

Financial Report

The Work Connection, Inc.
Houma, Louisiana

June 30, 2025

Financial Report

The Work Connection, Inc.
Houma, Louisiana

June 30, 2025

TABLE OF CONTENTS

The Work Connection, Inc. Houma, Louisiana

June 30, 2025 and 2024

	<u>Exhibits</u>	<u>Page Numbers</u>
Financial Section		
Independent Auditor's Report		1 - 3
Statement of Financial Position	A	4
Statement of Activities	B	5
Statement of Functional Expenses	C	6
Statement of Cash Flows	D	7
Notes to Financial Statements	E	8 - 14
		<u>Schedules</u>
Supplementary Information Section		
Schedule of Compensation, Benefits, and Other Payments To Agency Head or Chief Executive Officer	1	15
Special Reports Of Certified Public Accountants		
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 <i>Government Auditing Standards</i>		16 - 17
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance		18 - 20
Schedule of Expenditures of Federal Awards		21
Notes to Schedule of Expenditures of Federal Awards		22
Schedule of Findings and Questioned Costs		23 - 24

TABLE OF CONTENTS
(Continued)

	<u>Schedules</u>	<u>Page Numbers</u>
Reports By Management		
Schedule of Prior Year Findings and Questioned Costs		25
Management's Corrective Action Plan		26
 Statewide Agreed-Upon Procedures		
Independent Accountant's Report on Applying Agreed-Upon Procedures		27 - 28
Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures	2	29 - 33

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
The Work Connection, Inc.,
Houma, Louisiana.

Opinion

We have audited the accompanying financial statements of The Work Connection, Inc. (the "Organization"), a nonprofit organization, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information of the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer for the year end June 30, 2025 is presented for the purpose of additional analysis and is required by Louisiana Revised Statute 24:513(A)(3). The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance). 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 basic financial statements or to the basic 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2024 financial statements, and our report dated November 20, 2024, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report December 1, 2025 dated on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Bourgeois Bennett, L.L.C." The signature is fluid and cursive, with "Bourgeois" on the top line and "Bennett, L.L.C." on the bottom line.

Certified Public Accountants.

Houma, Louisiana,
December 1, 2025.

STATEMENT OF FINANCIAL POSITION

The Work Connection, Inc.
Houma, Louisiana

June 30, 2025
(with comparative totals for 2024)

	<u>2025</u>	<u>2024</u>
Assets		
Cash	\$ 61,258	\$ 12,672
Grants receivable	1,040	54,357
Long-term receivable	8,620	8,259
Prepaid expense	967	745
Property and equipment, net	13,229	23,543
Operating right-of-use asset, net	<u>227,027</u>	<u>298,736</u>
 Total assets	 <u>\$ 312,141</u>	 <u>\$ 398,312</u>
Liabilities		
Accounts payable and accrued expenses	\$ 46,064	\$ 51,079
Compensated absences payable	8,620	8,259
Operating lease liability	<u>227,027</u>	<u>298,736</u>
 Total liabilities	 <u>281,711</u>	 <u>358,074</u>
Net Assets		
Without donor restrictions	17,201	16,695
With donor restrictions	<u>13,229</u>	<u>23,543</u>
 Total net assets	 <u>30,430</u>	 <u>40,238</u>
 Total liabilities and net assets	 <u>\$ 312,141</u>	 <u>\$ 398,312</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**The Work Connection, Inc.**
Houma, LouisianaFor the year ended June 30, 2025
(with comparative totals for 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Totals	Totals
Revenues, Gains, and Other Support				
Government grants	\$ 1,270,097	\$ -	\$ 1,270,097	\$ 1,434,389
Net assets released from restrictions:				
Satisfaction of use restrictions	10,314	(10,314)	-	-
Other revenue	506	-	506	-
Total revenues, gains, and other support	<u>1,280,917</u>	<u>(10,314)</u>	<u>1,270,603</u>	<u>1,434,389</u>
Expenses				
Program services:				
Adult	666,780	-	666,780	760,415
Dislocated workers	217,529	-	217,529	343,621
Youth	396,102	-	396,102	340,667
Supportive services:				
Administration	-	-	-	4,335
Total expenses	<u>1,280,411</u>	<u>-</u>	<u>1,280,411</u>	<u>1,449,038</u>
Increase (Decrease) in Net Assets	506	(10,314)	(9,808)	(14,649)
Net Assets				
Beginning of year	<u>16,695</u>	<u>23,543</u>	<u>40,238</u>	<u>54,887</u>
End of year	<u>\$ 17,201</u>	<u>\$ 13,229</u>	<u>\$ 30,430</u>	<u>\$ 40,238</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

The Work Connection, Inc.
Houma, Louisiana

For the year ended June 30, 2025
(with comparative totals for 2024)

	2025					2024 Totals	
	Program			Supporting Services			
	Adult	Dislocated Workers	Youth	Administration	Totals		
Salaries	\$ 238,817	\$ 114,738	\$ 177,725	\$ -	\$ 531,280	\$ 594,812	
Payroll taxes	17,285	8,683	13,510	-	39,478	45,097	
Retirement	8,833	5,040	7,475	-	21,348	24,458	
Employee benefits	33,304	18,390	25,581	-	77,275	103,058	
 Total salaries and related expenses	 298,239	 146,851	 224,291	 -	 669,381	 767,425	
Advertising and public relations	621	282	303	-	1,206	1,570	
Contract services	42,054	2,933	33,540	-	78,527	13,939	
Depreciation	2,579	5,157	2,578	-	10,314	10,314	
Equipment repairs and maintenance	4,162	2,696	4,060	-	10,918	21,511	
Insurance	18,339	6,615	12,304	-	37,258	42,875	
Membership dues and subscriptions	476	150	324	-	950	925	
Miscellaneous	2,424	818	1,412	-	4,654	12,010	
Postage and shipping	291	137	108	-	536	1,164	
Professional fees	4,684	748	677	-	6,109	13,980	
Participant tuition	229,915	22,325	71,736	-	323,976	384,192	
Other participant supportive services	10,496	1,586	7,837	-	19,919	40,790	
Rent	34,345	19,081	25,529	-	78,955	87,600	
Supplies	3,932	2,893	3,745	-	10,570	25,964	
Telephone	6,248	2,944	4,237	-	13,429	11,777	
Travel, meals, and lodging	695	502	379	-	1,576	973	
Utilities	7,280	1,811	3,042	-	12,133	12,029	
 Totals	 \$ 666,780	 \$ 217,529	 \$ 396,102	 \$ -	 \$ 1,280,411	 \$ 1,449,038	

See notes to financial statements.

STATEMENT OF CASH FLOWS

The Work Connection, Inc.
Houma, Louisiana

For the year ended June 30, 2025
(with comparative totals for 2024)

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Decrease in net assets	<u>\$ (9,808)</u>	<u>\$ (14,649)</u>
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation	10,314	10,314
Decrease (increase) in assets:		
Grants receivable	53,317	(3,888)
Prepaid expense	(222)	(256)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	<u>(5,015)</u>	<u>(6,858)</u>
Total adjustments	<u>58,394</u>	<u>(688)</u>
Net cash provided by (used in) operating activities	<u>48,586</u>	<u>(15,337)</u>
Net Increase (Decrease) in Cash	<u>48,586</u>	<u>(15,337)</u>
Cash		
Beginning of year	<u>12,672</u>	<u>28,009</u>
End of year	<u>\$ 61,258</u>	<u>\$ 12,672</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

The Work Connection, Inc.

Houma, Louisiana

June 30, 2025 and 2024

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Organization

The Work Connection, Inc. (the “Organization”) was incorporated as a non-profit corporation on August 28, 1987. In accordance with the Workforce Innovation and Opportunity Act (WIOA), which superseded and reauthorized the Workforce Investment Act, the Organization funds job training and other employment services in the parishes of Lafourche, Assumption and Terrebonne under grants provided by the local Workforce Development Board (LAT). The Organization is funded by LAT as a subrecipient of WIOA grants.

b) Financial Statement Presentation

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

Net Assets without Donor Restrictions - Support, revenue, and expenses for general operations

Net Assets with Donor Restrictions - Contributions specifically authorized by the grantor or donor to be used for a certain purpose or to benefit a specific accounting period or contributions subject to donor-imposed restrictions and that are held in perpetuity by the Organization.

c) Basis of Accounting

The financial statements of the Organization are prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

e) Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Organization had no cash equivalents as of June 30, 2025 and 2024.

f) Allowance for Bad Debts

The financial statements of the Organization contain no allowance for uncollectible receivables. Uncollectible receivables are recognized as bad debts at the time information becomes available, which would indicate the uncollectibility of the particular receivable. Uncollectable receivables are considered immaterial to the financial statements as of June 30, 2025 and 2024.

g) Property and Equipment

All acquisitions of property and equipment are purchased with grant funding through LAT from the pass-through grantor, the State of Louisiana Workforce Commission (LWC). These assets are considered restricted net assets. All property and equipment is ultimately the property of LWC, which allows the Organization to use the property to perform necessary services. Purchased property and equipment is carried at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation, as determined by management. The policy of the Organization is to capitalize all expenditures for property and equipment in excess of \$1,000. Depreciation is computed using the straight-line method over estimated useful lives (two to ten years).

h) Compensated Absences

Full-time employees are entitled to earn annual vacation leave with pay upon completion of six months' employment and satisfactory completion of their initial probationary period.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Compensated Absences (Continued)

The rate at which an employee accumulates vacation leave depends on years of service. In the event the Organization would not be funded in the following year, employees would be required to exhaust their annual vacation leave prior to the end of the funding year. The related reimbursement is recognized as long-term receivable at the time the liability is incurred.

Sick leave accrues at a rate of five hours per month. Employees shall be allowed to carry accumulated sick leave forward from one program year to the next, not to exceed 120 hours prior to July 1, 2011 and 48 hours after. In no instance shall any employee receive wages for sick leave upon termination of employment, accordingly, accumulated sick leave is not accrued in the financial statements.

i) Methods Used for Allocation of Expenses

Most of the expenses can be directly allocated to programs or supporting functions. The financial statements also report certain categories of expenses that are attributable to both programs and supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, and benefits which are allocated on the basis of estimates of time and effort.

j) Advertising and Public Relations

The Organization's policy is to expense advertising and public relations cost as incurred. For the years ended June 30, 2025 and 2024, total advertising and public relations expense was \$1,206 and \$1,570 respectively.

k) Income Taxes

The Organization is a non-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provisions for income taxes have been made.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosures of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. As of June 30, 2025, management of the Organization believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended June 30, 2022 and later remain subject to examination by the taxing authorities.

Note 2 - PROPERTY AND EQUIPMENT

As of June 30, 2025 and 2024, property and equipment consists of the following:

	<u>2025</u>	<u>2024</u>
Transportation equipment	\$ 77,165	\$ 122,730
Office furniture and equipment	<u>90,458</u>	<u>90,458</u>
	<u>167,623</u>	<u>213,188</u>
Less: accumulated depreciation	<u>(154,394)</u>	<u>(189,645)</u>
Property and equipment, net	<u><u>\$ 13,229</u></u>	<u><u>\$ 23,543</u></u>

Depreciation expense was \$10,314 for both years ended June 30, 2025 and 2024.

Note 3 - NET ASSETS WITH DONOR RESTRICTIONS

Donor restricted net assets as of June 30, 2025 and 2024 are restricted for the following purposes or periods:

	<u>2025</u>	<u>2024</u>
Subject to expenditure of specified purpose:		
Property and equipment	<u><u>\$ 13,229</u></u>	<u><u>\$ 23,543</u></u>

Net assets released from restrictions during the years ended June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Purpose restriction satisfied:		
Property and equipment	<u><u>\$ 10,314</u></u>	<u><u>\$ 10,314</u></u>

Note 4 - AVAILABILITY OF FINANCIAL ASSETS

The Organization is substantially supported by grants. The Organization may also be supported by contributions with and without donor restrictions. 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. Thus, financial assets may not be available for general expenditure within one year. 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 become due. The Organization has established guidelines for making decisions related to managing short-term cash and grant reimbursement requests in a prudent manner.

Note 4 - AVAILABILITY OF FINANCIAL ASSETS (Continued)

The following reflects the Organization's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general use because of donor-imposed restrictions:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash	\$ 61,258	\$ 12,672
Grants receivable	<u>1,040</u>	<u>54,357</u>
Total financial assets	62,298	67,029
Less amounts unavailable for general expenditures within one year, due to:		
Donor imposed restrictions:		
Restricted by donors with purpose restrictions	-	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 62,298</u>	<u>\$ 67,029</u>

Note 5 - LEASE COMMITMENTS

The Organization entered into a lease for office space. The lease term is for two years and began on June 10, 2022 with monthly payments of \$6,900. The lease contains options to renew for 2 additional 2 year terms. The Organization has elected the option to use the risk free rate of 4.17%.

Note 5 - LEASE COMMITMENTS (Continued)

Reported under Topic 842 for the year ended June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Lease Cost		
Operating lease costs	<u>\$ 82,800</u>	<u>\$ 82,800</u>
Operating lease right-of-use asset	<u>\$ 227,027</u>	<u>\$ 298,736</u>
Operating lease liability	<u>\$ 227,027</u>	<u>\$ 298,736</u>
Cash Flow Items		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	<u>\$ 82,800</u>	<u>\$ 82,800</u>
Right-of-use assets obtained in exchange for lease liabilities:		
Operating lease	<u>\$ -</u>	<u>\$ 305,635</u>
Operating lease obligations	<u>\$ -</u>	<u>\$ 305,635</u>
Weighted-Average Information		
Weighted-average remaining lease in years	2.92	3.92
Weighted-average discount rate:	4.17%	4.17%
Future Minimum Lease Payments		
Year Ending <u>June 30,</u>		<u>Amounts</u>
2026	<u>\$ 82,800</u>	
2027	<u>82,800</u>	
2028	<u>75,900</u>	
Total lease payments	241,500	
Less amounts representing interest	<u>(14,473)</u>	
Present value of lease liability	227,027	
Less current maturities	<u>(74,755)</u>	
Long-term lease obligation	<u>\$ 152,272</u>	

Note 6 - OPERATING BUDGETARY DATA

The Organization is a non-profit organization which is not legally required to adopt or amend its budgets. The Organization's funding is from intergovernmental grants from the Federal Department of Labor and is paid as pass-through grants from the LWC and LAT. The Organization signed a contract with LAT which required grant budgets in the amounts of \$2,292,261 and \$2,399,653 for the years ended June 30, 2025 and 2024, respectively. All budgeted amounts which were not expended, or obligated through contracts, lapse at year end.

Note 7 - ECONOMIC DEPENDENCY

As described in Note 1a, the Organization receives its revenue from Federal grant funding passed through LWC and the LAT. If significant budget cuts are made at the Federal, state and/or local government levels, the amount of funds that the Organization receives could be reduced significantly and have an adverse impact on its operations.

Note 8 - RETIREMENT PLAN

The Organization established a 401(k) retirement plan to provide benefits to all permanent full-time employees having completed at least one year of service. Participants are permitted to contribute to any amount up to 15% of their compensation not to exceed statutory limits. The Organization matches 100% of the employee contributions not to exceed 5% of the employee's compensation. The Organization's contributions for the years ended June 30, 2025 and 2024 were \$21,334 and \$24,494, respectively.

Note 9 - RISK MANAGEMENT

The Organization is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage during the year ended June 30, 2025.

Note 10 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through December 1, 2025, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION SECTION

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

The Work Connection, Inc.

For the year ended June 30, 2025

Agency Head Name: Lorey Owens, Executive Director

Purpose	
Salary	\$ 84,725
Benefits - insurance	6,879
Benefits - retirement	4,236
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/>
	\$ 95,840

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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 Work Connection, Inc.,
Houma, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of The Work Connection, Inc. (the “Organization”), which comprise the statement of financial position as of and for the year ended June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 1, 2025.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Bourgeois Bennett, L.L.C." The signature is fluid and cursive, with "Bourgeois" on the top line and "Bennett, L.L.C." on the bottom line.

Certified Public Accountants.

Houma, Louisiana,
December 1, 2025.

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

To the Board of Directors,
The Work Connection, Inc.,
Houma, Louisiana.

Report on Compliance for each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Work Connection, Inc.'s, (the "Organization") 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 the Organization's major federal programs for the year ended June 30, 2025. The Organization'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, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgement 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 the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion in the effectiveness of the Organization'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 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 the internal control over compliance for the limited purpose described in the Auditor's Responsibilities for the Audit Compliance section above 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Bourgeois Bennett, L.L.C." The signature is fluid and cursive, with "Bourgeois" on the top line and "Bennett, L.L.C." on the bottom line.

Certified Public Accountants.

Houma, Louisiana,
December 1, 2025.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Work Connection, Inc.
Houma, Louisiana

For the year ended June 30, 2025

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing</u>	<u>Federal Award/Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Subrecipients</u>
Department of Labor				
<u>Pass-Through Payments:</u>				
<u>Louisiana Workforce Commission:</u>				
<u>LAT Workforce Investment Board, Inc.</u>				
<u>WIOA Cluster:</u>				
WIOA Adult Program	17.258	OCR #474-000559	\$ 664,201	\$ -
WIOA Youth Activities	17.259	OCR #474-000559	393,524	-
WIOA Dislocated Workers	17.278	OCR #474-000559	212,372	-
Total expenditures of federal awards			<u>\$ 1,270,097</u>	<u>\$ -</u>

See notes to Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Work Connection, Inc.
Houma, Louisiana

For the year ended June 30, 2025

Note 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the SEFA) includes the federal award activity of the Organization under programs of the federal government for the year ended June 30, 2025. The information in this SEFA is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Organization.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) The Organization has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Note 3 - RECONCILIATION TO FINANCIAL STATEMENTS

Total federal expenditures for the year ended June 30, 2025 reconciles to the Organization's financial statements for the year ended June 30, 2025 as follows:

Total federal expenditures	\$ 1,270,097
Add:	
Depreciation	<u>10,314</u>
Total expenditures	<u>\$ 1,280,411</u>

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

The Work Connection, Inc.
Houma, Louisiana

For the year ended June 30, 2025

Section I - Summary of Auditor's Report

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be a material weakness? Yes None reported

Noncompliance material to financial statements noted? Yes No

b) Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be a material weakness? Yes None reported

Type of auditor's report issued on compliance for major programs: unmodified

- Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? Yes No

Section I - Summary of Auditor's Report (Continued)

c) Identification of Major Programs:

Federal Assistance Listing	<u>Name of Federal Program</u>
	WIOA Cluster:
17.258	WIOA Adult Program
17.259	WIOA Youth Activities
17.278	WIOA Dislocated Workers

Dollar threshold used to distinguish
between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? X Yes No

Section II - Financial Statement Findings

No financial statement findings were noted during the audit of the financial statements for the year ended June 30, 2025.

Section III - Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2025.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

The Work Connection, Inc.
Houma, Louisiana

For the year ended June 30, 2025

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit of the financial statements for the year ended June 30, 2024.

No significant deficiencies were reported during the audit of the financial statements for the year ended June 30, 2024.

Compliance and Other Matters

There were no compliance findings material to the financial statements reported during the audit for the year ended June 30, 2024.

Section II - Internal Control and Compliance Material to Federal Awards

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2024.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2024.

MANAGEMENT'S CORRECTIVE ACTION PLAN

The Work Connection, Inc.
Houma, Louisiana

For the year ended June 30, 2025

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit of the financial statements for the year ended June 30, 2025.

No significant deficiencies were reported during the audit of the financial statements for the year ended June 30, 2025.

Compliance and Other Matters

There were no compliance findings material to the financial statements reported during the audit for the year ended June 30, 2025.

Section II - Internal Control and Compliance Material to Federal Awards

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2025.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2025.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Directors,
The Work Connection, Inc.,
Houma, Louisiana.

We have performed the procedures described in Schedule 2 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2024 through June 30, 2025. The Work Connection, Inc. (the "Organization") management is responsible for those C/C areas identified in the SAUPs.

The Organization has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. 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 responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 2.

We were engaged by the Organization to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the 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 these C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
December 1, 2025.

**SCHEDEULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES**

The Work Connection, Inc.
Houma, Louisiana

For the year ended June 30, 2025

The required procedures and our findings are as follows:

1. Procedures Performed on the Organization's Written Policies and Procedures:

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

- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
Performance: Obtained and read the written policy for purchasing and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- iii. ***Disbursements***, including processing, reviewing, and approving.
Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
Performance: Obtained and read the written policy for receipts and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

1. Procedures Performed on the Organization's Written Policies and Procedures: (Continued)

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

Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the purchasing handbook for contracting and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for ethics and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: The Organization does not issue debt.

Exceptions: There were no exceptions noted.

1. Procedures Performed on the Organization's Written Policies and Procedures: (Continued)

xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Performance: Obtained and read the written policy for information technology disaster recovery/business continuity and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Performance: Obtained and read the written policy for sexual harassment and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

2. Procedures Performed on the Organization's Board or Finance Committee:

Prior year testing resulted in no exceptions related to the board or finance committee. Therefore, testing is not required in the current year.

3. Procedures Performed on the Organization's Bank Reconciliations:

Prior year testing resulted in no exceptions related to bank reconciliations. Therefore, testing is not required in the current year.

4. Procedures Performed on the Organization's Collections (excluding electronic funds transfers):

Prior year testing resulted in no exceptions related to collections. Therefore, testing is not required in the current year.

5. Procedures Performed on the Organization's Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases):

Prior year testing resulted in no exceptions related to the non-payroll disbursements. Therefore, testing is not required in the current year.

6. Procedures Performed on the Organization's Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (cards):

Prior year testing resulted in no exceptions related to credit cards. Therefore, testing is not required in the current year.

7. Procedures Performed on the Organization's Travel and Travel-Related Expense Reimbursements (excluding card transactions):

Prior year testing resulted in no exceptions related to travel and travel-related expense reimbursements. Therefore, testing is not required in the current year.

8. Procedures Performed on the Organization's Contracts:

Prior year testing resulted in no exceptions related to contracts. Therefore, testing is not required in the current year.

9. Procedures Performed on the Organization's Payroll and Personnel:

Prior year testing resulted in no exceptions related to payroll and personnel. Therefore, testing is not required in the current year.

10. Procedures Performed on the Organization's Ethics:

Prior year testing resulted in no exceptions related to ethics. Therefore, testing is not required in the current year.

11. Procedures Performed on the Organization's Debt Service:

Prior year testing resulted in no exceptions related to debt service. Therefore, testing is not required in the current year.

12. Procedures Performed on the Organization's Fraud Notice:

Prior year testing resulted in no exceptions related to fraud notice. Therefore, testing is not required in the current year.

13. Procedures Performed on the Organization's Information Technology Disaster Recovery/Business Continuity:

Prior year testing resulted in no exceptions related to information technology disaster recovery/business continuity. Therefore, testing is not required in the current year.

14. Procedures Performed on the Organization's Prevention of Sexual Harassment:

Prior year testing resulted in no exceptions related to sexual harassment. Therefore, testing is not required in the current year.

Management's Overall Response to Exceptions:

There were no exceptions noted.