THE ST. BERNARD PROJECT, INC.
D/B/A SBP, INC.
CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

CONTENTS

Wegmann Dazet
CERTIFIED PUBLIC ACCOUNTANTS

Jon S. Folse
Jonathan P. Koenig
John D. White
Valerie L. Lowry
Thomas R. Laine
Richard J. Tullier, Jr
James G. Hargrove
Kathy L. Flattmann
Melissa L. Chauvin
Danica H. DeSoto

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The St. Bernard Project, Inc.
d/b/a SBP, Inc.
New Orleans, Louisiana

Opinion

We have audited the consolidated financial statements of The St. Bernard Project, Inc. d/b/a SBP, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years 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 SBP, Inc. 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 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of SBP, Inc. 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 Consolidated 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; this includes 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 SBP, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

111 Veterans Blvd., Suite 1600, Metairie LA 70005 | 180 New Camellia Blvd., Suite 200, Covington LA 70433 | p 504.837.8844 f 504.837.0856 | WD.CPA

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

In performing an audit in accordance with generally accepted 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 SBP, Inc.’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SBP, Inc.’s ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedule of Compensation, Benefits, and Other Payments to Agency Head are presented for purposes of additional analysis and are 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 information 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 29, 2026, on our consideration of SBP, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 SBP, Inc.'s internal control over financial reporting and compliance.

Wegmann Dazet

Metairie, Louisiana
June 29, 2026

THE ST. BERNARD PROJECT, INC.
D/B/A SBP, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 10,770,043	$ 14,650,690
Investments - current	7,283,779	5,766,138
Accounts receivable	3,653,462	4,281,400
Promises to give	66,916	59,890
Grants receivable - federal	74,611	1,126,192
Construction in process	-	1,175,057
Real estate held for sale	70,680	70,680
Due from related parties	259,512	1,308,194
Other current assets	266,491	271,085
Total current assets	22,445,494	28,709,326
Investments - noncurrent	4,259,774	4,164,797
Due from related parties	2,770,113	2,349,040
Property and equipment, net	12,300,475	6,132,063
Construction in process	1,367,624	5,537,922
Operating lease - right of use assets, net	355,018	24,343
Other noncurrent assets	2,409,723	3,152,130
Deposits	45,355	37,926
Total assets	$ 45,953,576	$ 50,107,547
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	$ 316,272	$ 1,442,021
Accrued payroll and related liabilities	686,499	622,395
Refundable grant advances	3,234,496	6,631,267
Due to related parties	1,150,513	3,570
Current portion of long-term debt	282,314	221,665
Current portion of operating lease obligations	154,398	24,343
Total current liabilities	5,824,492	8,945,261
Long-term debt, net	6,725,236	6,212,748
Operating lease obligations, less current portion	215,947	-
Total liabilities	12,765,675	15,158,009
NET ASSETS		
Without donor restrictions	28,451,127	30,354,718
With donor purpose restrictions	4,736,774	4,594,820
Total net assets	33,187,901	34,949,538
Total liabilities and net assets	$ 45,953,576	$ 50,107,547

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.
D/B/A SBP, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions	$ 2,891,928	$ 10,340	$ 2,902,268
In-kind contributions	105,930	62,469	168,399
Grants	8,204,235	5,655,009	13,859,244
Property management fees	137,213	-	137,213
Homeowner funding	4,550	95,500	100,050
Sale of properties	350,000	-	350,000
Opportunity housing income	201,556	-	201,556
Vendor incentives	45,671	-	45,671
Interest and dividend income	807,997	-	807,997
Realized and unrealized gain on investments	351,158	-	351,158
Gain on sale of assets	312,422	-	312,422
Developers fees	409,500	-	409,500
Consulting and other income	2,369,343	165,198	2,534,541
Net assets released from restrictions	5,846,562	(5,846,562)	-
Total revenues	22,038,065	141,954	22,180,019
Expenses			
Program services			
Recovery services	14,673,995	-	14,673,995
Opportunity housing	1,295,480	-	1,295,480
Advisory services	3,696,545	-	3,696,545
Supporting services			
General and administrative	3,742,709	-	3,742,709
Fundraising	532,927	-	532,927
Total expenses	23,941,656	-	23,941,656
Change in net assets	(1,903,591)	141,954	(1,761,637)
Net assets			
Beginning of year	30,354,718	4,594,820	34,949,538
End of year	$ 28,451,127	$ 4,736,774	$ 33,187,901

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.
D/B/A SBP, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions	$ 2,253,693	$ 2,509,161	$ 4,762,854
In-kind contributions	506,231	-	506,231
Grants	9,011,085	5,907,981	14,919,066
Property management fees	233,502	-	233,502
Homeowner funding	106,423	-	106,423
Sale of properties	784,919	-	784,919
Opportunity housing income	121,464	-	121,464
Vendor incentives	107,708	-	107,708
Interest and dividend income	733,535	-	733,535
Realized and unrealized gain on investments	310,298	-	310,298
Gain on sale of assets	156,570	-	156,570
Consulting and other income	5,161,944	-	5,161,944
Net assets released from restrictions	6,816,694	(6,816,694)	-
Total revenues	26,304,066	1,600,448	27,904,514
Expenses			
Program services			
Recovery services	19,105,311	-	19,105,311
Opportunity housing	1,994,717	-	1,994,717
Advisory services	2,029,766	-	2,029,766
Supporting services			
General and administrative	2,446,435	-	2,446,435
Fundraising	179,833	-	179,833
Total expenses	25,756,062	-	25,756,062
Change in net assets	548,004	1,600,448	2,148,452
Net assets			
Beginning of year	29,806,714	2,994,372	32,801,086
End of year	$ 30,354,718	$ 4,594,820	$ 34,949,538

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.
D/B/A SBP, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2025

	Program Services			Supporting Services		
	Recovery Services	Opportunity Housing	Advisory Services	Fundraising	General & Administrative	Total Expenses
Advertising	$ 7,246	$ 150	$ 4,630	$ 6,511	$ -	$ 18,537
Bad debt writeoff	-	5,287	-	-	-	5,287
Building maintenance and repairs	2,062	5,517	-	-	11,086	18,665
Construction	4,609,967	-	30,298	194	2,147	4,642,606
Contract services	390,619	84,729	100,753	110,370	325,202	1,011,673
Cost of property sold	-	547,757	-	-	-	547,757
Depreciation expense	17,357	63,184	-	-	165,645	246,186
Disaster deployment	12,736	-	-	-	-	12,736
Dues and subscriptions	3,833	452	1,029	900	10,550	16,764
Education and seminars	7,925	499	20,228	2,594	5,189	36,435
Fundraising expenses	23,972	241	59,853	2,596	11,873	98,535
Grants and awards expenses	1,343,881	-	268,858	10,000	12,750	1,635,489
Information tech	39,424	1,066	13,556	120	16	54,182
In-kind labor	168,399	-	-	-	-	168,399
Insurance	998,774	216,361	169,216	-	264,386	1,648,737
Interest expense	91,258	8,375	-	-	113,561	213,194
Miscellaneous expenses	183,052	42,501	-	-	40	225,593
Office rent	169,100	3,616	10,562	8,000	1,818	193,096
Office supplies	33,813	2,547	2,087	282	5,100	43,829
Payroll - direct	6,036,208	283,095	2,586,706	326,563	2,607,979	11,840,551
Postage and mailing service	5,668	320	2,458	3,517	715	12,678
Printing	11,036	-	22,732	10,114	266	44,148
Professional services	-	-	-	-	24,222	24,222
Signature support	16,439	340	2,093	-	4,596	23,468
Software licenses and fees	222,241	13,799	103,601	22,522	52,769	414,932
Special events	11,619	6,337	9,917	1,837	14,287	43,997
Travel and meetings	189,958	2,318	287,933	26,807	92,191	599,207
Utilities	55,988	6,481	35	-	16,321	78,825
Vehicle expenses	21,420	508	-	-	-	21,928
Total expenses	$ 14,673,995	$ 1,295,480	$ 3,696,545	$ 532,927	$ 3,742,709	$ 23,941,656

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.
D/B/A SBP, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2024

	Program Services			Supporting Services		
	Recovery Services	Opportunity Housing	Advisory Services	Fundraising	General & Administrative	Total Expenses
Advertising	$ 22,340	$ -	$ 293	$ 1,828	$ 234	$ 24,695
Bad debt writeoff	100,000	-	-	-	-	100,000
Building maintenance and repairs	337	10,886	-	-	42,645	53,868
Construction	6,084,967	-	31,415	220	2,882	6,119,484
Contract services	285,886	136,154	145,661	72,705	413,864	1,054,270
Cost of property sold	-	1,083,594	-	-	-	1,083,594
Depreciation expense	19,219	22,062	-	-	151,513	192,794
Disaster deployment	8,569	-	-	-	-	8,569
Dues and subscriptions	3,024	637	54	1,171	10,774	15,660
Education and seminars	4,649	759	6,915	4,182	21,658	38,163
Fundraising expenses	7,105	-	-	17,837	2,001	26,943
Grants and awards expenses	2,189,500	-	-	6,500	500	2,196,500
Information tech	66,310	239	-	8	720	67,277
In-kind labor	506,231	-	-	-	-	506,231
Insurance	967,062	305,344	91,214	-	304,848	1,668,468
Interest expense	60,828	-	-	-	92,149	152,977
Miscellaneous expenses	17,081	11,971	212	656	166	30,086
Office rent	55,562	18,728	36,482	5,497	22,185	138,454
Office supplies	21,656	2,755	2,477	931	831	28,650
Payroll - direct	8,162,919	367,815	1,468,515	-	1,223,776	11,223,025
Postage and mailing service	9,261	203	917	14,934	600	25,915
Printing	13,360	1,516	12,245	5,721	31	32,873
Professional services	-	-	-	-	24,943	24,943
Signature support	10,884	562	2,787	53	4,588	18,874
Software licenses and fees	133,796	10,942	38,789	29,485	8,043	221,055
Special events	6,187	284	26	191	10,585	17,273
Travel and meetings	285,302	6,510	191,764	17,914	80,028	581,518
Utilities	46,128	13,756	-	-	24,871	84,755
Vehicle expenses	17,148	-	-	-	2,000	19,148
Total expenses	$ 19,105,311	$ 1,994,717	$ 2,029,766	$ 179,833	$ 2,446,435	$ 25,756,062

See accompanying Notes to Consolidated Financial Statements.

THE ST. BERNARD PROJECT, INC.
D/B/A SBP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ (1,761,637)	$ 2,148,452
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	246,186	192,794
Noncash operating lease expense	144,138	71,771
Gain on disposal of assets	(312,422)	(156,570)
Realized and unrealized gain on investments	(351,158)	(310,298)
(Increase) decrease in operating assets:		
Accounts receivable	627,938	(2,884,989)
Promises to give	(7,026)	715,867
Grants receivable	1,051,581	833,380
Other current assets	4,594	212
Due from related parties	627,609	(895,449)
Deposits	(7,429)	(12,648)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(1,125,749)	343,180
Accrued payroll and related liabilities	64,104	277,198
Refundable grant advances	(3,396,771)	2,923,460
Due to related parties	1,146,943	(200,706)
Operating lease obligations	(128,811)	(73,195)
Net cash (used) provided by operating activities	(3,177,910)	2,972,459
Cash flows from investing activities:		
Proceeds from disposal of assets	382,424	225,105
Construction in process	(1,058,716)	(2,791,234)
Purchase of property and equipment	(80,529)	(22,665)
Purchase of investments	(10,334,461)	(10,668,902)
Proceeds from sale of investments	9,073,001	10,254,558
Other noncurrent assets	742,407	(719,922)
Net cash used by investing activities	(1,275,874)	(3,723,060)
Cash flows from financing activities:		
Borrowings under long-term debt	791,009	2,418,162
Repayments of long-term debt	(217,872)	(129,200)
Net cash provided by financing activities	573,137	2,288,962
Net (decrease) increase in cash and cash equivalents	(3,880,647)	1,538,361
Cash and cash equivalents at beginning of year	14,650,690	13,112,329
Cash and cash equivalents at end of year	$ 10,770,043	$ 14,650,690

See accompanying Notes to Consolidated Financial Statements.

1) Nature of activities

The St. Bernard Project, Inc. d/b/a SBP, Inc. (SBP, Inc.) is a national nonprofit organization dedicated to helping families recover more quickly and communities rebuild more resiliently after disasters. Founded in 2006, SBP works to reduce the time between disaster and recovery by rebuilding homes for disaster-impacted families, strengthening local recovery systems, and advancing long-term resilience initiatives. Through a combination of direct rebuilding services, strategic consulting, and resilience-focused programs, SBP partners with homeowners, community leaders, government agencies, and philanthropic organizations to improve disaster recovery outcomes and help communities prepare for future events.

Toulouse Commercial, Inc. is a non-profit organization established on March 27, 2015 to operate exclusively for the benefit of, to perform the functions of, and to carry out the purposes of The St. Bernard Project, Inc.

SBP St. Peter Developer, LLC is a Louisiana limited liability company, owned 100% by SBP, Inc. which entered into a developer service agreement on June 1, 2017, with SBP St. Peter, LLC, a non-consolidated Louisiana limited liability company, to provide services related to the 50-unit apartment project located in New Orleans, Louisiana and commonly known as "SBP St. Peter Apartments".

SBP L9 Developer, LLC is a Louisiana limited liability company, owned 100% by SBP, Inc. which entered into a developer service agreement on June 1, 2017, with SBP L9, LLC, a non-consolidated Louisiana limited liability company, to provide services related to the 60-unit scattered-site project located in New Orleans, Louisiana and commonly known as "St. Claude Gardens".

SBP L9 Developer II, LLC is a Louisiana limited liability company, owned 100% by SBP, Inc. which entered into a developer service agreement on November 1, 2023, with SBP L9 II, LLC, a non-consolidated Louisiana limited liability company, to provide services related to the 39-unit scattered-site project located in New Orleans, Louisiana and commonly known as "St. Claude Gardens II".

2) Summary of significant accounting policies

The significant accounting policies followed by the Organization are summarized as follows:

(a) Financial statement presentation

The accompanying consolidated financial statements present the consolidated statements of financial position, changes in net assets and cash flows of The St. Bernard Project, Inc., Toulouse Commercial, Inc., SBP L9 Developer, LLC, SBP L9 Developer II, LLC, and SBP St. Peter Developer, LLC (together referred to as the “Organization”). Toulouse Commercial, Inc. is a variable interest entity and is consolidated in accordance with Accounting Standards Codification (ASC) 810, *Consolidation*. All significant inter-company accounts and transactions have been eliminated.

(b) Revenue recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Funds received with the stipulation that the funds be returned if specified future events fail to occur are accounted for as refundable grant advances until the conditions have been substantially met.

A portion of the Organization’s revenue is derived from cost-reimbursable federal, state and local contracts and grants, which are conditioned upon certain performance requirements and the

2) Summary of significant accounting policies (continued)

(b) Revenue recognition (continued)

incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions.

The Organization measures revenue for qualifying exchange transactions based on the amount of consideration expected to be received for the transfer of goods or services to a customer, then recognizes this revenue when or as it satisfies its performance obligations under the contract.

Revenue from rental agreements with tenants is recognized as earned in accordance with ASC 842, *Leases*. Real estate sales are recognized at the time the sale is complete and title has transferred to the buyer.

(c) Cash and cash equivalents

All cash-related items having a maturity of three months or less from the original maturity date, which are neither held for nor restricted by donors for long-term purposes, are classified as cash and cash equivalents. Cash and highly liquid financial instruments restricted for long-term purposes are excluded from this definition.

(d) Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statements of financial position. Net investment return/(loss) is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Investments with maturity dates greater than one year are classified as long-term.

(e) Accounts receivable and promises to give

Accounts are considered overdue if uncollected within ninety days of original invoice. The Organization considers grant receivables to be fully collectible and when a balance becomes uncollectible, they are written off.

Promises to give consists of unconditional promises to give that are expected to be collected in future years and are recorded at the present value of their estimated future cash flows.

An allowance for credit losses has been maintained for estimated losses resulting from the inability of its tenants or donors to make payments. The Organization's estimate for the allowance for credit losses is based on a review of the current accounts receivable and promises to give. Accounts receivable is presented net of an allowance for credit losses of $95,291 and $164,251 as of December 31, 2025 and 2024, respectively. No allowances have been recorded for promises to give as of December 31, 2025 and 2024, as management believes all promises to give are collectible.

Accounts receivable were as follows for the years ended December 31:

	2025	2024
Accounts receivable, beginning of year	$ 4,281,400	$ 1,396,411
Accounts receivable, end of year	$ 3,653,462	$ 4,281,400

2) Summary of significant accounting policies (continued)

(f) Real estate held for rental

Real estate held for rental is carried at cost plus construction costs and an overhead allocation and is included in property and equipment on the consolidated statements of financial position. The real estate has been acquired to be rehabilitated and rented to qualified homeowners.

(g) Real estate held for sale

Real estate held for sale is carried at cost plus construction costs and an overhead allocation. The real estate has been acquired to be rehabilitated and sold to qualified homeowners.

(h) Property and equipment

Property and equipment are carried at cost. Depreciation of property is provided over the estimated useful lives of the assets using the straight-line method. Repairs and maintenance are expensed as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the assets carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations. The estimated useful lives of depreciable assets are:

	Useful lives
Building	39 years
Real estate held for rental	39 years
Equipment	5 years
Vehicles	5 years

(i) Construction in process

Construction in process includes houses owned by the Organization that are in the process of being rehabilitated and are carried at cost plus construction costs and an overhead allocation as a current asset on the consolidated statements of financial position. The property is transferred to real estate held for sale once it is completed and ready to be put on the market for sale. Construction in process for housing projects that will be held for future use to rent out to tenants is classified as a long-term asset on the consolidated statements of financial position.

(j) Income taxes

SBP, Inc. is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. SBP, Inc.'s determination letter is as of May 30, 2008. Toulouse Commercial, Inc. is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. Toulouse Commercial, Inc.'s determination letter is as of March 27, 2015.

SBP L9 Developer, LLC, SBP L9 Developer II, LLC, and SBP St. Peter Developer, LLC are disregarded entities for income tax purpose. SBP, Inc. is the sole member of these entities.

The Organization has adopted the provisions of ASC 740, *Income Taxes*. Management of the Organization believes it has no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits. With few exceptions, the Organization is not subject to U.S. federal and state income tax examinations by tax authorities beyond three years from the filing of those returns.

(k) Functional expenses

The costs of providing the various programs and activities has been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

2) Summary of significant accounting policies (continued)

(k) Functional expenses (continued)

Program and supporting expenses, when specifically identifiable, are classified to the function which incurred the expense. Expenses allocated using management's estimate of time include payroll, employee benefits and retirement plan expenses. Expenses allocated using management's estimate of usage include professional services, certain insurance, and depreciation and amortization.

(l) Fundraising

All expenses associated with fundraising events are expensed as incurred.

(m) Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(n) Leases

The Organization leases various buildings. The Organization determines if an arrangement is a lease at inception. Operating lease assets and liabilities are recognized at the lease commencement date. Operating lease liabilities represent the present value of minimum lease payments not yet paid. Operating lease assets represent the right to use an underlying asset and are based upon the operating lease liabilities. To determine the present value of lease payments, the Organization uses the risk-free interest rate. The lease term includes the initial contractual terms as well as any options to extend the lease when it is reasonably certain that the Organization will exercise that option. Leases with an initial term of 12 months or less are not recorded on the consolidated statements of financial position. Operating lease payments are charged on a straight-line basis to rent expense over the lease term.

(o) Concentrations of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to certain limits and amounts at each investment firm are insured by the Securities Investor Protection Corporation up to certain limits. The Organization may at times have amounts in excess of these insured limits. The Organization has not experienced any losses in such accounts. The Organization has no policy requiring collateral or other security to support its deposits.

(p) Donated services

The Organization's policy is to recognize donations of in-kind services as revenue at fair value in the period such contributions are made. Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization received volunteer help to renovate homes destroyed by natural disasters. The estimated value of the contributed services for the years ended December 31, 2025 and 2024 was $168,399 and $506,231, respectively.

(q) Other noncash donations

Noncash donations are recorded as contributions at their fair value at the date of donations. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the

2) Summary of significant accounting policies (continued)

(q) Other noncash donations (continued)

donated asset to a specific purpose. The estimated value of the other noncash donations for the years ended December 31, 2025 and 2024 was $149,789 and $133,676, respectively, and is included in contributions on the consolidated statements of activities. The noncash donations for 2025 and 2024 consisted of airline miles, publicly traded securities, and computers.

(r) Net assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations are not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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 consolidated statements of activities as net assets released from restrictions.

(s) Impairment of long-lived assets

The Organization reviews property and equipment for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The Organization did not recognize any impairment losses in 2025 or 2024 related to assets held for use or sale.

The Organization evaluates whether events and circumstances have occurred that indicate the operating lease right of use assets have been impaired. Measurement of any impairment is based on estimated fair values. Once a right of use asset is impaired, the carrying amount of the right of use asset is reduced through expense and the remaining balance is subsequently amortized on a straight-line basis. During 2025 and 2024, the Organization determined that the carrying amount of right of use assets has not exceeded its fair value; accordingly, no impairment losses exist.

(t) Reclassification

Certain amounts in the prior year consolidated financial statements have been reclassified to conform to the current presentation. Total net assets and change in net assets were not impacted by these reclassifications.

3) Grants receivable

SBP, Inc. was awarded various grants through federal, state and other agencies. Most of the grants are considered to be exchange transactions. Balances due from the grants at year end are included in grants receivable. There were no grants receivable of state and other agencies for the years ended December 31, 2025 and 2024. Federal financial assistance included in grants receivable at year end is as follows:

	2025			
	Due from grant at beginning of year	Grant receipts	Grant expenditures	Due from grant at end of year
AmeriCorp National Grant	$ 636,264	$(2,732,759)	$2,158,698	$ 62,203
Puerto Rico DOH	23,103	(23,176)	12,481	12,408
U.S. Department of Agriculture	44,814	(145,674)	100,860	-
U.S. Department of HUD				
City of New Orleans (H&S)	14,272	(92,823)	78,551	-
New York	231,292	(231,292)	-	-
North Carolina	107,200	(107,200)	-	-
HUD – VHRMP 2019	40,546	(40,546)	-	-
HUD – VHRMP 2020	13,987	(13,987)	-	-
HUD – OHAMP	14,714	(73,779)	59,065	-
Total federal assistance	$1,126,192	$(3,461,236)	$2,409,655	$74,611

	2024			
	Due from grant at beginning of year	Grant receipts	Grant expenditures	Due from grant at end of year
AmeriCorp National Grant	$ 167,496	$(1,561,625)	$2,030,393	$ 636,264
Puerto Rico DOH	-	-	23,103	23,103
U.S. Department of Agriculture	-	-	44,814	44,814
U.S. Department of HUD				
City of New Orleans (Sub Rehab)	735,336	(735,336)	-	-
City of New Orleans (H&S)	-	-	14,272	14,272
New York	351,809	(120,517)	-	231,292
North Carolina	282,875	(175,675)	-	107,200
HUD – VHRMP 2019	92,418	(156,408)	104,536	40,546
HUD – VHRMP 2020	150,793	(218,489)	81,683	13,987
HUD – OHAMP	99,796	(193,175)	108,093	14,714
Total federal assistance	$1,880,523	$(3,161,225)	$2,406,894	$1,126,192

4) Investments and fair value measurement

Investments are measured at fair value on a recurring basis. Realized and unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities.

4) Investments and fair value measurement (continued)

Valuation techniques used to measure fair value are prioritized into the following hierarchy:

Level 1—Quoted prices in active markets for identical assets.

Level 2—Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data by correlation such as appraisals or other means such as calculations based on contractual rates and published tables.

Level 3—Unobservable inputs that reflect management's assumptions and best estimates based on available data.

The Organization uses Level 1 measurements whenever possible, as they result in the most reliable measure of fair value. Investment income and gains restricted by donors are reported as increases in net assets free of donor restrictions if the restrictions are met in the reporting period in which the income and gains are recognized. There were no changes in the valuation techniques during the year.

The Organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the valuation techniques. The Organization uses the following ways to determine the fair value of its investments:

Corporate and government bonds: Determined by the closing bid price on the last business day of the fiscal year if actively traded.

U.S. treasury securities and equity securities: Determined on quoted market prices in active markets.

Investments consist of the following at December 31, 2025:

	Level 1
Equity securities	$ 2,714,276
U.S. treasury securities	1,459,352
U.S. government bonds	154,958
Corporate bonds	7,214,967
	$ 11,543,553

Investments consist of the following at December 31, 2024:

	Level 1
Equity securities	$ 1,799,674
U.S. treasury securities	1,445,030
U.S. government bonds	119,345
Corporate bonds	6,566,886
	$ 9,930,935

4) Investments and fair value measurement (continued)

A summary of return on investments consists of the following for the years ended December 31, 2025 and 2024:

	2025	2024
Interest and dividends	$ 525,359	$ 471,228
Realized and unrealized income	351,158	310,298
Total return	$ 876,517	$ 781,526

5) Property and equipment

Property and equipment is summarized as follows:

	2025	2024
Land	$ 1,077,542	$ 1,080,000
Building	5,235,788	4,206,509
Equipment	230,719	217,732
Real estate held for rental	7,517,398	2,142,607
Vehicles	213,098	213,098
Total cost	14,274,545	7,859,946
Less: accumulated depreciation	(1,974,070)	(1,727,883)
Property and equipment, net	$ 12,300,475	$ 6,132,063

6) Grant note payable

SBP, Inc. was awarded a grant from the New Orleans Redevelopment Authority (“NORA”) to assist with the development of single-family housing for low income families. The grant awarded provides up to $100,000 of assistance per property and of this total, up to $50,000 per property is payable back to NORA. As of December 31, 2025 and 2024, SBP, Inc. had a $-0- and $180,000 payable to NORA, respectively, which is recorded in accrued expenses.

7) Line of credit

The Organization has an $850,000 unsecured line of credit with a bank for its working capital needs which matured March 26, 2026. The interest rate on the line was variable, as per the agreement (7.5% at December 31, 2025). There was no balance on the line as of December 31, 2025 and 2024. The Organization has decided to not renew the line of credit in 2026.

8) Letter of credit

As of December 31, 2025, the Organization has outstanding an irrevocable letter of credit of $100,000. The letter is maintained to support the Organization’s financial responsibility associated with a construction licensure in Florida.

9) Liquidity and availability

Financial assets available for general expenditure without donor or other restrictions limiting their use within the coming year comprise the following:

Financial assets:	
Cash and cash equivalents	$ 10,770,043
Investments - current	7,283,779
Accounts receivable	3,653,462
Promises to give	66,916
Grants receivable - federal	74,611
Less with donor restrictions for a specific purpose	(4,736,774)
Financial assets available for general expenditure	$ 17,112,037

This amount is approximately 72% of total expenditures for 2025. The Organization believes it will be able to conduct its activities at a similar level for the coming year even if revenues decline.

10) Commitments and contingencies

SBP, Inc. provided certain guarantees on its SBP L9 low-income housing tax credit (LIHTC) project, including payment and performance of all obligations of the developer (SBP L9 Developer, LLC) under the development agreement, payment and performance of all obligations of SBP L9 Manager, LLC under the SBP L9, LLC operating agreement, and payment and performance of all obligations associated with the operating entity (SBP L9, LLC) to its commercial lender and government loans.

SBP, Inc. provided certain guarantees on its SBP L9 Developer II LIHTC project, including payment and performance of all obligations of the developer (SBP L9 Developer II, LLC) under the development agreement, payment and performance of all obligations of SBP L9 Manager II, LLC under the SBP L9 II, LLC operating agreement, and payment and performance of all obligations associated with the operating entity (SBP L9 II, LLC) to its commercial lender and government loans.

SBP, Inc. provided certain guarantees on its SBP St. Peter LIHTC project, including payment and performance of all obligations of the developer (SBP St. Peter Developer, LLC) under the development agreement, payment and performance of all obligations of SBP St. Peter GP, LLC under the SBP St. Peter, LLC operating agreement and payment and performance of all obligations associated with the operating entity (SBP St. Peter, LLC) to its commercial lender and government loans.

11) Other noncurrent assets

SBP St Peter, LLC owns, developed and operates the SBP St. Peter LIHTC Project. SBP, Inc. owns 100% of the membership interests in SBP St. Peter GP, LLC (the "St. Peter GP"). The St. Peter GP is the managing member of SBP St. Peter, LLC and owns 100% of its class of membership interests and .01% of the total equity interests of SBP St. Peter, LLC.

The other members of SBP St. Peter, LLC are Boston Financial Institutional Tax Credits XLIX, LP, as the investor member contributing the tax credit equity and owning 100% of the class of members receiving the LIHTCs and 99.9% of the equity interests of SBP St. Peter, LLC; and BFIM Special Limited Partner, Inc, which owns no equity interest in SBP St. Peter, LLC but owns 100% of its class of membership as the special member. The special member has certain administrative rights on behalf of the investor member. SBP, Inc., through the St. Peter GP, has contributed $1,100,000 to capital of SBP St. Peter, LLC.

11) Other noncurrent assets (continued)

The Organization operates a program known as the Recovery Acceleration Fund (RAF). The RAF is a loan guarantee program and is intended to help low-income disaster survivors awaiting federal disaster assistance who do not have the ability to self-finance their home construction projects. The RAF pre-qualifies survivors for the disaster recovery program and supports them with accessing critical loan funding that they will use to make their necessary home repairs. The RAF clients will repay the loan funding by using federal funds once they are approved by the state agencies. A balance of $1,309,723 and $2,052,130 was in the RAF as of December 31, 2025 and 2024, respectively, and is included in other noncurrent assets on the consolidated statements of financial position.

12) Long-term debt

Long-term debt of the Organization at December 31, 2025 and 2024 consists of the following:

	2025	2024
Two CDBG loans from the City of Houston with no principal or interest payments due or payable unless there is default under the terms of the agreement. If no events occur for a period of 20 years after project completion, the note payable will be deemed paid in full. Additional funds will be drawn on this loan as construction progresses. The maximum amount that can be drawn on this loan is $4,474,703.	$ 4,474,703	$ 3,683,694
Note payable to a lender with interest at a rate of 8.0%. Semi-annual payments equal to 16.67% of outstanding principal balance are due and the loan has a maturity date of March 2028.	430,556	513,889
Note payable to a lender with interest at a rate of 4.0%. Monthly payments of approximately $18,500 are due and the loan has a maturity date of November 2037.	2,102,291	2,236,830
Total long-term debt	7,007,550	6,434,413
Less: current portion	(282,314)	(221,665)
Long-term debt, net	$ 6,725,236	$ 6,212,748

The maturities of long-term debt are as follows:

2026	$ 282,314
2027	241,877
2028	347,764
2029	159,435
2030	165,931
Thereafter	5,810,229
	$ 7,007,550

13) Related party transactions

The Organization has balances due from (to) related parties for services performed. The amounts due from related parties are as follows:

	2025	2024
SBP Real Estate	$ 692,210	$ 560,975
SBP Property Management	205,894	-
SBP St. Peter, LLC	1,392,500	1,264,049
SBP L9, LLC	679,485	522,820
SBP L9 II, LLC	384,016	1,804,478
	$ 3,354,105	$ 4,152,322

These balances are presented on the consolidated statements of financial position as follows:

	2025	2024
Accounts receivable	$ 1,474,993	$ 498,658
Due from related parties - current	259,512	1,308,194
Due from related parties - long term	2,770,113	2,349,040
Due to related parties - current	(1,150,513)	(3,570)
	$ 3,354,105	$ 4,152,322

SBP, Inc. has an economic interest in the related parties above; however, management has concluded that it does not control the entities. Accordingly, these entities are not consolidated in the accompanying consolidated financial statements.

14) Operating leases

The Organization leases office space for its New York, Puerto Rico, and Florida locations. These leases expire at various dates through April 2028. The weighted average remaining lease term and discount rate are 2.3 years and 3.55%, respectively. Total rent expense for these leases, which is included in occupancy expense was $193,096 and $104,480 for the years ended December 31, 2025 and 2024, respectively.

Future maturities of lease liabilities as of December 31, 2025 are as follows:

2026	$ 164,928
2027	174,624
2028	46,518
	386,070
Less: Imputed interest	(15,725)
	370,345
Current portion	(154,398)
Lease obligations, net	$ 215,947

14) Operating leases (continued)

Operating lease right-of-use asset consists of the following as of December 31:

	2025	2024
Operating lease right-of-use asset	$ 474,813	$ 254,288
Less: accumulated amortization	(119,795)	(229,945)
	$ 355,018	$ 24,343

SBP, Inc. leases office space to another entity. The Organization recognized $39,987 and $81,129 of income on the lease for the years ended December 31, 2025 and 2024, respectively. The lease expires in January 2027.

Future minimum rental payments under the leases are as follows:

2026	$ 50,611
2027	4,601

15) Economic dependence

In 2025, the Organization received approximately 64% of its revenue from federal, state and other grants and 13% from contributions. In 2024, the Organization received approximately 54% of its revenue from federal, state and other grants and 17% from contributions.

16) Supplementary disclosures of cash flows information

	2025	2024
Cash paid for interest	$ 213,194	$ 152,977
Construction in process converted to land and buildings	$ 6,404,071	$ -
Additions to right-of-use assets obtained from new operating lease obligations	$ 474,813	$ -

17) Employee benefit plan

The Organization maintains a 401(k) retirement plan for the benefit of all eligible employees, whereby the employees may elect to defer compensation pursuant to a salary reduction agreement. The Organization contributes a match as described in the plan documents. For the years ended December 31, 2025 and 2024, the Organization contributed $267,185 and $111,227, respectively.

18) Net assets with donor restrictions

Net assets with donor purpose restrictions are available for the following programs:

	2025	2024
Subject to expenditure for specified purpose:		
Florida - Hurricane Idalia	$ -	$ 355,736
Louisiana - Hurricane Ida	52,945	726,199
Disaster Assistance Program	640,132	811,898
Hawaii - Wildfires (2023)	-	58,549
Hurricane Helene & Milton	3,707,208	2,107,872
National Share Program	-	275,693
National Prepare Program	336,489	258,873
Total net assets with donor purpose restrictions	$ 4,736,774	$ 4,594,820

19) Net assets released from restrictions

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donor as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Satisfaction of purpose restrictions:		
Florida - Hurricane Ian	$ -	$ 2,750,964
Florida - Hurricane Idalia	695,131	939,433
Louisiana - Hurricane Ida	673,494	-
Disaster Assistance Program	1,267,128	422,762
Hawaii - Wildfires (2023)	58,549	981,382
Hurricane Helene & Milton	1,768,376	541,868
National Share Program	617,612	789,158
National Prepare Program	766,272	391,127
Total net assets released from restrictions	$ 5,846,562	$ 6,816,694

20) Subsequent events

The Organization has evaluated subsequent events through the date of the independent auditor's report, the date which the consolidated financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
The St. Bernard Project, Inc.
d/b/a SBP, Inc.
New Orleans, Louisiana

We have audited the consolidated financial statements of SBP, Inc. and subsidiaries as of and for the years ended December 31, 2025 and 2024, and our report thereon dated June 29, 2026, which expressed an unmodified opinion on those financial statements, appears on pages 1-3. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies, and it 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Metairie, Louisiana
June 29, 2026

Wegmann Dazet

THE ST. BERNARD PROJECT, INC.
D/B/A SBP, INC.
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

December 31, 2025

	SBP, Inc.	Toulouse Commercial, Inc.	SBP St. Peter Developer, LLC	SBP L9 Developer, LLC	SBP L9 Developer II, LLC	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
ASSETS								
Current assets								
Cash and cash equivalents	$ 9,497,890	$ 1,272,153	$ -	$ -	$ -	$ 10,770,043	$ -	$ 10,770,043
Investments - current	7,283,779	-	-	-	-	7,283,779	-	7,283,779
Accounts receivable	3,653,462	-	-	-	-	3,653,462	-	3,653,462
Promises to give	66,916	-	-	-	-	66,916	-	66,916
Grants receivable - federal	74,611	-	-	-	-	74,611	-	74,611
Real estate held for sale	70,680	-	-	-	-	70,680	-	70,680
Due from related parties	259,512	-	-	977,272	-	1,236,784	(977,272)	259,512
Other current assets	266,491	-	-	-	-	266,491	-	266,491
Total current assets	21,173,341	1,272,153	-	977,272	-	23,422,766	(977,272)	22,445,494
Investments - noncurrent	4,259,774	-	-	-	-	4,259,774	-	4,259,774
Due from related parties	280,148	-	902,237	222,728	1,365,000	2,770,113	-	2,770,113
Property and equipment, net	8,222,503	4,930,429	-	-	-	13,152,932	(852,457)	12,300,475
Construction in process	1,367,624	-	-	-	-	1,367,624	-	1,367,624
Operating lease - right of use assets, net	355,018	-	-	-	-	355,018	-	355,018
Notes receivable	2,347,770	-	-	-	-	2,347,770	(2,347,770)	-
Other noncurrent assets	2,409,723	-	-	-	-	2,409,723	-	2,409,723
Deposits	39,255	6,100	-	-	-	45,355	-	45,355
Total assets	$ 40,455,156	$ 6,208,682	$ 902,237	$ 1,200,000	$ 1,365,000	$ 50,131,075	$ (4,177,499)	$ 45,953,576
LIABILITIES								
Current liabilities								
Accounts payable and accrued expenses	$ 278,865	$ 37,407	$ -	$ -	$ -	$ 316,272	$ -	$ 316,272
Accrued payroll and related liabilities	686,499	-	-	-	-	686,499	-	686,499
Refundable grant advances	3,234,496	-	-	-	-	3,234,496	-	3,234,496
Due to related parties	2,120,025	7,760	-	-	-	2,127,785	(977,272)	1,150,513
Current portion of long-term debt	141,314	141,000	-	-	-	282,314	-	282,314
Current portion of operating lease obligations	154,398	-	-	-	-	154,398	-	154,398
Total current liabilities	6,615,597	186,167	-	-	-	6,801,764	(977,272)	5,824,492
Long-term debt, net	4,763,945	4,309,061	-	-	-	9,073,006	(2,347,770)	6,725,236
Operating lease obligations, less current portion	215,947	-	-	-		215,947	-	215,947
Total liabilities	11,595,489	4,495,228	-	-	-	16,090,717	(3,325,042)	12,765,675
NET ASSETS								
Without donor restrictions	24,122,893	1,713,454	902,237	1,200,000	1,365,000	29,303,584	(852,457)	28,451,127
With donor purpose restrictions	4,736,774	-	-	-	-	4,736,774	-	4,736,774
Total net assets	28,859,667	1,713,454	902,237	1,200,000	1,365,000	34,040,358	(852,457)	33,187,901
Total liabilities and net assets	$ 40,455,156	$ 6,208,682	$ 902,237	$ 1,200,000	$ 1,365,000	$ 50,131,075	$ (4,177,499)	$ 45,953,576

THE ST. BERNARD PROJECT, INC.
D/B/A SBP, INC.
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

December 31, 2024

	SBP, Inc.	Toulouse Commercial, Inc.	SBP St. Peter Developer, LLC	SBP L9 Developer, LLC	SBP L9 Developer II, LLC	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
ASSETS								
Current assets								
Cash and cash equivalents	$ 13,817,955	$ 832,735	$ -	$ -	$ -	$ 14,650,690	$ -	$ 14,650,690
Investments - current	5,766,138	-	-	-	-	5,766,138	-	5,766,138
Accounts receivable	4,281,400	-	-	-	-	4,281,400	-	4,281,400
Promises to give	59,890	-	-	-	-	59,890	-	59,890
Grants receivable - federal	1,126,192	-	-	-	-	1,126,192	-	1,126,192
Construction in process	1,175,057	-	-	-	-	1,175,057	-	1,175,057
Real estate held for sale	70,680	-	-	-	-	70,680	-	70,680
Due from related party	1,313,194	-	-	977,272	-	2,290,466	(982,272)	1,308,194
Other current assets	259,865	11,220	-	-	-	271,085	-	271,085
Total current assets	27,870,371	843,955	-	977,272	-	29,691,598	(982,272)	28,709,326
Investments - noncurrent	4,164,797	-	-	-	-	4,164,797	-	4,164,797
Due from related parties	268,575	-	902,237	222,728	955,500	2,349,040	-	2,349,040
Property and equipment, net	1,920,705	5,063,815	-	-	-	6,984,520	(852,457)	6,132,063
Construction in process	5,537,922	-	-	-	-	5,537,922	-	5,537,922
Operating lease - right of use assets, net	24,343	-	-	-	-	24,343	-	24,343
Notes receivable	2,347,770	-	-	-	-	2,347,770	(2,347,770)	-
Other noncurrent assets	3,152,130	-	-	-	-	3,152,130	-	3,152,130
Deposits	31,826	6,100	-	-	-	37,926	-	37,926
Total assets	$ 45,318,439	$ 5,913,870	$ 902,237	$ 1,200,000	$ 955,500	$ 54,290,046	$ (4,182,499)	$ 50,107,547
LIABILITIES								
Current liabilities								
Accounts payable and accrued expenses	$ 1,437,844	$ 4,177	$ -	$ -	$ -	$ 1,442,021	$ -	$ 1,442,021
Accrued payroll and related liabilities	622,395	-	-	-	-	622,395	-	622,395
Refundable grant advances	6,631,267	-	-	-	-	6,631,267	-	6,631,267
Due to related parties	977,272	8,570	-	-	-	985,842	(982,272)	3,570
Current portion of long-term debt	85,665	136,000	-	-	-	221,665	-	221,665
Current portion of operating lease obligations	24,343	-	-	-	-	24,343	-	24,343
Total current liabilities	9,778,786	148,747	-	-	-	9,927,533	(982,272)	8,945,261
Long-term debt, net	4,111,918	4,448,600	-	-	-	8,560,518	(2,347,770)	6,212,748
Total liabilities	13,890,704	4,597,347	-	-	-	18,488,051	(3,330,042)	15,158,009
NET ASSETS								
Without donor restrictions	26,832,915	1,316,523	902,237	1,200,000	955,500	31,207,175	(852,457)	30,354,718
With donor purpose restrictions	4,594,820	-	-	-	-	4,594,820	-	4,594,820
Total net assets	31,427,735	1,316,523	902,237	1,200,000	955,500	35,801,995	(852,457)	34,949,538
Total liabilities and net assets	$ 45,318,439	$ 5,913,870	$ 902,237	$ 1,200,000	$ 955,500	$ 54,290,046	$ (4,182,499)	$ 50,107,547

THE ST. BERNARD PROJECT, INC.
D/B/A SBP, INC.
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2025

	SBP, Inc. Without Donor Restrictions	SBP, Inc. With Donor Restrictions	Toulouse Commercial, Inc. Without Donor Restrictions	SBP St. Peter Developer, LLC Without Donor Restrictions	SBP L9 Developer, LLC Without Donor Restrictions	SBP L9 Developer II, LLC Without Donor Restrictions	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
Revenues									
Contributions	$ 2,891,928	$ 10,340	$ -	$ -	$ -	$ -	$ 2,902,268	$ -	$ 2,902,268
In-kind contributions	105,930	62,469	-	-	-	-	168,399	-	168,399
Grants	8,204,235	5,655,009	-	-	-	-	13,859,244	-	13,859,244
Property management fees	137,213	-	-	-	-	-	137,213	-	137,213
Homeowner funding	4,550	95,500	-	-	-	-	100,050	-	100,050
Sale of properties	350,000	-	-	-	-	-	350,000	-	350,000
Opportunity housing income	201,556	-	-	-	-	-	201,556	-	201,556
Vendor incentives	45,671	-	-	-	-	-	45,671	-	45,671
Interest and dividend income	807,997	-	-	-	-	-	807,997	-	807,997
Realized and unrealized gain on investments	351,158	-	-	-	-	-	351,158	-	351,158
Gain on sale of assets	-	-	312,422	-	-	-	312,422	-	312,422
Rental income	-	-	400,133	-	-	-	400,133	(400,133)	-
Developers fees	-	-	-	-	-	409,500	409,500	-	409,500
Consulting and other income	2,369,343	165,198	-	-	-	-	2,534,541	-	2,534,541
Net assets released from restrictions	5,846,562	(5,846,562)	-	-	-	-	-	-	-
Total revenues	21,316,143	141,954	712,555	-	-	409,500	22,580,152	(400,133)	22,180,019
Expenses									
Program services									
Recovery services	15,074,128	-	-	-	-	-	15,074,128	(400,133)	14,673,995
Opportunity housing	1,295,480	-	-	-	-	-	1,295,480	-	1,295,480
Advisory services	3,696,545	-	-	-	-	-	3,696,545	-	3,696,545
Supporting services									
General and administrative	3,427,085	-	315,624	-	-	-	3,742,709	-	3,742,709
Fundraising	532,927	-	-	-	-	-	532,927	-	532,927
Total expenses	24,026,165	-	315,624	-	-	-	24,341,789	(400,133)	23,941,656
Change in net assets	(2,710,022)	141,954	396,931	-	-	409,500	(1,761,637)	-	(1,761,637)
Net assets									
Beginning of year	26,832,915	4,594,820	1,316,523	902,237	1,200,000	955,500	35,801,995	(852,457)	34,949,538
End of year	$ 24,122,893	$ 4,736,774	$ 1,713,454	$ 902,237	$ 1,200,000	$ 1,365,000	$ 34,040,358	$ (852,457)	$ 33,187,901

THE ST. BERNARD PROJECT, INC.
D/B/A SBP, INC.
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2024

	SBP, Inc. Without Donor Restrictions	SBP, Inc. With Donor Restrictions	Toulouse Commercial, Inc. Without Donor Restrictions	SBP St. Peter Developer, LLC Without Donor Restrictions	SBP L9 Developer, LLC Without Donor Restrictions	SBP L9 Developer II, LLC Without Donor Restrictions	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
Revenues									
Contributions	$ 2,253,693	$ 2,509,161	$ -	$ -	$ -	$ -	$ 4,762,854	$ -	$ 4,762,854
In-kind contributions	506,231	-	-	-	-	-	506,231	-	506,231
Grants	9,011,085	5,907,981	-	-	-	-	14,919,066	-	14,919,066
Property management fees	233,502	-	-	-	-	-	233,502	-	233,502
Homeowner funding	106,423	-	-	-	-	-	106,423	-	106,423
Sale of properties	784,919	-	-	-	-	-	784,919	-	784,919
Opportunity housing income	121,464	-	-	-	-	-	121,464	-	121,464
Vendor incentives	107,708	-	-	-	-	-	107,708	-	107,708
Interest and dividend income	733,535	-	-	-	-	-	733,535	-	733,535
Realized and unrealized gain on investments	310,298	-	-	-	-	-	310,298	-	310,298
Gain on sale of assets	156,570	-	-	-	-	-	156,570	-	156,570
Rental income	-	-	388,480	-	-	-	388,480	(388,480)	-
Consulting and other income	5,161,944	-	-	-	-	-	5,161,944	-	5,161,944
Net assets released from restrictions	6,816,694	(6,816,694)	-	-	-	-	-	-	-
Total revenues	26,304,066	1,600,448	388,480	-	-	-	28,292,994	(388,480)	27,904,514
Expenses									
Program services									
Recovery services	19,270,723	-	-	-	-	-	19,270,723	(165,412)	19,105,311
Opportunity housing	2,047,317	-	-	-	-	-	2,047,317	(52,600)	1,994,717
Advisory services	2,132,241	-	-	-	-	-	2,132,241	(102,475)	2,029,766
Supporting services									
General and administrative	2,085,386	-	413,602	-	-	-	2,498,988	(52,553)	2,446,435
Fundraising	195,273	-	-	-	-	-	195,273	(15,440)	179,833
Total expenses	25,730,940	-	413,602	-	-	-	26,144,542	(388,480)	25,756,062
Change in net assets	573,126	1,600,448	(25,122)	-	-	-	2,148,452	-	2,148,452
Net assets									
Beginning of year	26,259,789	2,994,372	1,341,645	902,237	1,200,000	955,500	33,653,543	(852,457)	32,801,086
End of year	$ 26,832,915	$ 4,594,820	$ 1,316,523	$ 902,237	$ 1,200,000	$ 955,500	$ 35,801,995	$ (852,457)	$ 34,949,538

THE ST. BERNARD PROJECT, INC.
D/B/A SBP, INC.
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2025

	SBP, Inc.					Toulouse Commercial, Inc.	SBP St. Peter Developer, LLC			
	Program Services			Supporting Services						
	Recovery Services	Opportunity Housing	Advisory Services	Fundraising	General & Administrative	General & Administrative	General & Administrative	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
Advertising	$ 7,246	$ 150	$ 4,630	$ 6,511	$ -	$ -	$ -	$ 18,537	$ -	$ 18,537
Bad debt writeoff	-	5,287	-	-	-	-	-	5,287	-	5,287
Building maintenance and repairs	2,062	5,517	-	-	-	11,086	-	18,665	-	18,665
Construction	4,609,967	-	30,298	194	2,147	-	-	4,642,606	-	4,642,606
Contract services	390,619	84,729	100,753	110,370	313,677	11,525	-	1,011,673	-	1,011,673
Cost of property sold	-	547,757	-	-	-	-	-	547,757	-	547,757
Depreciation expense	17,357	63,184	-	-	21,731	143,914	-	246,186	-	246,186
Disaster deployment	12,736	-	-	-	-	-	-	12,736	-	12,736
Dues and subscriptions	3,833	452	1,029	900	10,550	-	-	16,764	-	16,764
Education and seminars	7,925	499	20,228	2,594	5,189	-	-	36,435	-	36,435
Fundraising expenses	23,972	241	59,853	2,596	11,873	-	-	98,535	-	98,535
Grants and awards expenses	1,343,881	-	268,858	10,000	12,750	-	-	1,635,489	-	1,635,489
Information tech	39,424	1,066	13,556	120	16	-	-	54,182	-	54,182
In-kind labor	168,399	-	-	-	-	-	-	168,399	-	168,399
Insurance	998,774	216,361	169,216	-	213,343	51,043	-	1,648,737	-	1,648,737
Interest expense	91,258	8,375	-	-	25,327	88,234	-	213,194	-	213,194
Miscellaneous expenses	183,052	42,501	-	-	-	40	-	225,593	-	225,593
Office rent	569,233	3,616	10,562	8,000	1,818	-	-	593,229	(400,133)	193,096
Office supplies	33,813	2,547	2,087	282	5,100	-	-	43,829	-	43,829
Payroll - direct	6,036,208	283,095	2,586,706	326,563	2,607,979	-	-	11,840,551	-	11,840,551
Postage and mailing service	5,668	320	2,458	3,517	715	-	-	12,678	-	12,678
Printing	11,036	-	22,732	10,114	254	12	-	44,148	-	44,148
Professional services	-	-	-	-	24,222	-	-	24,222	-	24,222
Signature support	16,439	340	2,093	-	4,596	-	-	23,468	-	23,468
Software licenses and fees	222,241	13,799	103,601	22,522	52,769	-	-	414,932	-	414,932
Special events	11,619	6,337	9,917	1,837	14,287	-	-	43,997	-	43,997
Travel and meetings	189,958	2,318	287,933	26,807	92,191	-	-	599,207	-	599,207
Utilities	55,988	6,481	35	-	6,551	9,770	-	78,825	-	78,825
Vehicle expenses	21,420	508	-	-	-	-	-	21,928	-	21,928
Total expenses	$ 15,074,128	$ 1,295,480	$ 3,696,545	$ 532,927	$ 3,427,085	$ 315,624	$ -	$ 24,341,789	$ (400,133)	$ 23,941,656

THE ST. BERNARD PROJECT, INC.
D/B/A SBP, INC.
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2024

	SBP, Inc.					Toulouse Commercial, Inc.	SBP St. Peter Developer, LLC			
	Program Services			Supporting Services						
	Recovery Services	Opportunity Housing	Advisory Services	Fundraising	General & Administrative	General & Administrative	General & Administrative	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
Advertising	$ 22,340	$ -	$ 293	$ 1,828	$ 234	$ -	$ -	$ 24,695	$ -	$ 24,695
Bad debt writeoff	100,000	-	-	-	-	-	-	100,000	-	100,000
Building maintenance and repairs	337	10,886	-	-	747	41,898	-	53,868	-	53,868
Construction	6,084,967	-	31,415	220	2,882	-	-	6,119,484	-	6,119,484
Contract services	285,886	136,154	145,661	72,705	401,662	12,202	-	1,054,270	-	1,054,270
Cost of property sold	-	1,083,594	-	-	-	-	-	1,083,594	-	1,083,594
Depreciation expense	19,219	22,062	-	-	20,070	131,443	-	192,794	-	192,794
Disaster deployment	8,569	-	-	-	-	-	-	8,569	-	8,569
Dues and subscriptions	3,024	637	54	1,171	10,774	-	-	15,660	-	15,660
Education and seminars	4,649	759	6,915	4,182	21,658	-	-	38,163	-	38,163
Fundraising expenses	7,105	-	-	17,837	2,001	-	-	26,943	-	26,943
Grants and awards expenses	2,189,500	-	-	6,500	500	-	-	2,196,500	-	2,196,500
Information tech	66,310	239	-	8	720	-	-	67,277	-	67,277
In-kind labor	506,231	-	-	-	-	-	-	506,231	-	506,231
Insurance	967,062	305,344	91,214	-	191,762	113,086	-	1,668,468	-	1,668,468
Interest expense	60,828	-	-	-	(1,424)	93,573	-	152,977	-	152,977
Miscellaneous expenses	17,081	11,971	212	656	131	35	-	30,086	-	30,086
Office rent	220,974	71,328	138,957	20,937	74,738	-	-	526,934	(388,480)	138,454
Office supplies	21,656	2,755	2,477	931	791	40	-	28,650	-	28,650
Payroll - direct	8,162,919	367,815	1,468,515	-	1,223,776	-	-	11,223,025	-	11,223,025
Postage and mailing service	9,261	203	917	14,934	600	-	-	25,915	-	25,915
Printing	13,360	1,516	12,245	5,721	31	-	-	32,873	-	32,873
Professional services	-	-	-	-	24,943	-	-	24,943	-	24,943
Signature support	10,884	562	2,787	53	4,588	-	-	18,874	-	18,874
Software licenses and fees	133,796	10,942	38,789	29,485	8,043	-	-	221,055	-	221,055
Special events	6,187	284	26	191	10,585	-	-	17,273	-	17,273
Travel and meetings	285,302	6,510	191,764	17,914	80,028	-	-	581,518	-	581,518
Utilities	46,128	13,756	-	-	3,546	21,325	-	84,755	-	84,755
Vehicle expenses	17,148	-	-	-	2,000	-	-	19,148	-	19,148
Total expenses	$ 19,270,723	$ 2,047,317	$ 2,132,241	$ 195,273	$ 2,085,386	$ 413,602	$ -	$ 26,144,542	$ (388,480)	$ 25,756,062

UNIFORM GUIDANCE COMPLIANCE AND
GOVERNMENT AUDITING STANDARDS REPORTS

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

To the Board of Directors
The St. Bernard Project, Inc.
d/b/a SBP, Inc.
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 consolidated financial statements of SBP, Inc. (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 29, 2026.

Report on Internal Control Over Financial Reporting

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether SBP, Inc.'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 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. Under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor as a public document.

Wegmann Dazet

Metairie, Louisiana
June 29, 2026

Wegmann Dazet
CERTIFIED PUBLIC ACCOUNTANTS

Jon S. Folse
Jonathan P. Koenig
John D. White
Valerie L. Lowry
Thomas R. Laine
Richard J. Tullier, Jr
James G. Hargrove
Kathy L. Flattmann
Melissa L. Chauvin
Danica H. DeSoto

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

To the Board of Directors
The St. Bernard Project, Inc.
d/b/a SBP, Inc.
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

111 Veterans Blvd., Suite 1600, Metairie LA 70005 | 180 New Camellia Blvd., Suite 200, Covington LA 70433 | p 504.837.8844 f 504.837.0856 | WD.CPA

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding SBP, Inc.'s compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of SBP, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of SBP, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Metairie, Louisiana
June 29, 2026

Wegmann Dazet

THE ST. BERNARD PROJECT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2025

Federal Grantor/Pass-through Grantor/Program	Federal A.L. Number	Agency or Passthrough Agency Number	Federal Expenditures
U.S. Department of Housing and Urban Development (HUD):			
CDBG - Disaster Recovery Grants Cluster			
Passed through by Puerto Rico Department of Housing	14.269	FFNMUBT6WCM1	$ 12,481
Total CDBG – Disaster Recovery Grant Cluster			12,481
Passed through the City of Houston - CDBG	14.228	19-147-001-B489	838,405
Passed through the City of New Orleans - CDBG	14.239	CDBG2023002	78,551
Older Adult Home Modification Program	14.921	LALHM0006-21	59,065
Total U.S. HUD			988,502
U.S. Department of Agriculture (USDA):			
Passed through by USDA Rural Development - CDBG	14.228	220360262189665-01	100,860
Passed through the Corporation for National and Community Service:			
ARRA - AmeriCorp Grant	94.006	24NDGLA001	2,158,698
Total Expenditures of Federal Awards			$ 3,248,060

See accompanying notes to the Schedule of Expenditures of Federal Awards

Note 1 General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of SBP, Inc. The reporting entity is defined in Note 1 to SBP, Inc.'s consolidated financial statements. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

Note 2 Basis of accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance.*) Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. SBP, Inc. has not applied for its own indirect cost rate.

Note 3 Indirect Cost Rate

SBP, Inc. has elected not to use the 10% de minimis indirect cost rate (15% for federal grants received after October 1, 2024) as allowed under the Uniform Guidance.

Note 4 Loan and Loan Guarantee Programs

SBP, Inc. administers a program funded by the U.S. Department of Housing and Urban Development. Balances and transactions relating to these programs are included in SBP, Inc.'s consolidated financial statements. Loans outstanding at the beginning of the year are included in the federal expenditures presented in the Schedule of Expenditures of Federal Awards. The balance of the loans outstanding at December 31, 2025 was $4,474,703 for Assistance Listing Number 14.228.

THE ST. BERNARD PROJECT, INC.
D/B/A SBP, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2025

SECTION I - SUMMARY OF THE AUDITOR'S RESULTS

1. Type of report issued on the consolidated financial statements: **Unmodified Opinion**.

2. Significant deficiencies in internal control were disclosed by the audit of the consolidated financial statements: **None reported**. Material weaknesses: **No**.

3. Noncompliance which is material to the consolidated financial statements: **No**.

4. Significant deficiencies in internal control over major federal programs: **None reported**. Material weaknesses: **No**.

5. Type of report issued on compliance for major federal programs: **Unmodified Opinion.**

6. Any audit findings which are required to be reported in accordance with 2CFR 200.516(a): **No**.

7. Major programs for the fiscal year ended December 31, 2025 were:

   ARRA – AmeriCorp Grant (AL #94.006)

8. Dollar threshold used to distinguish between Type A and Type B programs: **$1,000,000**.

9. Auditee qualified as a low-risk auditee under Uniform Guidance: **Yes**.

10. A management letter was issued: **No**.

SECTION II – CONSOLIDATED FINANCIAL STATEMENT FINDINGS

There were no items identified in the course of our testing during the current year required to be reported.

SECTION III – FEDERAL AWARD FINDINGS

There were no items identified in the course of our testing during the current year required to be reported.

SECTION IV – FINDINGS AND QUESTIONED COSTS PRIOR YEAR

There were no items identified in the course of our testing during the prior year required to be reported.

THE ST. BERNARD PROJECT, INC.
D/B/A SBP, INC.
SUMMARY OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEADS
For the Year Ended December 31, 2025

Agency Head	Job Title	Purpose	2025
Thomas Corley	Chief Operating Officer	Salary	$ 8,901
Elizabeth Egle	Senior Director of Institutional Giving	Salary	11,118
Reese May	Chief Innovation and Strategy Officer	Salary	2,722
Carol Markowitz	Chief Executive Officer	Salary	26,687
Leigh Siatka	Chief Development Officer	Salary	11,970
Jeffrey Sanderson	Senior Government Adviser	Salary	1,251
Keith McCulloch	Chief Financial Officer	Salary	21,734
Elizabeth Wright	Chief Communications and Marketing Officer	Salary	7,957

THE ST. BERNARD PROJECT, INC.
D/B/A SBP, INC.

STATEWIDE AGREED-UPON PROCEDURES

FOR THE YEAR ENDED DECEMBER 31, 2025

Wegmann Dazet
CERTIFIED PUBLIC ACCOUNTANTS

Jon S. Folse
Jonathan P. Koenig
John D. White
Valerie L. Lowry
Thomas R. Laine
Richard J. Tullier, Jr
James G. Hargrove
Kathy L. Flattmann
Melissa L. Chauvin
Danica H. DeSoto

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE YEAR ENDED DECEMBER 31, 2025

To the Board of Directors of The St. Bernard Project, Inc.
d/b/a SBP, Inc.
and the Louisiana Legislative Auditor:

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

The Entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period 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:

Written Policies and Procedures

1. 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:

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

   b) ***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.

   c) ***Disbursements***, including processing, reviewing, and approving.

   d) ***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).

   e) ***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.

f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

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

h) ***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).

i) ***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.

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

k) ***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.

l) ***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.

Procedure Results - We performed the procedures noted above and noted no exceptions. The Entity is a non-profit; accordingly, Ethics and Prevention of Sexual Harassment are not applicable to the Entity. The Entity does not hold debt, and accordingly, item j) above is also not applicable.

Board or Finance Committee

2. 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:

a) 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.

b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on proprietary funds, and semi-annual budget- to-actual comparisons, at a minimum, on all special revenue funds. *Alternately, 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.*

c) 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.

d) 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.

Procedure Results - We performed the procedures noted above and noted no exceptions. The Entity reports on the not-for-profit accounting model; therefore, the governmental accounting model portion of item b) and item c) above are not applicable. The Entity does not have any audit findings, therefore, item d) above is not applicable.

Bank Reconciliations

3. 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:

   a) 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);

   b) 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

   c) 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.

   Procedure Results - We performed the procedures noted above and noted no exceptions.

Collections (excluding electronic funds transfers)

4. 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).

   Procedure Results - We performed the procedures noted above and noted no exceptions.

5. 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) Employees responsible for cash collections do not share cash drawers/registers.

   Procedure Results – We performed the procedure noted above and noted no exceptions.

b) 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.

Procedure Results – We performed the procedure noted above and noted no exceptions.

c) 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.

Procedure Results – We performed the procedure noted above and noted no exceptions.

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

Procedure Results – We performed the procedure noted above and noted no exceptions.

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

   Procedure Results - We performed the procedures noted above and noted no exceptions.

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

   a) Observe that receipts are sequentially pre-numbered.

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

   c) Trace the deposit slip total to the actual deposit per the bank statement.

   d) 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).

   e) Trace the actual deposit per the bank statement to the general ledger.

   Procedure Results - We performed the procedures noted above and noted no exceptions.

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

8. 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).

Procedure Results - We performed the procedure noted above and noted no exceptions.

9. For each location selected under #8 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:

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

    b) At least two employees are involved in processing and approving payments to vendors.

    c) 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.

    d) 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.

    e) 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.

    Procedure Results - We performed the procedures noted above and noted no exceptions.

10. For each location selected under procedure #8 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) 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.

    Procedure Results - We performed the procedures noted above and noted no exceptions.

    b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #9 above, as applicable.

    Procedure Results - We performed the procedure noted above and noted no exceptions.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, 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.

    Procedure Results - We performed the procedures noted above and noted no exceptions.

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

12. 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.

    Procedure Results - We performed the procedure noted above and noted no exceptions.

13. 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:

    a) 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.

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

    Procedure Results - We performed the procedures noted above and noted no exceptions.

14. Using the monthly statements or combined statements selected under #13 above, <u>excluding fuel cards</u>, 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

    Procedure Results - We performed the procedures noted above and noted no exceptions.

15. Using the list of terminated employees obtained in Payroll and Personnel procedure #20 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.

    Procedure Results – We performed the procedures noted above and noted no exceptions.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

16. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

a) 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).

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

c) Observe 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 in procedure #1.

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

Procedure Results - This section is not applicable to the Entity because during fiscal period January 1, 2025 through December 31, 2025 there were no travel or travel-related expense reimbursements (excluding card transactions).

Contracts

17. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, <u>excluding the practitioner's contract</u>, and:

a) 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.

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

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

d) 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 the invoice and related payment agreed to the terms and conditions of the contract.

Procedure Results - Selected contracts were not subject to the Louisiana Public Bid Law, nor is it required by any grant agreement, accordingly item a) not applicable. The Entity had no amendments to contracts during the testing period, accordingly, item c) is not applicable. We performed the remaining procedures noted above and noted no exceptions.

Payroll and Personnel

18. 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.

Procedure Results - We performed the procedures noted above and noted no exceptions.

19. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #18 above, obtain attendance records and leave documentation for the pay period, and:

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

    b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

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

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

    Procedure Results - We performed the procedures noted above and noted no exceptions.

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

    Procedure Results - We performed the procedures noted above and noted no exceptions.

21. 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.

    Procedure Results - We performed the procedure noted above and noted no exceptions.

Ethics

---

22. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #18 obtain ethics documentation from management, and:

    a) 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

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

    Procedure Results - This section is not applicable to the Entity. The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

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

    Procedure Results - This section is not applicable to the Entity. The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

Debt Service

24. 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.

    Procedure Results - We performed the procedure noted above and noted no exceptions.

25. 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).

    Procedure Results - We performed the procedure noted above and noted no exceptions.

Fraud Notice

26. 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.

    Procedure Results - The Entity did not have misappropriations of public funds or assets during the fiscal period. Accordingly, this section is not applicable.

27. 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.

    Procedure Results - We performed the procedure noted above and noted no exceptions.

Information Technology Disaster Recovery/Business Continuity

28. 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 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.

Procedure Results - We performed the procedures noted above and noted no exceptions.

29. 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 #20. Observe evidence that the selected terminated employees have been removed or disabled from the network.

    Procedure Results - We performed the procedure noted above and noted no exceptions. We discussed the results with management.

30. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #18, 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 withing 30 days of initial service or employment.

    Procedure Results - This section is not applicable to the Entity.

Prevention of Sexual Harassment

31. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #18, 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.

    Procedure Results - This section is not applicable to the Entity.

32. 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).

    Procedure Results - This section is not applicable to the Entity.

33. 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:

a) Number and percentage of public servants in the agency who have completed the training requirements.

b) Number of sexual harassment complaints received by the agency.

c) Number of complaints which resulted in a finding that sexual harassment occurred.

d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.

e) Amount of time it took to resolve each complaint.

Procedure Results - This section is not applicable to this Entity.

We were engaged by the Entity 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 the Entity 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 results 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.

Wegmann Dazet

Metairie, Louisiana
June 29, 2026