

*Financial Report*

*Preservation Alliance of New Orleans, Inc.*  
*d/b/a*  
*Preservation Resource Center of New Orleans*  
*New Orleans, Louisiana*

*June 30, 2025*



**PRESERVATION  
RESOURCE CENTER**  
— of NEW ORLEANS —

*Financial Report*

*Preservation Alliance of New Orleans, Inc.*  
*d/b/a*

*Preservation Resource Center of New Orleans*  
*New Orleans, Louisiana*

*June 30, 2025*

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**d/b/a Preservation Resource Center of New Orleans**  
New Orleans, Louisiana

June 30, 2025 and 2024

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**FINANCIAL SECTION**

## **INDEPENDENT ACCOUNTANT’S AUDIT REPORT**

To the Board of Directors,  
Preservation Alliance of New Orleans, Inc.  
d/b/a Preservation Resource Center of New Orleans,  
New Orleans, Louisiana.

### **Opinion**

We have audited the accompanying financial statements of Preservation Alliance of New Orleans, Inc. d/b/a Preservation Resource Center of New Orleans (a nonprofit organization) (PRC), which comprise the statements of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PRC as of June 30, 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 PRC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the 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 PRC'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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 PRC'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 PRC's ability to continue as a going concern for a reasonable period of time.

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

## Reports on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule (Schedule 1) is presented for purposes of additional analysis and are not a required part of the financial statements of PRC. The supplementary information in Schedule 1 is presented for purposes of additional analysis, is required by Louisiana Revised Statute 24:513(A)(3) and is not a required part of the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2025, on our consideration of PRC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PRC's internal control over financial reporting and compliance.

## Report on Prior Year Information

We have previously reviewed PRC's 2024 financial statements, and our report, dated November 5, 2024, stated that based on our review, we were not aware of any material modifications that should be made to the 2024 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the 2024 financial statements presented herein as of and for the year ended December 31, 2024, for it to be consistent with the reviewed financial statements from which it has been derived.



Certified Public Accountants.

New Orleans, Louisiana,  
December 16, 2025.

**STATEMENTS OF FINANCIAL POSITION**

**Preservation Alliance of New Orleans, Inc.**  
**d/b/a Preservation Resource Center of New Orleans**  
New Orleans, Louisiana

June 30, 2025 and 2024

**ASSETS**

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,860,466	\$ 2,065,508
Accounts receivable	34,190	45,445
Grants receivable	184,842	8,776
Other asset	-	1,500
Inventory	29,249	9,195
Right-of-use assets	4,204	5,380
Prepaid expenses	87,099	99,095
Investments	5,587,382	5,639,061
Property and equipment, net	<u>224,336</u>	<u>311,422</u>
Total assets	<u>\$ 9,011,768</u>	<u>\$ 8,185,382</u>

**LIABILITIES AND NET ASSETS**

<b>Liabilities</b>		
Accounts payable	\$ 51,819	\$ 25,420
Accrued liabilities	24,643	72,275
Security deposits	5,088	4,800
Deferred revenue	14,775	10,602
Insurance note payable	33,701	41,298
Lease liability	<u>4,204</u>	<u>5,380</u>
Total liabilities	<u>134,230</u>	<u>159,775</u>
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	527,652	1,692,135
Designated	5,885,389	4,573,867
With donor restrictions	<u>2,464,497</u>	<u>1,759,605</u>
Total net assets	<u>8,877,538</u>	<u>8,025,607</u>
Total liabilities and net assets	<u>\$ 9,011,768</u>	<u>\$ 8,185,382</u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES**

**Preservation Alliance of New Orleans, Inc.**  
**d/b/a Preservation Resource Center of New Orleans**  
New Orleans, Louisiana

For the year ended June 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
<b>Support and Revenue</b>			
Contributions	\$ 89,971	\$ 395,730	\$ 485,701
Contribution from Save our Cemeteries	-	706,040	706,040
Memberships	267,030	-	267,030
Grant income	696,601	-	696,601
Special events, net of direct benefit expenses of \$93,360	413,411	-	413,411
Investment income, net	515,950	44,918	560,868
Fees, sales, and other revenue	191,284	-	191,284
Net assets released from restrictions - satisfaction of restrictions	441,796	(441,796)	-
Total support and revenue	<u>2,616,043</u>	<u>704,892</u>	<u>3,320,935</u>
<b>Expenses</b>			
Program services:			
Advocacy	112,676	-	112,676
Preservation in Print	158,997	-	158,997
Revival Grants	812,452	-	812,452
Save Our Cemeteries	23,562	-	23,562
Education and Outreach/other	440,380	-	440,380
Total program services	<u>1,548,067</u>	<u>-</u>	<u>1,548,067</u>
Supporting services:			
General and administrative	551,293	-	551,293
Fundraising	369,644	-	369,644
Total supporting services	<u>920,937</u>	<u>-</u>	<u>920,937</u>
Total expenses	<u>2,469,004</u>	<u>-</u>	<u>2,469,004</u>
Changes in net assets	147,039	704,892	851,931
<b>Net Assets</b>			
Beginning of year	<u>6,266,002</u>	<u>1,759,605</u>	<u>8,025,607</u>
End of year	<u>\$ 6,413,041</u>	<u>\$ 2,464,497</u>	<u>\$ 8,877,538</u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES**

**Preservation Alliance of New Orleans, Inc.**  
**d/b/a Preservation Resource Center of New Orleans**  
New Orleans, Louisiana

For the year ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
<b>Support and Revenue</b>			
Contributions	\$ 2,000	\$ -	\$ 2,000
Memberships	237,760	-	237,760
Grant income	104,536	372,897	477,433
Special events, net of direct benefit expenses of \$71,015	604,201	-	604,201
Investment loss, net	497,149	-	497,149
Fees, sales, and other revenue	319,710	-	319,710
Net assets released from restrictions - satisfaction of restrictions	6,172	(6,172)	-
Total support and revenue	<u>1,771,528</u>	<u>366,725</u>	<u>2,138,253</u>
<b>Expenses</b>			
Program services:			
Advocacy	129,853	-	129,853
Preservation in Print	254,281	-	254,281
Revival Grants	125,169	-	125,169
Educational Outreach/other	502,720	-	502,720
Total program services	<u>1,012,023</u>	<u>-</u>	<u>1,012,023</u>
Supporting services:			
General and administrative	530,203	-	530,203
Fundraising	260,678	-	260,678
Total supporting services	<u>790,881</u>	<u>-</u>	<u>790,881</u>
Total expenses	<u>1,802,904</u>	<u>-</u>	<u>1,802,904</u>
Changes in net assets	(31,376)	366,725	335,349
<b>Net Assets</b>			
Beginning of year	<u>6,297,378</u>	<u>1,392,880</u>	<u>7,690,258</u>
End of year, restated	<u>\$ 6,266,002</u>	<u>\$ 1,759,605</u>	<u>\$ 8,025,607</u>

See notes to financial statements.

**STATEMENT OF FUNCTIONAL EXPENSES**

**Preservation Alliance of New Orleans, Inc.**  
**d/b/a Preservation Resource Center of New Orleans**  
New Orleans, Louisiana

For the year ended June 30, 2025

	Program Activities					Supporting Activities			Totals	
	Advocacy	Preservation in Print	Revival Grants	Save Our Cemeteries	Education and Outreach /Other	Total Program Activities	General and Administrative	Fundraising		Total Supporting Activities
Advertising and promotion	\$ -	\$ -	\$ -	\$ -	\$ 28,318	\$ 28,318	\$ 74	\$ 20,777	\$ 20,851	\$ 49,169
Bad debt	-	7,392	-	-	74	7,466	-	7,309	7,309	14,775
Bank charges	12	877	25	84	3,009	4,007	20,572	2,215	22,787	26,794
Construction	27	-	755,778	28	19,863	775,696	82,115	234	82,349	858,045
Contract services	-	13,135	-	57	27,531	40,723	23,228	-	23,228	63,951
Depreciation	9,664	4,639	3,092	-	36,876	54,271	25,357	13,142	38,499	92,770
Employee benefits	8,574	10,739	4,383	721	28,503	52,920	30,693	29,312	60,005	112,925
Event and fundraising expenses	-	-	523	-	30,307	30,830	7,038	111,853	118,891	149,721
Lease expense	-	-	-	-	-	-	1,177	-	1,177	1,177
Insurance	6,281	3,015	2,010	4,196	19,772	35,274	16,480	8,542	25,022	60,296
Interest	-	-	-	-	-	-	787	-	787	787
Office expense	3,000	-	-	1,829	13,011	17,840	19,927	781	20,708	38,548
Postage and printing	32	59,601	430	-	8,421	68,484	4,887	7,947	12,834	81,318
Professional fees	-	3,000	98	4,841	5,965	13,904	28,538	-	28,538	42,442
Repairs and maintenance	503	241	161	523	1,395	2,823	1,318	683	2,001	4,824
Salaries	84,085	53,719	45,878	9,334	205,036	398,052	200,842	233,828	434,670	832,722
Technology expense	-	813	-	1,787	7,708	10,308	30,813	25,694	56,507	66,815
Travel expense	228	1,656	32	-	3,958	5,874	7,073	12	7,085	12,959
Utilities	270	170	42	162	633	1,277	50,374	675	51,049	52,326
<b>Total expenses</b>	<b>112,676</b>	<b>158,997</b>	<b>812,452</b>	<b>23,562</b>	<b>440,380</b>	<b>1,548,067</b>	<b>551,293</b>	<b>463,004</b>	<b>1,014,297</b>	<b>2,562,364</b>
Less special events direct benefit expenses	-	-	-	-	-	-	-	(93,360)	(93,360)	(93,360)
<b>Total expenses less special event direct benefit expenses</b>	<b>\$ 112,676</b>	<b>\$ 158,997</b>	<b>\$ 812,452</b>	<b>\$ 23,562</b>	<b>\$ 440,380</b>	<b>\$ 1,548,067</b>	<b>\$ 551,293</b>	<b>\$ 369,644</b>	<b>\$ 920,937</b>	<b>\$ 2,469,004</b>

See notes to financial statements.

**STATEMENT OF FUNCTIONAL EXPENSES**

**Preservation Alliance of New Orleans, Inc.**  
**d/b/a Preservation Resource Center of New Orleans**  
New Orleans, Louisiana

For the year ended June 30, 2024

	Program Activities				Supporting Activities			Totals	
	Advocacy	Preservation in Print	Revival Grants	Education and Outreach /Other	Total Program Activities	General and Administrative	Fundraising		Total Supporting Activities
Advertising and promotion	\$ -	\$ 350	\$ -	\$ 30,040	\$ 30,390	\$ -	\$ 19,100	\$ 19,100	\$ 49,490
Bad debt	-	-	-	-	-	8,977	-	8,977	8,977
Bank charges	-	-	-	8	8	23,659	869	24,528	24,536
Construction	-	-	67,676	7,137	74,813	236	-	236	75,049
Contract services	-	8,315	-	-	8,315	20,857	-	20,857	29,172
Depreciation	11,456	5,499	3,666	31,802	52,423	29,814	15,580	45,394	97,817
Employee benefits	10,898	22,767	1,994	39,677	75,336	31,999	18,234	50,233	125,569
Event and fundraising expenses	-	-	-	58,913	58,913	1,256	61,897	63,153	122,066
Lease expense	-	-	-	-	-	1,596	-	1,596	1,596
Insurance	11,183	5,368	3,579	31,045	51,175	29,345	15,209	44,554	95,729
Interest	-	-	-	-	-	3,350	-	3,350	3,350
Office expense	643	8,362	70	12,135	21,210	32,314	2,530	34,844	56,054
Postage and printing	48	62,382	95	12,618	75,143	4,593	9,862	14,455	89,598
Professional fees	-	-	4,808	9,300	14,108	34,053	-	34,053	48,161
Repairs and maintenance	700	336	224	1,943	3,203	1,836	952	2,788	5,991
Salaries	92,026	137,649	43,046	258,414	531,135	211,897	165,738	377,635	908,770
Technology expense	-	-	-	6,705	6,705	31,550	20,344	51,894	58,599
Travel expense	2,621	2,750	-	2,105	7,476	8,902	792	9,694	17,170
Utilities	278	503	11	878	1,670	53,969	586	54,555	56,225
<b>Total expenses</b>	<b>129,853</b>	<b>254,281</b>	<b>125,169</b>	<b>502,720</b>	<b>1,012,023</b>	<b>530,203</b>	<b>331,693</b>	<b>861,896</b>	<b>1,873,919</b>
Less special events direct benefit expenses	-	-	-	-	-	-	(71,015)	(71,015)	(71,015)
<b>Total expenses less special event direct benefit expenses</b>	<b>\$ 129,853</b>	<b>\$ 254,281</b>	<b>\$ 125,169</b>	<b>\$ 502,720</b>	<b>\$ 1,012,023</b>	<b>\$ 530,203</b>	<b>\$ 260,678</b>	<b>\$ 790,881</b>	<b>\$ 1,802,904</b>

See notes to financial statements.

**STATEMENTS OF CASH FLOWS**

**Preservation Alliance of New Orleans, Inc.**  
**d/b/a Preservation Resource Center of New Orleans**  
New Orleans, Louisiana

For the years ended June 30, 2025 and 2024

	2025	2024
<b>Cash Flows From Operating Activities</b>		
Changes in net assets	\$ 851,931	\$ 335,349
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Bad debt	14,775	8,977
Depreciation and amortization	92,770	97,816
Realized and unrealized gain on investments	(341,056)	(321,464)
(Increase) decrease in operating assets:		
Grants receivable	(176,066)	6,671
Accounts receivable	(3,520)	8,856
Other asset	1,500	(1,500)
Inventory	(20,054)	(2,011)
Prepaid expenses	11,996	23,359
Increase (decrease) in operating liabilities:		
Accounts payable	26,399	19,970
Accrued vacations	(47,632)	12,917
Security deposits	288	4,800
Deferred revenue	4,173	8,647
	415,504	202,387
<b>Net cash provided by operating activities</b>	<b>415,504</b>	<b>202,387</b>
<b>Cash Flows From Investing Activities</b>		
Proceeds from sales/maturities of investments	3,092,891	661,805
Purchases of investments	(2,700,156)	(648,418)
Purchases of property and equipment	(5,684)	(12,441)
	387,051	946
<b>Net cash provided by investing activities</b>	<b>387,051</b>	<b>946</b>

**Exhibit D  
(Continued)**

	<u>2025</u>	<u>2024</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from insurance notes payable	39,556	45,887
Payments on insurance note payable	<u>(47,153)</u>	<u>(106,522)</u>
Net cash used in financing activities	<u>(7,597)</u>	<u>(60,635)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	794,958	142,698
<b>Cash and Cash Equivalents</b>		
Beginning of year	<u>2,065,508</u>	<u>1,922,810</u>
End of year	<u><u>\$ 2,860,466</u></u>	<u><u>\$ 2,065,508</u></u>
<b>Supplemental Disclosures of Cash Flow Information</b>		
Interest paid	<u><u>\$ 787</u></u>	<u><u>\$ 3,350</u></u>

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****Preservation Alliance of New Orleans, Inc.  
d/b/a Preservation Resource Center of New Orleans  
New Orleans, Louisiana**

June 30, 2025 and 2024

**Note 1 - NATURE OF ACTIVITIES**

Founded in 1974, Preservation Alliance of New Orleans, Inc. d/b/a Preservation Resource Center of New Orleans (PRC) is a nonprofit organization, which preserves and enhances targeted historical neighborhoods of New Orleans through community revitalization projects.

The following programs and supporting services are included in the accompanying financial statements:

**Preservation**

The Preservation Program encompasses PRC's various general activities related to promoting the preservation of historic properties and districts, including advocacy before regulatory authorities, public awareness efforts, and development of preservation plans for specific properties and districts, and related activities. This program is funded wholly by contributions from PRC's donors.

**Preservation in Print**

Preservation in Print fosters knowledge, stimulates interest, and facilitates participation in public and private historic preservation through the printing and publication of PRC's quarterly newsletter. This program is funded by a combination of contributions from advertising revenues and government grants.

**Revival Grants**

The Revival Grants Program provides free home repairs and technical assistance to low-to-moderate income homeowners in New Orleans' historic districts to help them age safely in their homes and build generational wealth. This program is entirely funded with funds from private foundations and bank funds.

**Note 1 - NATURE OF ACTIVITIES (Continued)**

**Education and Outreach**

Education and Outreach focuses on outreach programs - workshops, lectures, tours, print and electronic information - regarding building acquisition and restoration, cultural heritage, historic architecture and neighborhoods, preservation programs and incentives, with a focus on African American Heritage (AAH). AAH focuses on the identification and preservation of the homes and significant structures frequented by New Orleans' early jazz musicians. AAH's main purpose is to research, identify, and landmark these homes and other structures.

**Save Our Cemeteries**

In July of 2024, the board of a local nonprofit organization, Save Our Cemeteries, Inc., (SOC) voted to dissolve the entity and transfer all assets to PRC. After a six-month waiting period PRC has received all of the remaining assets of Save Our Cemeteries, Inc. and administers the program with a separate committee of the PRC board. The program raises funds by providing cemetery tours, holding fundraising events, and soliciting private donations. Through its funding, the SOC restores and maintains individual tombs, maps cemeteries, and holds educational lectures.

**Advocacy**

The PRC proposes and supports legislation favorable to historic preservation and works to prevent the passage of legislation and proposals that are detrimental to the preservation of our historic architecture and neighborhoods. The PRC gets involved in issues addressed in *Preservation in Print* as well as those raised by neighborhood associations, the City Council, the City Planning Commission, the Historic District Landmarks Commission, the Board of Zoning Adjustment, the State Legislature, and the U.S. Congress.

**General and Administrative**

Management and general supporting services include the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of PRC's program strategy; secure proper administrative functioning of the board of directors; maintain competent legal services for the program administration of PRC; and manage the financial and budgetary responsibilities of PRC.

**Note 1 - NATURE OF ACTIVITIES (Continued)**

**Fundraising**

Fundraising provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations.

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

**a. Organization and Income Taxes**

PRC is a nonprofit organization organized under the laws of the State of Louisiana and is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the IRC.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of June 30, 2025, management believes PRC has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. PRC recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. Tax years ended June 30, 2022 and later remain subject to examination by the taxing authorities.

**b. Basis of Accounting**

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

**c. Use of Estimates**

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

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

**d. Basis of Presentation**

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

**Net Assets Without Donor Restrictions** - Net assets that are not subject to donor-imposed stipulations.

**Net Assets with Donor Restrictions** - Net assets subject to donor-imposed stipulations that may or will be met either by actions of PRC and/or the passage of time or net assets subject to donor-imposed stipulations that are to be held in perpetuity by PRC.

**e. Cash and Cash Equivalents**

For the purposes of the Statements of Cash Flows, PRC considers all highly liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents. PRC's cash and cash equivalents as of June 30, 2025 and 2024 included \$2,582,112 and \$1,678,075, respectively, of investments in U.S. Treasury money market funds.

If the grantor makes it a requirement, PRC deposits restricted grant monies into a designated account. There were no restricted deposits as of June 30, 2025 and 2024.

**f. Accounts Receivable and Grant Receivables**

Accounts receivable and grant receivables are stated at the amount management expects to collect from outstanding balances.

PRC extends credit to its customers and has a balance on an unsecured basis. Other receivables are stated at the amount management expects to collect based on their review of outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management has concluded that based on estimates of the collectability of each account, a valuation allowance was not needed. There was no allowance as of June 30, 2025 and 2024.

PRC estimates credit losses associated with other receivables using an expected credit loss model, which utilizes an aging schedule methodology based on historical information and adjusted for asset-specific considerations.

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

**f. Accounts Receivable and Grant Receivables (Continued)**

PRC's approach considers a number of factors, including overall historical credit losses and payment experience, as well as current collection trends such as write-off frequency.

**g. Investments**

Investments in common stock, corporate obligations, government obligations, and real estate investment trusts are stated at fair value, based on quoted market prices for the investments.

Donated investments are valued at the current market value at the date of donation.

**h. Property and Equipment**

Property and equipment are recorded at cost. Donated assets are recorded at fair value at the date of donation. PRC capitalizes all expenditures for equipment in excess of \$1,000. Repairs and maintenance are charged to expense as incurred; major renewals, replacements, and betterments are capitalized. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets (5 to 25 years). Depreciation expense was \$92,770 and \$97,816 for the years ended June 30, 2025 and 2024, respectively.

**i. Deferred Revenue**

Deferred revenue results from PRC recognizing advertising and sponsorships in the period in which the related publication or event occurs. Accordingly, advertising and sponsorships received for magazines or events which are published or occur in the following year are deferred until the magazine is published or the event is held.

**j. Revenue Recognition**

*Revenue from Exchange Transactions:* PRC recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, "Revenues from Contracts with Customers" (Topic 606), as amended. ASU No. 2014-09 applies to exchange transactions with customers and donors that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. PRC records the following exchange transaction revenue in its Statements of Activities for the years ended June 30, 2025 and 2024:

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

**j. Revenue Recognition (Continued)**

**Membership Revenue**

Membership dues are billed and payable in the applicable membership period. This obligation is satisfied over the annual membership period by providing member benefits. Therefore, membership revenue is recognized on an annual basis.

**Special Events**

PRC conducts fundraisers in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefit received by the participant of the event, the exchange component, and a portion represents a contribution to PRC. The fair value of meals, entertainment, and benefits provided by the event is measured at the actual cost to PRC. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs, which ultimately benefit the donor rather than PRC, are recorded as fundraising expenses in the Statements of Activities. The performance obligation is the event. FASB ASU No. 2014-09 requires allocation of the transaction price to the performance obligation. Accordingly, PRC separately presents in Note 13 the exchange and contribution components of the gross proceeds from special events.

**Fees, Sales, and Other Revenue**

Fees, sales, and other revenue is primarily composed of advertising revenue. Advertising revenue is primarily derived from customer advertisements in the magazine, “*Preservation in Print*”. Advertising rates are primarily determined by the size of the advertisement and volume of advertisements. PRC recognizes revenue when the magazine is circulated.

The following table summarizes contract assets and liabilities as of June 30, 2025, June 30, 2024, and July 1, 2023:

	Contract Assets	Contract Receivables	Contract Liabilities
June 30, 2025	\$ <u>    -</u>	\$ <u>34,190</u>	\$ <u>14,775</u>
June 30, 2024	\$ <u>    -</u>	\$ <u>45,445</u>	\$ <u>10,602</u>
July 1, 2023	\$ <u>    -</u>	\$ <u>60,778</u>	\$ <u>1,955</u>

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

**k. Contributions and Grants**

Contributions and grants received are recorded as unrestricted or restricted support, depending on the existence or nature of any donor or grantor restrictions.

Support that is restricted by a donor or grantor is reported as an increase in restricted net asset. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), restricted net assets are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. Restricted contributions or grants whose restrictions are met in the same reporting periods are reported as support without donor restrictions.

Non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

**l. Donated Services**

Donated services have not been reflected in the financial statements since no objective basis is available to measure the value of such services. There were no significant volunteer services received with an objective basis for measurement for the years ended June 30, 2025 and 2024.

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

Most of the expenses can be directly allocated to programs or supporting functions. The financial statements also report certain categories of expenses that are attributable to both programs and supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. PRC allocates depreciation, insurance, office expense, professional fees, repairs and maintenance, utilities, and other expenses based on management's estimate of use by each program and supporting function. Salaries and employee benefits are allocated based on management's estimate of effort by each program and supporting function.

**n. Advertising and Promotion**

PRC expenses advertising costs as incurred. During the years ended June 30, 2025 and 2024, PRC's advertising costs charged to expense were \$49,169 and \$49,400, respectively.

**o. Reclassification**

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

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

**p. Subsequent Events**

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 16, 2025, which is the date the financial statements were available to be issued.

**Note 3 - CONCENTRATIONS**

PRC maintains deposits with local financial institutions. Accounts at these institutions are insured by the U.S. Federal Deposit Insurance Corporation up to \$250,000 per account. The balances at times may exceed federally insured limits. As of June 30, 2025, there were no uninsured cash and cash equivalent balances.

**Note 4 - ACCOUNTS RECEIVABLE**

Accounts receivable balances are predominantly comprised of amounts currently due from advertisers. The following table summarizes receivables and related allowance for credit losses as of June 30, 2025, June 30, 2024, and July 1, 2023.

	June 30, 2025	June 30, 2024	July 1, 2023
Accounts receivable, gross	\$34,190	\$45,445	\$60,778
Allowance for credit losses	-	-	-
Accounts receivable, net of credit losses	<u>\$ 34,190</u>	<u>\$ 45,445</u>	<u>\$ 60,778</u>

PRC estimates credit losses on accounts receivable by applying an expected credit loss model, which relies on delinquency and historical loss data to calculate default probabilities. The assessment of default probabilities includes receivables delinquency status, historical loss experience and how long the receivables have been outstanding. PRC also considers the need to adjust the estimate of credit losses on receivables for reasonable and supportable forecasts and internal statistical analyses.

**Note 4 - ACCOUNTS RECEIVABLE (Continued)**

The following table presents the delinquency status as of June 30, 2025 and 2024:

	2025	2024
Current - 30 days	\$16,120	\$19,917
31-60 days	3,062	500
61-90 days	2,190	7,730
Greater than 90 days	12,818	17,298
Accounts receivable	\$34,190	\$45,445

Credit losses have not been significant historically. There is no allowance for credit losses for the years ended June 30, 2025 and 2024.

**Note 5 - INVESTMENTS**

Investments consist of the following as of June 30, 2025 and 2024:

	2025	2024
Common stock	\$ 3,556,274	\$ 3,397,399
Corporate obligations	1,926,526	1,987,490
Government obligations	-	189,467
Real estate investment trust	104,582	64,705
Totals	\$ 5,587,382	\$ 5,639,061

Net investment income for the years ended June 30, 2025 and 2024 is comprised of the following:

	2025	2024
Interest and dividends	\$ 250,438	\$ 205,046
Realized loss on investments	(6,272)	(22,595)
Unrealized gain on investments	347,328	344,059
Investment fees	(30,626)	(29,361)
Investment income, net	\$ 560,868	\$ 497,149

**Note 6 - FAIR VALUE MEASUREMENTS**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that PRC has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- 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 for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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'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.

*Common stocks, corporate obligations, and government obligations:* Valued at the closing price reported on the active market on which the investments are traded.

*Real estate investment trust:* Valued at net asset value (NAV). The funds held by PRC are deemed to be actively traded.

These methodologies may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while PRC believes these valuation methodologies are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Note 6 - FAIR VALUE MEASUREMENTS (Continued)**

Assets and liabilities measured at fair value on a recurring basis as of June 30, 2025 and 2024 are comprised of and determined, as follows:

	2025			Totals
	Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Common stock	\$ 3,556,274	\$ -	\$ -	\$ 3,556,274
Corporate obligations	1,926,526	-	-	1,926,526
Real estate investment trust	104,582	-	-	104,582
Investments at fair value	<u>\$ 5,587,382</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,587,382</u>
	2024			Totals
	Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Common stock	\$ 3,397,399	\$ -	\$ -	\$ 3,397,399
Corporate obligations	1,987,490	-	-	1,987,490
Government obligations	189,467	-	-	189,467
Real estate investment trust	64,705	-	-	64,705
Investments at fair value	<u>\$ 5,639,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,639,061</u>

**Note 7 - PROPERTY AND EQUIPMENT**

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

	2025	2024
Buildings and improvements	\$ 1,918,973	\$ 1,918,973
Office furniture and equipment	314,113	308,429
Website	59,185	59,185
	2,292,271	2,286,587
Less: accumulated depreciation and amortization	(2,067,935)	(1,975,165)
	\$ 224,336	\$ 311,422

Depreciation expense totaled \$92,770 and \$97,816 for the years ended June 30, 2025 and 2024, respectively.

**Note 8 - LEASES**

**Operating Leases**

**Lessor**

PRC executed an agreement on June 30, 2023 to lease portions of its office building. The lease was \$4,800 per month from July 1, 2023 through June 30, 2025. The lease was terminated on July 31, 2024.

PRC executed an agreement on October 8, 2024 to lease portions of its office building. The lease is \$5,087 per month from November 1, 2024 through April 30, 2026.

The future minimum rentals under the operating lease as of June 30, 2025 are as follows:

Year Ending June 30,	
2026	\$ 50,875

For the years ended June 30, 2025 and 2024, income from the lease totaled \$42,735 and \$57,600, respectively. For the year ended June 30, 2025 there was no other rental income. For the year ended June 30, 2024 other rental income totaled \$2,000. Rental income is included in fees, sales, and other revenue on the Statements of Activities.

**Note 8 - LEASES (Continued)**

**Lease**

PRC leases office equipment. The lease commenced in July 2023, and is for a period of five years and expires on June 30, 2028. The lease agreement calls for annual payments of \$1,596.

Reported under FASB ASC 842 for the years ended June 30, 2025 and 2024 are as follows:

	2025	2024
<b>Lease Cost</b>		
Operating lease costs	\$ 1,596	\$ 1,596
<b>Cash Flow Items</b>		
Cash paid for amounts included in the measurement of lease liabilities	\$ 1,596	\$ 1,596
Right-of-use assets obtained in exchange for lease liabilities	\$ -	\$ 6,478
Operating lease right-of-use assets	\$ 4,204	\$ 5,380
Operating lease liability	\$ 4,204	\$ 5,380
<b>Weighted-Average Information</b>		
Weighted-average remaining lease in years operating lease	3	4
Weighted-average discount rate: operating lease	8.50%	8.50%

Future minimum lease payments as of June 30, 2025 are as follows:

Year Ending June 30,	Amounts
2026	\$ 1,596
2027	1,596
2028	1,596
	4,788
Total lease payments less interest	(584)
Present value of lease liability	\$ 4,204

**Note 9 - INSURANCE NOTE PAYABLE**

On May 27, 2025, PRC executed a note to finance insurance premiums. The total amount financed was \$37,445 with an interest rate of 9.05% and monthly payments of principal and interest are \$3,902. As of June 30, 2025, the outstanding balance of the note was \$33,701. The scheduled future maturities of the note as of June 30, 2025 are as follows:

Year ending June 30,	
2026	<u>\$ 33,701</u>

On June 18, 2024, PRC executed a note to finance insurance premiums. The total amount financed was \$45,887 with an interest rate of 9.91% and monthly payments of principal and interest were \$4,800. As of June 30, 2024, the outstanding balance of the note was \$41,298. This loan was repaid during the year ended June 30, 2025.

Interest expense on the insurance note payable totaled \$787 and \$3,350 for the years June 30, 2025 and 2024, respectively.

**Note 10 - DESIGNATED FUNDS**

PRC's board of directors designates certain funds to be used for specified purposes. During the year ended June 30, 2025 the board of directors released the fund designations as part of a new investment strategy. The following designated funds have been established as of June 30, 2024:

Fund	Purpose	2025	2024
Quasi-endowment fund	Quasi-endowment	\$ 5,885,389	\$ 3,547,369
Easement donation fund	Easement maintenance	-	1,026,498
	Totals	\$5,885,389	\$4,573,867

These funds are primarily included in cash and cash equivalents and investments in the accompanying Statements of Financial Position.

**Note 11 - RESTRICTED NET ASSETS**

Net assets with donor restrictions are assets restricted by donors and grantors for specific purposes or are available for subsequent periods. These restrictions are considered to expire when payments for restricted purposes are made.

**Note 11 - RESTRICTED NET ASSETS (Continued)**

Net assets with donor restrictions as of June 30, 2025 and 2024 are available for the following purpose:

	2025	2024
Restricted for a specific purpose:		
Easements	\$ 1,601,626	\$ 1,356,708
Save our Cemeteries	682,478	-
Mortgage support	-	30,000
Renovation of historic buildings	180,393	372,897
Totals	\$2,464,497	\$1,759,605

Net assets released from restrictions for the years ended June 30, 2025 and 2024 are as follows:

	2025	2024
Purpose restrictions satisfied:		
Construction and repairs	\$ 372,897	\$ 3,183
Save our Cemeteries	38,899	-
Mortgage support	30,000	-
Easements	-	2,989
Totals	\$ 441,796	\$ 6,172

**Note 12 - GOVERNMENT GRANTS**

Government grants require the fulfillment of certain conditions as set forth in the grant instruments. PRC intends to fulfill the conditions of all grants, recognizing that failure to fulfill the conditions could result in the return of the funds to grantors.

**Note 13 - SPECIAL EVENT REVENUE**

Gross receipts from special fundraising events recorded by PRC consists of exchange transaction revenue and contribution revenue. The components of revenue for the years ended June 30, 2025 and 2024 are as follows:

	2025	2024
Contributions and sponsorships	\$ 242,049	\$ 378,501
Ticket sales	241,100	230,584
Auction and raffle	23,622	66,131
Special events - gross	506,771	675,216
Less: cost of direct donor benefit	(93,360)	(71,015)
Special events - net	\$413,411	\$604,201

**Note 14 - RETIREMENT PLAN**

PRC offered a defined contribution 403(b) plan to all employees who were at least 21 years of age. Participants were allowed to contribute up to a maximum of 15% of their total compensation. In March 2019, PRC offered a newly established 401(k) plan to participants with options of transferring funds from the 403(b) plan. Under the new plan, participants may contribute, by salary reduction pursuant to Section 401(k) of the Internal Revenue Code, up to 100% of pretax annual compensation, as defined in the plan, not to exceed statutory limits.

Additionally, PRC provides a simplified employee plan (the “Plan”) to its employees. The Plan provides, to all employees who have been with PRC for a minimum of three years, an annual contribution to an Individual Retirement Account (IRA) equal to 2% of the employees’ current gross eligible compensation. Contributions to the Plan totaled \$10,514 and \$12,308 for the years ended June 30, 2025 and 2024, respectively.

**Note 15 - CONSERVATION EASEMENTS**

PRC holds conservation easements placed on various properties. As of June 30, 2025 and 2024, 140 and 142 of such easements were held, respectively. No value has been assigned to these easements in the financial statements because PRC does not have ownership rights to the underlying property.

**Note 16 - RISKS AND UNCERTAINTIES**

In general, investments and securities are exposed to various risks, such as interest rate, currency, credit, and market volatility. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in risk in the near term would materially affect the fair market value of investments held by PRC.

**Note 17 - AVAILABILITY OF FINANCIAL ASSETS**

PRC is substantially supported by contributions and grants with and without donor restrictions, special events, and profits from sales of real estate. Because a donor’s restrictions requires resources to be used in a particular manner or in a future period, PRC must maintain sufficient resources to meet those responsibilities to donors. Thus, financial assets may not be available for general expenditure within one year. As part of PRC’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. PRC has established guidelines for making decisions related to managing short-term cash reserves in a prudent manner.

PRC may designate a portion of or any operating surplus for a particular purpose.

**Note 17 - AVAILABILITY OF FINANCIAL ASSETS (Continued)**

The following reflects PRC's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general use because of donor-imposed restrictions.

	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 2,860,466	\$ 2,065,508
Accounts receivable	34,190	45,445
Grants receivable	184,842	8,776
Investments	5,587,382	5,639,061
Total financial assets	8,666,880	7,758,790
Less amounts unavailable for general expenditures within one year, due to:		
Donor imposed restrictions:		
Restricted by donors with purpose restrictions	(2,464,497)	(1,759,605)
Financial assets available to meet cash needs for general expenditure within one year before governing board designations	6,202,383	5,999,185
Less: Governing board designations	(5,885,389)	(4,573,867)
Financial assets available to meet cash needs for general expenditures within one year	\$ 316,994	\$ 1,425,318

**SUPPLEMENTAL INFORMATION**

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

**Preservation Alliance of New Orleans, Inc.  
d/b/a Preservation Resource Center of New Orleans  
New Orleans, Louisiana**

For the year ended June 30, 2025

**Agency Head Name:** Danielle Del Sol, Executive Director

**Purpose**

Salary	\$ 11,303 *
Benefits - insurance	0
Benefits - retirement	0
Benefits - other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
	<hr/>
	<b>\$ 11,303</b>
	<hr/> <hr/>

\* This balance is the portion of the Executive Director's salary funded with state funds.

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANT**

**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,  
Preservation Alliance of New Orleans, Inc.  
d/b/a Preservation Resource Center of New Orleans,  
New Orleans, Louisiana.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Preservation Alliance of New Orleans, Inc. d/b/a Preservation Resource Center of New Orleans (a non-profit organization) (PRC) which comprise the statements of financial position as of June 30, 2025 and 2024 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 16, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

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

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

## **Purpose of this Report**

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

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, Louisiana,  
December 16, 2025.

## **SCHEDULE OF FINDINGS AND RESPONSES**

**Preservation Alliance of New Orleans, Inc.**  
**d/b/a Preservation Resource Center of New Orleans**  
New Orleans, Louisiana

For the year ended June 30, 2025

### **Section I - Summary of the Independent Accountant's Results**

a) Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?                     Yes  No
- Significant deficiency(ies) identified that are  
not considered to be a material weakness?        Yes  None reported
- Non compliance material to financial  
statements noted?      Yes  No

b) Federal Awards

PRC did not expend more than \$750,000 in Federal awards during the year ended June 30, 2025 and, therefore, is exempt from the audit requirements under the *Uniform Guidance*.

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

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

No internal control over financial reporting findings, material to the financial statements were reported during the audit for the year ended June 30, 2025.

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

No compliance findings, material to the financial statements were reported during the audit for the year ended June 30, 2025.

## **Section III - Federal Award Findings and Questioned Costs**

### **Internal Control/Compliance**

PRC did not expend more than \$750,000 in Federal awards during the year ended June 30, 2025, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

**REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

**Preservation Alliance of New Orleans, Inc.  
d/b/a Preservation Resource Center of New Orleans  
New Orleans, Louisiana**

For the year ended June 30, 2025

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

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

No internal control over financial reporting findings material to the financial statements were reported during the review of the financial statements for the year ended June 30, 2024.

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

No compliance and other matters findings material to the financial statements were reported during the review of the financial statements for the year ended June 30, 2024.

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

PRC did not expend federal awards in excess of \$750,000 during the year ended June 30, 2024 and therefore is exempt from the audit requirements under the Uniform Guidance.

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

A management letter was not issued in connection with the audit for the year ended June 30, 2024.

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

**Preservation Alliance of New Orleans, Inc.**  
**d/b/a Preservation Resource Center of New Orleans**  
New Orleans, Louisiana

For the year ended June 30, 2025

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

**Internal Control Over Financial Reporting**

No internal control over financial reporting findings material to the financial statements were reported during the review of the financial statements for the year ended June 30, 2025.

**Compliance and Other Matters**

No compliance and other matters findings material to the financial statements were reported during the review of the financial statements for the year ended June 30, 2025.

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

PRC did not expend federal awards in excess of \$750,000 during the year ended June 30, 2025 and therefore is exempt from the audit requirements under the Uniform Guidance.

**Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended June 30, 2025.

**STATEWIDE AGREED-UPON PROCEDURES**

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

To the Board of Directors,  
Preservation Alliance of New Orleans, Inc.  
d/b/a Preservation Resource Center of New Orleans,  
New Orleans, Louisiana.

We have performed the procedures described in Schedule 2 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2024 through June 30, 2025. Preservation Alliance of New Orleans, Inc. d/b/a Preservation Resource Center of New Orleans (PRC) management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are described in Schedule 2.

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

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

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

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, Louisiana,  
December 16, 2025.

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

**Preservation Alliance of New Orleans, Inc.**  
**d/b/a Preservation Resource Center of New Orleans**  
New Orleans, Louisiana

For the year ended June 30, 2025

The required procedures and our findings are as follows:

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

- i. Budgeting**, including preparing, adopting, monitoring, and amending the budget.  
Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- 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.  
Performance: Obtained and read the written policy for purchasing and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- iii. Disbursements**, including processing, reviewing, and approving.  
Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- 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.  
Performance: Obtained and read the written policy for receipts and collections and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- 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 rate of pay or approval and maintenance of pay rate schedules.  
Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.

**1. Procedures Performed on PRC's Written Policies and Procedures: (Continued)**

- 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.

Performance: Obtained and read the policies for contracting and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- 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).

Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Not applicable for not-for-profit entities.

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

Not applicable for not-for-profit entities.

- 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.

Performance: Obtained and read the information technology disaster recovery/business continuity policy and found it to address all of the functions listed above.

Exceptions: There were no exceptions noted.

**1. Procedures Performed on PRC's Written Policies and Procedures: (Continued)**

- 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.

Not applicable for not-for-profit entities.

**2. Procedures Performed on PRC's Board:**

- 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, or other equivalent document.

Performance: The bylaws state that the PRC board is required to meet monthly. We obtained and read minutes from 12 board meetings during the year ended June 30, 2025. The frequency of and quorum representation of those meetings was considered to be appropriate.

Exceptions: There were no exceptions noted.

- ii. For those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of PRC's collections during the fiscal period.

Performance: Inspected meeting minutes and determined that the minutes referenced or included financial activity relating to public funds.

Exceptions: There were no exceptions noted.

- 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 unrestricted fund balance in the General Fund.

Not applicable for not-for-profit entities.

- 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.

Not applicable. PRC did not have audit findings for the year ended June 30, 2024.

### 3. Procedures Performed on PRC's Bank Reconciliations:

- A. Obtain a listing of PRC's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the main operating account. Select PRC's main operating account and 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:

Performance: Obtained the listing of bank accounts from management, and received management's representation in a separate letter that the listing is complete. The main account and two other accounts were subject to the statewide agreed-upon procedures.  
Exceptions: There were no exceptions noted.

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

Performance: Obtained the selected monthly bank reconciliation for the month of March for the main operating bank account and the 2 additional accounts. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: 2 of the 3 bank reconciliations reviewed were not completed within 2 months of the related statement closing date.

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

Performance: Inspected PRC's documentation for the March bank reconciliations for the 3 bank accounts and we were not able to verify that a member of management who does not handle cash, post ledgers, or issue checks has reviewed the bank reconciliation.

Exceptions: There was no documented evidence of manager or board approval of bank reconciliations.

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

Performance: There was no documentation reflecting that management has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

Exceptions: There was no documentation of review of items outstanding more than 12 months from the statement closing date.

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

- 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).

Performance: Obtained the listing of deposit sites from management, and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

- 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 at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Obtained the listing of collection locations from management, and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

- i. Employees that are responsible for cash collections do not share cash drawers/registers.

Performance: Inspected policy manuals, inquired of client as to all of the requirements and observed the duties were properly segregated.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals, inquired of client as to all of the requirements and observed the duties were not properly segregated. PRC only has one employee that collects cash, prepares deposits, deposits money into the bank, reconciles the accounts, and posts entries into the system. To mitigate this PRC's Executive Director reviews the financial statements at the board meetings, and all financial information is reviewed by the Executive Director.

Exceptions: There were no exceptions noted.

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

Inspected policy manuals, inquired of client as to all of the requirements and observed the duties were not properly segregated. PRC only has one employee that collects cash, prepares deposits, deposits money into the bank, reconciles the accounts, and posts entries into the system. To mitigate this PRC's Executive Director reviews the financial statements at the board meetings, and all financial information is reviewed by the Executive Director.

Exceptions: There were no exceptions noted.

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

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

Performance: Inspected policy manuals, inquired of client as to all of the requirements and observed the duties were not properly segregated. PRC only has one employee that collects cash, prepares deposits, deposits money into the bank, reconciles the accounts, and posts entries into the system. To mitigate this PRC's Executive Director reviews the financial statements at the board meetings, and all financial information is reviewed by the Executive Director.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a copy of the insurance policy for theft covering all employees who have access to cash. Observed that the insurance policy for theft was in force during the fiscal period.

Exceptions: There were no exceptions noted.

- D. Randomly select 2 deposit dates for each of PRC's bank accounts selected for procedures under "Procedures Performed on PRC's Bank Reconciliations" #3A. Obtain supporting documentation for each of the deposits selected and:

- i. Observe that receipts are sequentially pre-numbered.

Performance: Obtained supporting documentation for the selected deposits and observed that no deposits required pre-numbered cash receipts.

Exceptions: There were no exceptions noted.

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

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

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

Performance: Traced deposit slip total to actual deposit per bank statement.

Exceptions: There were no exceptions noted.

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

- 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).

Performance: Observed that the deposits tested were made within one business day of receipt.

Exceptions: There were no exceptions noted.

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

Performance: Traced the actual deposit per the bank statement to the general ledger.

Exceptions: There were no exceptions noted.

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

- 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).

Performance: Obtained a listing of locations that process payments for the fiscal period from management, and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

- B. For each location selected under procedure #5A, 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 PRC has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions and reviewed written policies and procedures related to employee job duties. Observed if the job duties were properly segregated.

Exceptions: There were no exceptions noted.

- i. At least 2 employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Performance: Obtained a listing of employees involved in initiating a purchase request, approving a purchase, and placing an order/making a purchase. Observed at least 2 employees are involved.

Exceptions: There were no exceptions noted.

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

- ii. At least 2 employees are involved in processing and approving payments to vendors.  
Performance: Obtained a listing of employees involved in processing and approving payments to vendors. Observed at least 2 employees are involved.  
Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of employees involved in processing payments to vendors. Observed that the employee involved in processing payments can add/modify vendor files. Observed the employee who processes payments adds and modifies vendor files. All disbursements made are to be reviewed by the Executive Director and the check is to be signed by the Executive Director.

Exceptions: There were no exceptions noted.

- 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.

Performance: Obtained a listing of employees involved with signing and mailing checks and verified they are not involved in the processing of payments.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of employees/officials authorized to sign checks and verified they approve the electronic disbursements of funds.

Exceptions: There were no exceptions noted.

- C. For each location selected under procedure #5A, obtain PRC'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:

Performance: Obtained PRC's non-payroll disbursement transaction population and received management's representation in a separate letter that the population is complete. Randomly selected 5 disbursements from the sole location that processes payment for testing.

Exceptions: There were no exceptions noted.

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

- 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 PRC.

Performance: Observed the 5 disbursements matched the related original invoice/billing statements and documentation indicates deliverables were received.

Exceptions: There were no exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B, as applicable.

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

- D. Using PRC’s main operating account and the month selected for procedures #3A under “Procedures Performed on PRC’s Bank Reconciliations”, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was:

- i. Approved by only those persons authorized to disburse funds (e.g., sign checks) per PRC’s policy.

Performance: Observed 5 disbursements included evidence of approval by authorized persons.

Exceptions: There were no exceptions noted.

- ii. Approved by the required number of authorized signers per PRC’s policy.

Performance: Observed 5 disbursements included evidence of approval by required number of authorized signers.

Exceptions: There were no exceptions noted.

**6. Procedures Performed on PRC’s Credit Cards, Debit Cards, Fuel Cards, Purchase-Cards:**

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

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

Exceptions: There were no exceptions noted.

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

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

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

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

Exceptions: There was no explicit documented approval of sampled credit card statements.

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

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

Exceptions: There were no exceptions noted.

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

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

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

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

Exceptions: There were no exceptions noted.

- ii. Written documentation of the business/public purpose.

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

- 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, 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:

Performance: Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period from management, and received management's representation in a separate letter that the listing is complete. Obtained the related expense reimbursement form and supporting documentation for 5 reimbursements.

Exceptions: There were no exceptions noted.

- i. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

Performance: Per diem was not used for any of the selected reimbursements.

Exceptions: There were no exceptions noted.

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

Performance: Observed that all reimbursements in the year were supported by an original itemized receipt.

Exceptions: There were no exceptions noted.

- 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 policy procedures #1A(vii).

Performance: Observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, observed that the documentation included the names of those individuals participating) and other documentation required by written policy procedure #1A(vii).

Exceptions: There were no exceptions noted.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Performance: Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person that received the reimbursement.

Exceptions: There were no exceptions noted.

**8. Procedures Performed on PRC's Contracts:**

- 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. Obtain management's representation in a separate letter 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:

Performance: Obtained 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, and received management's representation in a separate letter that the listing is complete. Selected 4 contracts for testing.

Exceptions: There were no exceptions noted.

- 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.

Performance: Observed that the contracts selected did not require the bids to be in accordance with Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

- 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).

Performance: Observed that the contracts selected did not require Board approval.

Exceptions: There were no exceptions noted.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that the amendments were made in compliance with the contract terms.

Performance: Observed that the contracts selected were not amended.

Exceptions: There were no exceptions noted.

- 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.

Performance: Obtained supporting invoices, agreed invoices to the contract terms, and observed invoices related to the payment agreed to terms and conditions of the contract.

Exceptions: There were no exceptions noted.

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

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

Performance: Obtained a listing of employees employed during the fiscal period from management, and received management's representation in a separate letter that the listing is complete. Selected 5 employees, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

Exceptions: There were no exceptions noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees selected under procedure #9A, obtain attendance records and leave documentation for the pay period, and:

- i. Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Performance: Randomly selected one pay period to test attendance and/or leave taken during that period. Inspected daily attendance and leave record for proper documentation.

Exceptions: There were no exceptions noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees.

Performance: Observed that supervisors approved the attendance and leave of the selected employees.

Exceptions: There were no exceptions noted.

- iii. Observe that any leave accrued or taken during the pay period is reflected in PRC's cumulative leave records.

Performance: Observed that any leave accrued or taken during the pay period was reflected in the cumulative leave records.

Exceptions: There were no exceptions noted.

- iv. Observe that the rate paid to the employees agrees to the authorized salary/pay rate found within the personnel file.

Performance: Agreed the pay rates to authorized salary/pay rates maintained in employee files.

Exceptions: There were no exceptions noted.

**9. Procedures Performed on PRC's Payroll and Personnel: (Continued)**

- C. Obtain a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees and obtain related documentation of the hours and pay rates used in management's termination payment calculations and PRC's policy on termination payments. Agree the hours to the employees' cumulative leave records and agree the pay rates to the employees' authorized pay rates in the employees' personnel files and agree the termination payments to PRC's policy.

Performance: Inquired of management of those employees that PRC terminated during the fiscal period. Selected 2 employees who were terminated with payouts of accrued leave. Traced calculations of payout to leave schedule and approved pay rate.

Exceptions: There were no exceptions noted.

- 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, and workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Performance: Obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed by the required deadlines.

Exceptions: There were no exceptions noted.

**10. Procedures Performed on PRC's Ethics:**

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

Not applicable for not-for-profit entities.

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

Not applicable for not-for-profit entities.

- ii. Observe whether PRC maintains documentation which demonstrates each employee was notified of any changes to the d/b/a Preservation Resource Center of New Orleans's ethics policy during the fiscal period, as applicable.

Not applicable for not-for-profit entities.

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

Not applicable for not-for-profit entities.

**11. Procedures Performed on PRC's Debt Service:**

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

Not applicable for not-for-profit entities.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Not applicable for not-for-profit entities.

**12. Procedures Performed on PRC's Fraud Notice:**

- 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 PRC reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which PRC is domiciled as required by R.S. 24:523.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period and obtained management's representation in a separate letter; none were noted.

Exceptions: There were no exceptions noted.

- B. Observe PRC 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.

Performance: Inspected the fraud notice posted on the premises and website concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions: There were no exceptions noted.

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

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

- i. Obtain and inspect PRC's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on PRC's local server or network, and (c) was encrypted.

Performance: We performed the procedure and discussed the results with management.

**13. Procedures Performed on PRC's Information Technology Disaster Recovery/ Business Continuity: (Continued)**

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

Performance: We performed the procedure and discussed the results with management.

- C. Obtain a listing of PRC'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.

Performance: We performed the procedure and discussed the results with management.

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

Performance: We performed the procedure and discussed the results with management.

- E. Using the 5 randomly selected employees from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees 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.

Performance: We performed the procedure and discussed the results with management.

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

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

Not applicable for not-for-profit entities.

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

- B. Observe PRC has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on PRC's premises if PRC does not have a website).  
Not applicable for not-for-profit entities.
- C. Obtain PRC's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in PRC who have completed the training requirements.  
Not applicable for not-for-profit entities.
  - ii. Number of sexual harassment complaints received by PRC.  
Not applicable for not-for-profit entities.
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred.  
Not applicable for not-for-profit entities.
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.  
Not applicable for not-for-profit entities.
  - v. Amount of time it took to resolve each complaint.  
Not applicable for not-for-profit entities.

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

- 3.a.i. 2 of the 3 bank reconciliations reviewed were not completed within 2 months of the related statement closing date.  
**Management's Response:** Management will ensure that bank reconciliations reviews are completed and documented within 2 months of the related statement closing date.
- 3.a.ii. There was no evidence of manager or board approval of bank reconciliations.  
**Management's Response:** Management will ensure that all bank reconciliations are documented as approved by management or member of the board.
- 3.a.iii. There was no documentation of review of items outstanding more than 12 months from the statement closing date.  
**Management's Response:** Management will ensure that all items outstanding more than 12 months from the statement closing date are reviewed and cleared.
- 6.b.i. There was no explicit documented approval of sampled credit card statements.  
**Management's Response:** Management will ensure that credit card statement reviews and approvals are documented.