

**LAFAYETTE  
HABITAT FOR HUMANITY, INC.**

Financial Report

Years Ended June 30, 2025 and 2024

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## INDEPENDENT AUDITOR'S REPORT

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\* A Professional Accounting Corporation

To the Board of Directors of  
Lafayette Habitat for Humanity, Inc.  
Lafayette, Louisiana

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Lafayette Habitat for Humanity, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lafayette Habitat for Humanity, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lafayette Habitat for Humanity, Inc. 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 Lafayette Habitat for Humanity, Inc.'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 Lafayette Habitat for Humanity, 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lafayette Habitat for Humanity, 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2025, on our consideration of Lafayette Habitat for Humanity, 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 the effectiveness of Lafayette Habitat for Humanity, Inc.'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 Lafayette Habitat for Humanity, Inc.'s internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
December 9, 2025

## **FINANCIAL STATEMENTS**

LAFAYETTE HABITAT FOR HUMANITY, INC.

Statements of Financial Position  
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current assets:		
Cash and cash equivalents-		
Unrestricted	\$ 155,343	\$ 554,780
Reserved for escrow deposits	88,700	86,168
Investments	8,245	-
Other receivables	202,900	160,619
Mortgage notes receivable, net	74,444	82,017
Inventory	774,125	952,591
Prepaid expenses	117,506	111,269
Prepaid escrow	222,020	179,126
Other current assets	<u>1,611</u>	<u>11,543</u>
Total current assets	1,644,894	2,138,113
Property and equipment, net of accumulated depreciation	548,509	674,810
Operating right-of-use assets, net	2,364,677	3,947,581
Noncurrent assets:		
Notes and mortgage notes receivable, net	<u>1,487,994</u>	<u>1,607,161</u>
Total other assets	<u>1,487,994</u>	<u>1,607,161</u>
Total assets	<u>\$ 6,046,074</u>	<u>\$ 8,367,665</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 352,529	\$ 289,440
Accrued payroll and related liabilities	53,649	48,378
Other current liabilities	13,431	32,626
Current maturities of long-term debt	10,986	167,284
Current lease liability	<u>266,224</u>	<u>350,186</u>
Total current liabilities	<u>696,819</u>	<u>887,914</u>
Noncurrent liabilities:		
Long-term debt, less current portion	1,257,049	638,765
Long-term lease liability	<u>1,758,201</u>	<u>3,277,014</u>
Total noncurrent liabilities	<u>3,015,250</u>	<u>3,915,779</u>
Total liabilities	<u>3,712,069</u>	<u>4,803,693</u>
Net assets:		
Without donor restrictions	2,293,024	3,522,991
With donor restrictions	<u>40,981</u>	<u>40,981</u>
Total net assets	<u>2,334,005</u>	<u>3,563,972</u>
Total liabilities and net assets	<u>\$ 6,046,074</u>	<u>\$ 8,367,665</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Statement of Activities  
Year Ended June 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support:			
Public support -			
Contributions	\$ 195,919	\$ -	\$ 195,919
Grants	714,146	-	714,146
Services and materials	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total public support	911,565	-	911,565
Sales to homeowners	1,063,000	-	1,063,000
Amortization of discount on notes and mortgage loans	78,379	-	78,379
Gain on sale of mortgages	459,163	-	459,163
ReStore	1,100,427	-	1,100,427
Other income	256,574	-	256,574
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>3,869,108</u>	<u>-</u>	<u>3,869,108</u>
Expenses and losses:			
Program services -			
Home construction			
Construction	2,484,905	-	2,484,905
Homeowner services	349,010	-	349,010
ReStore - Midtown	212,505	-	212,505
ReStore - North	1,114,344	-	1,114,344
Community Development	<u>250,685</u>	<u>-</u>	<u>250,685</u>
Total program services	<u>4,411,449</u>	<u>-</u>	<u>4,411,449</u>
Supporting services -			
Management and general	<u>485,444</u>	<u>-</u>	<u>485,444</u>
Fundraising			
Development	<u>202,182</u>	<u>-</u>	<u>202,182</u>
Total fundraising	<u>202,182</u>	<u>-</u>	<u>202,182</u>
Total supporting services	<u>687,626</u>	<u>-</u>	<u>687,626</u>
Total expenses	<u>5,099,075</u>	<u>-</u>	<u>5,099,075</u>
Changes in net assets	(1,229,967)	-	(1,229,967)
Net assets, beginning of year	<u>3,522,991</u>	<u>40,981</u>	<u>3,563,972</u>
Net assets, end of year	<u>\$ 2,293,024</u>	<u>\$ 40,981</u>	<u>\$ 2,334,005</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Statement of Activities  
Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support:			
Public support -			
Contributions	\$ 348,059	\$ -	\$ 348,059
Grants	762,309	-	762,309
Services and materials	21,900	-	21,900
Total public support	1,132,268	-	1,132,268
Sales to homeowners	1,011,018	-	1,011,018
Amortization of discount on notes and mortgage loans	200,327	-	200,327
Gain on sale of mortgages	770,551	-	770,551
ReStore	1,202,425	-	1,202,425
Other income	126,691	-	126,691
Net assets released from restrictions	-	-	-
Total revenue and support	<u>4,443,280</u>	<u>-</u>	<u>4,443,280</u>
Expenses and losses:			
Program services -			
Home construction			
Construction	2,291,138	-	2,291,138
Homeowner services	559,945	-	559,945
Volunteers	116,998	-	116,998
ReStore - Midtown	275,626	-	275,626
Restore - North	1,012,767	-	1,012,767
Community Development	301,271	-	301,271
Total program services	<u>4,557,745</u>	<u>-</u>	<u>4,557,745</u>
Supporting services -			
Management and general	384,429	-	384,429
Fundraising			
Development	256,595	-	256,595
Grants	48,118	-	48,118
Total fundraising	<u>304,713</u>	<u>-</u>	<u>304,713</u>
Total supporting services	<u>689,142</u>	<u>-</u>	<u>689,142</u>
Total expenses	<u>5,246,887</u>	<u>-</u>	<u>5,246,887</u>
Changes in net assets	(803,607)	-	(803,607)
Net assets, beginning of year	<u>4,326,598</u>	<u>40,981</u>	<u>4,367,579</u>
Net assets, end of year	<u>\$ 3,522,991</u>	<u>\$ 40,981</u>	<u>\$ 3,563,972</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Statement of Functional Expenses  
Year Ended June 30, 2025

	Program Services					Total Program Services
	Construction	Homeowner Services	ReStore Midtown	ReStore North	Community Development	
Compensation and related expenses:						
Salaries	\$ 382,760	\$ 236,876	\$ -	\$ 405,522	\$ 91,774	\$ 1,116,932
Employee benefits -						
Medical	46,778	8,793	-	64,862	8,875	129,308
Payroll taxes	<u>30,327</u>	<u>22,157</u>	<u>-</u>	<u>37,754</u>	<u>8,580</u>	<u>98,818</u>
	459,865	267,826	-	508,138	109,229	1,345,058
Advertising cost	5,119	-	-	18,555	-	23,674
Administrative cost	412	142	-	25,419	7	25,980
Building material and supplies	1,026,916	2,478	-	180,426	-	1,209,820
Contract labor	6,823	1,446	-	12,475	951	21,695
Depreciation	25,172	-	-	9,911	381	35,464
Amortization	-	-	18,341	106,656	-	124,997
Fuel	19,420	-	-	10,349	-	29,769
Grant disbursements	142,598	-	-	-	40,520	183,118
Insurance	113,162	12,959	4,419	57,083	2,545	190,168
Interest	-	-	-	-	-	-
Meals and entertainment	330	500	-	400	-	1,230
Membership fees	4,447	5,535	-	2,094	2,185	14,261
Miscellaneous	5,364	5,215	166,040	28,946	3,117	208,682
Mortgage discounts	597,725	-	-	-	-	597,725
Office expenses	8,401	4,809	-	6,931	914	21,055
Postage and printing	1,322	2,611	-	6,809	191	10,933
Professional fees	33,073	25,635	-	3,271	75,600	137,579
Property tax	-	-	4,225	12,143	-	16,368
Rent and lease expense	-	-	12,233	83,355	1,737	97,325
Repairs and maintenance	20,510	625	1,181	7,942	1,205	31,463
Technology	7,050	8,454	-	9,506	4,444	29,454
Telephone	4,922	6,892	5,098	8,566	1,688	27,166
Training	294	1,308	-	-	3,200	4,802
Travel	-	801	-	-	732	1,533
Utilities	<u>1,980</u>	<u>1,774</u>	<u>968</u>	<u>15,369</u>	<u>2,039</u>	<u>22,130</u>
Total	<u>\$ 2,484,905</u>	<u>\$ 349,010</u>	<u>\$ 212,505</u>	<u>\$ 1,114,344</u>	<u>\$ 250,685</u>	<u>\$ 4,411,449</u>

The accompanying notes are an integral part of this statement.

<u>Supporting Services</u>				
<u>Management and General</u>	<u>Fundraising</u>		<u>Total Supporting Services</u>	<u>Total Expenses</u>
	<u>Development</u>	<u>Total Fundraising</u>		
\$ 189,066	\$ 118,156	\$ 118,156	\$ 307,222	\$ 1,424,154
18,153	11,561	11,561	29,714	159,022
<u>17,678</u>	<u>11,343</u>	<u>11,343</u>	<u>29,021</u>	<u>127,839</u>
224,897	141,060	141,060	365,957	1,711,015
-	11,487	11,487	11,487	35,161
4,332	352	352	4,684	30,664
-	-	-	-	1,209,820
1,560	-	-	1,560	23,255
14,590	323	323	14,913	50,377
-	-	-	-	124,997
49	-	-	49	29,818
-	5,250	5,250	5,250	188,368
40,625	152	152	40,777	230,945
80,965	-	-	80,965	80,965
2,899	71	71	2,970	4,200
2,260	4,219	4,219	6,479	20,740
865	620	620	1,485	210,167
-	-	-	-	597,725
11,699	712	712	12,411	33,466
1,921	2,042	2,042	3,963	14,896
56,381	21,079	21,079	77,460	215,039
-	-	-	-	16,368
-	-	-	-	97,325
6,316	-	-	6,316	37,779
14,521	7,673	7,673	22,194	51,648
4,409	4,418	4,418	8,827	35,993
12,055	246	246	12,301	17,103
92	1,591	1,591	1,683	3,216
<u>5,008</u>	<u>887</u>	<u>887</u>	<u>5,895</u>	<u>28,025</u>
<u>\$ 485,444</u>	<u>\$ 202,182</u>	<u>\$ 202,182</u>	<u>\$ 687,626</u>	<u>\$ 5,099,075</u>

LAFAYETTE HABITAT FOR HUMANITY, INC.

Statement of Functional Expenses  
Year Ended June 30, 2024

	Program Services						Total Program Services
	Construction	Homeowner Services	Volunteers	ReStore Midtown	ReStore North	Community Development	
Salary and related expenses:							
Salaries	\$ 337,732	\$ 192,886	\$ 83,459	\$ 77,829	\$ 318,016	\$ 92,086	\$ 1,102,008
Employee benefits -							
Medical	33,535	15,280	6,889	16,522	54,730	7,524	134,480
Payroll taxes	24,363	16,891	7,345	6,248	27,211	8,079	90,137
	<u>395,630</u>	<u>225,057</u>	<u>97,693</u>	<u>100,599</u>	<u>399,957</u>	<u>107,689</u>	<u>1,326,625</u>
Advertising cost	3,900	-	3,500	5,051	13,825	4,688	30,964
Administrative cost	47	15	-	4,063	24,598	-	28,723
Building material and supplies	1,037,984	-	-	24,022	175,431	-	1,237,437
Contract labor	28,919	2,753	674	10,491	19,722	2,301	64,860
Depreciation	26,395	-	-	13,994	9,454	380	50,223
Amortization	-	-	-	29,136	106,059	-	135,195
Fuel	14,933	-	-	2,608	8,902	114	26,557
Grant disbursements	-	260,933	-	-	-	79,185	340,118
Insurance	121,111	2,712	-	14,102	66,912	4,857	209,694
Interest	-	-	-	-	-	-	-
Meals and entertainment	683	840	70	204	1,357	6,717	9,871
Membership fees	2,815	3,000	3,300	1,500	1,600	2,153	14,368
Miscellaneous	3,298	31,311	312	7,519	24,839	2,708	69,987
Mortgage discounts	594,248	-	-	-	-	-	594,248
Office expenses	11,583	9,166	1,363	1,497	7,680	29,162	60,451
Postage and printing	349	293	129	258	8,023	9,347	18,399
Professional fees	11,857	-	1,857	929	929	34,144	49,716
Property tax	-	-	-	7,740	12,035	-	19,775
Rent	-	-	-	31,216	80,654	1,774	113,644
Repairs and maintenance	17,049	444	142	2,655	8,441	3,202	31,933
Technology	7,011	10,777	719	3,440	10,586	3,642	36,175
Telephone	3,802	5,412	3,277	5,367	7,716	1,514	27,088
Tithe	-	-	-	-	-	-	-
Training	3,477	3,074	-	-	816	1,500	8,867
Travel	3,423	2,862	348	151	7,750	3,823	18,357
Utilities	2,624	1,296	3,614	9,084	15,481	2,371	34,470
	<u>2,291,138</u>	<u>559,945</u>	<u>116,998</u>	<u>275,626</u>	<u>1,012,767</u>	<u>301,271</u>	<u>4,557,745</u>
Total	<u>\$2,291,138</u>	<u>\$ 559,945</u>	<u>\$ 116,998</u>	<u>\$ 275,626</u>	<u>\$ 1,012,767</u>	<u>\$ 301,271</u>	<u>\$ 4,557,745</u>

The accompanying notes are an integral part of this statement.

Supporting Services					
Management and General	Fundraising			Total Supporting Services	Total Expenses
	Development	Grants	Total Fundraising		
\$ 151,193	\$ 149,763	\$ 37,640	\$ 187,403	\$ 338,596	\$ 1,440,604
25,846	14,312	-	14,312	40,158	174,638
13,382	13,080	3,302	16,382	29,764	119,901
190,421	177,155	40,942	218,097	408,518	1,735,143
-	24,048	-	24,048	24,048	55,012
1,015	93,000	-	93,000	1,108	29,831
-	-	-	-	-	1,237,437
1,099	648	648	1,296	2,395	67,255
14,238	300	-	300	14,538	64,761
-	-	-	-	-	135,195
-	-	-	-	-	26,557
-	-	-	-	-	340,118
33,509	310	-	310	33,819	243,513
50,237	-	-	-	50,237	50,237
1,122	322	-	322	1,444	11,315
1,700	2,120	1,500	3,620	5,320	19,688
1,200	246	246	492	1,692	71,679
-	-	-	-	-	594,248
12,635	1,938	-	1,938	14,573	75,024
2,545	5,922	-	5,922	8,467	26,866
25,116	18,835	1,857	20,692	45,808	95,524
-	-	-	-	-	19,775
99,000	-	-	-	99,000	113,743
15,236	142,000	142	284,000	15,520	47,453
17,894	11,002	-	11,002	28,896	65,071
3,246	3,277	2,135	5,412	8,658	35,746
5,000	-	-	-	5,000	5,000
2,848	1,345	-	1,345	4,193	13,060
4,621	8,244	-	8,244	12,865	31,222
648	648	648	1,296	1,944	36,414
<u>\$ 384,429</u>	<u>\$ 256,595</u>	<u>\$ 48,118</u>	<u>\$ 304,713</u>	<u>\$ 689,142</u>	<u>\$ 5,246,887</u>

LAFAYETTE HABITAT FOR HUMANITY, INC.

Statements of Cash Flows  
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$(1,229,967)	\$ (803,607)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities -		
Sales of homes to participants, net of discounts	(465,275)	(416,770)
Gain on sale of mortgage notes receivable	(459,163)	(770,551)
Depreciation	50,377	64,761
Amortization of right-of-use assets	84,081	135,195
Amortization of mortgage discount	(78,379)	(200,327)
Changes in assets and liabilities-		
Other receivables	(42,281)	88,112
Inventory	178,466	(101,696)
Prepaid expenses	(6,237)	7,979
Other current assets	9,932	-
Accounts payable	63,089	56,151
Accrued payroll and related liabilities	5,271	(701)
Escrow payable	(45,426)	(72,665)
Operating lease liabilities	(1,602,775)	(295,385)
Other current liabilities	(19,195)	1,127
Net cash used by operating activities	<u>(3,557,482)</u>	<u>(2,308,377)</u>
Cash flows from investing activities:		
Proceeds from notes and mortgage notes receivable, net	332,168	409,697
Proceeds from the sale of mortgage notes	797,389	1,232,676
Purchases of investments	(8,245)	722,530
Purchases of property and equipment	75,924	(4,380)
Disposition of right-of-use assets	1,498,823	-
Net cash provided by investing activities	<u>2,696,059</u>	<u>2,360,523</u>
Cash flows from financing activities:		
Advance (payment) on line of credit	475,000	200,000
Net proceeds (principal payments) on long-term debt	(13,014)	(15,942)
Net cash provided by financing activities	<u>461,986</u>	<u>184,058</u>
Net increase (decrease) in cash and cash equivalents	(399,437)	236,204
Cash and cash equivalents, beginning of year	<u>554,780</u>	<u>318,576</u>
Cash and cash equivalents, end of year	<u>\$ 155,343</u>	<u>\$ 554,780</u>
Supplemental disclosure for the statements of cash flows:		
Interest paid	<u>\$ 80,956</u>	<u>\$ 50,237</u>
Non-interest bearing mortgage loans issued	<u>\$ 597,725</u>	<u>\$ 594,248</u>

The accompanying notes are an integral part of this statement.

# LAFAYETTE HABITAT FOR HUMANITY, INC.

## Notes to Financial Statements

### (1) Nature of Organization and Significant Accounting Policies

#### A. Organization and Purpose

Lafayette Habitat for Humanity, Inc. (Organization) is a non-profit corporation organized under the laws of the State of Louisiana and is an affiliate of Habitat for Humanity International, Inc. The Organization's purpose is to help provide housing for low-income families by identifying potential home sites, constructing new homes, and refurbishing existing structures. The homes are located in Vermilion and Lafayette Parishes and are financed to qualified families with mortgage notes carrying an affordable interest rate.

The Organization owns and operates Lafayette Habitat for Humanity ReStore, which sells donated building materials, household goods, and items purchased in bulk to the general public at a below retail price. The net proceeds from the ReStore operations are used to help support the programs which carry out the primary purpose of the Organization.

#### B. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as net assets without donor restrictions or net assets with donor restrictions.

#### C. Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents.

#### D. Reserved Cash

The Organization services the mortgages on homes it sells. Included in cash and cash equivalents are amounts received from homeowners for insurance, property taxes, and for mortgage payments received prior to closing. As of June 30, 2025 and 2024, reserved cash for escrow deposits was \$88,700 and \$86,168, respectively.

#### E. Investments and Related Income, Gains, and Losses

In accordance with FASB ASC subtopic 958-320, "*Not-for-Profit Entities – Investments – Debt and Equity Securities*", the Organization carries investments at their fair values based on quoted prices in active markets in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Financial Statements (Continued)

F. Mortgage Notes Receivable

Mortgage notes receivable consist of non-interest-bearing mortgage notes which are collateralized by movable property or real estate in Lafayette, Calcasieu, and Iberia Parishes and payable in monthly installments over the life of the mortgage loans. The mortgage notes receivable balances are net of discounts, which represent the difference between the stated amount of the notes and the present value based on an imputed amount of interest. The discounts are amortized over the lives of the loans. The imputed rates are set by Habitat for Humanity International, Inc. The rates are based on rates published by the Internal Revenue Service. Mortgage notes receivable are considered past due if payments are more than thirty days late. Management believes that the values of such collateral are in excess of the receivable as of June 30, 2025 and 2024 and therefore, no additional allowance for losses has been recorded.

G. Pledges Receivable

Contributions receivable that are expected to be collected in future years are recorded at their fair value based on the present value of their estimated future cash flows and are discounted at the rate applicable to the year in which the contribution was made.

H. Inventory

Inventory includes new homes valued at costs incurred, exclusive of contributed labor, and repossessed homes valued at cost, which includes the unpaid mortgage and related costs at the time of the foreclosure and the cost of repairs after the foreclosure.

ReStore inventory represents purchased materials and household goods to be sold in the retail operations, as well as building materials and goods on hand for use in the construction of homes. Gift in-kind inventory is recorded at the fair value on the date of the receipt, and such items are expensed as program service expense when used. Purchased inventory is recorded at the lower of cost or market determined by the specific identification method. As of June 30, 2025 and 2024, inventory consists of the following:

	<u>2025</u>	<u>2024</u>
Construction in progress	\$ 609,460	\$ 806,384
Repossessions	92,869	55,968
ReStore	<u>71,796</u>	<u>90,239</u>
Total inventory	<u>\$ 774,125</u>	<u>\$ 952,591</u>

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Financial Statements (Continued)

I. Property and Equipment

The Organization's capitalization policy is \$1,000 for property and equipment recorded at cost, if purchased, or at estimated fair market value if donated. Donations of property and equipment are recorded as contributions at their estimated fair value. In the absence of donor stipulations regarding how long the contributed assets must be used, the Organization has adopted a policy of implying a time restriction on contributions of such assets that expire over useful lives of the assets. Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	15 - 39
Furniture and equipment	3 - 7

J. Revenue and Expense Recognition

Contributions are recognized when the donor makes a commitment to give and are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions designated for future periods or restricted by the donor for specific purposes are reported as restricted support that increases the net assets with donor restrictions net asset class. Expenses are recognized in the period incurred in accordance with the accrual basis of accounting. When a restriction expires, that is when a stipulated time restriction ends or purpose restrictions are accomplished, new 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.

K. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and support services benefited.

L. Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service (IRS) as other than a private foundation. However, the organization's tax-exempt status has no effect on its liability for any federal excise taxes. Accounting principles generally accepted in the United States of America require the organization's management to evaluate tax positions taken and recognize a tax liability (or asset) if the organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the organization, and has concluded that as of June 30, 2025, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The organization is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2021.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Financial Statements (Continued)

M. Compensated Absences

The Organization allows employees annual leave based on years of service. The length of eligible service is calculated on the basis of the employee's benefit year, the twelve-month period beginning when the employee started earning PTO. Annual leave will be carried forward without prior written approval and will not expire. Upon termination of employment, an employee is paid for no more than ten days of any accrued leave. At June 30, 2025 and 2024, total compensated absences liability was \$18,472 and \$18,472, respectively.

N. Donated Materials and Services

The Organization receives a significant amount of donated materials and services from unpaid volunteers who assist in program services during the year. Some of the donated services are not reflected in the statement of activities because the criteria for recognition under professional standards have not been satisfied.

Donations meeting the criteria are recorded at estimated fair value as follows:

	<u>2025</u>	<u>2024</u>
Program services:		
Advertising	\$ -	\$ 20,000
Labor	<u>1,500</u>	<u>1,900</u>
Total	<u>\$ 1,500</u>	<u>\$ 21,900</u>

O. Advertising

Advertising costs are expensed as incurred. Total advertising expense was \$35,061 and \$55,012 for the years ended June 30, 2025 and 2024, respectively.

P. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Q. Grant Audits

The Organization receives grants for specific purposes that are subject to review and audit by the funding agencies. Such audits and reviews could result in expenses being disallowed under the terms and conditions of the grants. In the opinion of management, such disallowances, if any, would be immaterial.

R. Reclassifications

Certain amounts in the 2024 financial statements have been reclassified to conform with the 2025 presentation.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Financial Statements (Continued)

(2) Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of June 30, 2025, reduced by amounts not available for general use because of contractual restrictions or Board designations within one year of the statement of financial position date.

	<u>2025</u>	<u>2024</u>
Financial assets at June 30, 2025 and 2024:	\$ 529,632	\$ 883,584
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	<u>(40,981)</u>	<u>(40,981)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 488,651</u>	<u>\$ 842,603</u>

As part of the Organization's liquidity management, the Organization maintains sufficient cash balances throughout the year through the receipt of grants, donations, and proceeds from the operation of the Lafayette Habitat for Humanity ReStore to support the Organization's objective to help provide housing for low-income families by identifying potential home sites, constructing new homes, and refurbishing existing structures. To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of \$975,000 which it could draw upon.

(3) Investments

Investments are carried at fair value based on quoted market prices in active markets (all Level 1 Measurements) and consist of the following at June 30, 2025 and 2024 consist of the following:

<u>Investment Type</u>	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Mutual funds	<u>\$ 8,245</u>	<u>\$ 8,245</u>	<u>\$ -</u>	<u>\$ -</u>

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Financial Statements (Continued)

(4) Mortgage Notes Receivable

Mortgage notes receivable consists of non-interest-bearing mortgage notes less unamortized discounts. All mortgages are collateralized by real estate in Lafayette, Calcasieu, and Iberia Parishes. Mortgage notes receivable at June 30, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Notes and mortgage notes receivable	\$ 2,735,948	\$ 2,941,067
Less unamortized discount	<u>1,173,510</u>	<u>1,251,889</u>
Notes and mortgage notes receivable, net	<u>\$ 1,562,438</u>	<u>\$ 1,689,178</u>
Current portion	\$ 74,444	\$ 82,017
Long-term portion	<u>1,487,994</u>	<u>1,607,161</u>
Total	<u>\$ 1,562,438</u>	<u>\$ 1,689,178</u>

Amortization of discounts was \$78,379 and \$200,327 for the years ended June 30, 2025 and 2024, respectively.

The contractual maturities of mortgage notes receivable are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2026	\$ 191,060
2027	183,035
2028	176,919
2029	169,446
2030	167,980
Thereafter	<u>1,847,508</u>
Total	<u>\$ 2,735,948</u>

(5) Mortgage Notes Receivable Sold With Recourse

During the current fiscal year, the Organization entered into an agreement to sell several mortgages at 90-100% of the total outstanding mortgage note. As a result of the sale of the mortgages and recognition of the remaining unamortized mortgage discount, the Organization realized a net gain of \$459,163. As part of the sale agreement, the Organization administers and services the related mortgage loans that were sold until their maturity. The outstanding balance of loans sold with recourse at June 30, 2025 and 2024 was \$6,380,734 and \$7,242,444, respectively. In the event of default, the Organization is required to purchase the loan for the remaining outstanding balance.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Financial Statements (Continued)

(6) Property and Equipment

Property and equipment consists of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Building and improvements	\$ 661,843	\$ 866,207
Furniture and Equipment	<u>165,461</u>	<u>206,529</u>
	827,304	1,072,736
Less accumulated depreciation	<u>(278,795)</u>	<u>(397,926)</u>
Balance, ending	<u>\$ 548,509</u>	<u>\$ 674,810</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$50,377 and \$64,761, respectively.

(7) Long-term Debt

At June 30, 2025 and 2024, long-term debt was comprised of the following:

	<u>2025</u>	<u>2024</u>
Note payable to Iberia Bank, dated December 26, 2019, original principal of \$214,917 bearing interest at 4%, due in 59 monthly installments of \$1,597 including interest with final principal payment of \$158,887 due on December 30, 2024, secured by real estate.	\$ 153,827	\$ 163,464
Revolving line of credit with Iberia Bank dated February 16, 2023 and maturing February 16, 2026 bearing interest at the variable interest rate of 1.00% over Prime as quoted in The Wall Street Journal with an initial interest rate of 8.75%.	975,000	500,000
EIDL Secured Disaster Loan Note payable to U.S. Small Business Administration, due May 2050, due in monthly installments of \$641 beginning May 2021, bearing interest at 2.75%.	<u>139,208</u>	<u>142,585</u>
Total long-term debt	1,268,035	806,049
Less current maturities of long-term debt	<u>(10,986)</u>	<u>(167,284)</u>
Net long-term debt	<u>\$ 1,257,049</u>	<u>\$ 638,765</u>

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Financial Statements (Continued)

The future maturities of long-term debt are as follows:

Year ending June 30,	Amount
2026	\$ 157,753
2027	979,035
2028	4,148
2029	4,263
2030	4,263
Thereafter	118,573
Total	<u>\$1,268,035</u>

(8) Operating Leases

The Organization is obligated under various real property and equipment leases for varying terms expiring February 28, 2029, through April 7, 2035.

The following is a maturity analysis of the annual undiscounted cash flows (payments) of the operating lease liability as of June 30, 2025:

Year ending June 30,	Payment
2026	\$ 453,732
2027	453,732
2028	453,732
2029	453,732
2030	460,194
Thereafter	1,384,524
Total operating lease liability - payments	<u>\$3,659,646</u>

The following is a reconciliation of the total operating lease liability – payments on the schedule above to the operating lease liability on the accompanying statement of net position:

Operating lease liability -		
Payments		\$3,659,646
Current	\$ 266,224	
Noncurrent	<u>1,758,201</u>	<u>2,024,425</u>
Present value adjustment		<u>\$1,635,221</u>

Lease cost of \$97,325 and \$113,644 is included in program services in the statement of activities for the years ended June 30, 2025 and 2024, respectively. The weighted average of the remaining lease term is 7.43 years, and the weighted average discount rate used was 2.78%.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Financial Statements (Continued)

As of June 30, 2025, the related right-of-use (ROU) assets had a balance of \$2,364,677, net of accumulated amortization of \$343,231, as shown in noncurrent assets on the statement of financial position.

As of June 30, 2024, the related right-of-use (ROU) assets had a balance of \$3,947,581, net of accumulated amortization of \$259,150, as shown in noncurrent assets on the statement of financial position.

(9) Net Assets

Net assets as of June 30, 2025 and 2024 was comprised of the following:

	<u>2025</u>	<u>2024</u>
With donor restrictions:		
Purpose restricted	\$ 40,981	\$ 40,981
Without donor restrictions:		
Undesignated	<u>2,293,024</u>	<u>3,522,991</u>
Total	<u>\$2,334,005</u>	<u>\$3,563,972</u>

(10) Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Unspent funds from the following:		
Disaster donations	\$ 37,583	\$ 37,583
Pocket Park donations	<u>3,398</u>	<u>3,398</u>
Total	<u>\$ 40,981</u>	<u>\$ 40,981</u>

(11) Net Assets Released from Restrictions

There were no net assets released from restrictions for the years ended June 30, 2025 and 2024.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Notes to Financial Statements (Continued)

(12) Concentration of Credit Risk

The Organization maintains cash balances at local financial institutions, which at times may exceed federally insured limits. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 at each financial institution. At June 30, 2025, total cash balances (bank balances) were covered by the Federal Deposit Insurance Corporation. At June 30, 2024, cash balances (bank balances) exceeded the federally insured limit by approximately \$324,689. The Organization has not experienced any loss on such deposits.

The Organization builds and rehabilitates houses in the Lafayette and surrounding areas. As a result, all of the mortgage receivables from homeowners are concentrated to an area of geographic risk. Additionally, all houses built are transferred to low-income families, which represents a credit risk.

(13) Compensation, Benefits, and Other Payments to Agency Head

The portion of the Organization's agency head's compensation, benefits, or other payments made from public funds received for the year ended June 30, 2025 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	<u>\$ 32,308</u>

(14) Subsequent Event Review

The Organization's management has evaluated subsequent events through December 9, 2025, the date which the financial statements were available to be issued.

**INTERNAL CONTROL, COMPLIANCE**

**AND**

**OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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## 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*

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To the Board of Directors of  
Lafayette Habitat for Humanity, Inc.  
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lafayette Habitat for Humanity, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 December 9, 2025.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lafayette Habitat for Humanity, Inc.'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 Lafayette Habitat for Humanity, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Habitat for Humanity, Inc.'s internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2025-001, that we consider to be a material weakness.

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

As part of obtaining reasonable assurance about whether Lafayette Habitat for Humanity, Inc.'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*.

## **Lafayette Habitat for Humanity, Inc.'s Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on Lafayette Habitat for Humanity, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of current and prior year findings and management's corrective action plan. Lafayette Habitat for Humanity, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
December 9, 2025

LAFAYETTE HABITAT FOR HUMANITY, INC.

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended June 30, 2025

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

2025-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The Organization did not have adequate segregation of functions within the accounting system.

CRITERIA: AU-C§315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

CAUSE: The cause of the condition is the fact that the Organization does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) record keeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Organization has evaluated processes within the accounting system and the cost vs. benefit of hiring additional personnel and has determined that it may not be feasible to achieve complete segregation of duties.

B. Compliance

There were no compliance findings.

LAFAYETTE HABITAT FOR HUMANITY, INC.

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
Year Ended June 30, 2025

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2024-001 Inadequate Segregation of duties

CONDITION: The Organization did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have a control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recording keeping; and (4) reconciliation.

CURRENT STATUS: Unresolved. See item 2025-001.

**LAFAYETTE HABITAT FOR HUMANITY, INC.**

**Statewide Agreed-Upon Procedures Report**

**Year Ended June 30, 2025**

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of  
Lafayette Habitat for Humanity, 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 July 1, 2024 through June 30, 2025. Lafayette Habitat for Humanity, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Lafayette Habitat for Humanity, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### ***1) Written Policies and Procedures***

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

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

*Lafayette Habitat for Humanity, Inc. is not legally required to prepare a budget; therefore, this category is not applicable.*

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

*Written policies and procedures were obtained, and it was noted that the policies and procedures do not address how purchases are initiated, or the preparation and approval process of purchase requisitions and purchase orders.*

- iii. **Disbursements**, including processing, reviewing, and approving.  
*Written policies and procedures were obtained and address the functions noted above.*
- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).  
*Written policies and procedures were obtained and address the functions noted above.*
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.  
*Written policies and procedures were obtained and address the functions noted above.*
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.  
*Written policies and procedures were obtained, and it was noted that the policies and procedures do not address the types of services requiring written contracts, standard terms and conditions, or legal review.*
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.  
*Written policies and procedures were obtained and do not address the functions noted above.*
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).  
*Written policies and procedures were obtained, and it was noted that the policies and procedures do not address required approvers of statements.*
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.  
*The provisions of R.S. 42:1111-1121 do not apply to not-for-profit entities. This step is not applicable to Lafayette Habitat for Humanity, Inc. However, it was noted that the entity has an anti-harassment policy in place.*
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.  
*This section is not applicable to Lafayette Habitat for Humanity, Inc. However, it was noted the entity has a debt policy in place.*
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.  
*Written policies and procedures were obtained and do not address the functions noted above.*

- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
- The provisions of R.S. 42:342-344 do not apply to not-for-profit entities. This step is not applicable to Lafayette Habitat for Humanity, Inc.*

## ***2) Board or Finance Committee***

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- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
  - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

*No exceptions were found as a result of procedures i – iv.*

## ***3) Bank Reconciliations – Testing not required for FYE 6/30/2025.***

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- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
  - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

***4) Collections (excluding electronic funds transfers) – Testing not required for FYE 6/30/2025.***

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- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - i. Employees responsible for cash collections do not share cash drawers/registers;
  - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
  - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and
  - i. Observe that receipts are sequentially pre-numbered.
  - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - iii. Trace the deposit slip total to the actual deposit per the bank statement.
  - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - v. Trace the actual deposit per the bank statement to the general ledger.

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

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- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).  
*Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.*
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;  
*Exception noted.*
  - ii. At least two employees are involved in processing and approving payments to vendors;  
*No exceptions were found as a result of this procedure.*
  - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;  
*No exceptions were found as a result of this procedure.*
  - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and  
*No exceptions were found as a result of this procedure.*
  - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.  
*Exception noted.*
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity; and  
*No exceptions were found as a result of this procedure.*
  - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.  
*Observed that disbursements selected for testing did not include evidence of segregation of duties.*

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

*Observed that electronic disbursements were not approved by persons authorized to disburse funds nor were they approved by the required number of authorized signers per the entity's policy.*

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

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

*Obtained a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards for the fiscal period and management's representation that the listing is complete.*

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

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

*Exception noted.*

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

*No exceptions were found as a result of this procedure.*

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

*Two exceptions were noted as a result of this procedure.*

#### **7) Travel and Travel-Related Expense Reimbursements (excluding card transactions) – Testing not required for FYE 6/30/2025.**

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

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

**8) Contracts – Testing not required for FYE 6/30/2025.**

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- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *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:
  - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
  - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
  - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
  - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**9) Payroll and Personnel – Testing not required for FYE 6/30/2025.**

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- A. Obtain a listing of employees and officials employed during the fiscal period and management’s representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
  - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity’s cumulative leave records; and

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines.

### ***10) Ethics***

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**This section is not applicable to Lafayette Habitat for Humanity, Inc., a not-for-profit organization.**

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
  - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

### ***11) Debt Service***

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**This section is not applicable to Lafayette Habitat for Humanity, Inc., a not-for-profit organization.**

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balance and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

### ***12) Fraud Notice – Testing not required for FYE 6/30/2025.***

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

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

***13) Information Technology Disaster Recovery/Business Continuity – Testing not required for FYE 6/30/2025.***

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Perform the following procedures:

- A. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week (b) was not stored on the government’s local server or network, and (c) was encrypted.
- B. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- 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.
- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedures #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 – completed the training; and
  - Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

***14) Prevention of Sexual Harassment***

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**This section is not applicable to Lafayette Habitat for Humanity, Inc., a not-for-profit organization.**

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
- C. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;

- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

***Management's Response***

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Management of Lafayette Habitat for Humanity, Inc. concurs with the exceptions and are working to address the deficiencies identified.

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

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

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Ville Platte, Louisiana  
December 9, 2025