CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

Financial Statements and Supplementary Information

For the Year Ended December 31, 2025

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Concerned Citizens for A Better Algiers, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Concerned Citizens for A Better Algiers, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

To the Board of Directors
Concerned Citizens for A Better Algiers, Inc.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Concerned Citizens for A Better Algiers, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Concerned Citizens for A Better Algiers, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of compensation, benefits, and other payments to agency head, as required by the State of Louisiana, are presented for purposes of additional analysis and are 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 29, 2026, on our consideration of Concerned Citizens for A Better Algiers, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Concerned Citizens for A Better Algiers, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Concerned Citizens for A Better Algiers, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Concerned Citizens for A Better Algiers, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 26, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Paciera, Gautreau & Priest, LLC

Metairie, Louisiana
June 29, 2026

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2025 (amounts in dollars)
(With Summarized Financial Information for December 31, 2024)

	2025	2024
ASSETS		
Cash and cash equivalents	372,221	289,756
Grants receivable	275,575	350,910
Rents receivable, net	8,146	46,477
Other receivables	15,000	18,500
Prepaid expenses and deposits	48,235	123,312
Land, buildings, and equipment, net	3,169,728	2,678,968
Total Assets	3,888,905	3,507,923
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	106,378	85,869
Line of credit	647,752	0
Tenant security deposits	36,742	29,517
Total Liabilities	790,872	115,386
Net assets without donor restrictions	3,098,033	3,392,537
Total Liabilities and Net Assets	3,888,905	3,507,923

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025 (amounts in dollars)
(With Summarized Financial Information for the Year Ended December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
REVENUES				
Grants	1,593,932	0	1,593,932	1,457,996
Gifts-in-kind: management and general	1,926	0	1,926	1,926
Program service fees - rent	496,229	0	496,229	432,274
Special event revenue	29,559	0	29,559	34,445
Insurance proceeds	0	0	0	81,018
Workers' compensation dividends	7,592	0	7,592	15,080
Net assets released from restrictions	0	0	0	0
Total Revenues	2,129,238	0	2,129,238	2,022,739
EXPENSES				
Program services				
Individuals with special needs	1,546,024	0	1,546,024	1,323,407
Rental program for the homeless	677,352	0	677,352	739,392
	2,223,376	0	2,223,376	2,062,799
Supportive services				
Management and general	182,455	0	182,455	207,982
Fundraising	17,911	0	17,911	18,540
	200,366	0	200,366	226,522
Total Expenses	2,423,742	0	2,423,742	2,289,321
CHANGE IN NET ASSETS	(294,504)	0	(294,504)	(266,582)
NET ASSETS				
BEGINNING OF YEAR (as restated)	3,392,537	0	3,392,537	3,659,119
END OF YEAR (as restated)	3,098,033	0	3,098,033	3,392,537

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2025

(With Summarized Financial Information for the Year Ended December 31, 2024)

(amounts in dollars)

	Program Expenses			Supportive Services				
	Individuals with Special Needs	Rental Program for the Homeless	Subtotal	Manage-ment and General	Fund-raising	Subtotal	Total 2025	Total 2024
Advertising	0	396	396	0	0	0	396	434
Bad debt expense	0	52,654	52,654	0	0	0	52,654	0
Bank charges	0	0	0	6,296	0	6,296	6,296	6,025
Contributions	0	0	0	7,389	0	7,389	7,389	6,580
Depreciation	0	168,494	168,494	0	0	0	168,494	168,494
Dues and memberships	0	11,757	11,757	0	0	0	11,757	10,436
Equipment	1,728	11,239	12,967	4,141	0	4,141	17,108	26,539
Food	124,736	0	124,736	0	0	0	124,736	82,252
Health insurance	55,907	13,065	68,972	0	0	0	68,972	63,091
In-kind professional services	0	0	0	1,926	0	1,926	1,926	1,926
Insurance	50,978	148,071	199,049	21,983	0	21,983	221,032	210,167
Meetings and travel	5,798	0	5,798	9,309	80	9,389	15,187	13,841
Occupancy	43,831	33,700	77,531	11,672	0	11,672	89,203	88,143
Other costs	794	0	794	713	93	806	1,600	2,364
Payroll taxes	38,281	9,905	48,186	2,435	0	2,435	50,621	53,581
Professional services	246,120	4,264	250,384	19,067	12,266	31,333	281,717	227,408
Rental assistance	480,948	0	480,948	3,856	0	3,856	484,804	407,502
Repairs and maintenance	6,860	97,892	104,752	40,481	1,089	41,570	146,322	196,434
Salaries	469,790	122,264	592,054	25,267	0	25,267	617,321	641,837
Supplies	8,223	3,651	11,874	8,772	4,383	13,155	25,029	57,810
Taxes and licenses	0	0	0	330	0	330	330	310
Telephone	12,030	0	12,030	11,645	0	11,645	23,675	19,289
Trash removal	0	0	0	2,124	0	2,124	2,124	2,100
Vehicle expenses	0	0	0	5,049	0	5,049	5,049	2,758
Total	1,546,024	677,352	2,223,376	182,455	17,911	200,366	2,423,742	2,289,321

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2025 (amounts in dollars)

(With Summarized Financial Information for the Year Ended December 31, 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	(294,504)	(266,582)
Adjustments to reconcile changes in net assets to net cash provided by (used for) operating activities:		
Depreciation	168,494	168,494
Bad debt expense	52,654	0
(Increase) decrease in assets:		
Grants receivable	75,335	49,806
Rents receivable	(14,323)	(13,568)
Other receivables	3,500	(8,500)
Prepaid expenses	75,077	(46,829)
Increase (decrease) liabilities:		
Accounts payable and accrued liabilities	(12,857)	1,669
Tenant security deposits	7,225	(3,441)
Net cash provided by (used for) operating activities	60,601	(118,951)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property	(625,888)	(17,501)
Net Cash (used for) investing activities	(625,888)	(17,501)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds	647,752	0
Net cash provided from financing activities	647,752	0
Net increase (decrease) in cash, cash equivalents, and restricted cash	82,465	(136,452)
Cash, Cash Equivalents, and Restricted Cash:		
Beginning of year	289,756	426,208
End of year	372,221	289,756
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	0	0
Income Taxes	0	0
NONCASH INVESTING AND FINANCING ACTIVITIES		
Property acquired with payables	33,366	0

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the Corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Nature of Activities

Concerned Citizens for A Better Algiers, Inc. (the "Corporation") is a non-profit corporation organized under the laws of the State of Louisiana. The Corporation is organized to raise the economic, educational, and social levels of the residents of the Algiers Community; and to foster and promote community- wide interest and concern for the problems of individuals with special needs.

2. Financial Statement Presentation

The financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

3. Net Assets

Net assets and revenue, gains and losses are classified based on donor-imposed restrictions. Accordingly, net assets of the Corporation, and changes therein, are classified and reported as follows:

Without donor restrictions - Those resources not subject to donor-imposed restrictions. The Board of Directors has discretionary control over those resources.

With donor restrictions - Those resources subject to donor-imposed restrictions that will be satisfied by actions of the Corporation or by the passage of time.

4. Revenue Recognition and Contributed Support

Revenue for program service fees - rents and special event fundraising income is recognized when earned. Rents and special event income received in advance are deferred to the applicable period in which the related event is performed, or expenditures or events are incurred, respectively. The Corporation rents residential housing under short-term leases. Economic factors such as competition with other programs and events may impact the amount and certainty of revenues and cash flows.

The Corporation receives cost-reimbursement grants from federal and local governmental agencies. Revenue from cost-reimbursement grants is recognized as qualifying expenditures are incurred in accordance with the terms and conditions of the grant agreements. Grant receivables are recorded for amounts earned but not yet received. Unearned grant amounts received in advance of meeting the related expenditure requirements are recorded as refundable advances until the conditions have been met.

Contributed support, including government grant revenue, is reported as Without Donor Restrictions or With Donor Restrictions depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restrictions are reclassified to Without Donor Restrictions and reported in the Statement of Activities as "net assets released from restrictions".

Contributions of cash given for the purpose of purchasing or constructing property and equipment are reported as net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting from the reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the purchased long-lived assets are placed in service.

The Corporation recognizes contributed services (Gifts-in-Kind) that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services are valued and reported at estimated fair value in the financial statements based on current rates for similar services. Many individuals donate their time to perform a variety of tasks that assist the Corporation in fulfilling their program objectives. Amounts that have been reflected in the financial statements for donated professional services totaled $1,926.

5. Accounts Receivable and Allowance for Credit Losses

Accounts receivable are stated at amounts billed to customers, net of an allowance for credit losses. The Corporation estimates its allowance for credit losses in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 326, *Financial Instruments—Credit Losses*, using the current expected credit loss (“CECL”) model. The estimate is based on historical write-off experience, current conditions, and reasonable and supportable forecasts that affect collectibility, including macroeconomic factors, as well as specific information about debtor financial condition.

The Corporation evaluates credit quality on an ongoing basis, including analysis of aging, payment trends relative to contractual terms, and other known facts regarding specific accounts. Accounts are written off against the allowance when collection efforts have been exhausted.

For the year ended December 31, 2025, the Corporation estimated its allowance for credit losses based on an analysis of the aging of accounts receivable, applying judgment regarding the collectibility of individual balances based on payment history, current tenant conditions, and the age of outstanding amounts. As a result of this analysis, the Corporation recognized bad debt expense of $52,654 and recorded an ending allowance for credit losses of $52,654. There was no activity in the allowance for credit losses prior to this adjustment during the year.

6. Land, Buildings, and Equipment

The Corporation records property acquisitions at cost. Donated items are recorded at estimated value at the date of donation. Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, on a straight-line basis. Depreciation expense for the year ended December 31, 2025, totaled $168,494.

December 31, 2025 (amounts in dollars)

It is the policy of the corporation to capitalize all property, furniture, and equipment with an acquisition cost in excess of $5,000. Interest costs incurred during the active construction of qualifying assets are capitalized as part of the cost of those assets in accordance with FASB ASC 835-20. Capitalization ceases when the asset is substantially complete and ready for its intended use.

7. Cash, Restricted Cash, and Cash Equivalents

For the purposes of the statement of cash flows, the Corporation considers all investments with original maturities of three months or less to be cash equivalents.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the same amounts shown in the statement of cash flows:

	2025 Total
Cash and cash equivalents	372,221
Restricted cash for long-term purposes	0
Total cash, cash equivalents, and restricted cash	372,221

8. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

9. Workers' Compensation Insurance Dividends

The Corporation participates in a workers' compensation insurance program under which the insurer may return a portion of premiums paid in the form of a policyholder dividend when loss experience is favorable. Such dividends are not related to investment activity. Workers' compensation dividends are recognized as revenue in the period in which the amount is declared or confirmed by the insurer and are presented as a separate line item within revenues without donor restrictions on the Statement of Activities.

10. Advertising

Advertising costs are expensed as incurred and allocated among programs and supporting services.

11. Fair Values of Financial Instruments

GAAP provides a framework for measuring fair value. That framework establishes 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). As of December 31, 2025, the Corporation had no investments.

December 31, 2025 (amounts in dollars)

12. Functional Allocation of Expenses

The expenses of providing the program and other activities have been summarized on a functional basis. Certain of those expenses have been allocated among the program and supporting services benefited based on estimates by management of the costs involved. The expenses that are allocated include occupancy, salaries, health insurance, payroll taxes, professional services, and insurance which are allocated on the basis of estimates of time and effort.

13. Investment Return, net

If present, the investment return is reported net of external and direct internal investment expenses.

14. Summarized Comparative Information

The financial statements include certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended December 31, 2024, from which the summarized information was derived. Some amounts in the prior year's summarized information have been reclassified to conform with the current year's presentation. These reclassifications had no effect on the previously reported change in net assets.

NOTE B - GRANTS RECEIVABLE

Grants receivable as of December 31, 2025, consist of amounts due from the City of New Orleans for the following programs:

	2025 Total
Housing Opportunities for Persons with Aids (HOPWA)	195,953
Veterans Affairs (VA)	15,872
Ryan W. White Part A (Ryan White)	63,750
	275,575

NOTE C - LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment as of December 31, 2025, consist of the following:

	2025 Total
Buildings	4,829,556
Transportation equipment	69,595
Equipment	4,065
	4,903,216
Less: accumulated depreciation	(2,795,768)

December 31, 2025 (amounts in dollars)

	2025 Total
	2,107,448
Construction-in-progress	820,693
	2,928,141
Land	241,587
	3,169,728

Land and buildings include certain major items acquired with grants from governmental agencies. These properties are subject to HOME Affordable Rental Housing Program (HOME) regulatory agreements for periods ranging from 15 to 20 years. The net book value of the properties subject to HOME regulatory agreements as of December 31, 2025, was approximately $1.8 million.

During the year ended December 31, 2025, the Corporation capitalized interest costs of $30,661 incurred in connection with the financing of facility construction in accordance with FASB ASC 835-20. No interest costs were charged to expense during the year.

NOTE D – LINE OF CREDIT

The Corporation has a $750,000 revolving line of credit loan. The balance was $647,752 as of December 31, 2025. Bank advances on the line of credit are payable on demand and bear interest at 1.5% over the Wall Street Journal U.S. Prime Rate (7.00% at the date of the agreement), resulting in an initial rate of 8.50%, subject to a minimum rate of 4.00%. Interest is calculated on a 365/360 basis. The credit line matures November 13, 2027, and is secured by real property located at 1417 Nunez Street, New Orleans, Louisiana, under an existing multiple indebtedness mortgage.

NOTE E - NET ASSETS WITH DONOR RESTRICTIONS

There were no net assets with donor-restrictions or related activity during the year.

NOTE F - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Corporation's liquidity management policy is to structure its financial assets to be available as its general expenditure, liabilities, and other obligations come due. The financial assets available within one year of the Statement of Financial Position date are as follows:

	2025 Total
Financial Assets	670,942
Less: Amounts unavailable for general expenditures within one year	36,742
Financial assets available to meet cash needs for general expenditures within one year	634,200

December 31, 2025 (amounts in dollars)

NOTE G - INCOME TAXES

The Corporation is exempt from income tax under Section 501 (c)(3) of the U.S. Internal Revenue Code and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Code.

The Corporation may recognize the tax benefit from a tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The Corporation does not believe its financial statements include any uncertain tax positions.

NOTE H - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member.

NOTE I - CONCENTRATION OF CREDIT RISK

As of December 31, 2025, the Corporation's cash balance consists of the following:

	2025 Total
Cash balance, per bank statements	384,117
Less FDIC insurance	(250,000)
Uninsured balance	134,117

NOTE J - ECONOMIC DEPENDENCY

The Corporation receives a majority of its revenues from funds provided through grants administered by the City of New Orleans and other nonprofit entities. The grant amounts are appropriated each year by the federal government. If significant budget cuts are made at the federal level, the amount of the funds the organization receives could be reduced significantly and have an adverse impact on its operations.

The Corporation is supported primarily through grants from governmental agencies. Approximately 75% of the Corporation’s support for the year ending December 31, 2025, came from these grants. Approximately 7% of the Corporation’s assets as of December 31, 2025, are receivable balances related to these grants.

NOTE K – RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

The Corporation identified an error in the recognition of insurance expenses related to premiums recorded in accounts payable at year-end. Amounts accrued in accounts payable at December 31 of each year consistently related to policy coverage periods beginning in the subsequent year. These amounts were expensed in the period accrued rather than deferred as prepaid insurance, resulting in premature recognition of expense.

The error is systematic and affects multiple periods. The December 31, 2023, accounts payable balance included approximately $37,714 related to 2024 coverage, and the December 31, 2024, accounts payable balance included approximately $72,985 related to 2025 coverage.

December 31, 2025 (amounts in dollars)

In accordance with FASB ASC 250-10-45, the Corporation has restated the December 31, 2024, comparative financial statements to correct this error. The accounts payable balance is unchanged, as the liability was valid at year-end. The correction reclassifies the corresponding debit from insurance expense to prepaid insurance.

The effects of the restatement on the December 31, 2024, financial statements are as follows:

Statement of Financial Position - December 31, 2024	As Previously Reported	Adjustment	As Restated
Prepaid expenses and deposits	50,327	72,985	123,312
Total Assets	3,434,938	72,985	3,507,923
Accounts payable and accrued liabilities	85,869	0	85,869
Net assets without donor restrictions	3,319,552	72,985	3,392,537

Statement of Activities - Year Ended December 31, 2024	As Previously Reported	Adjustment	As Restated
Insurance expense	245,438	(35,271)	210,167
Total expenses	2,324,592	(35,271)	2,289,321
Change in net assets	(301,853)	35,271	(266,582)
Net assets, beginning of year	3,621,405	37,714	3,659,119
Net assets, end of year	3,319,552	72,985	3,392,537

The restatement had no effect on cash flows from operating activities as presented, as the change in prepaid expenses within operating activities is adjusted accordingly.

NOTE L — COMMITMENTS

As of December 31, 2025, the Corporation had an outstanding commitment under a construction contract with its general contractor for facility construction. The total remaining commitment under the contract at December 31, 2025, was $109,764, consisting of $76,399 in unpaid contract amounts and $33,366 of retainage recorded in accounts payable. Subsequent to December 31, 2025, all remaining amounts were paid, and the construction was substantially completed in March 2026.

NOTE M – SUBSEQUENT EVENTS

The subsequent events of the Corporation have been evaluated through June 29, 2026, which is the date the financial statements were available to be issued. See Note L for construction activity completed subsequent to year end.

SUPPLEMENTAL INFORMATION

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2025 (amounts in dollars)

Federal Grantor/Pass-through Grantor Program	Other Identifying Number	Federal Assistance Number	2025 Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Funds passed through the City of New Orleans			
Housing Opportunities for Persons with Aids	HOPWA30	14.241	875,663
Total U.S. Department of Housing and Urban Development			875,663
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Funds passed through the City of New Orleans			
HIV Emergency Relief Project Grants	K25-084 BRASS PO. 7109	93.914	609,425
Total U.S. Department of Health and Human Services			609,425
U.S. DEPARTMENT OF VETERANS AFFAIRS			
VA Homeless Providers Grant and Per Diem Program	CCBA360-4972-629-PD-24	64.024	88,844
Total U.S. Department of Veterans Affairs			88,844
Total Expenditures of Federal Awards			1,573,932

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2025

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Concerned Citizens for A Better Algiers, Inc. under programs of the federal government for the year ended December 31, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

B. Summary of Significant Accounting Policies

The schedule of expenditures of federal awards is reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

C. Indirect Cost Rate

Concerned Citizens for A Better Algiers, Inc. did not elect the 15% de minimis indirect cost rate.

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD

For the Year Ended December 31, 2025 (amounts in dollars)

Agency Head Name: Shantrice N. Dial
Position: Executive Director

Purpose	Amount
Compensation	102,577
Benefits	11,712
Reimbursements - various program costs	567
Total	114,856

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

To the Board of Directors
Concerned Citizens for A Better Algiers, Inc.

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 Concerned Citizens for A Better Algiers, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2025 and the related statements of activities and cash flows and for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 29, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements we considered the Concerned Citizens for A Better Algiers, Inc.'s internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Concerned Citizens for A Better Algiers, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Concerned Citizens for A Better Algiers, Inc.'s internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we identified deficiencies in internal control that we consider to be a material weakness and significant deficiencies. A material weakness and significant deficiencies have been identified and are described in the accompanying schedule of findings and questioned costs as Findings 2025-001 through 2025-005.

Management's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit management's responses and, accordingly, we express no opinion on them.

To the Board of Directors
Concerned Citizens for A Better Algiers, Inc.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Paciera, Gautreau + Priest, LLC

Metairie, Louisiana
June 29, 2026

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

To the Board of Directors
Concerned Citizens for A Better Algiers, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Concerned Citizens for A Better Algiers, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Concerned Citizens for A Better Algiers, Inc.'s major federal programs for the year ended December 31, 2025. Concerned Citizens for A Better Algiers, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Concerned Citizens for A Better Algiers, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Concerned Citizens for A Better Algiers, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Concerned Citizens for A Better Algiers, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Concerned Citizens for A Better Algiers, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Concerned Citizens for A Better Algiers, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Concerned Citizens for A Better Algiers, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Concerned Citizens for A Better Algiers, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

To the Board of Directors
Concerned Citizens for A Better Algiers, Inc.

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

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

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

Paciera, Gautreau & Priest, LLC

Metairie, Louisiana
June 29, 2026

PART I -- SUMMARY OF THE AUDIT RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified	
Internal control over financial reporting:		
Material weakness identified?	☒ Yes	☐ No
Significant deficiencies identified that are not considered to be material weaknesses?	☒ Yes	☐ None noted
Noncompliance material to financial statements noted?	☐ Yes	☒ No

FEDERAL AWARDS

Type of auditor's report issued on compliance for major programs	Unmodified	
Internal control over major programs:		
Material weakness identified?	☐ Yes	☒ No
Significant deficiencies identified that are not considered to be material weaknesses?	☐ Yes	☒ None noted
Any audit findings disclosed that are required to be reported by Title 2 U.S. Code of Federal Regulations Part 200.	☐ Yes	☒ No
Identification of major programs:		
Federal Assistance Number 14.241 Housing Opportunities for People with Aids		
Dollar threshold used to distinguish between type A and B programs:	$1,000,000	
Auditee qualified as low-risk auditee?	☒ Yes	☐ No
Findings Related to the Financial Statements Reported in Accordance with *Government Auditing Standards* required to be reported?	☒ Yes	☐ No
Findings and Questioned Costs for Federal Awards Under the Uniform Guidance required to be reported?	☐ Yes	☒ No
Status of Prior Year Audit Findings?	No audit findings were required to be reported in the prior year.	

PART II -- FINDINGS-FINANCIAL STATEMENTS AUDIT

The following findings are reported in accordance with *Government Auditing Standards* (2024 Revision).

Management's responses to audit findings have not been subjected to audit procedures and, accordingly, the auditors express no opinion on them.

Finding 2025-001 — Insurance Cutoff Error (Material Weakness)
Federal Program: N/A
CFDA Number: N/A

Condition: Insurance expense of $72,263 was recorded in the incorrect period. The error was not detected during the prior year close and required a prior period adjustment in the current year financial statements.

Criteria: Internal controls over financial reporting should ensure that transactions are recorded in the proper accounting period in accordance with U.S. generally accepted accounting principles and the accrual basis of accounting. Management is responsible for designing and maintaining controls that prevent and detect material misstatements on a timely basis.

Cause: Period-end accrual and cutoff review controls failed to identify and correct the misstatement during the prior year close process.

Effect: Insurance expenses were misstated by $72,263, requiring a prior period correction. The misstatement is significant in amount and was corrected prior to issuance of the financial statements. The failure of controls to detect the misstatement on a timely basis — spanning an entire reporting period — constitutes a material weakness in internal control over financial reporting.

Recommendation: Management should implement and consistently apply period-end cutoff procedures for insurance and other prepaid expenses, including a formal review and approval of accruals and prepaid schedules at each period end. Prior period adjustments should be subject to enhanced scrutiny and approval by those charged with governance.

Management's Response and Corrective Action:

Management agrees with this finding. Management acknowledges that period-end cutoff procedures for insurance and prepaid expenses were not consistently applied, resulting in the misstatement identified by the auditors and the requirement for a prior period adjustment.

Management will implement formal period-end close procedures requiring preparation and supervisory review of a prepaid insurance schedule at each year end. The schedule will identify policy coverage periods and ensure that premiums relating to future periods are properly deferred as prepaid assets rather than expensed in the current period. All period-end accruals and prepaid schedules will be subject to review and approval by the Executive Director prior to finalization of the financial statements.

Responsible Party: Shantrice Dial, Executive Director

Target Completion Date: Procedures will be documented and in place prior to December 31, 2026, year-end close.

Finding 2025-002 — Retainage Not Recorded (Significant Deficiency)
Federal Program: N/A
CFDA Number: N/A

Condition: Retainage of $33,366 related to facility construction was not recorded in the organization's general ledger. The omission was identified during audit procedures and subsequently corrected by management.

Criteria: Retainage withheld on construction contracts should be recorded as a liability and a corresponding asset in accordance with U.S. GAAP. Management is responsible for ensuring all significant construction contract obligations are properly reflected in the financial statements.

Cause: Controls over the recording of construction contract terms, including retainage provisions, were not operating effectively.

Effect: Assets and liabilities were each understated by $33,366 prior to correction. The misstatement was corrected prior to issuance of the financial statements.

Recommendation: Management should establish procedures to review construction contracts at inception and at each period end to ensure all retainage, liability, and asset obligations are properly recorded in the general ledger.

Management's Response and Corrective Action

Management agrees with this finding. Management acknowledges that retainage of $33,366 related to facility construction was not recorded in the general ledger. The omission was corrected upon identification by the auditors.

Management will establish procedures to review construction contracts at inception and at each period end to identify and record all retainage, liability, and asset obligations. Contract terms will be summarized and maintained on file, and a checklist will be used at each period end to ensure all construction contract obligations are properly reflected in the general ledger.

Responsible Party: Shantrice Dial, Executive Director

Target Completion Date: Management will apply these procedures to any future construction or significant capital projects undertaken by the Corporation.

Finding 2025-003 — Accounts Receivable and Bad Debt Expense Overstated (Significant Deficiency)
Federal Program: N/A
CFDA Number: N/A

Condition: Accounts receivable for rents were overstated and bad debt expense was understated by \$52,654. The misstatement was identified during audit procedures and subsequently corrected by management through the recording of an allowance for doubtful accounts.

Criteria: Accounts receivable should be reported at net realizable value in accordance with ASC 310. An allowance for doubtful accounts should be established based on management's estimate of uncollectible amounts.

Cause: Management did not perform an adequate assessment of the collectibility of rental receivables or maintain an appropriate allowance for doubtful accounts.

Effect: Accounts receivable were overstated and bad debt expense was understated by \$52,654 prior to correction. The misstatement was corrected prior to issuance of the financial statements.

Recommendation: Management should establish a formal policy and procedure for evaluating the collectibility of accounts receivable at each period end, including preparation and review of an aging analysis and documentation of the basis for the allowance estimate.

Management's Response and Corrective Action:

Management agrees with this finding. Management acknowledges that an adequate assessment of the collectibility of rental receivables was not performed and that an allowance for doubtful accounts was not maintained. The misstatement was corrected upon identification by the auditors.

Management will establish a formal policy and procedure for evaluating the collectibility of accounts receivable at each period end. This will include preparation of an accounts receivable aging analysis, identification of balances requiring specific reserve consideration, and documentation of the basis for the allowance estimate. The allowance calculation will be reviewed and approved by the Executive Director prior to finalization of the financial statements.

Responsible Party: Shantrice Dial, Executive Director

Target Completion Date: Procedures will be documented and in place prior to December 31, 2026, year-end close.

Finding 2025-004 — Interest on Construction Financing Not Capitalized (Significant Deficiency)
Federal Program: N/A
CFDA Number: N/A

Condition: Interest costs of \$30,661 incurred in connection with the financing of facility construction were expensed rather than capitalized. The misstatement was identified during audit procedures and subsequently corrected by management.

Criteria: Interest costs incurred during the construction of a qualifying asset should be capitalized as part of the cost of the asset in accordance with ASC 835-20.

Cause: Management was not aware of or did not apply the capitalization requirements for interest incurred during construction of a qualifying asset.

Effect: Construction in progress was understated, and interest expense was overstated by $30,661 prior to correction. The misstatement was corrected prior to issuance of the financial statements.

Recommendation: Management should consult with its accounting advisors regarding the requirements of ASC 835-20 and implement procedures to identify and capitalize qualifying interest costs during active construction periods.

Management's Response and Corrective Action:

Management agrees with this finding. Management acknowledges that interest costs incurred in connection with the financing of facility construction were expensed rather than capitalized in accordance with FASB ASC 835-20. The misstatement was corrected upon identification by the auditors.

Management will consult with its accounting advisors at the inception of future construction projects to identify applicable interest capitalization requirements under ASC 835-20. A procedure will be implemented to track interest costs incurred during active construction periods and to calculate and record the appropriate capitalization amount at each period end.

Responsible Party: Shantrice Dial, Executive Director

Target Completion Date: Management will apply these procedures to any future construction or significant capital projects undertaken by the Corporation.

Finding 2025-005 — Debt Draw and Deposit in Transit Recorded in Error (Significant Deficiency)
Federal Program: N/A
CFDA Number: N/A

Condition: A debt draw and a corresponding deposit in transit were recorded in the general ledger but the underlying transactions were not completed or executed. The misstatement was identified during audit procedures and subsequently corrected by management.

Criteria: Transactions recorded in the general ledger should be supported by valid, authorized, and documented underlying transactions. Cash and debt balances should be reconciled to external confirmations and bank statements.

Cause: Controls over the authorization and recording of debt draws, including reconciliation to lender confirmations and bank statements, were not operating effectively.

Effect: Cash and debt were each overstated by $10,000 prior to correction. The recording of transactions that did not occur indicates a breakdown in controls over the completeness and existence of cash and debt transactions.

Recommendation: Management should implement controls requiring independent verification of debt draws against lender draw requests and bank confirmations prior to recording. Bank reconciliations should be prepared timely and reviewed by an independent party. All significant debt transactions should require documented authorization.

Management's Response and Corrective Action:

Management agrees with this finding. Management acknowledges that a debt draw and corresponding deposit in transit were recorded in the general ledger, but the underlying transactions were not completed or executed. The misstatement was corrected upon identification by the auditors.

Management will implement controls requiring independent verification of all debt draws against lender draw requests and bank confirmations prior to recording in the general ledger. Bank reconciliations will be prepared on a timely basis and reviewed by an independent party. All significant debt transactions will require documented authorization by the Executive Director prior to recording.

Responsible Party: Shantrice Dial, Executive Director

Target Completion Date: Management will apply these procedures within the July 2026 bank reconciliation procedures.

PART III — FINDINGS — FEDERAL AWARD PROGRAMS

There are no findings required to be reported under 2 CFR §200.516 for the year ended December 31, 2025.

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

For the Year Ended December 31, 2025

FINDINGS-FINANCIAL STATEMENTS AUDIT

There were no audit findings required to be reported in the prior year.

FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no audit findings required to be reported in the prior year.

STATEWIDE AGREED-UPON PROCEDURES REPORT

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

Independent Accountant's Report on Applying Agreed-Upon Procedures

For the Year Ended December 31, 2025

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Concerned Citizens for a Better Algiers, Inc. and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

1. *Written Policies and Procedures*

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

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

      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.

      iii. *Disbursements*, including processing, reviewing, and approving.

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

      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(s) rate of pay or approval and maintenance of pay rate schedules.

      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.

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

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

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

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

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.

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.

Results: The Louisiana Code of Ethics and debt service are not applicable to CCFABA. No exceptions were noted as a result of applying these procedures.

2. Board or Finance Committee

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 meets with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

ii. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

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

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

Results: CCFABA is not a government, ii and iii are not applicable to CCFABA. No exceptions were noted as a result of applying these procedures.

3. Bank Reconciliations

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

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

<u>Results:</u> No exceptions were noted as a result of applying these procedures.

ii. Bank reconciliations include evidence that a member of management/board member 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

<u>Results:</u> No exceptions were noted as a result of applying these procedures.

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

<u>Results:</u> We noted exceptions in 3 of the 5 accounts selected. The following accounts contained reconciling items outstanding for more than 12 months for which management did not have documentation reflecting that the items had been researched:

- HW Ryan White (Account No. 714388025) - 2 outstanding checks ranging from $250.00 to $1,068.00, aged 2 to 3 years.
- HW Rent Home (Account No. 62565900) - 6 outstanding checks and 2 outstanding deposits ranging from $40.00 to $25,000.00, aged 1 to 4 years.
- HW Operating (Account No. 3017033) - 12 outstanding checks ranging from $34.82 to $434.04, aged 1 to 4 years.

<u>Management's Response:</u>

Management has reviewed the exceptions noted above and will take the following corrective actions. Management will research all reconciling items outstanding for more than 12 months and document the results of that research. For items determined to be void or stale checks, management will follow applicable state escheatment requirements and void and reissue or write off items as appropriate. For outstanding deposits, management will investigate and resolve discrepancies with the bank. Going forward, management will implement a procedure requiring that all reconciling items outstanding for more than 12 months be reviewed, researched, and documented at the time the monthly bank reconciliation is prepared and reviewed. Responsibility for this procedure will be assigned to a designated staff member and will be subject to supervisory review.

4. *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 five deposit sites (or all deposit sites if less than five).

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 (i.e., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

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

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

i. Observe that receipts are sequentially pre-numbered.
ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
iii. Trace the deposit slip total to the actual deposit per the bank statement.
iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).
v. Trace the actual deposit per the bank statement to the general ledger.

<u>Results:</u> These procedures were not performed. This area was tested in the entity's Single Audit during the fiscal period. This is not an exception.

5. 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 five locations (or all locations if less than five).

B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
ii. At least two employees are involved in processing and approving payments to vendors.
iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

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

C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction and:
i. Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

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

Results: These procedures were not performed. This area was tested in the entity's Single Audit during the fiscal period. This is not an exception.

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

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

B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
i. Observe that 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
ii. Observe that finance charges and late fees were not assessed on the selected statements.

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

D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C, identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Results: These procedures were not performed. This area was tested in the entity's Single Audit during the fiscal period. This is not an exception.

7. *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 five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

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

Results: These procedures were not performed. This area was tested in the entity's Single Audit during the fiscal period. This is not an exception.

8. *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. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:

i. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

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

iv. Randomly select one payment from the fiscal period for each of the five 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.

Results: These procedures were not performed. CCFABA did not initiate or renew any contracts for professional services, materials and supplies, leases, or construction activities during the fiscal period January 1, 2025 through December 31, 2025. Contracts related to construction activities were initiated and approved in the prior fiscal period (2024) and are therefore outside the scope of this procedure. This is not an exception.

9. *Payroll and Personnel*

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

B. Randomly select one pay period during the fiscal period. For the five employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:

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

ii. Observe that supervisors approved the attendance and leave of the selected employees or officials.

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

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

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

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

Results: These procedures were not performed. This area was tested in the entity's Single Audit during the fiscal period. This is not an exception.

10. *Ethics*

A. Using the five randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, obtain ethics documentation from management, and:
   i. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
   ii. Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

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

Results: No exceptions were noted as a result of applying these procedures.

11. 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 that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

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

Results: These procedures were not performed. CCFABA, a nonprofit entity, does not have debt service. This is not an exception.

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

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

Results: No exceptions were noted as a result of applying these procedures.

13. Information Technology Disaster Recovery/Business Continuity

Perform the following procedures and verbally discuss the results with management:

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

B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if 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.

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

D. Randomly select five terminated employees (or all terminated employees if less than five) 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.

E. Using the five randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
   i. Hired before June 9, 2020 – completed the training; and
   ii. Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

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

14. Prevention of Sexual Harassment

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

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

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

   i. Number and percentage of public servants in the agency who have completed the training requirements.
   ii. Number of sexual harassment complaints received by the agency.
   iii. Number of complaints which resulted in a finding that sexual harassment occurred.
   iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.
   v. The amount of time it took to resolve each complaint.

Results: No exceptions were noted as a result of applying procedures A and B. CCFABA is a nonprofit entity; accordingly, procedure C does not apply and was not performed. This is not an exception.

We were engaged by CCFABA 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 CCFABA 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.

Paciera, Gautreau & Priest, LLC

Paciera, Gautreau & Priest, LLC
Metairie, Louisiana
June 29, 2026

CORRECTIVE ACTION PLAN

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.
1417 Nunez Street
New Orleans, LA 70114

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

Corrective Action Plan
For the Year Ended December 31, 2025
Prepared in Response to Audit Findings Reported in Accordance with Government Auditing Standards (2024 Revision) and Title 2 U.S. Code of Federal Regulations Part 200

INTRODUCTION

This Corrective Action Plan has been prepared by management of Concerned Citizens for A Better Algiers, Inc. in response to the findings identified in the audit of the financial statements for the year ended December 31, 2025, performed by Paciera, Gautreau & Priest, LLC. This plan is provided in accordance with the requirements of 2 CFR §200.511(c) and Government Auditing Standards.

Management agrees with all findings as presented in the Schedule of Findings and Questioned Costs and has outlined below the corrective actions to be taken for each finding.

FINDING 2025-001 — INSURANCE CUTOFF ERROR (MATERIAL WEAKNESS)

Condition: Insurance expense of $72,263 was recorded in the incorrect period. The error was not detected during the prior year close and required a prior period adjustment in the current year financial statements.

Management's Response and Corrective Action: Management agrees with this finding. Management acknowledges that period-end cutoff procedures for insurance and prepaid expenses were not consistently applied, resulting in the misstatement identified by the auditors and the requirement for a prior period adjustment.

Management will implement formal period-end close procedures requiring preparation and supervisory review of a prepaid insurance schedule at each year end. The schedule will identify policy coverage periods and ensure that premiums relating to future periods are properly deferred as prepaid assets rather than expensed in the current period. All period-end accruals and prepaid schedules will be subject to review and approval by the Executive Director prior to finalization of the financial statements.

Responsible Party: Shantrice Dial, Executive Director

Target Completion Date: Procedures will be documented and in place prior to December 31, 2026, year-end close.

FINDING 2025-002 — RETAINAGE NOT RECORDED (SIGNIFICANT DEFICIENCY)

Condition: Retainage of $33,366 related to facility construction was not recorded in the organization's general ledger. The omission was identified during audit procedures and subsequently corrected by management.

Management's Response and Corrective Action: Management agrees with this finding. Management acknowledges that retainage of $33,366 related to facility construction was not recorded in the general ledger. The omission was corrected upon identification by the auditors.

Management will establish procedures to review construction contracts at inception and at each period end to identify and record all retainage, liability, and asset obligations. Contract terms will be summarized and maintained on file, and a checklist will be used at each period end to ensure all construction contract obligations are properly reflected in the general ledger. Management will apply these procedures to any future construction or significant capital projects undertaken by the Corporation.

Responsible Party: Shantrice Dial, Executive Director

Target Completion Date: Management will apply these procedures to any future construction or significant capital projects undertaken by the Corporation.

FINDING 2025-003 — ACCOUNTS RECEIVABLE AND BAD DEBT EXPENSE OVERSTATED (SIGNIFICANT DEFICIENCY)

Condition: Accounts receivable for rents were overstated and bad debt expense was understated by $52,654. The misstatement was identified during audit procedures and subsequently corrected by management through the recording of an allowance for doubtful accounts.

Management's Response and Corrective Action: Management agrees with this finding. Management acknowledges that an adequate assessment of the collectibility of rental receivables was not performed and that an allowance for doubtful accounts was not maintained. The misstatement was corrected upon identification by the auditors.

Management will establish a formal policy and procedure for evaluating the collectibility of accounts receivable at each period end. This will include preparation of an accounts receivable aging analysis, identification of balances requiring specific reserve consideration, and documentation of the basis for the allowance estimate. The allowance calculation will be reviewed and approved by the Executive Director prior to finalization of the financial statements.

Responsible Party: Shantrice Dial, Executive Director

Target Completion Date: Procedures will be documented and in place prior to December 31, 2026, year-end close.

FINDING 2025-004 — INTEREST ON CONSTRUCTION FINANCING NOT CAPITALIZED (SIGNIFICANT DEFICIENCY)

Condition: Interest costs of $30,661 incurred in connection with the financing of facility construction were expensed rather than capitalized. The misstatement was identified during audit procedures and subsequently corrected by management.

Management's Response and Corrective Action: Management agrees with this finding. Management acknowledges that interest costs incurred in connection with the financing of facility construction were expensed rather than capitalized in accordance with FASB ASC 835-20. The misstatement was corrected upon identification by the auditors.

Management will consult with its accounting advisors at the inception of future construction projects to identify applicable interest capitalization requirements under ASC 835-20. A procedure will be implemented to track interest costs incurred during active construction periods and to calculate and record the appropriate capitalization amount at each period end.

Responsible Party: Shantrice Dial, Executive Director

Target Completion Date: Management will apply these procedures to any future construction or significant capital projects undertaken by the Corporation.

FINDING 2025-005 — DEBT DRAW AND DEPOSIT IN TRANSIT RECORDED IN ERROR (SIGNIFICANT DEFICIENCY)

Condition: A debt draw and a corresponding deposit in transit were recorded in the general ledger but the underlying transactions were not completed or executed. The misstatement was identified during audit procedures and subsequently corrected by management.

Management's Response and Corrective Action: Management agrees with this finding. Management acknowledges that a debt draw and corresponding deposit in transit were recorded in the general ledger, but the underlying transactions were not completed or executed. The misstatement was corrected upon identification by the auditors.

Management will implement controls requiring independent verification of all debt draws against lender draw requests and bank confirmations prior to recording in the general ledger. Bank reconciliations will be prepared on a timely basis and reviewed by an independent party. All significant debt transactions will require documented authorization by the Executive Director prior to recording.

Responsible Party: Shantrice Dial, Executive Director

Target Completion Date: Management will apply these procedures within the July 2026 bank reconciliation procedures.

CERTIFICATION

Management of Concerned Citizens for A Better Algiers, Inc. certifies that the corrective actions described above will be implemented as stated and that the organization is committed to remediating the deficiencies identified in the audit.

Date: 6/29/26

Shantrice N. Dial, Executive Director
Concerned Citizens for A Better Algiers, Inc.