

**COMMUNITY WORKS OF LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)**

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
JUNE 30, 2020 AND 2019**

COMMUNITY WORKS OF LOUISIANA, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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BERNARD & FRANKS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

NICHOLAS W. LAFRANZ III, C.P.A.

JAMES L. WHITE, C.P.A.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Works of Louisiana, Inc.
New Orleans, Louisiana

We have audited the accompanying financial statements of Community Works of Louisiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Works of Louisiana, Inc. as of June 30, 2020 and 2019, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of Compensation, Benefits and Other Payments to the Executive Director on page 17 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2020, on our consideration of Community Works of Louisiana, 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 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 Community Works of Louisiana, Inc.'s internal control over financial reporting and compliance.

Bernard & Franks

Metairie, Louisiana
December 23, 2020

COMMUNITY WORKS OF LOUISIANA, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 32,435	\$ 42,430
Accounts receivable	379,860	228,749
Prepaid insurance	6,271	8,037
Total current assets	<u>\$ 418,566</u>	<u>\$ 279,216</u>
PROPERTY AND EQUIPMENT	\$ 24,565	\$ 10,726
Less accumulated depreciation	(9,996)	(6,963)
Total property and equipment	<u>\$ 14,569</u>	<u>\$ 3,763</u>
OTHER ASSET		
Deposit	\$ 928	\$ 928
TOTAL ASSETS	<u>\$ 434,063</u>	<u>\$ 283,907</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 41,027	\$ 9,232
Insurance payable	2,643	4,394
Payroll and benefit liabilities	2,654	7,837
Total current liabilities	<u>\$ 46,324</u>	<u>\$ 21,463</u>
LONG TERM LIABILITIES		
Paycheck Protection Plan loan	\$ 46,110	\$ -
Line of credit	30,599	-
Small Business Administration loan	25,000	-
Total long term liabilities	<u>\$ 101,709</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 148,033</u>	<u>\$ 21,463</u>
NET ASSETS		
Without donor restriction	\$ 286,030	\$ 262,444
Total net assets	<u>\$ 286,030</u>	<u>\$ 262,444</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 434,063</u>	<u>\$ 283,907</u>

See notes to the financial statements.

COMMUNITY WORKS OF LOUISIANA, INC.

**STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020 AND 2019**

	2020 Without Donor Restrictions	2019 Without Donor Restrictions
REVENUE, GAINS AND OTHER SUPPORT		
Federal grant	\$ 685,438	\$ 472,164
Contributions and private grants	58,805	131,054
Participant and program fees	505,553	576,246
Miscellaneous	-	7,717
Total revenues, gains and other support	\$ 1,249,796	\$ 1,187,181
 EXPENSES		
Program	\$ 1,005,251	\$ 982,866
Supporting services:		
Management and general	149,096	166,289
Fund-raising	71,863	22,978
Total expenses	\$ 1,226,210	\$ 1,172,133
 Change in net assets	\$ 23,586	\$ 15,048
 NET ASSETS AT BEGINNING OF YEAR	262,444	247,396
 NET ASSETS AT END OF YEAR	\$ 286,030	\$ 262,444

See notes to the financial statements.

COMMUNITY WORKS OF LOUISIANA, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services	Supporting Services		Total
		General and Administrative	Fund-raising	
Compensation and related expenses				
Compensation	\$ 92,150	\$ 69,838	\$ 57,257	\$ 219,245
Payroll taxes	7,639	5,789	4,746	18,174
Benefits	8,503	6,444	5,283	20,230
	<u>\$ 108,292</u>	<u>\$ 82,071</u>	<u>\$ 67,286</u>	<u>\$ 257,649</u>
Accounting and audit	\$ -	\$ 16,043	\$ -	\$ 16,043
Contract services	869,539	-	-	869,539
Depreciation expense	-	3,033	-	3,033
Dues and membership	-	6,871	-	6,871
Equipment	-	4,884	-	4,884
Insurance	-	12,480	-	12,480
Legal	-	500	-	500
Marketing	-	-	4,577	4,577
Miscellaneous	94	389	-	483
Postage and mailings	-	529	-	529
Program expenses	22,333	-	-	22,333
Rentals	-	16,259	-	16,259
Supplies	-	75	-	75
Telephone	-	1,692	-	1,692
Training	3,670	3,490	-	7,160
Travel	1,323	780	-	2,103
	<u>\$ 896,959</u>	<u>\$ 67,025</u>	<u>\$ 4,577</u>	<u>\$ 968,561</u>
Total expenses	<u>\$ 1,005,251</u>	<u>\$ 149,096</u>	<u>\$ 71,863</u>	<u>\$ 1,226,210</u>

See notes to the financial statements.

COMMUNITY WORKS OF LOUISIANA, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services	Supporting Services		Total
		General and Administrative	Fund-raising	
Compensation and related expenses				
Compensation	\$ 84,676	\$ 77,890	\$ 5,643	\$ 168,209
Payroll taxes	7,014	6,453	467	13,934
Benefits	8,589	7,902	5,853	22,344
	<u>\$ 100,279</u>	<u>\$ 92,245</u>	<u>\$ 11,963</u>	<u>\$ 204,487</u>
Accounting and audit	\$ -	\$ 17,307	\$ -	\$ 17,307
Contract services	832,117	-	-	832,117
Depreciation expense	-	1,415	-	1,415
Dues and membership	-	3,613	-	3,613
Equipment	-	6,930	-	6,930
Insurance	-	21,126	-	21,126
Legal	-	904	-	904
Marketing	-	-	7,745	7,745
Miscellaneous	111	300	3,270	3,681
Postage and mailings	-	161	-	161
Printing and copying	-	105	-	105
Program expenses	42,482	-	-	42,482
Rentals	-	14,684	-	14,684
Supplies	-	456	-	456
Telephone	-	1,910	-	1,910
Training	6,645	-	-	6,645
Travel	1,232	5,133	-	6,365
	<u>\$ 882,587</u>	<u>\$ 74,044</u>	<u>\$ 11,015</u>	<u>\$ 967,646</u>
Total expenses	<u>\$ 982,866</u>	<u>\$ 166,289</u>	<u>\$ 22,978</u>	<u>\$ 1,172,133</u>

See notes to the financial statements.

COMMUNITY WORKS OF LOUISIANA, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
Increase in net assets	\$ 23,586	\$ 15,048
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	3,033	1,415
(Increase) decrease in operating assets:		
Accounts receivable	(151,111)	(103,274)
Prepays	1,766	(4,120)
Increase (decrease) in operating liabilities:		
Accounts payable	31,795	(44,789)
Insurance payable	(1,751)	4,394
Credit card payable	-	7,340
Payroll and benefit liabilities	(5,182)	6,200
Net cash provided by (used in) operating activities	\$ (97,864)	\$ (117,786)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property	\$ (13,839)	\$ (3,346)
Net cash provided by (used in) investing activities	\$ (13,839)	\$ (3,346)
CASH FLOWS FROM FINANCING ACTIVITIES		
Paycheck protection program loan proceeds	\$ 46,110	\$ -
Advances on line of credit	30,599	-
Small Business Administration loan proceeds	25,000	-
Net cash provided by (used in) financing activities	\$ 101,709	\$ -
Net increase (decrease) in cash and cash equivalents	\$ (9,994)	\$ (121,132)
Beginning cash and cash equivalents	42,429	163,561
Ending cash and cash equivalents	\$ 32,435	\$ 42,429

See notes to the financial statements.

COMMUNITY WORKS OF LOUISIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Community Works of Louisiana, Inc. (the Organization) is a 501(c)(3) non-profit organization incorporated in 2009. The Organization is dedicated to building a community of healthy and creative learners through programs that integrate arts, recreation, and educational support. Community Works of Louisiana, Inc. upholds its mission by providing schools and organizations with comprehensive program management with an enrichment component for their afterschool and summer programs.

Basis of Presentation

The Organization follows the financial statement presentation recommended by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic 958, Not-for-Profit Entities. The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

The governing board has not designated, from net assets without donor restrictions, net assets for an operating reserve and a board-designated endowment. Net assets with donor restrictions are subject to donor-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, such as those that the donor stipulates that resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. The Organization's unspent contributions are reported in net assets with donor contributions if the donor limited their use, as are promised contributions that are not yet due.

COMMUNITY WORKS OF LOUISIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (continued)

Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. As of June 30, 2020, the Organization has not received any contributions with donor-imposed restrictions that would result in donor restricted net assets.

Basis of Accounting

The financial statements of Community Works of Louisiana, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Community Works of Louisiana, Inc. considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivables are stated at the amount management expect to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management considered all outstanding accounts receivable as collectible, therefore no allowance for doubtful accounts was necessary at June 30, 2020 and 2019.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

COMMUNITY WORKS OF LOUISIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the useful life of five to seven years of the assets.

Revenue Recognition

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as with donor restriction support and with an increase in the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as without donor restriction support and an increase to without donor restriction net assets.

Grant revenue is recognized as it is earned in accordance with approved agreements and contracts. Participant and program fees are earned as services are completed.

Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore has made no provision for federal income taxes in the accompanying financial statements. The Organization's Federal Exempt Information Returns (Form 990) for 2017, 2018 and 2019 are subject to examination by the IRS, generally for three years after they were filed.

Concentrations

For the fiscal year ended June 30, 2020 and 2019, \$685,438 and \$472,164 or 55% and 40% of the Organization's total gross revenue was from federal grants. Additionally, \$505,553 and \$576,246 or 41% and 49% of the Organization's total gross revenue was from participant fees. \$58,805 and \$131,054 or 5% and 11% was from other private grants and contributions.

COMMUNITY WORKS OF LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

NOTE 2. PROPERTY

Property and equipment consisted of the following for the years ended June 30, 2020 and 2019:

	2020	2019
Furniture and equipment	\$ 24,565	\$ 10,726
Less: Accumulated depreciation	(9,996)	(6,963)
Total	<u>\$ 14,569</u>	<u>\$ 3,763</u>

Depreciation expense for the years ended June 30, 2020 was \$3,033 and 2019 was \$1,415.

NOTE 3. LEASING ARRANGEMENTS

The Organization was on a month to month basis with the lessor for its administrative office from July 2019 through January 2020. The Organization entered into a new one year lease agreement beginning January 1, 2020 and ending on December 31, 2020. Monthly rental payments increased from \$929 to \$1,025 and the community fee increased from \$100 to \$150, for a total monthly payment of \$1,029 to \$1,175. Rental expense for June 30, 2020 and 2019 was \$13,224 and \$12,412. Future minimum lease payments are \$7,050 for the year ended June 30, 2021.

NOTE 4. RETIREMENT PLAN

The Organization sponsors a salary reduction plan, covering substantially all employees. Under the plan, employees contribute a specified percentage of their salary, or fixed dollar amount, to the plan. The Organization may agree to make "nonelective" contributions to their employees' 401(k) plans. For the years ended June 30, 2020 and 2019, the Organization made contributions of \$5,403 and \$5,331.

NOTE 5. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	2020	2019
Cash and cash equivalents	\$ 32,435	\$ 42,430
Accounts receivable	379,860	228,749
	<u>\$ 412,295</u>	<u>\$271,179</u>

COMMUNITY WORKS OF LOUISIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 5. LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

The Organization is substantially supported by grants, governmental contracts and contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization also maintains a line of credit to draw upon in an unanticipated liquidity need.

NOTE 6. LINE OF CREDIT

The Organization had an unsecured line of credit at June 30, 2020 and 2019 in the amount of \$50,000, bearing interest at 10% on any outstanding balances. As of June 30, 2020 and 2019, \$19,401 and \$50,000 was available, respectively. Interest expense was \$421 and \$0 for the years ended June 30, 2020 and 2019, respectively.

NOTE 7. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balance at one bank in New Orleans, Louisiana. The balance is insured by the Federal Deposit Insurance Corporation. As of June 30, 2020 and 2019 there was no uninsured portion of the balance.

NOTE 8. NOTES PAYABLE

On June 12, 2020, the U.S. Small Business Administration (SBA) authorized a loan to Community Works of Louisiana, Inc. in the amount of \$25,000. The loan is secured by the Organization's assets and solely used for working capital to alleviate the economic injury caused by the disaster occurring in the month of January 31, 2020 and continuing thereafter. The note bears an interest rate of 2.75% with monthly payments of \$107, including principal and interest. Payments will begin twelve months from the date of the promissory note. All remaining principal and accrued interest is due and payable thirty years from the date of the note.

Maturities of long term debt for the next five years are as follows:

Year Ending June 30, 2020	Amount
2022	\$ 604
2023	621
2024	636
2025	656
2026	674
Thereafter	21,809
	<u>\$ 25,000</u>

COMMUNITY WORKS OF LOUISIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 9. PAYCHECK PROTECTION PROGRAM LOAN

On April 15, 2020, the Organization received loan proceeds in the amount of \$41,110 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and associated accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first ten months. The Organization intends to use the proceeds for purposes consistent with the PPP forgiveness requirements. At June 30, 2020, if the loan was to be paid in accordance with the terms of the note, then monthly payments of \$1,754, including interest would begin on August 31, 2021 and be paid through August 31, 2023. The loan balance would increase \$552 for accrued interest. Principle payments of \$17,258, \$20,899 and \$3,505 would be paid for the years ended June 30, 2022, 2023 and 2024, respectively.

NOTE 10. SUBSEQUENT EVENTS

Subsequent events were evaluated by the Organization through December 23, 2020, which is the date the financial statements were available to be issued. In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown.

NOTE 11. PENDING ACCOUNTING PRONOUNCEMENTS

The FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, to update its revenue recognition standard to clarify the principles of recognizing revenues and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The standard may be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. This standard will be effective for annual periods beginning after December 15, 2020.

COMMUNITY WORKS OF LOUISIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 11. PENDING ACCOUNTING PRONOUNCEMENTS (Continued)

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the statement of financial position as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2021.

NOTE 12. NEW ACCOUNTING PRONOUNCEMENTS – ADOPTED

On November 17, 2016, FASB issued ASU 2016-18 “Statement of Cash Flows: Restricted Cash.” The new guidance is intended to reduce diversity in the presentation of restricted cash and restricted cash equivalents in the statement. The statement requires that restricted cash and restricted cash equivalents be included as components of total cash and cash equivalents as presented on the statement of cash flows. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

On August 18, 2016, FASB issued ASU 2018-08, “Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.” The Update addresses the inconsistencies in accounting for transactions as a contribution or as an exchange transaction and determining whether a contribution is conditional. The Organization has adopted this standard. The adoption of the standard did not have a material impact on the Organization’s revenue recognition policies.



BERNARD & FRANKS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

NICHOLAS W. LAFRANZ III, C.P.A.

**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 of
Community Works of Louisiana, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Works of Louisiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 23, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Bernard & Franks

Metairie, Louisiana
December 23, 2020

SCHEDULES OF FINDING AND QUESTIONED COSTS

COMMUNITY WORKS OF LOUISIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

SUMMARY OF AUDIT RESULTS

The auditor's report expresses an unmodified opinion on the financial statements of Community Works of Louisiana, Inc. which was prepared in accordance with generally accepted accounting principles.

No significant deficiencies or material weaknesses in internal control were disclosed during the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in accordance with *Government Auditing Standards*.

No instances of noncompliance material to the financial statements of Community Works of Louisiana, Inc. were disclosed in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in accordance with *Government Auditing Standards*.

No management letter was issued for the years ended June 30, 2020 and 2019.

Community Works of Louisiana, Inc. did not expend more than \$750,000 in federal awards during the years ended June 30, 2020 and 2019, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

The dollar threshold used to distinguish between Type A and Type B programs was not applicable for the years ended June 30, 2020 and 2019.

The qualification of low or high-risk auditee was not applicable to Community Works of Louisiana, Inc. because the Organization was not subject to the requirements of *Uniform Guidance*.

FINDINGS-FINANCIAL STATEMENTS

There were no findings in the years ended June 30, 2020 and 2019.

FINDINGS-FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This is not applicable to the Organization for the years ended June 30, 2020 and 2019.

COMMUNITY WORKS OF LOUISIANA, INC.

**SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2020**

There were no prior year findings.

SUPPLEMENTARY INFORMATION

COMMUNITY WORKS OF LOUISIANA, INC.

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO THE EXECUTIVE DIRECTOR
FOR THE YEAR ENDED JUNE 30, 2020**

Executive Director: Chandler Nutik

Salary	\$	79,200
Benefits-insurance		7,505
Benefits-retirement		2,376
Benefits- dental		143
Cell phone		1,576
Registration fees		375
	\$	<u>91,175</u>

OTHER REPORTS

LOUISIANA COMPLIANCE QUESTIONNAIRE
(For Audit Engagements of Quasi-Public Agencies)

_____ (Date Transmitted)

Bernard & Franks, A Corporation of CPA's (CPA Firm Name)

4141 Veterans Memorial Boulevard, Suite 313 (CPA Firm Address)

Metairie, Louisiana 70002 (City, State Zip)

In connection with your audit of our financial statements as of June 30, 2020 and for the year then ended (period of audit) for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with accounting principles generally accepted in the United States of America, to assess our internal control structure as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of December 1, 2020 (date completed/date of the representations).

PART I. Agency Profile

1. Name and address of the organization.

Community Works of Louisiana, Inc.

2. List names, addresses, and telephone numbers of entity officials. Include elected/appointed members of the governing board, chief executive and fiscal officer, and legal counsel.

See attachment

3. Period of time covered by this questionnaire.

July 1, 2019-June 30, 2020

4. The entity has been organized under the following provisions of the Louisiana Revised Statute(s) (R.S.) and, if applicable, local resolutions/ordinances.

501 (c)(3)

5. Briefly describe the public services provided.

Community Works of Louisiana is a 501(c)(3) organization that specializes in the administration of after school and summer extended learning programs.

6. Expiration date of current elected/appointed officials' terms.

See attachment

Part II. Federal, State, and Local Awards

7. We have detailed for you the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes [x] No []

8. All transactions relating to federal grants have been properly recorded within our accounting records and reported to the appropriate federal grantor officials.

Yes [x] No []

9. All transactions relating to state grants have been properly recorded within our accounting records and reported to the state grantor officials.

Yes No

10. All transactions relating to local grants have been properly recorded within our accounting records and reported to the appropriate local grantor officials.

Yes No

11. The reports filed with federal agencies are properly supported by books of original entry and supporting documentation.

Yes No

12. The reports filed with state agencies are properly supported by books of original entry and supporting documentation.

Yes No

13. The reports filed with local agencies are properly supported by books of original entry and supporting documentation.

Yes No

14. We have complied with all applicable compliance requirements of all federal programs we administer,

Yes No

15. We have complied with all applicable specific requirements of all state programs we administer, to include matters contained in the grant awards.

Yes No

16. We have complied with all applicable specific requirements of all local programs we administer, to include matters contained in the grant awards.

Yes No

17. We have provided you with all communications from grantors concerning noncompliance with or deficiencies in administering grant programs.

Yes No

Part III. Public Records

18. We are familiar with the Public Records Act and have made available to the public those records as required by R.S. 44:33.

Yes No

Part IV. Open Meetings

19. Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to the open meetings law.**

NOT APPLICABLE

Yes No

Part V. Budget

20. For each federal grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes No

21. For each grant received from the state, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose, duration, specific goals and objectives, and measures of performance.

Yes [X] No []

22. For each local grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes [X] No []

Part VI. Reporting

23. We have had our financial statements audited in a timely manner in accordance with R.S. 24:513.

Yes [X] No []

24. We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

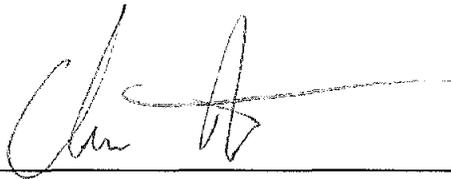
Yes [X] No []

25. We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [X] No []

The previous responses have been made to the best of our belief and knowledge. We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur subsequent to the issuance of your report.



_____	Executive Director	<u>12/1/2020</u>	Date
_____	Treasurer	_____	Date
_____	President	_____	Date

Community Works of Louisiana, Inc.
Board of Directors
June 30, 2020

<u>Name</u>	<u>Position</u>	<u>End Term</u>	<u>Address</u>	<u>Phone Number</u>
Chandler Nutik	Executive Director	N/A	3900 General Taylor, New Orleans, LA 70125	504-522-2667
Melissa Schutz Lilly	Board Chair	6/30/2021	3900 General Taylor, New Orleans, LA 70125	504-522-2667
Sarah Hargrove Howard	Vice Chair	6/30/2021	3900 General Taylor, New Orleans, LA 70125	504-522-2667
Kesha Bullard Lewis	Secretary	6/30/2021	3900 General Taylor, New Orleans, LA 70125	504-522-2667
Emma Herr	Treasurer	6/30/2021	3900 General Taylor, New Orleans, LA 70125	504-522-2667
Mish Warriier	Board member	6/30/2023	3900 General Taylor, New Orleans, LA 70125	504-522-2667
Ben Arceneaux	Board member	6/30/2023	3900 General Taylor, New Orleans, LA 70125	504-522-2667
Eric Alexander	Board member	6/30/2023	3900 General Taylor, New Orleans, LA 70125	504-522-2667
Jordan Frankel	Board member	6/30/2023	3900 General Taylor, New Orleans, LA 70125	504-522-2667
Myron Miller	Board member	6/30/2023	3900 General Taylor, New Orleans, LA 70125	504-522-2667
Kayne Stewart	Board member	6/30/2023	3901 General Taylor, New Orleans, LA 70125	504-522-2667
Dr. Donte Flanagan	Board member	6/30/2023	3902 General Taylor, New Orleans, LA 70125	504-522-2667
Shepard Buckman	Board member	6/30/2023	3903 General Taylor, New Orleans, LA 70125	504-522-2667

Attachment to the Louisiana Questionnaire