Providence House
Shreveport, Louisiana

Financial Statements

As of and for the Years Ended December 31, 2025 and 2024

Providence House

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Independent Auditors' Report

To the Board of Directors
Providence House

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Providence House (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Providence House (a nonprofit organization) as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of Providence House's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Providence House's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to agency head on page 19, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2026, on our consideration of the Providence House's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Providence House's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Providence House's internal control over financial reporting and compliance.

Cook & Morehart

Cook & Morehart,
Certified Public Accountants, LLC
June 29, 2026

Providence House
Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	$ 566,503	$ 551,113
Certificates of deposit	1,139,194	1,442,776
Grant and contract receivables	53,381	70,109
Total current assets	1,759,078	2,063,998
Other assets:		
Cash restricted - resettlement funds	10,769	6,009
Cash surrender value of life insurance	816,500	848,328
Total other assets	827,269	854,337
Property and equipment	3,677,385	3,677,385
Accumulated depreciation	(2,773,176)	(2,631,124)
Net property and equipment	904,209	1,046,261
Finance lease equipment	17,580	17,580
Accumulated depreciation	(17,580)	(14,162)
Net finance lease equipment		3,418
Total Assets	$ 3,490,556	$ 3,968,014
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 64,589	$ 27,564
Accrued expenses	43,118	42,924
Current portion finance lease liability		3,589
Current portion note payable - Economic Injury Disaster Loan	3,641	1,033
Total current liabilities	111,348	75,110
Note payable - Economic Injury Disaster Loan	145,604	148,967
Escrowed resettlement funds	10,769	6,009
Total liabilities	267,721	230,086
Net assets		
With donor restrictions	38,461	81,298
Without donor restrictions	3,184,374	3,656,630
Total net assets	3,222,835	3,737,928
Total Liabilities and Net Assets	$ 3,490,556	$ 3,968,014

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

Providence House
Statement of Activities
For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
Contractual revenue – grants	$ 621,600	$	$ 621,600
Donations and contributions of financial assets	1,129,322		1,129,322
Other income	134,534		134,534
Interest income	93,382		93,382
Net assets released from restrictions:			
Restrictions satisfied by expending funds for the purpose intended	42,837	(42,837)	
Total revenues and other support	2,021,675	(42,837)	1,978,838
Expenses:			
Program services	1,876,025		1,876,025
General administration	379,147		379,147
Fund-raising	238,759		238,759
Total expenses	2,493,931		2,493,931
Change in net assets	(472,256)	(42,837)	(515,093)
Net assets, beginning of year	3,656,630	81,298	3,737,928
Net assets, end of year	$ 3,184,374	$ 38,461	$ 3,222,835

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

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

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

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

Providence House
Statement of Functional Expenses
For the Year Ended December 31, 2025

	Program Services	General Administration	Fund Raising	Total
Expenses:				
Salaries and wages	$ 1,018,921	$ 244,599	$ 162,658	$ 1,426,178
Employee benefits	15,640	6,358		21,998
Payroll taxes and workers compensation	87,921	21,106	14,036	123,063
Office expense	6,826	2,043	2,455	11,324
Legal and accounting		22,377		22,377
Telephone	4,168	407	565	5,140
Utilities	90,316	2,331	341	92,988
Printing	1,972	90	3,163	5,225
Insurance	58,615	37,622	7,032	103,269
Repairs and maintenance	243,070	1,950	1,657	246,677
Vehicles	374	249		623
Resident expenses	50,987			50,987
Resident graduation program	5,674			5,674
Work to learn program	6,398			6,398
Homeless prevention program	122,984			122,984
Travel and training	3,352			3,352
Public relations and advertising			4,713	4,713
Computer maintenance	9,480	11,851	2,370	23,701
Education fees and supplies	4,495			4,495
Security	7,077	188	236	7,501
Bank and other fees		6,275		6,275
Meeting expense	2,150	100		2,250
Other	2,731	1,852	32,911	37,494
Dues and subscriptions	647	8,514		9,161
Interest expense		4,613		4,613
Depreciation	132,227	6,622	6,622	145,471
Total expenses	$ 1,876,025	$ 379,147	$ 238,759	$ 2,493,931

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

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

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

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

Providence House
Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024
Operating Activities		
Change in net assets	$ (515,093)	$ (5,925)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	145,471	136,223
(Increase) decrease in cash surrender value of life insurance	31,828	6,459
(Increase) decrease in operating assets:		
Grant and contract receivables	16,728	43,635
Increase (decrease) in operating liabilities:		
Accounts payable	37,025	(2,803)
Accrued expenses	194	(11,034)
Escrowed resettlement funds	4,760	2,064
Net cash provided by (used in) operating activities	(279,087)	168,619
Investing Activities		
Proceeds from certificates of deposit	303,581	
Purchase of certificates of deposit		(62,401)
Purchase of property and equipment		(189,634)
Net cash provided by (used in) investing activities	303,581	(252,035)
Financing Activities		
Principal payments on note payable	(755)	
Payments on finance lease liability	(3,589)	(5,950)
Net cash (used in) financing activities	(4,344)	(5,950)
Net increase (decrease) in cash and cash equivalents	20,150	(89,366)
Cash, cash equivalents and restricted cash beginning of year	557,122	646,488
Cash, cash equivalents and restricted cash end of year	$ 577,272	$ 557,122
Reconciliation of cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	$ 566,503	$ 551,113
Cash restricted - resettlement funds	10,769	6,009
Cash, cash equivalents, and restricted cash, end of year	$ 577,272	$ 557,122
Supplemental Disclosure		
Cash paid for interest	$ 6,988	$ 8,623

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

(1) Summary of Significant Accounting Policies

A. Nature of Activities

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

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

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

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

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

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

B. Basis of Accounting

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

(Continued)

C. Basis of Presentation

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

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

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

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

D. Use of Estimates

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

E. Cash and Cash Equivalents

Cash equivalents, as stated for cash flow purposes, consist of cash, certificates of deposit, money market accounts and certificates of deposit having an initial maturity of three months or less.

F. Property and Equipment

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

(Continued)

G. Contributions

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

H. Income Tax Status

Providence House is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the organization's tax-exempt purpose is subject to taxation as unrelated business income. Providence House had no such income during this audit period. The Form 990, "Return of Organization Exempt from Income Taxes", for Providence House for the years ended December 31, 2022, 2023, 2024, and 2025 are subject to examination by the IRS, generally for three years after they were filed.

I. Retirement Plan

Providence House established a profit–sharing plan with a 401(k) option for eligible employees. The name of the plan is Providence House Retirement Plan. The plan shall cover only employees having completed at least one year of service and having attained age 21. The employer contribution amount is determined by appropriate action of the Employer as of the time prescribed by law. There were no employer contribution amounts paid by Providence House for the years ended December 31, 2025 and 2024.

J. Donated Assets

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

K. Donated Property and Equipment

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

L. Functional Expenses

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

(Continued)

(2) Concentrations of Credit Risk

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

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of December 31, 2025 and 2024, Providence House had no significant concentrations of credit risk in relation to grant receivables.

Providence House maintains cash balances at local financial institutions. Accounts at those institutions are insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2024, total cash balances held at financial institutions was $2,002,337. Of this amount $1,071,224 was secured by FDIC, and the remaining $931,113 was unsecured. At December 31, 2025 total cash balances at financial institutions was $1,725,606. Of this amount $1,071,146 was secured by FDIC, and the remaining $654,460 was unsecured.

(3) Grant and Contract Receivables

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from the funding sources at December 31, 2025 and 2024 but not received until after those dates.

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

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

(4) Restricted Cash – Resettlement Funds

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

(Continued)

(5) Fixed Assets

A summary of fixed assets as of December 31, 2025 follows:

	Estimated Useful Life	Cost / Basis	Accumulated Depreciation
Land	N/A	$ 117,830	$ –
Construction in progress	N/A	41,708	–
Buildings	15–30 years	1,125,795	878,436
Building improvements	7–25 years	2,164,129	1,710,358
Furniture & fixtures	5–10 years	9,181	9,181
Office equipment	3–7 years	6,962	6,962
Kitchen equipment	5–7 years	10,686	8,396
Playground equipment	5–10 years	124,973	124,973
Vehicles	5–7 years	76,121	34,870
		$ 3,677,385	$ 2,773,176

Depreciation expense for the year ended December 31, 2025 was $145,471.

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

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

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

(6) Cash Surrender Value of Life Insurance

Providence House is the owner and beneficiary of life insurance policies on the lives of certain supporters of the organization with a net cash surrender value at December 31, 2025 and 2024 of $816,500 and $848,328, respectively.

(7) Net Assets

	2025	2024
Net Assets Without Donor Restrictions:		
Undesignated	$ 2,280,165	$ 2,610,540
Net investment in property and equipment	904,209	1,046,090
Total net assets without donor restrictions	3,184,374	3,656,630
Net Assets With Donor Restrictions:		
Subject to expenditures for specified purpose -		
Restricted for back to school	774	774
Restricted for workforce development	16,217	43,900
Restricted other	18,646	27,184
Disaster relief	2,824	9,440
Total net assets with donor restrictions	38,461	81,298
Total Net Assets	$ 3,222,835	$ 3,737,928

(8) Liquidity and Availability of Financial Assets

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

	2025	2024
Financial assets at year-end:		
Cash and cash equivalents	$ 566,503	$ 551,113
Certificates of deposit	1,139,194	1,442,776
Grant and contract receivables	53,381	70,109
Cash restricted for building improvements		
Cash restricted for resettlement funds	10,769	6,009
Total financial assets	1,769,847	2,070,007
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(38,461)	(81,298)
Cash restricted	(10,769)	(6,009)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,720,617	$ 1,982,700

In addition to financial assets available to meet general expenditures over the year, Providence House anticipates covering its general expenditures using the income generated from contractual agreements and contributions. To assist in managing liquidity, Providence House maintains a line of credit of $150,000 with a bank that is drawn upon as needed during the year to assist in managing cash flow. See Note 13 for further description of this line of credit. Providence House also has cash surrender value of life insurance at December 31, 2025 and 2024 of $816,500 and $848,328, respectively that could be utilized to assist in managing cash flow. The Statement of Cash Flows identifies the sources and uses of Providence House's cash and shows negative cash flows from operating activities for the year ended December 31, 2025 of $(279,087) and positive cash flow from operating activities for the year ended December 31, 2024 of $168,619.

(Continued)

(9) Contractual Revenue – Grants

Revenues shown as contracts with governmental agencies for the years ended December 31, 2025 and 2024 consist of the following:

	2025	2024
City of Shreveport – ESG	$ 118,291	$ 207,904
Caddo Parish Commission	21,778	
Childrens Trust Fund	39,007	56,075
Children and Adult Care Food Program	50,997	71,305
TANF	211,415	162,950
Child Care Assistance and vouchers	180,112	158,821
	$ 621,600	$ 657,055

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

(10) Accrued Expenses

An analysis of Providence House's accrued expenses at December 31, 2025 and 2024 are as follows:

	2025	2024
Payroll taxes and other withholdings	$	$ 5,349
Salaries and wages	43,118	34,199
Interest payable		3,376
	$ 43,118	$ 42,924

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

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

Balance of the note payable at December 31, 2025 and 2024 was $149,245 and $150,000, respectively. Current portion of the note payable at December 31, 2025 and 2024 was $3,641 and $1,033, respectively.

Approximate maturities of the loan are as follows:

Year Ended December 31,	Amount
2026	$ 3,641
2027	3,742
2028	3,847
2029	4,064
2030	3,954
After 2030	129,997
	$ 149,245

(Continued)

(12) Leases

Providence House entered into a financing lease during 2022 for certain office equipment. The financing lease had a commencement date of August 1, 2022 with thirty-six (36) monthly payments of $520. The interest rate utilized on the financing lease is 4.25%. The financing lease is secured by a security interest in the equipment. Final payment on the lease was made during the year ended December 31, 2025. Details of the finance lease as of December 31, 2025 and 2024 is as follows:

Financing Lease	2025	2024
Finance lease equipment	$ 17,580	$ 17,580
Accumulated depreciation	(17,580)	(14,162)
Net finance lease equipment	$	$ 3,418

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

Amortization of expense	$ 3,418
Interest on finance lease obligation	51
Total	$ 3,469

(13) Line of Credit

Providence House obtained a line of credit for $150,000. The line of credit was secured by real estate owned by Providence House, a security interest in any and all funds that the borrower may now or in the future have on deposit at the lender, and matures on June 9, 2028. The line of credit has a variable interest rate of the bank's prime rate. Interest is to be paid monthly. There were no amounts outstanding and due on the line of credit at December 31, 2025 and 2024.

(14) Endowment Account with Community Foundation of North Louisiana

Providence House has entered into an agreement with the Community Foundation of North Louisiana (CFNLA). The agreement establishes an Agency Endowment Fund at CFNLA called "Providence House Endowment – The Gift of a Lifetime Fund" (Fund). All property of the Fund belongs to CFNLA. The fund will be used for support of the charitable purposes of Providence House. Net income and capital appreciation of the Fund, as governed by CFNLA's Spending Policy, will be paid and distributed to Providence House at least annually, for as long as Providence House is a Qualified Charitable Organization. The fair market value of the fund at December 31, 2025 and 2024 was $1,328,306 and $1,212,515, respectively.

(15) Subsequent Events

Subsequent events have been evaluated through June 29, 2026, the date the financial statements were available to be issued.

(16) Investments – Certificates of Deposit

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

Providence House
Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2025

Agency Head: Verni W. Howard, Executive Director until April, 2025.

There were no payments for compensation, benefits and other payments derived from public funds during the year ended December 31, 2025.

Agency Head: Sharpel Welch, Executive Director, effective June 16, 2025.

There were no payments for compensation, benefits and other payments derived from public funds during the year ended December 31, 2025.

COOK & MOREHART,
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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With *Government Auditing Standards*

Independent Auditors' Report

To the Board of Directors
Providence House
Shreveport, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Providence House, (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 29, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Cook + Morehart

Cook & Morehart,
Certified Public Accountants, LLC
June 29, 2026

Providence House
Summary Schedule of Audit Findings for the
Louisiana Legislative Auditor
December 31, 2025

Summary Schedule of Prior Audit Findings

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

Corrective Action Plan for Audit Findings for the Year Ended December 31, 2025

There are no findings or management letter comments for the current year audit for the year ended December 31, 2025.

COOK & MOREHART,
Certified Public Accountants, LLC

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Independent Accountants' Report on Applying Agreed-Upon Procedures

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

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

Providence House has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 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 whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

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

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

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.

Procedures performed. No exceptions noted.

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

ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

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

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

Procedures performed. No exceptions noted.

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 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

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

Procedures performed. No exceptions noted.

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 5 deposit sites (or all deposit sites if less than 5).

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

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

Providence House does not utilize cash drawers.

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

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

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

Procedures performed. No exceptions noted.

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

Procedures performed. No exceptions noted.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

i. Observe that receipts are sequentially pre-numbered.

Providence House does not write receipts for collections because Providence House does not collect any actual cash collections.

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

Procedures performed. No exceptions noted.

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

Procedures performed. No exceptions noted.

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).

Exception: There was no evidence that deposits were made within one business day.

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

Procedures performed. No exceptions noted.

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

B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

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; and

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 procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

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

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

Procedures performed. Exceptions noted.

Exception: Electronic disbursements are approved by only one (1) authorized signer. The Organization's policy is to have two (2) authorized signers on disbursements.

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

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

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

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

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

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.

Procedures performed. No exceptions noted.

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 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

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

iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

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

Procedures performed. No exceptions noted.

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. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

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

iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Procedures performed. No exceptions noted.

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 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

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

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

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

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

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

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

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

Procedures performed. No exceptions noted.

10) Ethics

Not applicable to nonprofit organizations.

11) Debt Service

Not applicable to nonprofit organizations.

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.

The Organization represented that there were no misappropriations of public funds and assets during the fiscal period.

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.

Procedures performed. No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

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

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

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

C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

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

E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedures #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 – Completed the training; and
- Hired on or after June 9, 2020 – Completed the training within 30 days of initial service or employment.

We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

Not applicable to Providence House.

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

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

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

Cook & Morehart

Cook & Morehart,
Certified Public Accountants, LLC
June 29, 2026

PROVIDENCE HOUSE

Breaking the Homeless Cycle One Family at a Time

June 29, 2026

Cook & Morehart,
Certified Public Accountants, LLC
1215 Hawn Avenue
Shreveport, LA 71107

Providence House submits the following response to the exception identified in the Statewide Agreed-Upon Procedures Report for the year ended December 31, 2025.

Exception: There was no evidence that deposits were made within one business day.

Management's Response: It is Management's policy to make deposits when deemed necessary.

Exception: Electronic disbursements are approved by only one (1) authorized signer. The Organization's policy is to have two (2) authorized signers on disbursements.

Management's Response: Management will consider additional controls on electronic payments.

Sincerely,

Sharpel Welch

Sharpel Welch
Executive Director
Providence House

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