Without Donor Restrictions	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
<b>Revenues</b>									
Contributions	\$ 4,343,167	\$ 670,655	\$ -	\$ -	\$ -	\$ -	\$ 5,013,822	\$ -	\$ 5,013,822
In-kind contributions	1,759,878	-	-	-	-	-	1,759,878	-	1,759,878
Grants	18,708,147	5,458,429	-	-	-	-	24,166,576	-	24,166,576
Property management fees	110,277	-	-	-	-	-	110,277	-	110,277
Homeowner funding	70,206	-	-	-	-	-	70,206	-	70,206
Sale of properties	1,608,649	-	-	-	-	-	1,608,649	-	1,608,649
Opportunity housing income	124,039	-	-	-	-	-	124,039	-	124,039
Vendor incentives	54,216	-	-	-	-	-	54,216	-	54,216
Interest and dividend income	476,991	-	-	-	-	-	476,991	-	476,991
Realized and unrealized loss on investments	363,162	-	-	-	-	-	363,162	-	363,162
Gain on sale of assets	63,949	-	-	-	-	-	63,949	-	63,949
Rental income	-	-	377,165	-	-	-	377,165	(377,165)	-
Developers fees	-	-	-	-	-	955,500	955,500	-	955,500
Other income	2,628,676	-	-	-	-	-	2,628,676	-	2,628,676
Net assets released from restrictions	6,985,570	(6,985,570)	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>37,296,927</b>	<b>(856,486)</b>	<b>377,165</b>	<b>-</b>	<b>-</b>	<b>955,500</b>	<b>37,773,106</b>	<b>(377,165)</b>	<b>37,395,941</b>
<b>Expenses</b>									
Program services									
Rebuilding	29,058,688	-	-	-	-	-	29,058,688	(158,410)	28,900,278
Opportunity housing	2,936,991	-	-	-	-	-	2,936,991	(49,031)	2,887,960
Disaster resilience and recovery lab	2,262,242	-	-	-	-	-	2,262,242	(101,835)	2,160,407
Supporting services									
General and administrative	2,876,101	-	309,389	185,633	-	-	3,371,123	(52,803)	3,318,320
Fundraising	191,151	-	-	-	-	-	191,151	(15,086)	176,065
<b>Total expenses</b>	<b>37,325,173</b>	<b>-</b>	<b>309,389</b>	<b>185,633</b>	<b>-</b>	<b>-</b>	<b>37,820,195</b>	<b>(377,165)</b>	<b>37,443,030</b>
<b>Change in net assets</b>	<b>(28,246)</b>	<b>(856,486)</b>	<b>67,776</b>	<b>(185,633)</b>	<b>-</b>	<b>955,500</b>	<b>(47,089)</b>	<b>-</b>	<b>(47,089)</b>
<b>Net assets</b>									
Beginning of year	26,288,035	3,850,858	1,273,869	1,087,870	1,200,000	-	33,700,632	(852,457)	32,848,175
End of year	<u>\$ 26,259,789</u>	<u>\$ 2,994,372</u>	<u>\$ 1,341,645</u>	<u>\$ 902,237</u>	<u>\$ 1,200,000</u>	<u>\$ 955,500</u>	<u>\$ 33,653,543</u>	<u>\$ (852,457)</u>	<u>\$ 32,801,086</u>

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2024

	SBP, Inc.					Toulouse Commercial, Inc.	SBP St. Peter Developer, LLC			
	Program Services			Supporting Services						
	Rebuilding	Opportunity Housing	Disaster Resilience and Recovery Lab	Fundraising	General & Administrative	General & Administrative	General & Administrative	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
Advertising	\$ 22,340	\$ -	\$ 293	\$ 1,828	\$ 234	\$ -	\$ -	\$ 24,695	\$ -	\$ 24,695
Bad debt writeoff	100,000	-	-	-	-	-	-	100,000	-	100,000
Building maintenance and repairs	337	10,886	-	-	747	41,898	-	53,868	-	53,868
Construction	6,084,967	-	31,415	220	2,882	-	-	6,119,484	-	6,119,484
Contract services	285,886	136,154	145,661	72,705	401,662	12,202	-	1,054,270	-	1,054,270
Cost of property sold	-	1,083,594	-	-	-	-	-	1,083,594	-	1,083,594
Depreciation expense	19,219	22,062	-	-	20,070	131,443	-	192,794	-	192,794
Disaster deployment	8,569	-	-	-	-	-	-	8,569	-	8,569
Dues and subscriptions	3,024	637	54	1,171	10,774	-	-	15,660	-	15,660
Education and seminars	4,649	759	6,915	4,182	21,658	-	-	38,163	-	38,163
Fundraising expenses	7,105	-	-	17,837	2,001	-	-	26,943	-	26,943
Grants and awards expenses	2,189,500	-	-	6,500	500	-	-	2,196,500	-	2,196,500
Information tech	66,310	239	-	8	720	-	-	67,277	-	67,277
In-kind labor	506,231	-	-	-	-	-	-	506,231	-	506,231
Insurance	967,062	305,344	91,214	-	191,762	113,086	-	1,668,468	-	1,668,468
Interest expense	60,828	-	-	-	(1,424)	93,573	-	152,977	-	152,977
Miscellaneous expenses	17,081	11,971	212	656	131	35	-	30,086	-	30,086
Office rent	220,974	71,328	138,957	20,937	74,738	-	-	526,934	(388,480)	138,454
Office supplies	21,656	2,755	2,477	931	791	40	-	28,650	-	28,650
Payroll - direct	8,162,919	367,815	1,468,515	-	1,223,776	-	-	11,223,025	-	11,223,025
Postage and mailing service	9,261	203	917	14,934	600	-	-	25,915	-	25,915
Printing	13,360	1,516	12,245	5,721	31	-	-	32,873	-	32,873
Professional services	-	-	-	-	24,943	-	-	24,943	-	24,943
Signature support	10,884	562	2,787	53	4,588	-	-	18,874	-	18,874
Software licenses and fees	133,796	10,942	38,789	29,485	8,043	-	-	221,055	-	221,055
Special events	6,187	284	26	191	10,585	-	-	17,273	-	17,273
Travel and meetings	285,302	6,510	191,764	17,914	80,028	-	-	581,518	-	581,518
Utilities	46,128	13,756	-	-	3,546	21,325	-	84,755	-	84,755
Vehicle expenses	17,148	-	-	-	2,000	-	-	19,148	-	19,148
Total expenses	<u>\$ 19,270,723</u>	<u>\$ 2,047,317</u>	<u>\$ 2,132,241</u>	<u>\$ 195,273</u>	<u>\$ 2,085,386</u>	<u>\$ 413,602</u>	<u>\$ -</u>	<u>\$ 26,144,542</u>	<u>\$ (388,480)</u>	<u>\$ 25,756,062</u>

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2023

	SBP, Inc.					Toulouse Commercial, Inc.	SBP St. Peter Developer, LLC			
	Program Services			Supporting Services						
			Disaster					Totals Before		
	Rebuilding	Opportunity Housing	Resilience and Recovery Lab	Fundraising	General & Administrative	General & Administrative	General & Administrative	Consolidating Entries	Consolidating Entries	Consolidated Totals
Advertising	\$ 19,533	\$ 595	\$ 28,815	\$ 54,400	\$ -	\$ -	\$ -	\$ 103,343	\$ -	\$ 103,343
Bad debt writeoff	109,329	3,372	-	-	-	-	185,633	298,334	-	298,334
Building maintenance and repairs	12,553	1,717	-	-	250	23,355	-	37,875	-	37,875
Construction	13,565,814	-	33,988	226	-	-	-	13,600,028	-	13,600,028
Contract services	732,490	209,362	56,332	46,489	775,429	4,122	-	1,824,224	-	1,824,224
Cost of property sold	-	2,028,954	-	-	-	-	-	2,028,954	-	2,028,954
Depreciation expense	53,410	27,564	-	-	2,637	119,177	-	202,788	-	202,788
Disaster deployment	9,634	-	-	-	-	-	-	9,634	-	9,634
Dues and subscriptions	6,533	125	1,000	665	12,267	-	-	20,590	-	20,590
Education and seminars	4,978	195	12,702	2,621	-	-	-	20,496	-	20,496
Fogiveable promissory note	-	1,545	-	-	-	-	-	1,545	-	1,545
Fundraising expenses	11,693	251	11,862	2,845	10,062	-	-	36,713	-	36,713
Grants and awards expenses	2,336,347	-	369,235	-	-	-	-	2,705,582	-	2,705,582
Information tech	67,786	-	67	42	35	-	-	67,930	-	67,930
In-kind labor	1,751,483	-	3,615	-	4,780	-	-	1,759,878	-	1,759,878
Insurance	1,120,814	141,934	64,277	7	155,325	51,043	-	1,533,400	-	1,533,400
Interest expense	8,600	-	-	-	-	89,589	-	98,189	-	98,189
Miscellaneous expenses	85,876	60,189	1,068	3,300	-	833	-	151,266	-	151,266
Office rent	268,083	85,997	173,845	25,936	96,592	-	-	650,453	(377,165)	273,288
Office supplies	28,391	5,040	9,252	328	850	191	-	44,052	-	44,052
Payroll - direct	8,112,832	338,572	1,092,687	1,179	1,596,124	-	-	11,141,394	-	11,141,394
Postage and mailing service	25,249	311	152	2,488	775	-	-	28,975	-	28,975
Printing	26,654	134	21,171	1,862	198	-	-	50,019	-	50,019
Professional services	-	2,500	-	-	3,171	-	-	5,671	-	5,671
Signature support	9,322	-	-	-	-	-	-	9,322	-	9,322
Software licenses and fees	153,564	19,938	177,621	26,725	90,191	-	-	468,039	-	468,039
Special events	11,503	1,261	14,691	2,681	5,959	-	-	36,095	-	36,095
Travel and meetings	409,549	1,921	188,862	19,357	117,374	-	-	737,063	-	737,063
Utilities	78,420	5,514	-	-	212	21,079	-	105,225	-	105,225
Vehicle expenses	38,248	-	1,000	-	3,870	-	-	43,118	-	43,118
Total expenses	<u>\$ 29,058,688</u>	<u>\$ 2,936,991</u>	<u>\$ 2,262,242</u>	<u>\$ 191,151</u>	<u>\$ 2,876,101</u>	<u>\$ 309,389</u>	<u>\$ 185,633</u>	<u>\$ 37,820,195</u>	<u>\$ (377,165)</u>	<u>\$ 37,443,030</u>

UNIFORM GUIDANCE COMPLIANCE AND  
GOVERNMENT AUDITING STANDARDS REPORTS



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  
The St. Bernard Project, Inc.  
d/b/a SBP, Inc.  
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 consolidated financial statements of SBP, Inc. (the Organization), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, 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 26, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered SBP, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of SBP, Inc.'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 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting 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 SBP, Inc.'s consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of

our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Metairie, Louisiana  
June 26, 2025

*Wegmann Dazet*

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

To the Board of Directors  
The St. Bernard Project, Inc.  
d/b/a SBP, Inc.  
New Orleans, Louisiana

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

***Opinion on Each Major Federal Program***

We have audited SBP, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of SBP, Inc.'s major federal programs for the year ended December 31, 2024. SBP, Inc.'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, SBP, Inc. 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 (GAAS); 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 Awards* (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 SBP, Inc. 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 SBP, Inc.'s compliance with the types of 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 SBP, Inc.'s federal programs.



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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on SBP, Inc.'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 GAAS, *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 for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the types of 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 SBP, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 SBP, Inc.'s compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of SBP, Inc.'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 SBP, Inc.'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 above 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.

Metairie, Louisiana  
June 26, 2025

*Wegmann Dazet*

THE ST. BERNARD PROJECT, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2024

Federal Grantor/Pass-through Grantor/Program	Federal A.L. Number	Agency or Passthrough Agency Number	Federal Expenditures
<b>U.S. Department of Housing and Urban Development (HUD):</b>			
CDBG - Disaster Recovery Grants Cluster			
Passed through by Puerto Rico Department of Housing	14.269	FFNMUBT6WCM1	\$ 23,103
Total CDBG – Disaster Recovery Grant Cluster			23,103
Passed through the City of Houston - CDBG	14.228	19-147-001-B489	3,214,260
Passed through the City of New Orleans - CDBG	14.239	CDBG2023002	14,272
Veterans Housing Rehabilitation and Modification	14.278	V-R1-9L-A0-0014	186,219
Older Adult Home Modification Program	14.921	LALHM0006-21	108,093
Total U.S. HUD			3,545,947
<b>U.S. Department of Agriculture (USDA):</b>			
Passed through by USDA Rural Development - CDBG	14.228	220360262189665-01	44,814
<b>Passed through the Corporation for National and Community Service:</b>			
ARRA - AmeriCorp Grant	94.006	24NDGLA001	2,030,393
Total Expenditures of Federal Awards			\$ 5,621,154

See accompanying notes to the Schedule of Expenditures of Federal Awards

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2024

Note 1 General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of SBP, Inc. The reporting entity is defined in Note 1 to SBP, Inc.'s consolidated financial statements. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

Note 2 Basis of accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. SBP, Inc. has not applied for its own indirect cost rate.

Note 3 Indirect Cost Rate

SBP, Inc. has elected not to use the 10% de minimis indirect cost rate (15% for federal grants received after October 1, 2024) as allowed under the Uniform Guidance.

Note 4 Loan and Loan Guarantee Programs

SBP, Inc. administers a program funded by the U.S. Department of Housing and Urban Development. Balances and transactions relating to these programs are included in the SBP, Inc.'s consolidated financial statements. Loans outstanding at the beginning of the year are included in the federal expenditures presented in the Schedule of Expenditures of Federal Awards. The balance of the loans outstanding at December 31, 2024 was \$3,683,694 for Assistance Listing Number 14.228.

THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2024

SECTION I - SUMMARY OF THE AUDITOR'S RESULTS

1. Type of report issued on the consolidated financial statements: **Unmodified Opinion.**
2. Significant deficiencies in internal control were disclosed by the audit of the consolidated financial statements: **None reported.** Material weaknesses: **No.**
3. Noncompliance which is material to the consolidated financial statements: **No.**
4. Significant deficiencies in internal control over major federal programs: **None reported.** Material weaknesses: **No.**
5. Type of report issued on compliance for major federal programs: **Unmodified Opinion.**
6. Any audit findings which are required to be reported in accordance with 2CFR 200.516(a): **No.**
7. Major programs for the fiscal year ended December 31, 2024 were:  
Disaster Recovery Grant passed through the City of Houston (AL #14.228)
8. Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000.**
9. Auditee qualified as a low-risk auditee under Uniform Guidance: **Yes.**
10. A management letter was issued: **No.**

SECTION II – CONSOLIDATED FINANCIAL STATEMENT FINDINGS

*There were no items identified in the course of our testing during the current year required to be reported.*

SECTION III – FEDERAL AWARD FINDINGS

*There were no items identified in the course of our testing during the current year required to be reported.*

SECTION IV – FINDINGS AND QUESTIONED COSTS PRIOR YEAR

*There were no items identified in the course of our testing during the prior year required to be reported.*



THE ST. BERNARD PROJECT, INC.  
D/B/A SBP, INC.  
SUMMARY OF COMPENSATION, BENEFITS AND OTHER  
PAYMENTS TO AGENCY HEADS  
For the Year Ended December 31, 2024

<u>Agency Head</u>	<u>Job Title</u>	<u>Purpose</u>	<u>2024</u>
Thomas Corley	Chief Operation Officer	Salary	\$ 74,334
Timothy Brady	Interim Chief Executive Officer	Salary	14,948
Leigh Siatka	Chief Development Officer	Salary	12,210
Jeffrey Sanderson	Senior Government Advisor	Salary	560
Elizabeth Egle	Senior Director of Institutional Giving	Salary	18,205
Elizabeth Wright.	Chief Communications and Marketing Officer	Salary	11,420
Elizabeth McCartney	Chief Operating Officer	Salary	8,924
Kyle Carson	Chief People Officer	Salary	31,745
Zack Rosenburg	Chief Executive Director	Salary	10,606
Keith McCulloch	Chief Financial Officer	Salary	98,831