Empower 225

Baton Rouge, Louisiana

Annual Financial Report

For the year ended December 31, 2024

EMPOWER 225

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Neal Fortenberry, CPA
Wayne Dussel, CPA, CFE
Jonathan Clark, CPA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Empower 225
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying financial statements of Empower 225 (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 present fairly, in all material respects, the financial position of Empower 225 as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted my 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 Empower 225 and to meet other ethical responsibilities, in accordance with the relevant ethical requirements relating to my 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

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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 Empower 225'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 my 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 Empower 225'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 Empower 225'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 Schedule of Compensation, Benefits, and Other Payments to an Agency Head and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit*

part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued my report dated June 24, 2025, on our consideration of Empower 225's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Empower 225'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 Empower 225's internal control over financial reporting and compliance.

L. A. Champagne & Co, LLP

Baton Rouge, Louisiana
June 24, 2025

EMPOWER 225
STATEMENT OF FINANCIAL POSITION
December 31, 2024

ASSETS		
CURRENT ASSETS		
Cash	$	361,213
Accounts receivable:		
Grant reimbursement		85,319
Prepaid expenses		17,202
Total current assets		463,734
PROPERTY AND EQUIPMENT		
Property and equipment, net of depreciation		565,155
Operating lease right-of-use asset, net of amortization		23,120
		588,275
Total assets	$	1,052,009
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$	23,949
Accrued salaries		38,015
Accrued leave		15,547
Other		12,911
Deferred revenue		19,121
Current portion of long-term debt		23,019
Current portion of operating lease liability		8,410
Total current liabilities		140,972
LONG-TERM LIABILITIES		
Long term debt, net of current portion		169,572
Operating lease liability, net of current portion		14,710
		184,282
NET ASSETS		
Without donor restrictions		659,453
With donor restrictions		67,302
Total net assets		726,755
Total liabilities and net assets	$	1,052,009

See accompanying notes to financial statements

EMPOWER 225
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions & private grants	$ 178,105	$ 44,924	$ 223,029
Federal grants	1,229,275	-	1,229,275
State grants	229,095	-	229,095
Program revenue	89,402	-	89,402
In-kind contributions	380,035	-	380,035
Insurance dividend	16,115	-	16,115
Fundraising	184,622	-	184,622
Interest	2,265	-	2,265
Other	23,732	-	23,732
	2,332,646	44,924	2,377,570
Net assets released from restrictions:			
Satisfaction of time & purpose restrictions	25,968	(25,968)	-
	2,358,614	18,956	2,377,570
EXPENSES			
Program services	1,944,335	-	1,944,335
Management & general	476,437	-	476,437
Fundraising	49,657	-	49,657
	2,470,429	-	2,470,429
Increase (decrease) in net assets	(111,815)	18,956	(92,859)
Net assets - beginning of year	771,268	48,346	819,614
Net assets - end of year	$ 659,453	$ 67,302	$ 726,755

See accompanying notes to financial statements

EMPOWER 225
STATEMENT OF CASH FLOWS
Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ (92,859)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	33,412
Net (increase) decrease in:	
Accounts receivable	39,025
Prepaid expenses	2,164
Net increase (decrease) in:	
Accounts payable	(2,489)
Accrued salaries	13,196
Accrued leave	(3,109)
Other	(20,087)
Deferred revenue	15,299
Loss on disposal of property and equipment	3,252
Net cash provided by (used in) operating activities	(12,196)
CASH FLOWS FROM INVESTING ACTIVITIES	
Net cash provided by (used in) investing activities	-
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on long-term debt	(22,105)
Net cash provided by (used in) financing activities	(22,105)
NET CHANGE IN CASH	(34,301)
Cash and cash equivalents - beginning of year	395,514
Cash and cash equivalents - end of year	$ 361,213
SUPPLEMENTAL DISCLOSURES	
Interest paid	$ 8,299

See accompanying notes to financial statements

EMPOWER 225
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	Program							
	Advocacy	Education	Housing	Independent Living	Total	Management & General	Fundraising	Total
Client support & related program	$ 82,133	$ 38,950	$ 33,521	$ 68,877	$ 223,481	$ 22,461	$ -	$ 245,942
Depreciation	-	-	31,785	-	31,785	1,627	-	33,412
Insurance	13,941	10,810	19,248	10,688	54,687	6,291	-	60,978
Interest	-	-	6,069	-	6,069	3,368	-	9,437
Meetings, travel & education	5,729	15,329	1,520	7,824	30,402	15,345		45,747
Miscellaneous	-	-	-	-	-	4,987	-	4,987
Office, computer, & other supplies	3,701	8,771	42,458	3,099	58,029	21,947	49,657	129,633
Other direct program cost	-	-	60	13	73	558		631
Payroll & other related cost	347,261	297,699	217,412	292,151	1,154,523	264,452		1,418,975
Professional fees	26,451	4,746	17,674	62,949	111,820	65,176		176,996
Rent, utilities, & parking	55,907	55,907	73,700	87,952	273,466	70,225		343,691
Total expenses	$ 535,123	$ 432,212	$ 443,447	$ 533,553	$ 1,944,335	$ 476,437	$ 49,657	$ 2,470,429

See accompanying notes to financial statements

EMPOWER 225
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

A: ORGANIZATION AND NATURE OF ACTIVITIES

Nature of activities

Empower 225 (the Organization) is a nonprofit corporation founded in September 2010 (initially as Healing Place Serve). Our mission is to empower youth in the capital region who are at-risk of homelessness and dependency, to reach their highest potential through educational support, life-skills training, career preparedness, housing and mentorship. Our goal is to connect the youth with positive adult role models and help them develop in these four areas: Education, employment, stable housing, and life skills. We strive to achieve these goals by establishing community-based partnerships and developing indigenous leadership. We work to provide and coordinate supportive services to ensure wrap-around care, recruits and trains volunteers to implement 'Best-Practices Programs' & secure additional resources for the community. Our target populations include: Homeless and runaway youth, youth in foster care, young adults who age out of foster care, youth involved with juvenile justice and young adults needing a GED. We have developed various programs around the needs of our target populations. We also have programs to build greater awareness and better response to the problem of violence in the community, coordinate community events, and provide housing for homeless individuals. Our Organization is funded by donations, grants, and revenue collected in furtherance of our mission.

Components of Program Services

Advocacy - My Community Cares is a program that provides a holistic approach with advocacy and services to youth and their families to help keep them out of state custody. This initiative also helps to provide awareness and advocacy for youth in care and provide support and training for caregivers and birth parents. The AMPP program works with youth ages 12-17 who have been exposed to violence and/or part of the juvenile justice system with the intent of providing alternative pathways to violence and provide wrap around services for the family.

Education – The Adult Education/Work Ready U program provides students with the opportunity to achieve their HISET and workforce preparedness. The Preventing Trafficking of Girls (PTG) program provides or enhance preventative education, case management, and mentorship to girls ages 12-18 who are at risk and whom have been identified as a victim of human trafficking.

A: ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

Housing - Anchor House provides stable housing and support for homeless or at risk male youth ages 16-21. It is a family-style transitional living program used to create a supportive home environment.

Independent Living - The Empower 225 Leadership Academy helps youth ages 13 – 24 become independent through Educational Support. Dreamville (DVILLE), an afterschool program, and the L.I.T. (Leaders in Training) Summer Camp provides a safe positive place and educational support for at risk youth ages 13-18 after school and during the summer. CILP program provides life skills training for youth ages 14-21 in foster care or aged out of foster care. The Street Outreach Program provides street-based intervention and wrap-around supportive services to homeless and at-risk youth ages 16-21 to help move them towards a successful, self-sufficient adulthood.

B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the prepares its financial statements and the reported amounts of revenue and expenses during the reporting period.

Net Asset Presentation

Net assets of the Organization and changes therein are classified and reported as follows:

Without Donor Restrictions - Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the "Board") and management for general operating purposes. From time to time, the Board may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion. This class also includes restricted gifts whose donor-imposed restrictions were met within the same year as received the donated assets for either specified or unspecified purposes.

With Donor Restrictions - Net assets with donor restrictions are those resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to these stipulations.

B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

For purposes of the statement of financial position and the statement of cash flows, cash and cash equivalents consist of cash and other highly liquid resources, such as investments in certificates of deposit and money market funds, with an original maturity of three months or less when purchased. The following is the composition of the combined amounts appearing in the financial statements.

Money in checking accounts	$	360,439
Petty cash		774
Total cash and cash equivalents	$	361,213

Account, grant, and contribution receivable

The Organization determines past due accounts based on contractual terms and does not charge interest on the accounts. The Organization charges off receivables if management considers the collection of the outstanding balance to be doubtful. Management estimates no allowance for doubtful accounts is necessary as of December 31, 2024.

Property and Equipment

Property and equipment are stated at historical cost, if purchased, or at fair value at the date of gift, if donated, less accumulated depreciation. Additions with a cost or fair value of less than $5,000 are expensed. Depreciation of property and equipment is computed over the estimated useful lives of the assets on a straight-line basis. Routine repairs and maintenance are expensed as incurred. The following is a summary of the estimated useful lives used:

Buildings and improvements	39 Years
Leasehold improvements	15-39 Years
Equipment	3-5 Years
Vehicles	5-7 Years

Revenue Recognition

The Organization receives revenue from contributions (donations, private grants, fundraising revenue, and federal and state grant awards) and from contracts with its customers for services in furtherance of its mission (program service revenue).

Contributions and promises to give - Contributions are recorded as increases in net assets without donor restrictions or increases in net assets with donor restrictions, depending on the existence or nature of any donor-imposed restrictions, in the period received or in the period in which an unconditional promise to give such contribution is received.

B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same accounting period are reported as support and revenues without restrictions. The same treatment applies for reporting investment gains and income.

Donated services, property, and facility use - In-kind contributions consist of donated services, property, and facility use received by the Organization. Donated property and facility use are recorded as both revenue and expense at their estimated fair values at the date of receipt. Donated property with a long useful life is recorded as revenue and as a long-lived asset at the estimated fair value.

The Organization recognizes contribution revenue for certain services received at their estimated fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The Organization utilizes the guidance in the FASB ASC in the assessment of whether revenue is an exchange transaction or contribution and considers factors including commensurate value received, reciprocity, and donor-imposed conditions. Contributions and grants are recorded as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When donor restrictions expire, that is, when the stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Contributions and grants with donor restrictions that are both received and satisfied within the same year are recorded as an increase in net assets with donor restrictions and as a satisfaction of program restrictions.

The Organization receives grant funding from federal agencies, state and local governments, and private sources. Excess expenses incurred are non-reimbursable to the Organization. Advance payments from grantors are recorded as refundable advances until expensed for its intended purpose.

B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization recognizes revenue from customers when it transfers promised goods or services to its customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods and services. To accomplish this, the Organization applies the following five-step process to achieve this core principle:

- Identification of the contract with the customer;
- Identification of the performance obligations of the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the identified performance obligations; and
- Recognition of revenue when (or as) an entity satisfies the identified performance obligations.

The Organization receives program revenue for providing services. Revenue for these services is recognized when the services occur.

Revenue Disaggregation
The Organization disaggregates revenue from contracts with customers into major revenue streams and based on the timing of recognized revenue. The Organization's revenue disaggregated based on timing of the transfer of goods or services as follows for the year ended December 31, 2024:

Recognized at a point in time		
Program service revenue	$	89,402

Income Taxes
The Organization is exempt from Federal Income Taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation under IRC 170(b)(1)(A)(vi). Accordingly, no provision for income taxes has been included in the financial statements.

The Organization accounts for income taxes in accordance with the income tax accounting guidance included in the FASB ASC. Under this guidance, the Organization may recognize the tax effects from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by tax authorities. The Organization has evaluated its tax positions regarding the accounting for uncertain income tax positions and does not believe that it has any material uncertain tax positions.

The Organization files a United States return of organization exempt from income tax. The Organization is also subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress.

B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses
The costs of providing the program and support functions have been summarized on a functional basis in the statements of activities and changes in net assets and functional expenses.

Major categories of costs are allocated between program and support functions as follows: Payroll related costs are allocated based on the employees' responsibilities under each program. Other expenses are allocated to the classification that the expenditure most directly benefits.

Compensated Absences
An employee who works 20 to 40 hours per week will accrue vacation time. Annual leave may be rolled into the following year.

Impairment of Long-Lived Assets
Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. There was no such impairment for the year ended December 31, 2024.

Advertising
Advertising costs are expensed as incurred. There were no advertising costs for the year ended December 31, 2024.

Cost Allocation
Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated include, among others, compensation and benefits, which are allocated on the basis of estimates of time and effort and occupancy costs and depreciation, which are allocated on a square footage basis.

B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases
The Organization uses a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities.

Fair Value Measurement
The Organization follows U.S. GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Deferred Revenue
The Organization recognizes revenue from federal and other reimbursable grants as allowable expenses are incurred. Grant funds received in advance of incurring the related expenditures are recorded as deferred revenue and recognized as revenue in the period in which the related costs are incurred and the conditions of the grant are met. As of December 31, 2024, the organization reported $19,121 in deferred revenue in the Statement of Financial Position.

C: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash	$ 361,213
Grant & other reimbursement receivable	85,319
Less donor imposed restrictions	(67,302)
Financial assets available to meet cash needs for general expenditures within one year	$ 379,230

It is the Organization’s policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management estimates the available financial assets are sufficient to meet operating needs.

D: PROPERTY AND EQUIPMENT

Depreciation expense for the year was $33,412. A summary of property and equipment as of December 31, 2024 is as follows:

Buildings and improvements	$ 560,649
Leasehold improvements	99,948
Equipment	19,017
Vehicles	71,956
Total	751,570
Less: accumulated depreciation	(186,415)
Property and equipment, net	$ 565,155

E: NOTES PAYABLE & INTEREST EXPENSE

The Organization has one note payable that is secured by a mortgage on the Organization's Anchor House. The balance of this note as of December 31, 2024, was $192,591.

The note originally matured on October 12, 2023, but was refinanced on April 26, 2023, with a 4.00% interest rate, installments of $2,533 and a maturity date of April 26, 2027, with an expected principal obligation of $139,438 then owed.

Total interest costs for the year was $8,299 which was entirely charged as an expense on the Statement of Activities.

Scheduled principal reductions for the next five years and thereafter are as follows:

2025	$ 23,019
2026	23,970
2027	145,602
	$ 192,591

F: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of December 31, 2024:

Restricted for the following:	
Huey & Angelina Wilson - Dreamville	$ 25,101
Dollar General	2,109
Dream Higher	15,750
Huey & Angelina Wilson - Marketing	6,276
Other	18,066
Total	$ 67,302

G: DONATED SERVICES, PROPERTY, AND FACILITY USE

The organization reported $380,035 in donated services, property, and facility use as support revenue on its Statement of Activities. This consisted of services, other property, and facility use that the Organization valued at $380,035 which is reported as part of the expenses on the Statement of Activities.

The Statement of Functional Expenses reports donated services, property, and facility use in the following expense accounts as of December 31, 2024:

Category	Expense account charged	Amount
Facility use	Rent, utilities, and parking	$ 299,990
Supplies	Other direct program cost	631
Services	Professional fees	79,414
		$ 380,035

Donated facility use consists of the following office, program activity, special event and storage space donated to the Organization for use rent-free by Healing Place Church:

19202 Highland Road, Baton Rouge, LA 70809
4829 Winbourne Ave, Baton Rouge, LA 70805 (Baton Rouge Dream Center)

H: SIGNIFICANT ESTIMATES, CONCENTRATIONS AND CREDIT RISK

Credit Risk
Financial instruments that are exposed to concentrations of credit risk consist of cash, and accounts receivable. The cash is held in FDIC insured banks. As of the end of the year, the cash held in the bank did not exceed the FDIC limit of $250,000. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Receivables consist entirely of contract revenue and grant reimbursements due from federal and state agencies. The majority of these amounts are realizable when the Organization decides to draw down budgeted grant funds to recover the expenditures made towards the grant projects. No collateral is obligated by the promising agencies. Because the realization of the majority of these receivables is at the discretion of the Organization, there is no significant concentrations of credit risk with respect to the receivables.

Significant Donors
The Organization received $60,000 in cash contributions from Healing Place Church. The Organization also receives in-kind contributions of facility use that management estimates to be valued at $299,990 from Healing Place Church. A decrease in future commitments from Healing Place Church or other future key donors could have a significant effect on operations.

Other significant sources of revenue
Direct and pass-through federal awards comprised approximately 58% of the Organization’s revenue during 2024. Failure to secure additional federal awards could have a significant effect on operations.

Significant estimates
Significant estimates include the value of donated property, services, and facility use.

I: FUNDRAISING EXPENSE

Total fundraising expense for the year ended December 31, 2024, was $49,657.

J: NON-CASH INVESTING AND FINANCING ACTIVITIES

During 2024, there were no new non-cash investing or financing activities. The Organization’s operating right-to-use assets in exchange for lease obligations were acquired in previous years.

K: LEASES

Amounts recognized as right-of-use assets related to operating leases are included in property and equipment on the statement of financial position, while related lease liabilities are included in current and long-term debt.

As of December 31, 2024, right-of-use assets related to operating leases were as follows:

Operating lease right-of-use asset	Lease A	Lease B	Total
Cost	$ 10,859	$ 26,566	$ 37,425
Accumulated amortization	(4,839)	(9,466)	(14,305)
	$ 6,020	$ 17,100	$ 23,120

The Organization leases office equipment under non-cancellable operating leases expiring in 2027. At the conclusion of the initial term, the leases will renew for 3 month intervals unless a cancellation notice is provided 60 days prior to renewal. The monthly lease payments under these agreements range from $197 to $747. Total operating lease expense for 2024 was $8,112. Both operating leases were discounted using the 5 year treasury of 3.39%. The weighted-average remaining lease term was 2.67 years as of December 31, 2024. During the year the Organization renegotiated the lease agreement for lease B.

A summary of future lease payments for operating leases at December 31, 2024 is as follows:

	Lease A	Lease B	Total
2025	$ 2,364	$ 6,744	$ 9,108
2026	2,364	6,744	9,108
2027	1,576	4,496	6,072
Less effects of discounting	(284)	(884)	(1,168)
	$ 6,020	$ 17,100	$ 23,120

L: SUBSEQUENT EVENTS

Management has evaluated the subsequent events through June 24, 2025, the date that the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

EMPOWER 225
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AN AGENCY HEAD
December 31, 2024

Agency Head Name: Susan Rogers
Executive Director

Purpose	Amount
Salary	$ 65,000
Bonus	10,000

EMPOWER 225
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2024

FEDERAL GRANTOR GRANTORS/PROGRAM TITLE	GRANT NUMBER	ASSISTANCE LISTING NUMBER	TOTAL FEDERAL EXPENDITURES
U. S. Department of Health and Human Services			
Direct programs:			
Transitional living program	90CX7408-02-00	93.550	$ 187,673
Transitional living program	90CX7408-03-00	93.550	64,588
Total transitional living program			252,261
Street outreach programs	90Y02438-03-00	93.557	112,235
Street outreach programs	90YO2587-01-00	93.557	46,832
Total street outreach programs			159,067
Passed through:			
Louisiana Department of Children and Family Services			
Chafee foster care independent living program	2000691328	93.674	84,998
Chafee foster care independent living program	2000691328	93.674	86,526
Total chafee independent living program			171,524
Subtotal: U.S. Department of Health and Human Services			582,852
U. S. Department of Justice (DOJ)			
Preventing trafficking of girls program	15POVC-22-GG-03754-GIRL	16.035	165,720
Awareness, mentorship, prevention, protection, (AMPP) violence prevention program	2020-CV-FX-K008	16.818	254,085
Subtotal: U.S. Department of Justice			419,805
U. S. Department of Education (DOE)			
Passed through:			
Louisiana Community & Technical College System			
Adult education grant program		84.002A	226,618
Subtotal: U.S. Department of Education (DOE)			226,618
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 1,229,275

EMPOWER 225
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Empower 225 under programs of the federal government for the year ended December 31, 2024. 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 Empower 225, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Empower 225.

2. Summary of Significant Accounting Policies

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, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

Empower 225 has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Kimberly G. Sanders, CPA, MBA
Neal Fortenberry, CPA
Wayne Dussel, CPA, CFE
Jonathan Clark, CPA

L.A. CHAMPAGNE & CO.
CERTIFIED PUBLIC ACCOUNTANTS

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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*

Board of Directors
Empower 225
Baton Rouge, 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 Empower 225 (the Organization), which comprise the statement of financial position as of December 31 2024, 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 June 24, 2025.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, we considered Empower 225's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Empower 225's internal control. Accordingly, we do not express an opinion on the effectiveness of Empower 225'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 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 my audit, we did not

4911 Bennington Avenue · Baton Rouge, LA 70808-3153 · Phone (225) 925 1120 · Fax (225) 927 8124 · lac@laccpa.com

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 Empower 225'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 my 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

L. A. Champagne & Co, LLP

Baton Rouge, Louisiana
June 24, 2025

Kimberly G. Sanders, CPA, MBA
Neal Fortenberry, CPA
Wayne Dussel, CPA, CFE
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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 of Empower 225
Baton Rouge, Louisiana

Opinion on Each Major Federal Program

We have audited Empower 225's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Empower 225's major federal programs for the year ended December 31, 2024. Empower 225'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, Empower 225 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

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 my report.

We are required to be independent of Empower 225 and to meet other ethical responsibilities, in accordance with relevant ethical requirements relating to the 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 Empower 225'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 Empower 225'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 Empower 225's compliance based on my 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 judgment made by a reasonable user of the report on compliance about Empower 225's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Empower 225'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 Empower 225'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 Empower 225's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

L. A. Champagne & Co, LLP

Baton Rouge, LA
June 24, 2025

EMPOWER 225
SUMMARY OF AUDIT RESULTS AND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2024

A: SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Empower 225.

2. No significant deficiencies in internal controls relating to the audit of the financial statements are reported in the "Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*."

3. No instances of noncompliance material to the financial statements were disclosed during the audit.

4. No significant deficiencies in internal controls over compliance with requirements applicable to major federal award programs are reported in the "Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance."

5. The auditor's report on compliance for the major federal award programs expresses an unmodified opinion.

6. There were no reportable audit findings relative to the major federal awards programs for Empower 225.

7. The program tested as major programs is as follows:

   U.S. Department of Justice (DOJ)

   CFDA 16.818 – Awareness, mentorship, prevention, protection (AMPP) violence prevention program

8. The threshold for distinguishing Types A and B programs was $750,000.

9. Empower 225 was determined to be a low-risk auditee.

B: FINDINGS – FINANCIAL STATEMENTS AUDIT

There were no findings that are required to be reported in this section of the report.

C: FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

There are no findings that are required to be reported in this section of the report.

D: SUMMARY OF PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

There are no findings that are required to be reported in this section of the report.

E: SUMMARY OF PRIOR YEAR FINDINGS – MAJOR FEDERAL AWARD PROGRAM AUDIT

There are no findings that are required to be reported in this section of the report.