Luther Speight & Company, LLC
Certified Public Accountants and Consultants

OPERATION RESTORATION, INC.

AUDITED FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

WITH COMPARATIVE TOTALS FOR 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Operation Restoration, Inc.
New Orleans, LA

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying financial statements of Operation Restoration, Inc. ("OR") (a non-profit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OR as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of OR's internal controls. Accordingly, no such opinion is expressed.

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2026 on our consideration of the OR's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the OR's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering OR's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited OR's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 30, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Luther Speight & Company CPAs
New Orleans, Louisiana
June 29, 2026

OPERATION RESTORATION, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2024

		2025		2024
ASSETS				
Cash and Cash Equivalents	$	1,685,858	$	7,747,401
Investments		5,527,588		-
Accrued Interest Receivable		134,231		84,277
Grants Receivable		2,180,541		2,540,342
Due from Grantors - Regrants		801,269		896,869
Loans Receivable		-		140,000
Bail Project Receivable		71,443		71,443
Prepaid Expense		224,729		188,455
Right of Use Asset - Operating Lease		-		87,131
Fixed Assets, net		379,273		621,875
Total Assets	$	11,004,932	$	12,377,793
LIABILITIES & NET ASSETS				
Liabilities				
Accounts Payable	$	129,030	$	116,507
Accrued Payroll		16,190		-
Due to Grantors - Regrants		783,562		1,013,311
Bail Project Payable		610,705		659,145
Deferred Revenue		28,125		-
Escrow		110,000		100,000
Mortgage Payable		-		172,016
Operating Lease Liability		-		87,131
Total Liabilities	$	1,677,612		2,148,110
NET ASSETS				
Without Donor Restrictions		6,290,126		7,694,953
With Donor Restrictions		3,037,194		2,534,730
Total Net Assets		9,327,320		10,229,683
TOTAL LIABILITIES & NET ASSETS	$	11,004,932	$	12,377,793

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

OPERATION RESTORATION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH SUMMARIZED COMPARATIVE TOTALS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND OTHER SUPPORT				
Foundation Grants	$ 704,705	$ 3,037,194	$ 3,741,899	$ 5,287,741
In-Kind Donations	94,320	-	94,320	95,933
Donation Income	86,964	-	86,964	84,052
Private Contributions	155,861	-	155,861	134,415
Program Income	240,409	-	240,409	38,366
Interest Income	176,174	-	176,174	156,489
Other Income	16,620	-	16,620	16,670
Investment Income	182,042	-	182,042	-
Fundraising Income	36,595	-	36,595	192,256
Released from Restrictions	2,534,730	(2,534,730)	-	-
Total Revenues and Other Support	4,228,420	502,464	4,730,884	6,005,922
EXPENSES				
Program Services	3,258,543	-	3,258,543	2,958,133
Management and General	2,340,210	-	2,340,210	1,848,880
Fundraising	42,094	-	42,094	274,735
Total Expenses	5,640,847	-	5,640,847	5,081,748
CHANGE IN NET ASSETS	(1,412,427)	502,464	(909,963)	924,174
Net Assets, Beginning of Year	7,694,953	$2,534,730	10,229,683	9,069,514
Net Assets Adjustment	7,600	-	7,600	235,995
Net Assets, End of Year	$ 6,290,126	$ 3,037,194	$ 9,327,320	$ 10,229,683

The accompanying notes are an integral part of these financial statements

OPERATION RESTORATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024

Expense Description	Program Services	Management and General	Fundraising	2025 Total	2024 Total
Salaries & Wages	$ 1,462,999	$ 796,747	$ -	$ 2,259,746	$ 2,218,892
Contract Services	211,895	151,664	-	363,559	331,805
Travel, Meeting, and Meals	38,433	29,590	-	68,023	190,718
Fringe Benefits	123,111	131,014	-	254,125	236,503
Payroll Taxes	119,320	35,641	-	154,961	178,470
Office Expense	221,476	55,950	-	277,426	253,628
Professional Services	167,000	187,298	-	354,298	226,616
Occupancy	232,937	108,926	-	341,863	261,126
Advertising	160	900	-	1,060	6,775
Miscellaneous	14,334	14,926	-	29,260	6,621
Stipends	20,000	1,130	-	21,130	37,250
Program Expense	469,258	121,258	4,051	594,567	299,484
Charitable Contributions	12,105	7,845	-	19,950	9,090
Subrecipient Expense	128,546	344,854	-	473,400	566,395
Insurance	20,199	19,220	-	39,419	37,021
Interest	-	14,024	-	14,024	14,567
Fundraising Expense	2,500	-	32,064	34,564	9,445
Facilities and Equipment	3,544	2,826	-	6,370	
Loss on Disposal of Leasehold Improvements	-	266,900	-	266,900	
Project Events	10,726	2,577	5,979	19,282	144,363
Total Expenses before Depreciation	3,258,543	2,293,290	42,094	5,593,927	5,028,769
Depreciation	-	46,920	-	46,920	52,979
Total Expenses	$ 3,258,543	$ 2,340,210	$ 42,094	$ 5,640,847	$ 5,081,748

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

OPERATION RESTORATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (909,963)	$ 924,174
Net Assets Adjustment	7,600	235,995
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Gain on Investments, Net	(272,384)	-
Loss on Disposal of Leasehold Improvements	266,900	-
Fixed Assets Adjustment	(8,000)	-
Depreciation	46,920	52,979
(Increase) Decrease in Operating Assets:		
Accrued Interest Receivable	(49,954)	(26,537)
Accounts Receivable	455,401	263,720
Loans Receivable	140,000	(140,000)
Bail Project Receivable	-	4,980
Prepaid Expense	(36,274)	(106,580)
Lease Asset	87,131	80,491
Increase (Decrease) in Operating Liabilities:		
Accrued Payroll	16,190	(26,227)
Accounts Payable	12,523	102,376
Deferred Revenue	28,125	-
Agency Grants Payable	(229,749)	380,426
Lease Liability	(87,131)	(80,491)
Other Current Liabilities	10,000	100,000
Net Cash Provided/(Used) by Operating Activities	(522,665)	1,765,306
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(63,218)	(47,320)
Purchases of Fixed Assets	(5,255,204)	-
Net Cash Used by Investing Activities	(5,318,422)	(47,320)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings/(Payments) of Mortgage Loan, Net	(172,016)	12,129
Bail Project Loan, Net Borrowings	(48,440)	(15,265)
Net Cash Provided by Financing Activities	(220,456)	(3,136)
NET CHANGE IN CASH AND EQUIVALENTS	(6,061,543)	1,714,850
Cash and Cash Equivalents - Beginning of Year	7,747,401	6,032,551
Cash and Cash Equivalents - End of Year	$ 1,685,858	$ 7,747,401

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

OPERATION RESTORATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR EDED DECEMBER 31, 2025

NOTE 1 – ORGANIZATION AND BACKGROUND

Formed in 2016 and led by Syrita Steib, CEO, Operation Restoration, Inc. ("OR") is a 501(c)(3) organization whose mission is to support women and girls impacted by incarceration to recognize their full potential, restore their lives, and discover new possibilities. OR started building relationships with local and national organizations, and the founder began participating in speaking engagements across the nation. In 2017, OR wrote and successfully advocated for the passage of LA Act 276 (Ban the Box), prohibiting public colleges in Louisiana from asking about criminal history in admissions. Louisiana was the first state to pass this historic legislation. In 2018, OR absorbed the Louisiana Prison Education Coalition (LPEC), founded by Annie Phoenix, and started education programming in prison and in the community. OR is dedicated to building a community and support system for women impacted by incarceration through education.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Accounting
OR's financial statements are prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

- Net assets without donor restrictions include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of OR are included in this category. OR has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of OR and therefore, their policy is to record those net assets as unrestricted.

OPERATION RESTORATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR EDED DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Reporting (Continued)

- Net assets with donor restrictions include funds that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. See Note 16 for additional details of Net Assets With Donor Restrictions.

Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

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

Unconditional contributions, or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor, are recorded as revenue with or without donor restrictions, depending on the existence and nature of any donor restrictions. Conditional contributions are recognized when the barriers to entitlement are overcome, and the promises become unconditional. A transfer of assets that is a conditional contribution shall be accounted for as a Refundable Advance until the conditions have been met or explicitly waived by the donor. The Refundable Advance will then be recorded as revenue. Unconditional contributions are recognized as revenue when received. Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award. Grants received without donor conditions are recognized as revenue when awarded.

Promises to Give

All promises to give are recognized as assets less an allowance for uncollectible amounts, and revenues. On December 31, 2025, OR did not have outstanding contributions or pledge receivables. Therefore, no allowance for uncollectible accounts was recorded.

OPERATION RESTORATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR EDED DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of reporting cash flows, cash consists of cash and cash equivalents. OR considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Estimates

The preparation of the 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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Compensated Absences

Employees of OR are entitled to paid vacation, paid sick days, and leaves of absence, depending on job classification, length of service, and other factors. When estimating compensated absences, management determined that the amount is considered immaterial to the financial statements. As a result, no liability has been recorded in the accompanying financial statements. OR recognizes the costs of compensated absences when actually paid to employees.

Income Taxes

OR is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Services as other than a private foundation. OR's Forms 990, Return of Organization Exempt from Income Tax are subject to examination by the IRS, generally for three years after they are filed. OR did not pay any federal income tax for the years ended December 31, 2025.

In-kind Contributions

In-kind contributions are recognized if services or support to enhance nonfinancial assets or conditions would require specialized skills or otherwise be purchased by OR. OR received free use of office space during 2025 and recorded in-kind revenue of $94,320. Total in-kind expenses of $94,320 were recorded in occupancy in the statement of functional expenses. See Note 14 for additional information on the office lease.

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been reported on a functional basis in the statements of functional expenses. Expenses that are identified with a specific program or support service are charged directly, according to the natural classification. Other shared costs have been allocated among the various program and supporting services based on usage or other estimates made by management.

OPERATION RESTORATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR EDED DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments in marketable securities and mutual funds with readily determinable fair values and all investments in debt securities are reported at fair value in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities as increases or decreases in net assets without donor restrictions unless their use is with restrictions by explicit donor stipulations or law. Dividend, interest, and other investment income are recorded as increases in net assets without donor restriction unless the use is restricted by the donor.

FASB ASC topic 820, *Fair Value Measurements and Disclosures* emphasizes market-based measurement and, in doing so, stipulates a fair value hierarchy. The hierarchy is based on the type of inputs, or data used, to measure fair value. The fair value hierarchy is summarized below:

- Level 1 lies at the top of the hierarchy; inputs are quoted prices in active markets.
- Level 2 inputs are in the middle of the hierarchy, where data is adjusted from similar items traded in markets that are active markets or from identical or similar items in markets that are not active. Level 2 inputs do not stem directly from quoted prices.
- Level 3 inputs are unobservable and require the entity to develop its own assumptions.

Leases

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

The total lease term is determined by considering the initial term per the lease agreement, which is adjusted to include any renewal options that OR is reasonably certain to exercise as well as any period that OR has control over the asset before the stated initial term of the agreement. If OR determines a reasonable certainty of exercising termination or early buyout options, then the lease terms are adjusted to account for these facts. OR's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

OR uses a risk-free rate as the discount rate for all classes of underlying assets when the interest rate is not implicitly or explicitly stated in the lease agreement at commencement date. OR does not recognize ROU assets and lease liabilities for leases with a term of 12 months or less.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

OR financial assets available within one year of the statement of financial position date for general expenditures consist of the following:

Cash and Cash Equivalents	$	1,685,858
Investments		5,527,588
Accrued Interest Receivable		134,231
Grants Receivable		2,180,541
Due from Grantors - Regrants		801,269
Bail Project Receivable		71,443
Total Financial Assets		10,400,930
Less: Due from Grantors - Regrants		(801,269)
Bail Project Receivable		(71,443)
Net Assets With Donor Restrictions		(3,037,194)
Net Assets Available for General Expenditures Within One Year	$	6,491,024

OR receives and holds financial assets to meet its cash needs for general expenditures within one year. Financial assets consist of cash, investments, and receivables. As described in Note 6, OR receives funds on behalf of sponsored organizations under fiscal sponsorship arrangements. Amounts recorded as due from grantors – agency funds are offset by corresponding liabilities and are not available for general expenditure. Additionally, the Bail Project receivable represents amounts expected to be collected from bail payments posted on behalf of program participants. As described in Note 13, these amounts are contractually restricted for repayment of the related obligation to The Bail Project and for continued program use. Accordingly, such amounts are not available to meet general expenditures within one year. Net assets with donor restrictions are subject to donor-imposed purpose and time restrictions and are not available for general expenditure until those restrictions are met.

NOTE 4 – CASH AND CASH EQUIVALENTS

OR maintains cash balances at two financial institutions, with accounts insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per institution. Cash and cash equivalents, including certain interest-bearing accounts, totaled $1,685,858 at December 31, 2025. OR's cash balances are subject to custodial credit risk to the extent they exceed federally insured limits; accordingly, uninsured cash balances totaled $933,364 at end.

NOTE 4 – CASH AND CASH EQUIVALENTS (CONTINUED)

In prior periods, OR maintained significantly higher uninsured cash balances, totaling $7,088,486 at December 31, 2024, resulting in a concentration of credit risk. During the current year, management implemented a strategy to mitigate this exposure through the establishment of investment accounts and diversification of holdings across financial institutions. As a result, OR reduced both the amount of cash held at depository institutions and the related exposure to uninsured balances as of December 31, 2025.

NOTE 5 – GRANTS RECEIVABLE

Grants receivable represent private foundation and city grant amounts earned by OR that were not received by December 31, 2025. Total grants receivable as of December 31, 2025 were $2,180,541. Management evaluates the collectability of grants receivable on an ongoing basis. All balances are supported by executed grant agreements, and management believes the amounts are fully collectible. Accordingly, no allowance for doubtful accounts has been recorded as of December 31, 2025.

NOTE 6 – REGRANTING ARRANGEMENTS

OR enters into regranting arrangements with various organizations ("Grantees") that do not have 501(c)(3) status to support charitable initiatives aligned with OR's mission. OR serves primarily as a pass-through entity, receiving funds and distributing them to designated grantees in accordance with donor intent and grant agreements. During the year ended December 31, 2025, OR provided regrants to 11 organizations. As of December 31, 2025, the number of grantees may fluctuate based on active agreements.

Under these arrangements, contributions and grants are received by OR for the purpose of making regrants to specified organizations. OR administers and disburses these funds in accordance with the terms of each agreement but does not retain discretion over their ultimate use. Accordingly, OR accounts for these transactions in an agency capacity:

- Funds received for regranting purposes are not recognized as revenue in the accompanying statement of activities.

- Such amounts are recorded as assets (restricted cash or **Due from Grantors – Regrants**) with a corresponding liability titled **Due to Grantors – Regrants** in the accompanying statement of financial position.

NOTE 6 –REGRANTING ARRANGEMENTS (CONTINUED)

OR charges administrative fees for managing regranting activities. The fee percentages vary by grantee and are specified in each respective year-
agreement. Administrative fees are recognized as revenue in the period in which they are earned.

As of December 31, 2025, OR held $801,269 in funds for regranting purposes, which is reflected as Due from Grantors – Regrants in the accompanying statement of financial position.

Grantees are responsible for program implementation, compliance with grant requirements, and reporting to funders. OR's role is limited to administrative oversight and financial management as outlined in each agreement. The current period presentation includes enhanced disclosure of these arrangements to improve transparency and clarity regarding OR's role as a pass-through entity.

NOTE 7 – INVESTMENTS

During the year ended December 31, 2025, OR established investment accounts held at Charles Schwab & Co. which are managed by J.E. Cohen & Company, LLC. Investments are carried at fair value in accordance with ASC 820, Fair Value Measurement. The portfolio is structured to provide income and long-term growth while preserving capital.

Investments are reported at fair value and are composed of the following at December 31, 2025:

	Fair Value
Cash and Cash Investments	$ 88,226
Equities	1,591,732
Mutual Funds	2,671,315
Exchange Traded Funds	46,568
Annuity	1,000,000
Other Assets	129,747
Total	$ 5,527,588

NOTE 8 – FAIR VALUE MEASUREMENTS

OR adopted FASB ASC 820, *Fair Value Measurements and Disclosures*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of input that may be used to measure fair value:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities that OR can access.
- **Level 2:** Observable inputs other than Level 1 quoted prices, including quoted prices for similar assets or inputs corroborated by market data.
- **Level 3:** Unobservable inputs that are supported by little or no market activity.

Fair Value of investments measured at December 31, 2025 are as follows:

	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable for Identical Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total
Cash and Cash Investments	$ 88,226	$ -	$ -	$ 88,226
Equities	1,591,732	-	-	1,591,732
Mutual Funds	2,671,315	-	-	2,671,315
Exchange Traded Funds	46,568	-	-	46,568
Master Limited Partnerships	129,747	-	-	129,747
New York Life Insurance and Annuity Corp.	-	-	1,000,000	1,000,000
Total Investments	$ 4,527,588	$ -	$ 1,000,000	$ 5,527,588

OR also holds a fixed annuity contract with New York Life Insurance and Annuity Corporation (NYLIAC), which is measured at its cash surrender value and classified within Level 3 of the fair value hierarchy.

As of December 31, 2025, investments consist primarily of marketable securities with readily determinable fair values classified as Level 1. There were no transfers between levels during the year.

OPERATION RESTORATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR EDED DECEMBER 31, 2025

NOTE 9 – FIXED ASSETS

All acquisitions of fixed assets in excess of $500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Fixed assets are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Building	40 years
Leasehold Improvements	15 years
Computers	5 years
Office Furniture	7 years
Equipment	5 years

Fixed assets and related accumulated depreciation on December 31, 2025 consists of the following:

	2025
Leasehold Improvements	$ 1,139
Computers	20,539
Office Furniture	65,061
Equipment	3,299
Building	213,316
Land	79,720
Construction in Progress	174,000
Accumulated Depreciation	(177,801)
Fixed Assets, net	$ 379,273

During the year ended December 31, 2025, OR wrote off leasehold improvements related to a vacated office space, resulting in a non-cash disposal of $320,095 and a loss on disposal of $266,900, which is included in expenses in the accompanying statement of functional expenses.

Depreciation expense for the year ended December 31, 2025 was $46,920.

NOTE 10 – MORTGAGE PAYABLE

During the year ended December 31, 2022, OR financed the purchase of a building totaling \$180,000 through a financial institution. The mortgage required monthly principal and interest payments of \$1,547 with an interest rate of 8.25%. The loan was originally scheduled to mature in November 2042.

During the year ended December 31, 2025, OR paid the mortgage in full. Accordingly, no balance was outstanding as of December 31, 2025, and there are no future maturities.

NOTE 11 – RETIREMENT PLAN

OR has a Simple IRA where employees contribute a percentage of their salary. OR matches these contributions up to 3%. During the year ended December 31, 2025, OR recorded matching contributions totaling \$50,182.

NOTE 12 – ESCROW LIABILITY

OR maintains funds in escrow totaling \$110,000 as of December 31, 2025, which represents amounts received and held on behalf of third parties and/or funds pending final determination of ownership or purpose.

During the year, OR identified certain deposits, including wire transfers and electronic transfers received in its bank accounts, for which the intended recipient and purpose required further verification. Correspondence with the financial institution indicates that certain transactions were received in the name of OR; however, the ultimate source and proper disposition of the funds remained under review as of year-end.

Accordingly, such amounts have been recorded as an escrow liability in the accompanying statement of financial position, as OR does not have discretion over these funds and does not recognize them as revenue. OR will release or classify the funds once the ownership and purpose have been determined.

NOTE 13 – SAFETY & FREEDOM FUND

During the year ended December 31, 2020, OR entered an agreement with The Bail Project, Inc. ("TBP"), a New York not-for-profit that was established in 2016 with the charitable purpose of paying bail for people in need. TBP provided a loan of \$300,000 to OR to start posting bonds on behalf of people who are incarcerated solely because they are poor. Any bonds posted on behalf of others must meet certain criteria per the agreement.

NOTE 13 – SAFETY & FREEDOM FUND (CONTINUED)

Per the terms of the agreement, OR started making payments on the loan 14 days after the execution date of the agreement. OR must remit all returned bail funds to date from bails posted by individuals. Subsequent payments are due every 30 days thereafter and the amount due will be the amount of returned bail funds to OR. As a result, the monthly payment will differ and a 5-year maturity schedule cannot be determined. OR has recorded a receivable balance for all bonds posted on behalf of others. During the year ended December 31, 2025, OR did not obtain additional loans from TBP.

The receivable balance is reduced when bail funds are returned. As of December 31, 2025, the receivable balance was $71,443 and is disclosed as the Bail Project Receivable on the statement of financial position. The loan balance at December 31, 2025 was $610,705 and is disclosed as the Bail Project Payable on the statement of financial position. Management does not believe an allowance for doubtful accounts is necessary.

NOTE 14 – LEASES

During the year ended December 31, 2025, OR accounted for its lease arrangements in accordance with ASC 842. OR occupied office space under an operating lease that expired on December 31, 2025. During the year, the lessor provided the use of the space at no cost; accordingly, OR recognized the fair value of such use as both lease expense and in-kind contribution revenue. Total lease expense for the year ended December 31, 2025 was $94,320, which was fully offset by corresponding in-kind contribution revenue. Upon expiration of the lease, the related operating lease right-of-use asset and lease liability were fully amortized and reduced to zero. As of December 31, 2025, OR had no remaining lease obligations. Subsequent to year-end OR entered into an agreement to occupy office space beginning January 1, 2026, at no cost to OR. As the lease had not commenced as of December 31, 2025, no right-of-use asset or lease liability has been recognized.

OR also leases program space under a month-to-month arrangement. Management has elected the short-term lease exemption under ASC 842; therefore, no right-of-use asset or lease liability is recognized, and lease payments are expensed as incurred. As of December 31, 2025, OR had no long-term operating lease commitments

NOTE 15 – REVENUE CONCENTRATIONS

Foundation grant revenue represents approximately 80% of total revenue and is derived from multiple private grantors. During the year ended December 31, 2025, OR received $2,190,000 from three grantors, representing approximately 46% of total revenue. As of December 31, 2025, amounts due from these grantors totaled $1,500,000.

NOTE 16 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions on December 31, 2025 consist of the following:

Program	2025
Bureau of Justice Assistance - 2021	$ 83,333
Bureau of Justice Assistance - 2022	31,371
Amalgamated Foundation	75,958
Amalgamated Foundation (Half My DAF)	12,500
Dollar General Literacy Fund	4,167
Ella West Freeman Foundation	2,083
Fidelity Charitable	979,167
GPOA Foundation	3,333
Greater New Orleans Foundation	3,500
Laughing Gull Foundation	283,333
Libra Foundation	62,338
National Philanthropic Trust	5,000
New Orleans Culture Fund	6,667
People's Bail Out NYC	33,333
Peter J McLaughlin and Jane Kitchel McLaughlin Family Fund	22,917
Public Welfare Foundation	25,000
Rosamary Foundation	6,250
Roy and Patricia Disney Family Foundation	24,750
The Bail Project	115,000
The Just Trust For Education	112,500
The Tides Foundation	123,750
Tides Foundation	29,167
United Way SELA	22,500
Unity of Greater New Orleans	240,110
W.K Kellogg	12,500
Wellspring	716,667
	$ 3,037,194

NOTE 17 – SUPERDOME SUITE LEASE

During the year ended December 31, 2025, OR continued its multi-year agreement for access to a suite in the Caesars Superdome. The suite is utilized to advance OR's mission through events that raise awareness and support for women and girls affected by incarceration, while also serving as a fundraising tool through ticket sales. During the year ended December 31, 2025, OR sold $38,220 in tickets to various events. The revenue is included in fundraising income. The agreement with the New Orleans Saints organization provides OR access to use the suite during Saints' NFL football games and certain other dates for concerts and sporting events.

NOTE 17 – SUPERDOME SUITE LEASE (CONTINUED)

The terms of the agreement require OR to make payments of $194,217 for the period April 2025 through March 2026 and $175,043 for the period April 2026 through March 2027. Management evaluated the agreement under ASC 842, Leases (see Note 14), and determined that the arrangement does not qualify as a lease, as it does not provide OR with control of an identified asset. OR's access to the suite is limited to specific events and dates and does not convey the right to direct the use of or obtain substantially all of the economic benefits from the suite; therefore, the arrangement does not meet the definition of a lease under ASC 842.

NOTE 18 – RELATED PARTY TRANSACTIONS

OR has a related-party relationship with Opportunity 2 Restore, as both entities share a common founder who serves as President and Chief Executive Officer of OR and Executive Director of Opportunity 2 Restore. During the year ended December 31, 2025, OR awarded subgrants totaling $344,854 to Opportunity 2 Restore, which are included in subrecipient expense in the accompanying statement of functional expenses. Additionally, OR recognized rental income of $16,620 from Opportunity 2 Restore during the year, which is included in other income in the statement of activities.

Additionally, OR holds a fixed annuity contract with a carrying value of approximately $1,134,000 as of December 31, 2025. OR is the owner and sole beneficiary of the contract. The annuitant is OR's Chief Executive Officer and serves solely as the measuring life for the contract. The Chief Executive Officer has no ownership interest, rights to receive payments, or beneficial interest in the annuity. Management has evaluated this arrangement and concluded that it does not constitute a compensation or benefit arrangement. Accordingly, the annuity is recorded as an investment of OR.

NOTE 19 – NET ASSETS ADJUSTMENT

During the year ended December 31, 2025, management identified certain prior audit adjusting entries that were not properly recorded. In order to properly state beginning net assets, management recorded a net assets adjustment totaling $7,600.

NOTE 20 – SUBSEQUENT EVENTS

Management evaluated subsequent events as of June 29, 2026, which is the date these financial statements were available to be issued. No subsequent events have been evaluated for inclusion in the financial statements past this date. Management has noted that there are no additional disclosures or adjustments required to these financial statements.

Luther Speight & Company, LLC
Certified Public Accountants and Consultants

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

To the Board of Directors of
Operation Restoration, Inc.
New Orleans, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Operation Restoration, Inc. (a nonprofit organization) ("OR") which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 29, 2026.

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Luther Speight & Company CPAs
New Orleans, Louisiana
June 29, 2026

OPERATION RESTORATION, INC.
SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR EDED DECEMBER 31, 2025

Section I — Summary of Auditor's Results

Financial Statements

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

Internal Control Over Financial Reporting:

Material weaknesses identified?	________Yes	___X___No
Significant deficiencies identified not considered to be material weaknesses?	________Yes	___X___No
Noncompliance material to financial statements noted?	________Yes	___X___No

Federal Awards

Not applicable, as OR did not expend $1,000,000 or more in federal funds.

OPERATION RESTORATION, INC.
SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES
FOR THE YEAR EDED DECEMBER 31, 2025

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

OPERATION RESTORATION, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR EDED DECEMBER 31, 2025

No findings were noted during the year ended December 31, 2024.

OPERATION RESTORATION, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head Name: Syrita Steib, Chief Executive Officer

Purpose	2025
Salary	354,039
Benefits-Insurance	17,718
Benefits-Retirement	9,980
Benefits-Section 125	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	3,684
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

Luther Speight & Company, LLC
Certified Public Accountants and Consultants

OPERATION RESTORATION, INC

AGREED-UPON PROCEDURES REPORT

FOR THE YEAR ENDED DECEMBER 31, 2025

Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Operation Restoration, Inc
and the Louisiana Legislative Auditor:

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

Operation Restoration has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025, through December 31, 2025. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

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

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

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

c) ***Disbursements***, including processing, reviewing, and approving.

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

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

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

e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

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

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

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

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

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

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

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

i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

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

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

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

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

Results: *The Entity provided a Statement of Work from their IT provider which appropriately addresses the elements above related to disaster recovery and business continuity.*

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

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

Board or Finance Committee

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

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

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

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

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

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

Results: *Not applicable, as the Entity is a non-profit.*

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

Results: *Not applicable, there were no audit findings for prior year, and Entity's 2024 audit was accepted by the LLA.*

Bank Reconciliations

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

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

Results: *We noted that all bank account reconciliations were prepared and electronically signed within 2 months of the closing date.*

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

Results: *We noted no evidence showing that the bank reconciliations were reviewed by a management or board member who does not handle cash, post ledgers, or issue checks.*

Management's Response: *Management concurs with the finding. The contracted Chief Financial Officer (CFO) reviews all bank reconciliations as part of the monthly close process. The CFO does not handle cash receipts or cash disbursements and only posts entries to the general ledger in the absence of the Financial Support Administrator. Additionally, the CFO approves the issuance of checks but does not prepare or process them. While the review process was being performed, evidence of the review was not consistently documented on the bank reconciliations. To address this issue, management has implemented a procedure requiring the CFO to document her review by initialing and dating each bank reconciliation, or through other retained electronic evidence of review, within one month of the reconciliation preparation date. This corrective action will ensure compliance with established procedures and provide adequate documentation of management's independent review.*

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

Results: *We noted no reconciling items were outstanding for more than 12 months from year-end.*

__Collections (excluding electronic fund transfers)__

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

   Results: *LSC noted that this area is not applicable. The Entity does not have any deposit sites and does not collect cash or checks at its office location. Any money received is via EFT on online platforms.*

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

   Results: *LSC noted that this area is not applicable. The Entity does not have any deposit sites and does not collect cash or checks at its office location. Any money received is via EFT on online platforms*

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

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

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

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

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

   Results: *LSC noted there is no bond or insurance policy for theft covering all employees who have access to cash because the Entity does not collect cash or checks at its office location.*

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

   a) Observe that receipts are sequentially pre-numbered.

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

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

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

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

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

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

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

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

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

***Results**: No exceptions noted.*

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

***Results:** No exceptions noted.*

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

***Results:** No exceptions noted.*

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

***Results:** No exceptions noted.*

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

***Results**: No exceptions noted.*

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

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

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

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

b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

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

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

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

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

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

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

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

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

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

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

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

14. Using the monthly statements or combined statements selected under #12 above, <u>excluding fuel cards</u>, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

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

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

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

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

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

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

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

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

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

Contracts

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

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

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

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

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

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

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

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

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

Payroll and Personnel

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

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

19. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

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

Results*: Not exceptions noted.*

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

Results*: Not exceptions noted.*

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

Results*: Not exceptions noted.*

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

Results*: Not exceptions noted.*

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

Results: *Not exceptions noted.*

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

Results: *Not exceptions noted.*

Ethics

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

Results*: Not applicable as the Entity is non-profit.*

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

***Results**: Not Applicable.*

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

***Results**: Not Applicable.*

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

***Results**: Not Applicable.*

Debt Service

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

***Results**: Not applicable, as the entity does not have any outstanding debt.*

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

***Results**: Not applicable, as the entity does not have any outstanding debt.*

Fraud Notice

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

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

27. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

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

Information Technology Disaster Recovery/Business Continuity

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

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

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

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

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

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

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

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

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

30. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's

information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

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

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

Prevention of Sexual Harassment

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

Results: *Not applicable as the Entity is non-profit.*

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

Results: *Not applicable.*

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

Results: *Not Applicable.*

a) Number and percentage of public servants in the agency who have completed the training requirements;

Results: *Not Applicable.*

b) Number of sexual harassment complaints received by the agency;

Results: *Not Applicable.*

c) Number of complaints which resulted in a finding that sexual harassment occurred;

Results: *Not Applicable.*

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

***Results**: Not Applicable.*

e) Amount of time it took to resolve each complaint.

***Results**: Not Applicable.*

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

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

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

Luther Speight & Company CPAs
New Orleans, Louisiana
June 29, 2026