



The Philadelphia Center

FINANCIAL STATEMENTS

May 31, 2025

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Management of
The Philadelphia Center

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Philadelphia Center as of May 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 The Philadelphia Center 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 The Philadelphia Center'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 The Philadelphia Center'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 The Philadelphia Center's ability to continue as a going concern for a reasonable period of time.

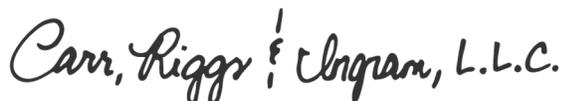
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to agency head and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are 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 and the schedule of expenditures of federal awards are 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 November 24, 2025, on our consideration of The Philadelphia Center'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 Philadelphia Center'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 The Philadelphia Center's internal control over financial reporting and compliance.



CARR, RIGGS & INGRAM, L.L.C.

Shreveport, Louisiana
November 24, 2025

**The Philadelphia Center
Statement of Financial Position**

May 31,

2025

Assets

Current assets

Cash and cash equivalents	\$	782,563
Grants receivable, net		794,747
Investments		92,328
Prepaid expenses and other assets		87,945

Total current assets 1,757,583

Non-current assets

Property and equipment, net		3,085,961
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Total non-current assets 3,085,961

Total assets \$ 4,843,544

Liabilities and Net Assets

Current liabilities

Grants repayable	\$	238,694
Accounts payable		30,145
Accrued expenses		69,866
Current portion of finance lease liabilities		4,824

Total current liabilities 343,529

Long-term liabilities

Finance lease liabilities, less current portion		4,353
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Total long-term liabilities 4,353

Total liabilities 347,882

Net assets

Without donor restrictions		4,418,179
With donor restrictions		77,484

Total net assets 4,495,663

Total liabilities and net assets \$ 4,843,544

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

**The Philadelphia Center
Statement of Activities**

For the year ended May 31,

2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Grants	\$ 5,036,342	\$ -	\$ 5,036,342
Non-government grants	5,000	46,000	51,000
Contributions	34,283	-	34,283
Fundraising	49,577	-	49,577
Rental income	24,876	-	24,876
Investment income (loss), net	14,446	-	14,446
Net assets released from restrictions	8,160	(8,160)	-
Total revenue and other support	5,185,125	37,840	5,222,965
Expenses			
<i>Program services</i>			
Client services	3,916,718	-	3,916,718
Mercy Center	205,673	-	205,673
Prevention	619,771	-	619,771
Total program services	4,742,162	-	4,742,162
<i>Supporting services</i>			
General and administrative	279,024	-	279,024
Fundraising	35,304	-	35,304
Total supporting services	314,328	-	314,328
Total expenses	5,056,490	-	5,056,490
Change in net assets	128,635	37,840	166,475
Net assets at beginning of year	4,289,544	39,644	4,329,188
Net assets at end of year	\$ 4,418,179	\$ 77,484	\$ 4,495,663

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

The Philadelphia Center Statement of Functional Expenses

For the year ended May 31, 2025

	Program Services			Supporting Services				2025 Total
	Client Services	Mercy Center	Prevention	Programs Subtotal	General and Administrative	Fundraising	Supporting Subtotal	
Payroll benefits:								
Salaries and wages	\$ 978,011	\$ 115,127	\$ 178,598	\$ 1,271,736	\$ 135,454	\$ -	\$ 135,454	\$ 1,407,190
Payroll taxes	77,533	11,708	12,700	101,941	10,936	-	10,936	112,877
Employee benefits	216,814	7,084	34,889	258,787	43,037	-	43,037	301,824
Total payroll and benefits	1,272,358	133,919	226,187	1,632,464	189,427	-	189,427	1,821,891
Other expenses:								
Accounting and audit	58,081	10,607	12,237	80,925	9,401	-	9,401	90,326
Advertising	-	-	1,091	1,091	1,000	-	1,000	2,091
Auction items	-	-	-	-	-	35,304	35,304	35,304
Bank charges	-	-	-	-	84	-	84	84
Client services	1,017,091	739	-	1,017,830	234	-	234	1,018,064
Computer/IT support	13,270	-	6,528	19,798	2,889	-	2,889	22,687
Contract services	98	1,000	159	1,257	19	-	19	1,276
Depreciation	21,046	463	2,714	24,223	24	-	24	24,247
Education	3,268	20	80	3,368	60	-	60	3,428
Equipment rental	3,962	-	1,981	5,943	972	-	972	6,915
Fees	435	1,015	-	1,450	7,280	-	7,280	8,730
Food	1,243,600	12,946	-	1,256,546	-	-	-	1,256,546
Insurance	57,194	11,541	16,843	85,578	8,213	-	8,213	93,791
Lab fees	148	2,973	5,611	8,732	-	-	-	8,732
340 patient medication	122,166	-	292,458	414,624	-	-	-	414,624
Meeting expenses	4,034	-	-	4,034	352	-	352	4,386
Miscellaneous	-	-	-	-	1,812	-	1,812	1,812
Office Supplies	6,897	4,827	2,656	14,380	2,134	-	2,134	16,514
Postage	3,090	-	349	3,439	662	-	662	4,101
Prevention supplies	-	-	34,335	34,335	-	-	-	34,335
Repairs and maintenance	9,502	12,515	4,602	26,619	49,150	-	49,150	75,769
Taxes and licenses	774	-	248	1,022	-	-	-	1,022
Travel	60,428	44	3,711	64,183	1,502	-	1,502	65,685
Utilities	19,276	13,064	7,981	40,321	3,809	-	3,809	44,130
Total other expenses	2,644,360	71,754	393,584	3,109,698	89,597	35,304	124,901	3,234,599
Total	\$ 3,916,718	\$ 205,673	\$ 619,771	\$ 4,742,162	\$ 279,024	\$ 35,304	\$ 314,328	\$ 5,056,490

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

The Philadelphia Center Statement of Cash Flows

For the year ended May 31,

2025

Operating Activities

Change in net assets	\$	166,475
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization		24,247
Amortization of right-of-use assets		4,730
Unrealized and realized loss (gain) on investments		(11,861)
Changes in operating assets and liabilities:		
Grants receivable		146,881
Prepaid expenses and other assets		8,600
Accounts payable		18,482
Accrued expenses		13,719

Net cash provided by (used in) operating activities		371,273
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Investing Activities

Purchase of property and equipment		(1,999,878)
Purchase of investments		(1,780)

Net cash provided by (used in) investing activities		(2,001,658)
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Financing Activities

Payments on finance lease liabilities		(4,730)
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Net cash provided by (used in) financing activities		(4,730)
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Net change in cash and cash equivalents		(1,635,115)
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Cash and cash equivalents, at beginning of year		2,417,679
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Cash and cash equivalents, at end of year	\$	782,563
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The accompanying notes are an integral part of these financial statements.

The Philadelphia Center Notes to Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

The Philadelphia Center (The Center) is a nonprofit corporation organized under the laws of the State of Louisiana. The Center was formed June 22, 1990 and incorporated July 14, 1992 to respond to the presence of HIV/AIDS in northwest Louisiana by way of education, testing, counseling, and direct assistance.

The Center contracts with the U.S. and Louisiana Departments of Health (LDH) to provide Ryan White C.A.R.E. (P.L. 101-381) services in order to improve the quality and availability of care for low-income, uninsured and under-insured victims of HIV/AIDS, and their families, residing in Region 7 of Louisiana.

The Center is funded by monies received through the U.S. Department of Health and Human Services Ryan White Title 11, the U.S. Department of Housing and Urban Development (HUD), Office of Public Health, HIV/AIDS Programs (HAP), Housing Opportunities for People With AIDS (HOPWA), Medicaid, 340B Drug Pricing Program, fundraising events and donations/grants from various individuals and foundations.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to useful lives of property and equipment, donated services and goods, and the allocation of management costs to supported programs.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Grants Receivable

Accounts receivable represent amounts owed to the Center, which are expected to be collected within twelve months and are presented in the statements of financial position net of the allowance for doubtful accounts.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants Receivable (Continued)

The Center provides for losses on grants receivable using the allowance method. The allowance is based on experience and other circumstances. It is the Center's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Investments

The Center reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Property and Equipment

All acquisitions of property and equipment and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried 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.

Leases

The Center leases office equipment. The Center determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities the statements of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on the statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Center uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Center will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

The Center reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Center, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and capital assets reserve.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

A significant portion of the Center's grants and contracts are from government agencies. The benefits received by the public as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly removed the conditions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

The Philadelphia Center Notes to Financial Statements

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by The Center. The Center also provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Expenses related to maintenance and upkeep of the entire facility are allocated across functional areas based on a fixed percentage.

Advertising

The Center uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the year ended May 31, 2025, advertising costs totaled \$2,091.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, The Center is exempt from taxes on income other than unrelated business income. Unrelated business income results from rent, administration of self-insurance activities, and commissions.

The Center utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of May 31, 2025, the Center has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 24, 2025 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**The Philadelphia Center
Notes to Financial Statements**

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The following reflects the Center’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available also include amounts set aside by the board of directors that could be drawn upon if the board approves that action.

<i>May 31,</i>	2025
Total assets at year end	\$ 4,843,544
Less non-financial assets	
Prepaid expenses and other assets	(87,945)
Property and equipment, net	(3,085,961)
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Financial assets at year-end	1,669,638
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions	
Restricted by donor with time or purpose restrictions	(77,484)
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Financial assets available to meet cash needs for general expenditures within one year	\$ 1,592,154

Note 4: GRANTS RECEIVABLE

Contracts and grants receivable after May 31, 2025 consist of the following:

<i>May 31,</i>	2025
Grants receivable	\$ 794,747
Less allowance for doubtful accounts	-
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Accounts receivable, net	\$ 794,747

**The Philadelphia Center
Notes to Financial Statements**

Note 5: INVESTMENTS

Investments in marketable securities consist of the following:

<i>May 31, 2025</i>	Cost	Fair Value
Mutual funds	\$ 36,417	\$ 34,091
Interest bearing cash	12,766	12,766
Exchange-traded & closed-end funds	11,288	45,741
Total investments in marketable securities	\$ 60,471	\$ 92,328

Note 6: PROPERTY AND EQUIPMENT

The components of property and equipment consist of the following at May 31, 2025:

	Estimated Useful Lives (in years)	2025
Building and related improvements	39	\$ 426,943
Furniture and fixtures	5-10	29,698
Vehicles	5	83,240
Equipment	5-7	61,433
Finance leases, right-of-use assets	5	9,063
Total depreciable property and equipment		610,377
Less accumulated depreciation and amortization		(361,184)
Total depreciable property and equipment, net		249,193
Construction in progress		2,836,768
Total property and equipment, net		\$ 3,085,961

Depreciation and amortization expense for the year ended May 31, 2025 amounted to \$24,247.

Note 7: GRANTS PAYABLE

Grants payable relates to the HOME grant due to the City of Shreveport's Department of Community Development. Grants payable at May 31, 2025 was \$238,694.

**The Philadelphia Center
Notes to Financial Statements**

Note 8: ACCRUED EXPENSES

The following is a summary of accrued expenses:

<i>May 31,</i>		2025
Accrued wages and payroll taxes	\$	22,854
Accrued paid time off		62,777
Total	\$	85,587

Note 9: LEASES

The Center has a finance lease for office equipment. The lease has a remaining lease term of 1.8 years. As of May 31, 2025, assets recorded under finance leases were \$23,643, and accumulated depreciation associated with finance leases was \$14,578.

The components of lease expense consist of the following:

		2025
Operating lease expense	\$	-
Finance lease expense		4,862
Total lease expense	\$	4,862

The above office equipment leases do not include the option to purchase the equipment at the end of the lease term.

The following schedule summarizes lease information for 2025:

Cash paid for amounts included in the measurement of lease and liabilities for finance leases:

Financing cash flows	\$	5,600
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Weighted average remaining lease term (in years)

Finance leases	1.8
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Weighted average discount rate

Finance leases	0.81%
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**The Philadelphia Center
Notes to Financial Statements**

Note 9: LEASES (Continued)

Future minimum lease payments for the above leases at May 31, 2025 are as follows:

	Finance
2026	\$ 4,824
2027	4,824
Total	9,647
Less: Present value discount	(536)
Lease liability	\$ 9,111

Note 10: NET ASSETS

A summary of net assets without donor restrictions consists of the following:

<i>May 31,</i>	2025
Undesignated	\$ 4,418,179
Total net assets without donor restrictions	\$ 4,418,179

A summary of net assets with donor restrictions consists of the following:

<i>May 31,</i>	2025
Purpose restricted:	
Client services	77,484
Total net assets with donor restrictions	\$ 77,484

This amount is included in cash and cash equivalents on the statement of financial position and represents grant funds that have been received, but not yet expended for the restricted purpose.

A summary of the release of donor restrictions consists of the following:

<i>For the year ended May 31,</i>	2025
Time restrictions	\$ -
Purpose restrictions:	
Client services	8,160
Endowments	-
Total net assets released from donor restrictions	\$ 8,160

Note 11: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
 - observable; or
 - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at May 31, 2025.

Mutual funds, exchange-traded and closed end funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Center are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Center are deemed to be actively traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

**The Philadelphia Center
Notes to Financial Statements**

Note 11: FAIR VALUE MEASUREMENTS (Continued)

Assets and liabilities measured at fair value on a recurring basis consists of the following:

May 31, 2025	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 34,091	\$ -	\$ -	\$ 34,091
Interest bearing cash	12,766	-	-	12,766
Exchange-traded & closed end funds	45,471	-	-	45,471
Total investments at fair value	\$ 92,328	\$ -	\$ -	\$ 92,328

Note 12: CONCENTRATIONS

A significant portion of the Center’s revenue and receivables are from contracts with the Louisiana Department of Health (LDH). These contracts are administered by the LDH under programs which are funded primarily by federal government grants. If federal funding levels for these programs are reduced, or if the contracts are not renewed, the impact on the Center could be severe.

The Center also relies heavily on the 340B Drug Pricing Program. Loss of the net revenue from this program would severely impact the Center.

Substantially all of the Centers cash accounts are held in three banks. As of May 31, 2025, approximately \$388,531 of the Center’s bank deposits exceeded Federal Deposit Insurance Corporation coverage.

In the normal course of business, the Center is subject to various claims, the effect of which management does not deem material to the financial statements of the Center.

Note 13: DEFINED CONTRIBUTION PLAN

The Center sponsors a defined contribution retirement plan pursuant to Section 403(b) of the Internal Revenue Code. Under the plan, employees may contribute a specified percentage of their salary, or a fixed dollar amount, to the plan. The Center may agree to make additional discretionary contributions on behalf of its employees. Discretionary contributions under the plan totaled \$0 during the year ended May 31, 2025.

Supplementary Information

The Philadelphia Center
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended May 31, 2025

Agency Head Name: Chris Miciotto

Purpose	Amount
Salary	\$ 92,196
Benefits-insurance	\$ 9,545
Benefits-retirement	\$ 3,936



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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***

To the Board of Directors
The Philadelphia Center
Shreveport, 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 The Philadelphia Center (a nonprofit the Center), which comprise the statement of financial position as of May 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated November 24, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Philadelphia Center'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 The Philadelphia Center's internal control. Accordingly, we do not express an opinion on the effectiveness of The Philadelphia Center'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 combined 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 The Philadelphia Center'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 Philadelphia Center'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 Philadelphia Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



CARR, RIGGS & INGRAM, L.L.C.

Shreveport, Louisiana

November 24, 2025



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

To the Board of Directors
The Philadelphia Center
Shreveport, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Philadelphia Center’s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Philadelphia Center’s major federal programs for the year ended May 31, 2025. The Philadelphia Center’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Philadelphia Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of The Philadelphia Center and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of The Philadelphia Center’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Philadelphia Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Philadelphia Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The Philadelphia Center's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

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CARR, RIGGS & INGRAM, L.L.C.

Shreveport, Louisiana

November 24, 2025

**The Philadelphia Center
Schedule of Expenditures of Federal Awards
For the Year Ended May 31, 2025**

Federal Agency/Pass Through Grantor/Program Title	Assistance Listing Number	Contract/Grant Number	Federal Expenditures	Expenditures to Subrecipients
Pass Through Programs:				
United States Department of Health and Human Services				
Passed through the State of Louisiana Department of Health and Hospitals, Office of Public Health				
HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)	93.917	LAGOV #2000599163	\$ 3,643,416	\$ -
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease (Ryan White HIV/AIDS Program Part C)	93.918	19-09-001	875	-
HIV Prevention Activities Health Department	93.940	LAGOV #2000656886	64,980	-
HIV Prevention Activities Health Department	93.940	LAGOV #2000656885	42,200	-
HIV Prevention Activities Health Department	93.940	LAGOV #2000656845	62,925	-
HIV Prevention Activities Health Department	93.940	LAGOV #2000751222	69,386	-
			239,491	
Total United States Department of Health and Human Services Passed Through Louisiana			3,883,782	-
Direct Programs:				
United States Department of Housing and Urban Development				
Housing Opportunities for Persons with AIDS	14.241	LAGOV #2000599163	468,778	-
Housing Opportunities for Persons with AIDS	14.241	LAGOV #2000817483	179,397	-
			648,175	
Total United States Department of Housing and Urban Development			648,175	-
Total Expenditures of Federal Awards			\$ 4,531,957	\$ -

The Philadelphia Center
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended May 31, 2025

Note 1: BASIS OF PRESENTATION

The preceding Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of The Philadelphia Center under programs of the federal government for the year ended May 31, 2025. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position or changes in net assets of The Philadelphia Center.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Philadelphia Center has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

Note 3: MATCHING REQUIREMENTS

Certain federal programs require The Philadelphia Center to contribute non-federal funds (matching funds) to support the federally funded programs. The Center has met its matching requirements. The Schedule does not include the expenditure of non-federal funds.

Note 4: SUBRECIPIENTS

The Philadelphia Center did not provide federal funds to any subrecipients during the year ended May 31, 2025.

Note 5: NON-CASH AWARDS

The Philadelphia Center did not expend federal awards related to non-cash awards during the year ended May 31, 2025.

**The Philadelphia Center
Schedule of Findings and Questioned Costs
For the Year Ended May 31, 2025**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: **Unmodified**

Compliance and internal control over financial reporting:

 Significant deficiency(ies) identified? **None reported**

 Material weakness(es) identified? **No**

 Noncompliance material to financial statements noted? **No**

Federal Awards

Internal control over major programs:

 Significant deficiency(ies) identified? **None reported**

 Material weakness(es) identified? **No**

Type of auditor’s report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a)? **None**

Identification of major programs:

Assistance Listing Number	Name of Program or Cluster
93.917	HIV Care Formula Grants

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

Auditee qualified as low-risk auditee? **No**

Section II – Financial Statement Findings Reported in Accordance with *Governmental Auditing Standards*

None

Section III – Federal Award Findings and Questioned Costs

None

**The Philadelphia Center
Summary Schedule of Prior Year Findings
For the Year Ended May 31, 2025**

Section II – Financial Statement Findings Reported in Accordance with *Governmental Auditing Standards*

None

Section III – Federal Award Findings and Questioned Costs

None



The Philadelphia Center

STATEWIDE AGREED-UPON PROCEDURES REPORT

May 31, 2025





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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of The Philadelphia Center
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 June 1, 2024 through May 31, 2025. The Philadelphia Center's management is responsible for those C/C areas identified in the SAUPs.

The Philadelphia Center 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 June 1, 2024 through May 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

Written Policies and Procedures

1. 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:

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

Results: No exceptions were identified as a result of applying the procedure.

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: Written policies do not address how vendors are added to the vendor list.

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

Results: No exceptions were identified as a result of applying the procedure.

- 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: No exceptions were identified as a result of applying the procedure.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

Results: No exceptions were identified as a result of applying the procedure.

- 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: Written policies do not address the types of services requiring written contracts, standard terms and conditions, or the legal review of contracts.

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

Results: Written policies do not address the dollar thresholds by category of expense.

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

Results: No exceptions were identified as a result of applying the procedure.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Results: This procedure is not applicable to The Philadelphia Center as 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: This procedure is not applicable to The Philadelphia Center as 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: There are no written policies over information technology disaster recovery/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: This procedure is not applicable to The Philadelphia Center as 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: No exceptions were identified as a result of applying this procedure.

- 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. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

Results: No exceptions were identified as a result of applying this procedure.

- 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: This procedure is not applicable as The Philadelphia Center is not a governmental entity.

- 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: No exceptions were identified as a result of applying this procedure.

Bank Reconciliations

3. 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:

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

Results: No exceptions were identified as a result of applying this procedure.

b) 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, electronically logged); and

Results: Five exceptions where the bank reconciliations prepared by third party accountant were reviewed, but not dated.

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

Results: CRI identified 23 reconciling items on a bank reconciliation that have been outstanding more than 12 months that were not researched.

Collections (excluding electronic funds 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: CRI obtained a listing of deposit sites and management's representation that the listing is complete.

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 (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

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

Results: No exceptions were identified as a result of applying this procedure.

- b) 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;

Results: No exceptions were identified as a result of applying this procedure.

- c) 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

Results: No exceptions were identified as a result of applying this procedure.

- 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, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No exceptions were identified as a result of applying this procedure.

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

Results: No exceptions were identified as a result of applying this procedure.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3 (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:

- a) Observe that receipts are sequentially pre-numbered.

Results: No exceptions were identified as a result of applying this procedure.

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

Results: No exceptions were identified as a result of applying this procedure.

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

Results: No exceptions were identified as a result of applying this procedure.

- d) 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).

Results: No exceptions were identified as a result of applying this procedure.

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

Results: No exceptions were identified as a result of applying this procedure.

Non-Payroll Disbursements (excluding card purchases, 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 5 locations (or all locations if less than 5).

Results: CRI obtained a listing of locations that process payments and management's representation that the listing was complete.

- 9. For each location selected under procedure #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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

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

Results: No exceptions were identified as a result of applying this procedure.

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

Results: No exceptions were identified as a result of applying this procedure.

- c) 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 were identified as a result of applying this procedure.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

Results: No exceptions were identified as a result of applying this procedure.

- e) 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 were identified as a result of applying this procedure.

- 10. For each location selected under procedure #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

- a) 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

Results: No exceptions were identified as a result of applying this procedure.

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

Results: No exceptions were identified as a result of applying this procedure.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, 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: No exceptions were identified as a result of applying this procedure.

We were engaged by The Philadelphia Center 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 The Philadelphia Center 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS, & INGRAM, L.L.C.

Shreveport, Louisiana

November 24, 2025