

**Providence House  
Shreveport, Louisiana**

**Financial Statements**

**As of and for the Years Ended December 31, 2024 and 2023**

Providence House

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## Independent Auditors' Report

To the Board of Directors  
Providence House

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Providence House (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Providence House (a nonprofit organization) as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these 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 the 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 Providence House's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



### ***Auditors' 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 auditors' 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 of the effectiveness of Providence House'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 Providence House's ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to agency head on page 19, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 June 26, 2025, on our consideration of the Providence House's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Providence House's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Providence House's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Cook & Morehart", with a stylized flourish extending from the end.

Cook & Morehart  
Certified Public Accountants  
June 26, 2025

Providence House  
Statements of Financial Position  
December 31, 2024 and 2023

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 551,113	\$ 572,543
Certificates of deposit	1,442,776	1,380,375
Grant and contract receivables	70,109	113,744
Total current assets	<u>2,063,998</u>	<u>2,066,662</u>
Other assets:		
Cash restricted for building improvements		70,000
Cash restricted - resettlement funds	6,009	3,945
Cash surrender value of life insurance	848,328	854,787
Total other assets	<u>854,337</u>	<u>928,732</u>
Property and equipment	3,677,385	3,508,376
Accumulated depreciation	<u>(2,631,124)</u>	<u>(2,521,386)</u>
Net property and equipment	<u>1,046,261</u>	<u>986,990</u>
Finance lease equipment	17,580	17,580
Accumulated depreciation	<u>(14,162)</u>	<u>(8,302)</u>
Net finance lease equipment	<u>3,418</u>	<u>9,278</u>
Total Assets	<u><u>\$ 3,968,014</u></u>	<u><u>\$ 3,991,662</u></u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 27,564	\$ 30,367
Accrued expenses	42,924	53,958
Current portion finance lease liability	3,589	5,950
Current portion note payable - Economic Injury Disaster Loan	1,033	
Total current liabilities	<u>75,110</u>	<u>90,275</u>
Long-term finance lease liability		3,589
Note payable - Economic Injury Disaster Loan	148,967	150,000
Escrowed resettlement funds	6,009	3,945
Total liabilities	<u>230,086</u>	<u>247,809</u>
Net assets		
With donor restrictions	81,298	138,129
Without donor restrictions	<u>3,656,630</u>	<u>3,605,724</u>
Total net assets	<u>3,737,928</u>	<u>3,743,853</u>
Total Liabilities and Net Assets	<u><u>\$ 3,968,014</u></u>	<u><u>\$ 3,991,662</u></u>

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



Providence House  
Statement of Activities  
For the Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Other Support:			
Contractual revenue – grants	\$ 657,055	\$	\$ 657,055
Donations and contributions of financial assets	1,504,329	28,550	1,532,879
Other income	95,068		95,068
Interest income	96,689		96,689
Net assets released from restrictions:			
Restrictions satisfied by expending funds for the purpose intended	<u>85,381</u>	<u>(85,381)</u>	<u></u>
Total revenues and other support	<u>2,438,522</u>	<u>(56,831)</u>	<u>2,381,691</u>
Expenses:			
Program services	1,884,281		1,884,281
General administration	293,621		293,621
Fund-raising	<u>209,714</u>	<u></u>	<u>209,714</u>
Total expenses	<u>2,387,616</u>	<u></u>	<u>2,387,616</u>
Change in net assets	50,906	(56,831)	(5,925)
Net assets, beginning of year	<u>3,605,724</u>	<u>138,129</u>	<u>3,743,853</u>
Net assets, end of year	<u>\$ 3,656,630</u>	<u>\$ 81,298</u>	<u>\$ 3,737,928</u>

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

Providence House  
Statement of Activities  
For the Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Other Support:			
Contractual revenue – grants	\$ 741,728	\$	\$ 741,728
Donations and contributions of financial assets	1,228,475	158,923	1,387,398
Other income	117,939		117,939
Interest income	48,681		48,681
Net assets released from restrictions:			
Restrictions satisfied by expending funds for the purpose intended	<u>83,418</u>	<u>(83,418)</u>	<u></u>
Total revenues and other support	<u>2,220,241</u>	<u>75,505</u>	<u>2,295,746</u>
Expenses:			
Program services	1,658,870		1,658,870
General administration	305,011		305,011
Fund-raising	<u>232,465</u>	<u></u>	<u>232,465</u>
Total expenses	<u>2,196,346</u>	<u></u>	<u>2,196,346</u>
Change in net assets	23,895	75,505	99,400
Net assets, beginning of year	<u>3,581,829</u>	<u>62,624</u>	<u>3,644,453</u>
Net assets, end of year	<u>\$ 3,605,724</u>	<u>\$ 138,129</u>	<u>\$ 3,743,853</u>

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



Providence House  
Statement of Functional Expenses  
For the Year Ended December 31, 2024

	Program Services	General Administration	Fund Raising	Total
Expenses:				
Salaries and wages	\$ 1,094,614	\$ 188,944	\$ 139,662	\$ 1,423,220
Employee benefits	24,082	4,157	3,007	31,246
Payroll taxes and workers compensation	101,197	17,468	12,920	131,585
Office expense	5,089	2,550	779	8,418
Legal and accounting		20,688		20,688
Telephone	2,636	2,512	300	5,448
Utilities	86,166	3,288	1,828	91,282
Printing	594	350	5,453	6,397
Insurance	45,890	4,223	5,559	55,672
Repairs and maintenance	59,294	6,760	771	66,825
Vehicles	1,967	664	203	2,834
Resident expenses	88,470			88,470
Resident graduation program	5,625			5,625
Work to learn program	8,098			8,098
Special events			9,405	9,405
Homeless prevention program	196,082			196,082
Travel and training	3,878	2,999		6,877
Public relations and advertising			10,718	10,718
Computer maintenance	1,313	8,376	8,889	18,578
Other	8,206	7,743	183	16,132
Dues and subscriptions	61	3,933	72	4,066
Website expense			800	800
Educational fees and supplies	28,101			28,101
Security	1,747	76	96	1,919
Bank and other fees	1,555	3,300		4,855
Meeting expense	521	2,606	505	3,632
Interest expense		4,420		4,420
Depreciation	119,095	8,564	8,564	136,223
Total expenses	<u>\$ 1,884,281</u>	<u>\$ 293,621</u>	<u>\$ 209,714</u>	<u>\$ 2,387,616</u>

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

Providence House  
Statement of Functional Expenses  
For the Year Ended December 31, 2023

	Program Services	General Administration	Fund Raising	Total
Expenses:				
Salaries and wages	\$ 1,083,863	\$ 176,495	\$ 123,500	\$ 1,383,858
Employee benefits	14,245	10,570	6,149	30,964
Payroll taxes and workers compensation	104,261	16,978	11,879	133,118
Office expense	1,271	3,332	1,932	6,535
Legal and accounting		20,800		20,800
Telephone	4,209	874	542	5,625
Utilities	74,856	11,237	2,005	88,098
Printing	1,258	470	4,133	5,861
Insurance	34,941	13,126	2,828	50,895
Repairs and maintenance	46,088	8,181	217	54,486
Vehicles	5,795	540		6,335
Resident expenses	76,060			76,060
Resident graduation program	1,669			1,669
Work to learn program	6,239			6,239
Homeless prevention program	44,826			44,826
Travel and training	7,017	700	2,582	10,299
Public relations and advertising			15,698	15,698
Computer maintenance			4,548	4,548
Education fees and supplies	8,298			8,298
Equipment and supplies	27,357	7,816	3,909	39,082
Security	676	180	24	880
Bank and other fees		5,338		5,338
Meeting expense	467	5,364	73	5,904
Other	4,209	4,478	37,524	46,211
Dues and subscriptions	130	3,696	834	4,660
Website expense			3,914	3,914
Interest expense		4,663		4,663
Depreciation	111,135	10,173	10,174	131,482
Total expenses	<u>\$ 1,658,870</u>	<u>\$ 305,011</u>	<u>\$ 232,465</u>	<u>\$ 2,196,346</u>

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

Providence House  
Statements of Cash Flows  
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Activities		
Change in net assets	\$ (5,925)	\$ 99,400
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	136,223	131,482
(Increase) decrease in cash surrender value of life insurance	6,459	37,524
(Increase) decrease in operating assets:		
Grant and contract receivables	43,635	(22,314)
Increase (decrease) in operating liabilities:		
Accounts payable	(2,803)	10,506
Accrued expenses	(11,034)	5,808
Escrowed resettlement funds	2,064	674
Net cash provided by operating activities	<u>168,619</u>	<u>263,080</u>
Investing Activities		
Purchase of certificates of deposit	(62,401)	(1,380,375)
Purchase of property and equipment	(189,634)	(12,000)
Net cash (used in) investing activities	<u>(252,035)</u>	<u>(1,392,375)</u>
Financing Activities		
Payments on finance lease liability	(5,950)	(5,702)
Net cash (used in) financing activities	<u>(5,950)</u>	<u>(5,702)</u>
Net (decrease) in cash and cash equivalents	(89,366)	(1,134,997)
Cash, cash equivalents and restricted cash beginning of year	<u>646,488</u>	<u>1,781,485</u>
Cash, cash equivalents and restricted cash end of year	<u>\$ 557,122</u>	<u>\$ 646,488</u>
Reconciliation of cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	\$ 551,113	\$ 572,543
Cash restricted for building improvements		70,000
Cash restricted - resettlement funds	6,009	3,945
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 557,122</u>	<u>\$ 646,488</u>
Supplemental Disclosure		
Cash paid for interest	<u>\$ 8,623</u>	<u>\$ 7,589</u>

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

Providence House  
Notes to Financial Statements  
December 31, 2024 and 2023

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Providence House is a nonprofit corporation organized under the laws of the State of Louisiana. Providence House was established to provide housing services, training, employment and opportunities for breaking the cycle of homelessness. The support for Providence House comes primarily from private donations and grants.

Approximately 30% of total revenues consist of contractual revenue of federal and state funds. A brief description of the programs – contracts which are funded with those federal and state funds are listed:

**Emergency Solutions Grants Program** – Provides funds to assist in maintaining a shelter and providing permanent housing for homeless families. Funding is provided by federal funds passed through the City of Shreveport.

**Emergency Food and Shelter** – Provides funds to assist in emergency shelter for homeless families. Funding is provided by federal funds passed through the local EF&S Board.

**Children's Trust Fund** – Provides funds to assist homeless children to aid in the prevention of child abuse and neglect. Specifically to implement a resource support system to provide emotional, medical, educational and recreational support services for homeless children. Funding is provided by federal and state funds passed through the State of Louisiana, Department of Children and Family Services.

**TANF** – Provides education and literacy services, employment training, life skills training, counseling, children's program, budgeting, housing/shelter, childcare, meals, transportation, and other services to enable adults and their children to begin again. Funding is provided by federal funds passed through the State of Louisiana, Department of Children and Family Services.

**CACFP** – Provides a food service program to children who are residents of the homeless shelter. Funding is provided by federal funds passed through the State of Louisiana, Department of Education.

B. Basis of Accounting

The financial statements of Providence House have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(Continued)



Providence House  
Notes to Financial Statements  
December 31, 2024 and 2023  
(Continued)

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. Under those standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the organization. These net assets may be used at the discretion of Providence House's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Providence House or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Providence House has adopted a policy to classify donor restricted contributions as without donor restriction to the extent that donor restrictions are met in the year the contribution was received.

D. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

E. Cash and Cash Equivalents

Cash equivalents, as stated for cash flow purposes, consist of cash, certificates of deposit, and money market accounts. Certain items, which meet the definition of cash equivalents but are designated by the Board, are included in investments.

F. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The funding sources and the federal government may have a reversionary interest in certain property purchased with those funds. Its disposition as well as the ownership of any proceeds therefrom is subject to certain funding source regulations. Expenditures for property and equipment of \$5,000 or more are capitalized.

(Continued)

Providence House  
Notes to Financial Statements  
December 31, 2024 and 2023  
(Continued)

G. Contributions

Contributions received are recorded as increase in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature or any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

H. Income Tax Status

Providence House is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the organization's tax-exempt purpose is subject to taxation as unrelated business income. Providence House had no such income during this audit period. The Form 990, "Return of Organization Exempt from Income Taxes", for Providence House for the years ended December 31, 2021, 2022, 2023, and 2024 are subject to examination by the IRS, generally for three years after they were filed.

I. Retirement Plan

Providence House established a profit-sharing plan with a 401(k) option for eligible employees. The name of the plan is Providence House Retirement Plan. The plan shall cover only employees having completed at least one year of service and having attained age 21. The employer contribution amount is determined by appropriate action of the Employer as of the time prescribed by law. There were no employer contribution amounts paid by Providence House for the years ended December 31, 2024 and 2023.

J. Donated Assets

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

K. Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair market value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions.

L. Functional Expenses

The costs of providing certain activities of Providence House have been summarized on a functional basis in the statement of activities and in the statement of functional expense. Accordingly, certain costs have been allocated among programs and supported services benefited. Costs are directly charged to the functions they benefit. Facility related and supportive services expenses are allocated to each function based upon managements equitable determination.

(Continued)



Providence House  
Notes to Financial Statements  
December 31, 2024 and 2023  
(Continued)

(2) Concentrations of Credit Risk

Financial instruments that potentially subject Providence House to concentrations of credit risk consist principally of temporary cash investments, and grant receivables.

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of December 31, 2024 and 2023, Providence House had no significant concentrations of credit risk in relation to grant receivables.

Providence House maintains cash balances at local financial institutions. Accounts at those institutions are insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2024, total cash balances held at financial institutions was \$2,002,337. Of this amount \$1,071,224 was secured by FDIC, and the remaining \$931,113 was unsecured. At December 31, 2023 total cash balances at financial institutions was \$2,051,930. Of this amount \$1,484,431 was secured by FDIC, and the remaining \$567,499 was unsecured.

(3) Grant and Contract Receivables

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from the funding sources at December 31, 2024 and 2023 but not received until after those dates.

Grant and contract receivables are stated at the amount management expects to collect, based on balances that Providence House has an unconditional right to receive less management's estimate of amounts that may not be collectable.

No allowance for credit losses have been provided since management has determined that the expected credit loss is not material at the balance sheet date.

(4) Restricted Cash – Resettlement Funds

The balance represents funds held by Providence House on behalf of the tenants of Providence House. Providence House has implemented a program whereby the tenants agree to escrow–deposit a certain percent of their support – wages into this account as they receive those funds. Upon graduation and/or leaving the shelter those funds will be distributed to the tenant or retained by Providence House. This amount is also shown as escrowed resettlement funds in the liability section on the statement of financial position.

(Continued)

Providence House  
Notes to Financial Statements  
December 31, 2024 and 2023  
(Continued)

(5) Fixed Assets

A summary of fixed assets as of December 31, 2024 follows:

	Estimated Useful Life	Cost / Basis	Accumulated Depreciation
Land	N/A	\$ 117,830	\$ —
Construction in progress	N/A	41,708	—
Buildings	15–30 years	1,125,795	846,239
Building improvements	7–25 years	2,164,129	1,616,954
Furniture & fixtures	5–10 years	9,181	9,181
Office equipment	3–7 years	6,962	6,962
Kitchen equipment	5–7 years	10,686	6,870
Playground equipment	5–10 years	124,973	123,969
Vehicles	5–7 years	76,121	20,949
		<u>\$ 3,677,385</u>	<u>\$ 2,631,124</u>

Depreciation expense for the year ended December 31, 2024 was \$136,223.

A summary of fixed assets as of December 31, 2023 follows:

	Estimated Useful Life	Cost / Basis	Accumulated Depreciation
Land	N/A	\$ 117,830	\$ —
Buildings	15–30 years	1,125,795	814,043
Building improvements	7–25 years	2,058,007	1,527,676
Furniture & fixtures	5–10 years	9,181	9,181
Office equipment	3–7 years	6,962	6,962
Kitchen equipment	5–7 years	19,157	13,813
Playground equipment	5–10 years	124,973	121,560
Classroom computer lab	5 years	1,655	1,655
Vehicles	5–7 years	32,816	26,496
Construction in progress		12,000	—
		<u>\$ 3,508,376</u>	<u>\$ 2,521,386</u>

Depreciation expense for the year ended December 31, 2023 was \$131,482.

(6) Cash Surrender Value of Life Insurance

Providence House is the owner and beneficiary of life insurance policies on the lives of certain supporters of the organization with a net cash surrender value at December 31, 2024 and 2023 of \$848,328 and \$854,787, respectively.

(Continued)



Providence House  
Notes to Financial Statements  
December 31, 2024 and 2023  
(Continued)

(7) Net Assets

	<u>2024</u>	<u>2023</u>
Net Assets Without Donor Restrictions:		
Undesignated	\$ 2,610,540	\$ 2,618,995
Net investment in property and equipment	<u>1,046,090</u>	<u>986,729</u>
Total net assets without donor restrictions	<u>3,656,630</u>	<u>3,605,724</u>
Net Assets With Donor Restrictions:		
Subject to expenditures for specified purpose -		
Restricted for back to school	774	1,094
Restricted for workforce development	43,900	54,365
Restricted for building repair and maintenance		70,000
Restricted other	27,184	12,670
Disaster relief	<u>9,440</u>	
Total net assets with donor restrictions	<u>81,298</u>	<u>138,129</u>
Total Net Assets	<u>\$ 3,737,928</u>	<u>\$ 3,743,853</u>

(8) Liquidity and Availability of Financial Assets

Providence House monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. Providence House has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

	<u>2024</u>	<u>2023</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 551,113	\$ 572,543
Certificates of deposit	1,442,776	1,380,375
Grant and contract receivables	70,109	113,744
Cash restricted for building improvements		70,000
Cash restricted for resettlement funds	<u>6,009</u>	<u>3,945</u>
Total financial assets	<u>2,070,007</u>	<u>2,140,607</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	( 81,298)	( 138,129)
Cash restricted	<u>( 6,009)</u>	<u>( 3,945)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,982,700</u>	<u>\$ 1,998,533</u>

In addition to financial assets available to meet general expenditures over the year, Providence House anticipates covering its general expenditures using the income generated from contractual agreements and contributions. To assist in managing liquidity, Providence House maintains a line of credit of \$150,000 with a bank that is drawn upon as needed during the year to assist in managing cash flow. See Note 13 for further description of this line of credit. Providence House also has cash surrender value of life insurance at December 31, 2024 and 2023 of \$848,328 and \$854,787, respectively that could be utilized to assist in managing cash flow. The Statement of Cash Flows identifies the sources and uses of Providence House's cash and shows positive cash flow from operating activities for the years ended December 31, 2024 and 2023 of \$168,619 and \$263,080, respectively.

(Continued)

Providence House  
Notes to Financial Statements  
December 31, 2024 and 2023  
(Continued)

(9) Contractual Revenue – Grants

Revenues shown as contracts with governmental agencies for the years ended December 31, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
City of Shreveport – ESG	\$ 207,904	\$ 53,568
Emergency Food and Shelter Program		13,000
Childrens Trust Fund	56,075	59,372
Children and Adult Care Food Program	71,305	56,695
TANF	162,950	387,707
Child Care Assistance and vouchers	158,821	171,386
	<u>\$ 657,055</u>	<u>\$ 741,728</u>

The continued existence of these funds is based on annual contract renewals with various funding sources.

(10) Accrued Expenses

An analysis of Providence House's accrued expenses at December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Payroll taxes and other withholdings	\$ 5,349	\$ 18,281
Salaries and wages	34,199	28,093
Interest payable	3,376	7,584
	<u>\$ 42,924</u>	<u>\$ 53,958</u>

(11) Note Payable – Economic Injury Disaster Loan ("EIDL")

In June 2020, Providence House received loan proceeds totaling \$150,000 under the Economic Injury Disaster Loan Program ("EIDL"). The loan will accrue interest at the rate of 2.75% per annum. Installment payment, including principal and interest, of \$641 monthly, will begin thirty (30) months from the date of the promissory note. Each payment will be applied first to accrued interest to the date of receipt of each payment, and the balance, if any, will be applied to principal. The balance of principal and interest will be payable thirty (30) years from the date of the promissory note. Providence House grants a security interest to the U.S. Small Business Administration of all tangible and intangible personal property.

Approximate maturities of the loan are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2025	\$ 1,033
2026	3,641
2027	3,742
2028	3,847
After 2028	137,737
	<u>\$ 150,000</u>

(Continued)

Providence House  
Notes to Financial Statements  
December 31, 2024 and 2023  
(Continued)

(12) Leases

Providence House entered into a financing lease during 2022 for certain office equipment. The financing lease had a commencement date of August 1, 2022 with thirty-six (36) monthly payments of \$520. The interest rate utilized on the financing lease is 4.25%. The financing lease is secured by a security interest in the equipment. Details of the finance lease as of December 31, 2024 and 2023 is as follows:

<u>Financing Lease</u>	<u>2024</u>	<u>2023</u>
Finance lease equipment	\$ 17,580	\$ 17,580
Accumulated depreciation	<u>(14,162)</u>	<u>(8,302)</u>
Net finance lease equipment	<u>\$ 3,418</u>	<u>\$ 9,278</u>

The maturities of the finance lease liability is as follows:

<u>Year Ended December 31,</u>	<u>Total Payments</u>	<u>Principal</u>	<u>Interest</u>
2025	<u>\$ 3,640</u>	<u>\$ 3,589</u>	<u>\$ 51</u>

The following summarizes the activity in the statement of activities for this financing lease:

Amortization of expense	\$ 5,860
Interest on finance lease obligation	<u>290</u>
Total	<u>\$ 6,150</u>

(13) Line of Credit

Providence House obtained a line of credit for \$150,000. The line of credit was secured by real estate owned by Providence House and matures on June 9, 2028. The line of credit has a variable interest rate of 1.00% over the bank's prime rate. Interest is to be paid monthly. There were no amounts outstanding and due on the line of credit at December 31, 2024 and 2023.

(Continued)



Providence House  
Notes to Financial Statements  
December 31, 2024 and 2023  
(Continued)

(14) Endowment Account with Community Foundation of North Louisiana

Providence House has entered into an agreement with the Community Foundation of North Louisiana (CFNLA). The agreement establishes an Agency Endowment Fund at CFNLA called "Providence House Endowment – The Gift of a Lifetime Fund" (Fund). All property of the Fund belongs to CFNLA. The fund will be used for support of the charitable purposes of Providence House. Net income and capital appreciation of the Fund, as governed by CFNLA's Spending Policy, will be paid and distributed to Providence House at least annually, for as long as Providence House is a Qualified Charitable Organization. The fair market value of the fund at December 31, 2024 and 2023 was \$1,212,515 and \$1,153,132, respectively.

(15) Subsequent Events

Subsequent events have been evaluated through June 26, 2025, the date the financial statements were available to be issued.

Subsequent to December 31, 2024, Providence House entered into a contract totaling \$97,743 for a remediation and repair project.

(16) Investments – Certificates of Deposit

Investments are stated at fair value. FASB ASC 820, Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. Providence House uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, Providence House measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, and Level 3 inputs were only used when Level 1 or Level 2 inputs were not available. The fair value of the certificate of deposit was considered measured using Level 2 inputs.



Providence House  
Schedule of Compensation, Benefits and Other Payments  
to Agency Head or Chief Executive Officer  
For the Year Ended December 31, 2024

Agency Head: Verni W. Howard, Executive Director

There were no payments for compensation, benefits and other payments derived from public funds during the year ended December 31, 2024.

# COOK & MOREHART

*Certified Public Accountants*

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## **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***

### Independent Auditors' Report

To the Board of Directors  
Providence House  
Shreveport, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Providence House, (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, 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 June 26, 2025.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Providence House's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Providence House's internal control. Accordingly, we do not express an opinion on the effectiveness of Providence House'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## Report on Compliance and Other Matters

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

## Purpose of this Report

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

A handwritten signature in black ink, appearing to read "Cook & Morehart", with a long horizontal flourish extending to the right.

Cook & Morehart  
Certified Public Accountants  
June 26, 2025

Providence House  
Summary Schedule of Audit Findings for the  
Louisiana Legislative Auditor  
December 31, 2024

**Summary Schedule of Prior Audit Findings**

There were no findings or management letter comments for the prior year audit for the year ended December 31, 2023.

**Corrective Action Plan for Audit Findings for the Year Ended December 31, 2024**

There are no findings or management letter comments for the current year audit for the year ended December 31, 2024.



# COOK & MOREHART

*Certified Public Accountants*

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## Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Directors  
Providence House  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. Providence House's management is responsible for those C/C areas identified in the SAUPs.

Providence House has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledges that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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

Testing not required for this area for the fiscal period January 1, 2024 through December 31 2024, due to no exceptions being noted in prior year.

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

Testing not required for this area for the fiscal period January 1, 2024 through December 31 2024, due to no exceptions being noted in prior year.

### **3) Bank Reconciliations**

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

Management provided the requested information, along with management's representation that the listing is complete.

- 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); Bank reconciliations selected include evidence that they were prepared within 2 months of the related statement closing date.
- ii) Bank reconciliations include written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and Bank reconciliations selected included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.
- 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.

Procedures performed no exceptions noted.

**4) Collections (excluding electronic funds transfers)**

Testing not required for this area for the fiscal period January 1, 2024 through December 31 2024, due to no exceptions being noted in prior year.

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

Testing not required for this area for the fiscal period January 1, 2024 through December 31 2024, due to no exceptions being noted in prior year.

**6) Credit Cards/Debit Cards/Fuel Cards/P-Cards**

Testing not required for this area for the fiscal period January 1, 2024 through December 31 2024, due to no exceptions being noted in prior year.

**7) Travel and Expense Reimbursement (excluding card transactions)**

Testing not required for this area for the fiscal period January 1, 2024 through December 31 2024, due to no exceptions being noted in prior year.

**8) Contracts**

Testing not required for this area for the fiscal period January 1, 2024 through December 31 2024, due to no exceptions being noted in prior year.

**9) Payroll and Personnel**

Testing not required for this area for the fiscal period January 1, 2024 through December 31 2024, due to no exceptions being noted in prior year.

**10) Ethics**

Not applicable to nonprofit organizations.

**11) Debt Service**

Not applicable to nonprofit organizations.

**12) Fraud Notice**

Testing not required for this area for the fiscal period January 1, 2024 through December 31 2024, due to no exceptions being noted in prior year.

**13) Information Technology Disaster Recovery/Business Continuity**

No testing required in year 2.

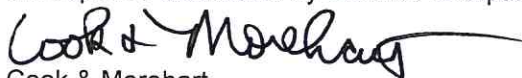
**14) Prevention of Sexual Harassment**

Not applicable to nonprofit organizations.

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

We are required to be independent of Providence House, 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.



Cook & Morehart  
Certified Public Accountants  
June 26, 2025