Bastion Community of Resilience and Subsidiary
New Orleans, Louisiana

Consolidated Financial Statements

December 31, 2025

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Bastion Community of Resilience and Subsidiary

Year ended December 31, 2025

LeGlue & Company, CPAs, L.L.C.

Independent Auditors' Report

Board of Directors
Bastion Community of Resilience and Subsidiary
New Orleans, Louisiana

Opinion

We have audited the consolidated financial statements of Bastion Community of Resilience and Subsidiary (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization 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 (GAAS) and if applicable, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to executive director, as required by Louisiana Revised Statute 24:513 A.(3), is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to executive director is fairly stated, in all material respects, in relation to the consolidated 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 22, 2026, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance

Respectfully submitted,

LeGlue and Company, CPAs, L.L.C.
New Orleans, Louisiana
June 22, 2026

Exhibit A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Bastion Community of Resilience and Subsidiary

December 31, 2025

ASSETS

Current assets	
Cash and cash equivalents	$ 1,167,574
Contributions receivable, net	471,753
Other current assets	41,034
Other receivables	9,175
Total current assets	1,689,536
Non-current assets	
Cash restricted to investment in wellness center	1,534,668
Leverage loans receivable	4,148,100
Right-of-use asset	111,223
Property and equipment, net	5,585,932
Total non-current assets	11,379,923
Total	$ 13,069,459

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	$ 584,257
Accrued expenses	83,070
Note payable, current portion	3,637
Bridge loans	560,546
Operating lease liability - current	21,364
Total current liabilities	1,252,874
Long-term liabilities	
Operating lease liability, net of current portion	100,526
Reserves	168,513
QLICI loans, net of debt issuance costs	6,267,869
Note payable, net of current portion	145,545
Total long-term liabilities	6,682,453
Total liabilities	7,935,327
Net Assets	
Without donor restrictions	4,180,428
With donor restrictions	953,704
Total net assets	5,134,132
Total	$ 13,069,459

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF ACTIVITIES

Bastion Community of Resilience and Subsidiary

For the year ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support			
Contributions	$ 103,534	$ -	$ 103,534
Corporate grants	185,584	-	185,584
Foundation grants	310,650	1,082,000	1,392,650
Special events	116,206	-	116,206
State support	2,695,715	-	2,695,715
In-kind contributions	723,000	-	723,000
Developer fees	171,888	-	171,888
Other income	203,186	-	203,186
	4,509,763	1,082,000	5,591,763
Net assets released from restrictions	717,787	(717,787)	-
Total revenues and support	5,227,550	364,213	5,591,763
Expenses			
Program services	1,967,064	-	1,967,064
Fundraising	81,216	-	81,216
General and administrative	531,394	-	531,394
Total expenses	2,579,674	-	2,579,674
Change in net assets	2,647,876	364,213	3,012,089
Net assets at the beginning of the year	1,532,552	589,491	2,122,043
Net assets at the end of the year	$ 4,180,428	$ 953,704	$ 5,134,132

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Bastion Community of Resilience and Subsidiary

Year ended December 31, 2025

	Program Services - Informational and Educational	Support Services - Fundraising	Support Services - General and Administrative	Total
Personnel costs	$ 842,084	$ 59,800	$ 73,729	$ 975,613
Health and wellness	790,349	3,150	-	793,499
Professional fees	1,166	4,431	243,890	249,487
Occupancy	34,619	-	27,095	61,714
Insurance	24,493	-	24,792	49,285
Other expenses	17,648	3,665	109,794	131,107
Telephone	9,208	1,470	24,914	35,592
Contract services	55,756	-	600	56,356
Supplies	149,077	2,712	14,031	165,820
Depreciation	19,859	-	-	19,859
Conference expenses	1,316	3,300	2,503	7,119
Travel	19,268	1,816	8,115	29,199
Printing	2,221	872	1,931	5,024
Total expenses	$ 1,967,064	$ 81,216	$ 531,394	$ 2,579,674

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Bastion Community of Resilience and Subsidiary

Year ended December 31, 2025

Cash flows from operating activities	
Change in net assets	$ 3,012,089
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	19,859
Amortization of right-of-use asset	14,391
Changes in operating assets and liabilities:	
Contributions receivable, net	(54,758)
Other current assets	(40,240)
Other receivables	11,590
Accounts payable	532,865
Obligations under operating lease	(14,191)
Accrued expenses	45,413
Net cash provided by operating activities	3,527,018
Cash flows from investing activities	
Construction in progress	(4,045,314)
Net cash used in investing activities	(4,045,314)
Cash flows from financing activities	
Payments on bridge loans	(2,744,454)
Payments on EIDL loan	(818)
Payments on reserve funding	(24,000)
Net cash used in financing activities	(2,769,272)
Net decrease in cash and cash equivalents	(3,287,568)
Cash and cash equivalents, beginning of year	5,989,810
Cash and cash equivalents, end of year	$ 2,702,242
Supplemental Information for Cash Flow Statement	
Cash paid during the year for interest	$ 84,916

See accompanying notes to the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Bastion Community of Resilience and Subsidiary

Year ended December 31, 2025

Note 1
Nature of Operations and Summary of Significant Accounting Policies

History and Organization

Bastion Community of Resilience ("Bastion") is a nonprofit organization, which supports returning warriors and families through their transition from military service and beyond by providing a healing environment with an intentionally designed neighborhood. Bastion's goal is for residents to maximize independence in the home and age in place by creating layers of social and instrumental support through volunteer programs and individualized care plans.

Principles of Consolidation

Bastion Community of Resilience and Subsidiary's (collectively, the "Organization") consolidated financial statements include the accounts of Bastion Community of Resilience ("Bastion") and Bastion Community Development Company, Inc. ("Bastion CDC"), a nonprofit corporation. Bastion utilized Bastion CDC to facilitate transactions that qualify under the Louisiana New Market Jobs Act, La. Rev. Stat. Sec. 47:6016.1 and Section 45D of the Internal Revenue Code of 1986, as amended. Through Bastion CDC's participation in the New Market Tax Credit (NMTC) programs, Bastion CDC has secured financing related to an eligible capital project. See additional details at Notes 5 and 8. All inter-organizational accounts and transactions have been eliminated upon consolidation.

Basis of Presentation

The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, and accordingly reflect all significant receivables, payables, and other liabilities. Under this method, revenues are recognized when earned, and expenses are recorded when incurred. Contributions are recognized when received or when unconditionally promised.

Use of Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 1
(Continued)

Consolidated Financial Statement Presentation

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

> Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions net assets for an operating reserve or board-designated endowment.
>
> Net Assets with Donor Restrictions – Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. At December 31, 2025, the Organization held net assets with donor restrictions in the amount of $953,704.

Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, management considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Contributions Receivable

Contributions receivable consist primarily of grants and contributions receivable.

Contributions receivable that are expected to be collected in future years are considered long-term receivables and are discounted due to the significance of the pledges. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the assets. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statement of activities.

Note 1
(Continued)

Property and Equipment

All acquisitions of land and leasehold improvements in excess of $1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation for leasehold improvements is computed using the straight-line method over the remaining lease term. Construction in progress at December 31, 2025 was $5,122,702.

Property and equipment are reviewed for impairment if the use of the asset significantly changes, or another indicator of possible impairment is noted. If the carrying amount for the asset is not recoverable, the value is written down to the asset's fair value.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of beneficial interest received. Conditional promises to give that is, those with measurable performance or other barriers and rights to return (or release) are not recognized until the conditions on which they depend have been substantial met.

Donated Services

No amounts have been reflected in the consolidated financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, individuals volunteer their time and perform a variety of tasks that assist the Organization throughout the year, but these services do not meet the criteria for recognition as contributed services.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of functional expenses. The consolidated statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs, primarily salaries, benefits, and professional fees have been allocated among the programs and supporting services benefited. The allocation between functions is based on time spent by specific employees as estimated by management. All other costs are charged directly to the appropriate functional category.

Income Taxes

Bastion and Bastion CDC are organized as nonprofit corporations and have been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections.

Note 1
(Continued)

The Organization is exempt, by statue, from federal, state, and local income taxes, except for certain products and services which have been deemed by the Internal Revenue Services (IRS) to be subject to unrelated business income tax (UBIT). There were no unrecognized tax benefits identified or recorded as liabilities for at December 31, 2025.

Operating Lease

The Organization follows ASU 2016-02, Leases (Topic 842). Under this guidance, lessees and lessors are required to recognize a right-of-use (ROU) asset and corresponding lease liability on the statements of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of activities. In addition, the new standard requires enhanced disclosures surrounding the amount, timing and uncertainty of cash flows arising from leasing arrangements.

For more information on the Organization's lease arrangements refer to Note 11 – Operating Lease.

Allowance for Doubtful Accounts

The Organization has adopted the Current Expected Credit Losses (CECL) accounting standard, as per Accounting Standards Update (ASU) No. 2016-13, "Financial Instruments – Credit Losses (Topic 326)." The standard introduces a new model for estimating credit losses on financial instruments. After a thorough evaluation, management has determined that the impact of adopting the CECL standard on the financial statements is immaterial. The Organization has considered factors such as historical loss experience, current economic conditions, and other relevant factors in its credit loss estimation process. Management provides for uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to bad debt expense.

Note 2
Liquidity and Availability of Financial Resources

The Organization has cash and contributions receivable of $685,623 of financial assets available for general expenditures within one year of the consolidated statement of financial position dated December 31, 2025. Additionally, the Organization has cash of $1,534,668 for construction of the veteran wellness center project that are included in assets restricted to investment in wellness center. The financial assets available to meet cash needs for general expenditures within one year excludes donor restricted assets of $953,704 at December 31, 2025. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as it general expenditures, liabilities, and other obligations come due.

Note 3

Property and Equipment

Property and equipment, net of accumulated depreciation, consisted of the following at December 31, 2025:

Land	$ 363,311
Construction in progress	5,122,702
Vehicle	161,245
Furniture, fixtures and equipment	15,775
Leasehold improvements	29,038
Total property and equipment	5,692,071
Less: Accumulated depreciation	(106,139)
Property and equipment, net	$ 5,585,932

Depreciation expense on property and equipment for the year ended December 31, 2025 was $19,859.

Note 4

Note Receivable

The source of funds used for the note receivable balance consisted of grant funds from the City of New Orleans (HOME grant), private donors, and in-kind contributions. The funds advanced to the borrowers were used to support the acquisition and development of the property at 1901 Mirabeau in New Orleans (Phase I and Phase II). Note receivable consists of the following at December 31, 2025:

Bastion NO Partners, I, LLC note receivable dated June 1, 2016, at 0% interest, maturity date of May 1, 2058, unsecured, payments based on net free cash flow, subordinate to other debt	$ 1,555,000
Bastion New Orleans Partners, II, LLC note receivable dated December 21, 2017, at 1% interest, maturity date of August 1, 2058, unsecured, payments based on net free cash flow, subordinate to other debt	660,000
	2,215,000
Less: allowance for doubtful accounts	(2,215,000)
Note receivable, net	$ -

Note 4
(Continued)

Advances on the note receivable were $1,128,288 and $1,086,712 during the years ended December 31, 2017, and 2016, respectively. The Organization has recorded an allowance for doubtful accounts of $2,215,000 at December 31, 2025 due to the uncertainty in future net free cash flows, unsecured nature of the note, and length of time until maturity date.

Note 5
Leverage Loans Receivable

In August 2024, as part of the NMTC transactions, Bastion made leveraged loans to a qualified equity investment fund (QEI) linked to Bastion's financing obtained through the NMTC program.

The loans accrue interest at fixed rates. The State Leverage Loan, for $3,570,000 is interest-only for approximately 7 years at 1%, with a term of 28 years. The Federal Leverage Loan for $578,100 is interest-only for approximately 7 years at 3.458%, with a term of 20 years.

Leverage loans receivable at December 31, 2025 are as follows:

AMCREF Fund 90, LLC with interest accruing at 1%; interest-only payments for approximately 7 years, then principal and interest payments are due through the remainder of the 28 year term.	$ 3,570,000
Twain Investment Fund 789, LLC with interest accruing at 3.46%; interest-only payments for approximately 7 years, then principal and interest payments are due through the remainder of the 20 year term.	578,100
Total	$ 4,148,100

After the Compliance Period of approximately 7 years, there are put and call agreements between Bastion and the investors QEI funds (state and federal). It is anticipated that the NMTC investors will put their options and Bastion will own the QEI funds at the end of the Compliance Period. However, if the investors do not put their interest, management has the ability to and intends to exercise its option to call. This action will essentially result in the forgiveness of these loans as well as extinguishment of the Organization's NMTC loans as described in Note 8.

The Organization funded the above loans via bridge loans of $2,900,000 and $405,000, along with cash on hand and other assets.

Note 6

Notes Payable

On May 19, 2020, the Organization received a U.S. Small Business Administration (SBA) Economic Injury Disaster Loan (EIDL) in the amount of $150,000, secured by assets of the Organization. Proceeds of the loan are to be used for working capital and normal operating expenses. The loan has an interest rate of 2.75% and requires principal and interest payments of $641 each month beginning in 2025 until the maturity date 30 years from the date of the original loan.

Principal maturities of the note payable during each of the next five years are as follows:

2026	$	3,637
2027		3,738
2028		3,843
2029		3,950
2030		4,060
Thereafter		129,954
	$	149,182

Note 7

Bridge Loans

The first Bridge Loan with a local bank was for $2,900,000 and carries a rate of interest at the Wall Street Journal Prime Rate which was 6.75% at December 31, 2025. The loan requires monthly interest only payments. At December 31, 2025, the balance on the loan was $430,546. The loan has been renewed through August 2026.

The second Bridge Loan with a finance firm was for $405,000 and carries a rate of interest of 5% at December 31, 2025. The loan requires interest only payments quarterly. At December 31, 2025, the balance on the loan was $130,000. The remaining balance was paid in full in February 2026.

Note 8

New Market Tax Credit Financing Transactions and associated QLICI Loans

In August 2024, in order to facilitate the New Market Tax Credit transactions, Bastion entered into a master lease agreement with Bastion CDC. Bastion will agree to complete the construction and development of the veteran wellness center project in exchange for rent payments from Bastion CDC. Upon completion of the project, Bastion CDC will lease the property back to Bastion for a 30-year lease and Bastion will operate the property. These payments are eliminated upon consolidation.

As an inducement to such third-party tax credit investors and a CDE to invest in the project, Bastion committed two leveraged loans, consisting of the State Leverage Loan of $3,570,000 and the Federal Leverage Loan of $578,100. The proceeds from these loans will be to the State Investment Fund of $3,570,000 and the Federal Investment Fund of $578,100, (collectively, the "Funds") respectively.

Note 8
(Continued)

The leverage loans are reflected as a leverage loans receivable on the consolidated statement of financial position as of December 31, 2025. The State QEI of $5,000,000 will be used to fund the Federal Investment Fund in the form of State QLICI loans. The USBCDC Investment Fund will make a Federal NMTC Investment of $2,129,400 into the Federal Investment Fund.

The Federal Investment Fund with the combined proceeds of the Federal NMTC Investment, State QLICI Loans and Federal Leverage Loan will make an equity investment of $7,000,000 in the form of a Federal QEI to a Federal Sub-CDE, which will generate the Federal new market tax credits.

The Federal Sub-CDE will use the proceeds of the Federal QEI to pay transactions fees and make NMTC Loans to Bastion CDC in the aggregate amount of $7,000,000.

The NMTC loans outstanding at December 31, 2025 as follows:

QLICI Loan A1 - interest rate of 1% for a 35 year term. First 7 years are interest only.	$ 5,000,000
QLICI Loan A2 - interest rate of 1% for a 35 year term. First 7 years are interest only.	578,100
QLICI Loan B - interest rate of 1% for a 35 year term. First 7 years are interest only.	1,421,900
Total	$ 7,000,000

Bastion CDC used proceeds from the loans to fund the construction of the veterans wellness center project, along with costs associated with setting up the NMTC transactions.

The first seven years of the notes are defined as the Compliance Period. No principal payments are required during the Compliance period, with payments being interest only payments at 1%. Thereafter, the loans are amortized with principal and interest payments required over the remaining term of the 35-year loan. The loans are secured only by reserve deposit accounts holding funds required to be used to pay interest and reimbursements with respect to these loans. The loans can be repaid any time after the Compliance Period.

There are put and call agreements between Bastion CDC and the investors in the QEI funds (which has ownership interests in the CDEs making the loans). At the option of the NMTC investors, at the end of the Compliance Period, Bastion will be permitted to purchase the NMTC loans for $1,000 each, plus any unpaid NMTC loan interest and expenses. If the investors exercise the options, then, at or near the end of the Compliance Period and prior to commencement of amortization on the NMTC loans, the NMTC loans will be assigned to Bastion, which will hold the loans as "lender" and the borrower will be Bastion CDC. In that event, Bastion can elect to forgive the NMTC loans and Bastion and Bastion CDC could elect to terminate the Master Lease and Operating Lease.

Note 9
Net Assets with Restrictions

The Organization has contributions receivable and cash of $953,704 that is donor restricted for specific programs and program related expenses at December 31, 2025. For the year ended December 31, 2025, the net assets released from restrictions are comprised of previously recorded donor restricted net assets that have met either time or purpose restrictions and related primarily to program related expenses.

Note 10
Cash Restricted to Investment in Wellness Center

As of December 31, 2025, the Organization had cash of $1,534,668 that is held by the Bastion Community Development Company, Inc., this cash is restricted to be used for the construction of the Organization's new wellness center. These funds were not contributed from donors.

This cash has been reclassified from current assets to non-current assets as the project may last longer than a year. Since these funds are not available for operations, the Organization has presented them separately and as a non-current asset.

Note 11
Operating Lease

The Organization has an operating lease agreement for use of office space and facilities in New Orleans through April 30, 2022. The Organization renewed the lease for one additional five-year period on May 1, 2022. Rent expense incurred for the lease was $20,882 during the year ended December 31, 2025, and is included in occupancy expense on the consolidated statement of functional expenses.

As part of the adoption of Lease Topic 842, the Organization has elected the practical expedient not to separate lease and non-lease components for all real estate leases.

The future minimum lease payments under the operating lease are as follows:

2026	$	21,364
2027		21,792
2028		22,232
2029		22,676
2030		23,128
Thereafter		33,487
		144,679
Less: Imputed interest		(22,789)
	$	121,890

The weighted average remaining lease term was 6.25 years and the weighted averaged discount rate was approximately 5%.

The cash paid during the year ended December 31, 2025 from operating leases was $20,948.

Note 12
Cash and Restricted Cash

The following table provides a reconciliation of cash and cash restricted for construction of the wellness center within the statement of financial position that reconciles to the total of the same amounts shown in the statement of cash flows as of December 31, 2025:

Cash and cash equivalents	$ 1,167,574
Cash restricted to investment in wellness center	1,534,668
Total cash and restricted cash shown in the statement of cash flows	$ 2,702,242

Note 13
Concentrations

Credit Risk
The Organization has concentrated its credit risk for cash by maintaining deposits in financial institutions in New Orleans, Louisiana, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). At December 31, 2025, the Organization's uninsured cash balances total $1,819,033.

Contributions Receivable
Contribution receivable includes two contributions for approximately $440,000, which represents 94% of the total amount reported as of December 31, 2025.

Note 14
Special Events

Special event revenue includes revenue from fundraising events managed by the Organization as well as some contributions for which events are managed by third parties for the benefit of the Organization. The special event revenues were $116,206 for the year ended December 31, 2025.

Note 15
In-Kind Contribution

During the year ended December 31, 2025, the Organization received an in-kind contribution consisting of the use of a suite for a sporting event for the benefit of residents served by the Organization. The contributed use of the suite was recorded at estimated fair value on the date of the event based on comparable market pricing and determined to be valued at $723,000. The contribution was utilized on the event date for program services and no donor-imposed restrictions were placed on its use.

Note 16

Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, June 22, 2026, and determined there were no events requiring disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

Bastion Community of Resilience and Subsidiary

Year ended December 31, 2025

Agency Head Name: Jackson Smith, JD, Executive Director

	Total
Salaries	$ 134,808
Benefits - insurance	3,900
Benefits - retirement	4,044
Benefits - other (describe)	-
Benefits - other (describe)	-
Benefits - other (describe)	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	6,971
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses (ex: travel advances, etc.)	-
Special meals	-
Other	-
Total	$ 149,723

See independent auditors' report.

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 Auditor's Report

Board of Directors
Bastion Community of Resilience and Subsidiary
New Orleans, 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 Bastion Community of Resilience and Subsidiary (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2025 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 22, 2026.

Report on Internal Control over Financial Reporting

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 consolidated 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 result 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.

Respectfully submitted,

LeGlue and Company, CPAs, L.L.C.
New Orleans, Louisiana
June 22, 2026

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Bastion Community of Resilience and Subsidiary

Year ended December 31, 2025

Section I – Summary of Independent Auditors' Results

Consolidated Financial Statements

Type of auditors' report issued:	Unmodified opinion
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None noted
Noncompliance material to consolidated financial statements noted	No

Section II – Findings Relating to the Consolidated Financial Statements Reported in Accordance with Government Auditing Standards:

None noted.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Bastion Community of Resilience and Subsidiary

Year ended December 31, 2024

Section I – Findings Related to the Consolidated Financial Statements

None noted.

Section II – Federal Awards Findings and Questioned Costs

None noted.

Section III – Management Letter

None noted.

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June 22, 2026

Independent Accountants' Report on Applying Agreed-Upon Procedures

For the year ended December 31, 2025

Board of Directors
Bastion Community of Resilience and Subsidiary
New Orleans, Louisiana

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 year ended December 31, 2025. Bastion Community of Resilience and Subsidiary (collectively, the "Organization") management is responsible for those C/C areas identified in the SAUPs.

The Organization 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 year ended 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 performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*No exception noted*". If not, then a description of the exception ensues.

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.

      No exceptions noted.

ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

No exceptions noted.

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

No exceptions noted.

iv. ***Receipts / Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue 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).

No exceptions noted.

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

No exceptions noted.

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.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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.

This procedure is not applicable as the Organization is a not-for-profit organization.

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

This procedure is not applicable, as the Organization does not have public debt.

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.

No exceptions noted.

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.

This procedure is not applicable, as the Organization is a not-for-profit organization.

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.

No exceptions noted.

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.*

No exceptions noted.

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

No exceptions noted.

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.

No exceptions noted.

<u>3) Bank Reconciliations</u>

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);

A listing of bank accounts was provided and included a total of 5 bank accounts. Management identified the Organization's main operating account. No exceptions were noted as result of performing this procedure.

From the listing provided, we obtained the bank reconciliations for one month from the fiscal period, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

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 or electronically logged); and

No exceptions noted.

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.

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).

A listing of deposit sites was provided and included a total of 1 deposit site. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected 1 deposit site and performed the procedures below.

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:

A listing of collection locations for each deposit site selected in procedure A was provided and included a total of 1 collection location. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the Organization's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

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

No exceptions noted.

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;

No exceptions noted.

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

No exceptions noted.

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.

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.

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:

We randomly selected 5 deposit dates for the operating account selected in procedure #3A. The other bank accounts did not have deposits for the fiscal period under these procedures. We obtained supporting documentation for each of the 5 deposits and performed the procedures below:

i. Observe that receipts are sequentially pre-numbered.

No exceptions noted.

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

No exceptions noted.

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

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).

No exceptions noted.

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

No exceptions noted.

5) Non-Payroll Disbursements (excluding card purchases, 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).

The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the only location and performed the procedures below.

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:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected at procedure #5A was provided. No exceptions were noted as a result of performing this procedure.

Review of the Organization's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below

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

No exceptions noted.

ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions noted.

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;

No exceptions noted.

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

No exceptions noted.

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.

No exceptions noted.

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

A listing of non-payroll disbursements for each payment processing location selected in procedure #5A above was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

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

No exceptions noted.

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

No exceptions noted.

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.*

No exceptions noted.

<u>6) Credit Cards / Debit Cards / Fuel Cards / Purchase Cards (Cards)</u>

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.

A listing of cards was provided. No exceptions were noted as a result of performing this procedure.

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

From the listing provided, we randomly selected 5 cards used in the year. We randomly selected one monthly statement for each of the 5 cards selected and performed the procedures noted below.

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

From the cards and months selected, we noted instances in which the original receipts were not available. Noted reviews and approvals.

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

No exceptions noted.

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.

We selected 10 transactions from each card selected in procedure #7B and performed the specific procedures. From the cards and months selected, we noted instances in which the original receipts / supporting documentation were not available.

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.

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

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.

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 (https://doa.la.gov/doa/ost/ppm-49-travel-guide) or the U.S. General Services Administration (www.gsa.gov);

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

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

A listing of all agreements / contracts that were initiated or renewed during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 contracts and performed the procedures below.

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;

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

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.

A listing of employees employed during the fiscal period was provided. No elected officials employed. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 employees and performed the specified procedures. No exceptions were noted.

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

We randomly selected one pay period during the fiscal period and performed the procedures below for the 5 employees selected in procedure #9A above.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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.

A listing of employees receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 1 employee and performed the specified procedures. No exceptions noted.

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

No exceptions noted.

<u>10) Ethics</u>

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Ethics is not applicable as the Organization is a not-for-profit organization.

ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Ethics is not applicable as the Organization is a not-for-profit organization.

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

Ethics designee is not applicable as the Organization is a not-for-profit organization.

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.

   Not applicable as the Organization does not incur public debt.

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).

   Not applicable as the Organization does not incur public debt.

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 did not report any 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.

   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.

   We performed the procedure and noted the Organization's accounting software is cloud based, as such, is backed up real time. No exceptions noted.

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.

No exceptions noted.

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.

Noted antivirus software. No exceptions noted.

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

No exceptions noted.

E. Using the 5 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:

- 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

No exceptions noted.

<u>14) Prevention of Sexual Harassment</u>

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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.

The sexual harassment statutes are not applicable to the Organization.

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).

   The sexual harassment statutes are not applicable to the Organization.

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 the report 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;

      The sexual harassment statutes are not applicable to the Organization.

   ii. Number of sexual harassment complaints received by the agency;

      The sexual harassment statutes are not applicable to the Organization.

   iii. Number of complaints which resulted in a finding that sexual harassment occurred;

      The sexual harassment statutes are not applicable to the Organization.

   iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

      The sexual harassment statutes are not applicable to the Organization.

   v. Amount of time it took to resolve each complaint.

      The sexual harassment statutes are not applicable to the Organization.

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

We are required to be independent of the Organization 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 and 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.

Very truly yours,

LeGlue & Company

LeGlue & Company, CPAs, L.L.C.