

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

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
JUNE 30, 2025 AND 2024**

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

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JUNE 30, 2025 AND 2024

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

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, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Works of Louisiana, Inc. as of June 30, 2025 and 2024, and the changes in its net assets, functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Works of Louisiana, Inc. 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Community Works of Louisiana, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 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 Community Works of Louisiana, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Works of Louisiana, Inc.'s ability to continue as a going concern for a reasonable period of time.

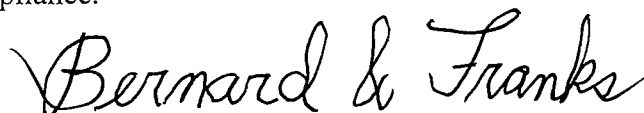
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Compensation, Benefits, and Other Payments to the Executive Director on page 16 and the Schedule of Expenditures of Federal Awards on page 22, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 Schedule of Compensation, Benefits, and Other Payments to the Executive Director and the Schedule of Expenditures of the Federal Awards are 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 January 12, 2026, 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 the 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.



Metairie, Louisiana
January 12, 2026

COMMUNITY WORKS OF LOUISIANA, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 220,463	\$ 81,673
Accounts receivable	302,237	357,282
Prepaid insurance	8,439	10,195
Total current assets	<u>\$ 531,139</u>	<u>\$ 449,150</u>
PROPERTY AND EQUIPMENT	\$ 24,565	\$ 24,565
Less, accumulated depreciation	(24,565)	(22,028)
Total property and equipment	<u>\$ -</u>	<u>\$ 2,537</u>
OTHER ASSET		
Deposit	<u>\$ 928</u>	<u>\$ 928</u>
TOTAL ASSETS	<u>\$ 532,067</u>	<u>\$ 452,615</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 131,661	\$ 34,027
Payroll and benefit liabilities	7,673	15,162
Accrued interest	-	122
Current maturities of long-term debt	3,288	3,200
Total current liabilities	<u>\$ 142,622</u>	<u>\$ 52,511</u>
LONG-TERM LIABILITIES		
Small Business Administration loan	<u>\$ 118,657</u>	<u>\$ 121,900</u>
Total long-term liabilities	<u>\$ 118,657</u>	<u>\$ 121,900</u>
Total liabilities	<u>\$ 261,279</u>	<u>\$ 174,411</u>
NET ASSETS		
Without donor restriction-undesignated	<u>\$ 270,788</u>	<u>\$ 278,204</u>
Total net assets	<u>\$ 270,788</u>	<u>\$ 278,204</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 532,067</u>	<u>\$ 452,615</u>

See notes to the financial statements.

COMMUNITY WORKS OF LOUISIANA, INC.

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
	Without Donor Restrictions	Without Donor Restrictions
REVENUE, GAINS AND OTHER SUPPORT		
Federal grants	\$ 1,313,500	\$ 1,251,631
Participant and program fees	409,952	253,173
Other grants and contributions	94,909	93,810
Employee retention credit	15,925	47,915
Interest income	76	10,564
Total revenues, gains and other support	<u>\$ 1,834,362</u>	<u>\$ 1,657,093</u>
 EXPENSES		
Program services	\$ 1,551,904	\$ 1,358,370
Supporting services:		
Management and general	255,137	215,028
Fund-raising	34,737	74,126
Total expenses	<u>\$ 1,841,778</u>	<u>\$ 1,647,524</u>
Change in net assets	\$ (7,416)	\$ 9,569
 NET ASSETS AT BEGINNING OF YEAR	<u>278,204</u>	<u>268,635</u>
 NET ASSETS AT END OF YEAR	<u>\$ 270,788</u>	<u>\$ 278,204</u>

See notes to the financial statements.

COMMUNITY WORKS OF LOUISIANA, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Supporting Services			Total
	Program Services	General and Administrative	Fund-raising	
Compensation and related expenses				
Compensation	\$ 184,086	\$ 99,617	\$ 19,036	\$ 302,739
Payroll taxes	15,041	8,139	1,555	24,735
Benefits	32,669	17,679	3,378	53,726
	<u>\$ 231,796</u>	<u>\$ 125,435</u>	<u>\$ 23,969</u>	<u>\$ 381,200</u>
Accounting and audit	\$ -	\$ 33,765	\$ -	\$ 33,765
Advertising	-	-	7,912	7,912
Conferences and meetings	-	3,331	-	3,331
Consultants	-	2,627	-	2,627
Contract services	1,209,713	-	-	1,209,713
Depreciation expense	-	2,537	-	2,537
Dues and fees	-	8,366	-	8,366
Computer related expenses	-	18,312	-	18,312
Insurance	-	15,412	-	15,412
Interest	-	3,445	-	3,445
Miscellaneous	-	-	2,856	2,856
Occupancy expense	-	19,647	-	19,647
Postage and mailings	-	485	-	485
Professional development	2,773	16,680	-	19,453
Program expenses	106,386	-	-	106,386
Telephone	-	2,267	-	2,267
Travel	1,236	2,828	-	4,064
	<u>\$ 1,320,108</u>	<u>\$ 129,702</u>	<u>\$ 10,768</u>	<u>\$ 1,460,578</u>
 Total expenses	 <u>\$ 1,551,904</u>	 <u>\$ 255,137</u>	 <u>\$ 34,737</u>	 <u>\$ 1,841,778</u>

See notes to the financial statements.

COMMUNITY WORKS OF LOUISIANA, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024**

	Program Services	Supporting Services		Total
		General and Administrative	Fund-raising	
Compensation and related expenses				
Compensation	\$ 125,872	\$ 88,315	\$ 55,257	\$ 269,444
Payroll taxes	9,696	6,803	4,257	20,756
Benefits	22,531	15,808	9,891	48,230
	<u>\$ 158,099</u>	<u>\$ 110,926</u>	<u>\$ 69,405</u>	<u>\$ 338,430</u>
Accounting and audit	\$ -	\$ 28,680	\$ -	\$ 28,680
Advertising	-	-	4,721	4,721
Conferences and meetings	-	1,390	-	1,390
Consultants	-	3,497	-	3,497
Contract services	1,130,961	-	-	1,130,961
Depreciation expense	-	3,381	-	3,381
Dues and fees	-	9,533	-	9,533
Computer related expenses	-	12,265	-	12,265
Insurance	-	14,816	-	14,816
Interest	-	3,358	-	3,358
Miscellaneous	-	2,522	-	2,522
Occupancy expense	-	16,179	-	16,179
Postage and mailings	-	560	-	560
Professional development	-	6,419	-	6,419
Program expenses	68,386	-	-	68,386
Telephone	-	1,238	-	1,238
Travel	924	264	-	1,188
	<u>\$ 1,200,271</u>	<u>\$ 104,102</u>	<u>\$ 4,721</u>	<u>\$ 1,309,094</u>
 Total expenses	 <u>\$ 1,358,370</u>	 <u>\$ 215,028</u>	 <u>\$ 74,126</u>	 <u>\$ 1,647,524</u>

See notes to the financial statements.

COMMUNITY WORKS OF LOUISIANA, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (7,416)	\$ 9,569
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	2,537	3,381
(Increase) decrease in operating assets:		
Accounts receivable	55,045	(165,738)
Prepaid insurance	1,756	(1,957)
Increase (decrease) in operating liabilities:		
Accounts payable	97,634	11,457
Payroll and benefit liabilities	(7,489)	11,759
Accrued interest	(122)	(3,242)
Net cash (used in) provided by operating activities	<u>\$ 141,945</u>	<u>\$ (134,771)</u>
CASH FLOWS FROM FINANCING		
Principal repayments on SBA loan	<u>\$ (3,155)</u>	<u>\$ -</u>
Net cash (used in) provided by financing activities	<u>\$ (3,155)</u>	<u>\$ -</u>
Net change in cash and cash equivalents	\$ 138,790	\$ (134,771)
Beginning cash and cash equivalents	81,673	216,444
Ending cash and cash equivalents	<u>\$ 220,463</u>	<u>\$ 81,673</u>
 SUPPLEMENTAL DISCLOSURE		
Interest Paid	<u>\$ 3,445</u>	<u>\$ 3,850</u>

See notes to the financial statements.

COMMUNITY WORKS OF LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Community Works of Louisiana, Inc. (the Organization) is a 501(c)(3) nonprofit 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 community organizations with comprehensive program management and enrichment services for after-school and summer programming.

Financial Statement Presentation

The Organization follows the guidance of ASC 958, Not-for-Profit Entities, which requires the classification of net assets based on the presence or absence of donor-imposed restrictions. Accordingly, the financial statements report net assets as either net assets without donor restrictions or net assets with donor restrictions.

Net assets without donor restrictions consist of resources available to support the Organization's operations and may be used at the discretion of management and the board of directors. The governing board has not designated any net assets without donor restrictions for specific purposes.

Net assets with donor restrictions consist of contributions subject to donor-imposed stipulations. These restrictions may be temporary, satisfied by actions of the Organization or the passage of time, or perpetual, requiring that the resources be maintained in perpetuity.

Basis of Accounting

The financial statements of the Organization 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, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

Accounts Receivable

Receivables consists primarily of a reimbursable government grant. Receivables are recorded at their net realizable value. Management estimates an allowance for uncollectible receivables based on historical trends, and current and past experience with the individual grantors. Management determined that no allowance was necessary as of June 30, 2025 and 2024.

COMMUNITY WORKS OF LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment purchases in excess of \$1,000, as well as expenditures that significantly extend the useful lives of existing assets, are capitalized. Property and equipment are recorded at cost or, if donated, at their estimated fair value at the date of donation. Depreciation is computed using the straight-line method over estimated useful lives ranging from five to seven years.

Advertising

Advertising costs are expensed as incurred. Advertising expenses were \$7,912 and \$4,721 for the years ended June 30, 2025 and 2024, respectively.

Functional Allocation of Expenses

The costs of providing services and supporting activities have been summarized on a functional basis in the accompanying financial statements. Expenses that can be directly attributed to a specific function are charged accordingly. Other expenses benefiting multiple functions are allocated among program services, management and general, and fundraising based on reasonable and consistently applied methods, including estimates of time and effort, square footage, usage, and other relevant measures.

Contributions

Contributions are recognized when received or unconditionally promised and are classified as either net assets without donor restrictions or net assets with donor restrictions based on the existence of donor-imposed stipulations. Donor-restricted contributions whose restrictions are satisfied in the same reporting period in which the contribution is received are reported as increases in net assets without donor restrictions. All other donor-restricted contributions are reported as increases in net assets with donor restrictions.

When donor restrictions are satisfied, whether through the passage of time or fulfillment of a specified purpose, the related amounts are reclassified to net assets without donor restrictions and reported as net assets released from restrictions in the statement of activities.

Donated Services

The Organization recognizes donated services if they create or enhance nonfinancial assets or require specialized skills that would need to be purchased if not provided by donation. Volunteer hours that do not meet these criteria are not recognized. Although the Organization receives volunteer support, such services did not meet the criteria for recognition under generally accepted accounting principles and are therefore not recorded.

COMMUNITY WORKS OF LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Property and Equipment

Contributed property and equipment are recorded at their estimated fair value on the date of donation. Contributions with donor-imposed stipulations regarding their use or required holding period are reported as net assets with donor restrictions until those stipulations are met. In the absence of donor restrictions, such contributions are reported as net assets without donor restrictions.

Revenue Recognition

The Organization recognizes revenue in accordance with accounting principles generally accepted in the United States of America, using guidance applicable to both contributions (ASC 958-605) and exchange transactions (ASC 606), depending on the nature of the revenue source.

Federal Grants

Revenue from government grants and contracts is recognized as qualifying expenditures are incurred in accordance with the terms of the agreements.

Program Service and Participant Fees

Fees earned from providing after-school and summer program services at partner school locations. Revenue includes fees paid by participating schools pursuant to program agreements, as well as fees paid by program participants. Revenue is recognized over the period in which program services are provided.

Private Grants and Contributions

Private grants and contributions are recognized as revenue when received or unconditionally promised. Private grants and contributions that are conditional in nature are not recognized until the conditions are substantially met. Private grants and contributions may be restricted by donors for specific purposes; such amounts are reported as net assets with donor restrictions until expended in accordance with donor stipulations.

Interest Income

Interest income is recognized as earned over time.

Employee Retention Credit

The Employee Retention Credit (ERC) is accounted for as a government assistance program. The Organization recognizes revenue from the ERC when all eligibility requirements are met and the amount of the credit is realizable. Amounts expected to be received but not yet collected are recorded as receivables when the criteria for recognition have been satisfied.

COMMUNITY WORKS OF LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations

The Organization derives a significant portion of its revenue from federal grants. For the years ended June 30, 2025 and 2024, federal grant revenue totaled \$1,313,500 and \$1,251,631, representing approximately 72% and 76% of total revenue, respectively. Participant and program fee revenue totaled \$409,952 and \$253,173, or approximately 22% and 15% of total revenue, and private grants and contributions totaled \$94,909 and \$93,810, or approximately 5% and 6% of total revenue for 2025 and 2024, respectively. The Organization also received \$16,001 and \$58,479, or approximately 1% and 4% of total revenue, from the Internal Revenue Service related to the Employee Retention Credit and associated interest for the years ended June 30, 2025 and 2024, respectively.

Because the majority of the Organization's funding is provided through a federal government agency, reductions in federal, state, or local appropriations could have a significant impact on operations. As of January 12, 2026, management is not aware of any actions or changes in funding that would adversely affect the Organization's revenue from these sources in the upcoming fiscal year.

Income Tax Status

The Organization is a not-for-profit entity exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as an organization other than a private foundation. The Organization is also exempt from state income tax. Income generated from activities unrelated to the Organization's exempt purpose may be subject to tax; however, the Organization had no material unrelated business income for the years presented. The Organization's informational returns (Form 990) for the fiscal years ended June 30, 2023, 2024, and 2025 remain subject to examination by the Internal Revenue Service under the statute of limitations.

Leases

Effective July 1, 2022, the Organization adopted FASB ASC 842, Leases. ASC 842 requires lessees to recognize a right-of-use (ROU) asset and a corresponding lease liability for all leases with terms greater than twelve months. Leases are classified as either operating or finance leases, with classification affecting the pattern of expense recognition in the statement of activities.

The Organization elected the short-term lease exemption for all asset classes, which allows leases with a term of twelve months or less and no purchase option to be excluded from ROU asset and lease liability recognition.

As of June 30, 2025 and 2024, the Organization did not have any leases with terms exceeding twelve months. Accordingly, no ROU assets or lease liabilities have been recorded on the statement of financial position.

COMMUNITY WORKS OF LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements and Reporting Considerations

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-05, Credit Losses (Topic 326), which provides a practical expedient for measuring expected credit losses on short-term receivables and contract assets for nonpublic entities and not-for-profit organizations. The expedient allows entities to evaluate subsequent cash collections through a specified date when estimating expected credit losses. Management evaluated the Organization's receivables and determined that the practical expedient does not materially change its existing policies. Receivables consist primarily of amounts due from federal and state agencies under cost-reimbursement grant agreements, which are considered fully collectible. Adoption of this ASU did not have a material effect on the financial statements.

NOTE 2. PROPERTY

Property and equipment consisted of the following:

	2025	2024	Useful Life
Furniture and equipment	\$ 24,565	\$ 24,565	5 to 7 years
Less: Accumulated depreciation	(24,565)	(22,028)	
Total	<u>\$ -</u>	<u>\$ 2,537</u>	

Depreciation expense for the years ended June 30, 2025 and 2024 was \$2,537 and \$3,381, respectively.

NOTE 3. LEASING ARRANGEMENTS

The Organization entered into a short-term lease agreement for office space commencing on October 1, 2022. The lease expired on September 30, 2023 and continues as a month-to-month agreement. Total monthly rental rate was \$1,250 for the years ended June 30, 2025 and 2024. The Organization also incurred a \$3,172 and \$923 monthly charge for extra space used in the facility for the years ended June 30, 2025 and 2024, respectively. Total rental expenses for June 30, 2025 and 2024 was \$18,172 and \$15,923, respectively.

NOTE 4. 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 for amounts up to \$250,000. As of June 30, 2025 and 2024 there was no uninsured portion of the balance.

COMMUNITY WORKS OF LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 5. RETIREMENT PLAN

The Organization sponsors a 401(k) salary reduction retirement plan covering substantially all full-time employees. Employees become eligible to participate after completing three months of employment. Under the plan, employees may contribute a specified percentage of their salary or a fixed dollar amount on a pre-tax basis. The Organization provides a matching contribution equal to 3% of eligible compensation for participating employees and may also elect to make additional nonelective contributions at its discretion.

For the years ended June 30, 2025 and 2024, the Organization made contributions to the 401(k) plan totaling \$8,052 and \$7,556, respectively.

NOTE 6. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets available to meet cash needs for general expenditures within one year of the statement of financial position date:

	2025	2024
Cash and cash equivalents	\$ 220,463	\$ 81,673
Accounts receivable	302,237	357,282
Total	<u>\$ 522,700</u>	<u>\$ 438,955</u>

The Organization is substantially supported by a federal grant and program service fees. As part of its liquidity management plan, the Organization structures its financial assets to be available to meet general expenditures, liabilities, and other obligations as they come due.

NOTE 7. NOTE PAYABLE

On June 15, 2021, the U.S. Small Business Administration (SBA) authorized a loan to the Organization in the amount of \$25,000 with a 2.75% interest per annum. The SBA loaned an additional \$100,100 to the Organization for the year ended June 30, 2022 to be paid with the terms of the original loan. 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.

To provide additional flexibility, the SBA has provided a deferment of principal for 30 months from inception of the loan. The Organization made interest only payments beginning December 2022. Interest payments totaled \$3,402 and \$3,358 for the years ended June 30, 2025 and 2024, respectively. At June 30, 2025 and 2024, the loan had accrued interest of \$0 and \$122, respectively. The loan has a maturity date of June 15, 2050.

COMMUNITY WORKS OF LOUISIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 7. NOTE PAYABLE (Continued)

Principal and interest are payable within thirty years from the date of the promissory note. Scheduled principal payments on long-term debt as of June 30, 2025, are as follows:

Year Ended June 30,	Amount
2026	\$ 3,288
2027	3,380
2028	3,466
2029	3,571
2030	3,669
Thereafter	104,571
Total debt	\$ 121,945
Less: current portion	(3,288)
Long-term portion	<u>\$ 118,657</u>

NOTE 8. EMPLOYEE RETENTION CREDIT

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) signed into law on March 27, 2020 and the subsequent extensions, the Organization became eligible for a refundable Employee Retention Credit (ERC), subject to meeting certain criteria. For 2020, the ERC equaled 50% of qualified wages paid to employees during each eligible quarter, capped at \$10,000 of qualified wages per employee through December 31, 2020. Additional federal relief provisions extended and expanded the program through December 31, 2021, increasing the credit to 70% of qualified wages per quarter and raising the limit on qualified wages to \$10,000 per employee per quarter.

The Organization recognized refund revenue of \$15,925 and \$47,915 for the years ended June 30, 2025 and 2024, respectively, upon resolution of all uncertainties related to realization of the credit. Related interest income of \$76 and \$10,564 was also recognized.

NOTE 9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 12, 2026, which is the date the financial statements were available to be issued. Based on this review, management determined that there were no subsequent events requiring adjustment to or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

COMMUNITY WORKS OF LOUISIANA, INC.

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO THE EXECUTIVE DIRECTOR
FOR THE YEAR ENDED JUNE 30, 2025

Executive Director: Chandler Nutik

Salary and related expenses	\$	110,950
Benefits-insurance		21,831
Benefits-retirement		3,329
Cell phone		1,274
	\$	<u>137,384</u>

SPECIAL REPORTS OF INDEPENDENT AUDITORS



**INDEPENDENT AUDITORS' 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.
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Works of Louisiana, Inc. (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of June 30, 2025 and 2024 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 January 12, 2026.

Report on Internal Control over Financial Reporting

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

This report is intended for the information of the Board of Directors, Management, the State of Louisiana, the Legislative Auditor for the State of Louisiana, Federal Awarding Agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Bernard L. Franks".

Metairie, Louisiana
January 12, 2026



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Community Works of Louisiana, Inc.'s (a nonprofit organization) (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 years ended June 30, 2025 and 2024. The Organization's major federal program is identified in the summary of auditors' 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 its major federal program for the years ended June 30, 2025 and 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audits 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 Auditors' 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 grants agreements applicable to the Organization's federal program.

Auditors' 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 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 judgment 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 Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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 and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Bernard & Franks".

Metairie, Louisiana
January 12, 2026

COMMUNITY WORKS OF LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

<u>Federal grantor/pass-through grantor/program</u>	<u>Assistance Listing Number</u>	<u>Contract Number</u>	<u>Total Federal Expenditures</u>
United States Department of Education			
Passed through the State of Louisiana Department of Education			
Twenty-First Century Community Learning Centers	84.287C	723338	<u>\$ 1,307,500</u>
Passed through Twin Cities Public Television, Inc.			
Ready-to-Learn Television	84.295A	S295A200002	<u>\$ 6,000</u>
Total United States Department of Education			<u>\$ 1,313,500</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,313,500</u></u>

See notes to the schedule of expenditures of federal awards.

COMMUNITY WORKS OF LOUISIANA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

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

Financial Statement Presentation

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain expenditures are not allowable or are limited to reimbursement.

Indirect Cost Rate

The Organization did not elect to take the de minimis indirect cost rate allowed under the Uniform Guidance.

**COMMUNITY WORKS OF LOUISIANA, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2025**

Section I- Summary of Auditors' Results

Financial Statements

1. The independent auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.
2. No significant deficiencies or material weaknesses of Community Works of Louisiana, Inc.'s internal control were disclosed by the audit of the financial statements as reported in the Independent Auditors' 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*.
3. No instances of noncompliance material to the financial statements of Community Works of Louisiana, Inc. were disclosed as reported in the Independent Auditors' 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*.

Federal Awards

4. No significant deficiencies or material weaknesses relating to internal control over the major federal award programs were disclosed during the audit, as reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditors' report on compliance for major federal award programs expresses an unmodified opinion.
6. There were no audit findings that are required to be reported in accordance with the Uniform Guidance.
7. The major program tested was the following:

Assistance listing number	Name of Federal Program
84.287C	21st Century Community Learning Centers

COMMUNITY WORKS OF LOUISIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)
YEAR ENDED JUNE 30, 2025

Section I- Summary of Auditors' Results

Federal Awards-Continued

8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Community Works of Louisiana, Inc. was determined to be a low-risk auditee as defined by Uniform Guidance.

Section II- Financial Statement Findings

**Internal Control Over Financial Reporting And Compliance And Other Matters
Material To The Basic Financial Statements**

Internal Control Over Financial Reporting

No internal control over financial reporting findings was reported during the audit for the year ending June 30, 2025.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ending June 30, 2025.

Section III - Federal Award Findings And Questioned Costs

Internal Control/Compliance

No findings or questioned costs were reported during the audit of the financial statements for the year ended June 30, 2025, related to internal control and compliance material to federal awards.

REPORT BY MANAGEMENT

**COMMUNITY WORKS OF LOUISIANA, INC.
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

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

Internal Control Over Financial Reporting

No findings were noted during the year-end June 30, 2024 audit related to internal control over financial reporting material to the basic financial statements.

Compliance and Other Matters

There were no findings material to the financial statements noted during the year-end June 30, 2024 audit related to compliance and other matters.

Section II - Internal Control and Compliance Material to Federal Awards

Internal Control Over Financial Reporting

This is not applicable to the Organization for the year ended June 30, 2024.

Compliance and Other Matters

This is not applicable to the Organization 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 ending June 30, 2024.

STATEWIDE AGREED-UPON PROCEDURES



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

To the Board of Directors of
Community Works of Louisiana, Inc.
New Orleans, Louisiana
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Community Works of Louisiana, Inc. and the Louisiana Legislative Auditor on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year-end June 30, 2025. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked them "not applicable."

The management of Community Works of Louisiana, Inc. and the Legislative Auditor, State of Louisiana, agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of describing the scope of testing performed on those control and compliance (C/C) areas identified in the Statewide Agreed-Upon Procedures (SAUPs), and the result of that testing. 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; as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

3.) Bank Reconciliations

- A. Obtain a listing of Organization bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Organization's main operating account. Select the Organization's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Result: We obtained the required list with management's representation that the listing is complete.

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

Result: No exceptions noted.

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

Result: No exceptions noted.

We were engaged by Community Works of Louisiana, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance (C/C) areas identified in the Statewide Agreed-Upon Procedures (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 Community Works of Louisiana, Inc. 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 for the management of Community Works of Louisiana, Inc. and the Legislative Auditor, State of Louisiana to describe the scope of testing performed on those control and compliance (C/C) areas identified in the Statewide Agreed-Upon Procedures (SAUPs), and the result of that testing, and not to provide an opinion on control or compliance. It should not be used by those who have not agreed to the procedures and have not taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



January 12, 2026
Metairie, Louisiana