

**LOUISIANA CENTER FOR CHILDREN'S RIGHTS
(A NONPROFIT ORGANIZATION)**

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

JUNE 30, 2025 AND 2024

LOUISIANA CENTER FOR CHILDREN’S RIGHTS

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INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Board of Directors and Executive Director of
Louisiana Center for Children's Rights
New Orleans, Louisiana

Opinion

We have audited the accompanying financial statements of Louisiana Center for Children's Rights, (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, statement of 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 Louisiana Center for Children's Rights as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Louisiana Center for Children's Rights and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility 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 Louisiana Center for Children's Rights' 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 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 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, 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 Louisiana Center for Children's Rights' 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 Louisiana Center for Children's Rights' ability to continue as a going concern for a reasonable period of time.

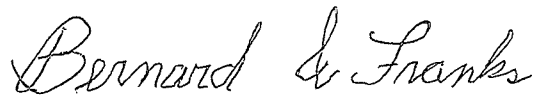
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2025, on our consideration of Louisiana Center for Children's Rights' 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 Louisiana Center for Children's Rights' 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 Louisiana Center for Children's Rights' internal control over financial reporting and compliance.

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

Metairie, Louisiana
December 12, 2025

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024**

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 703,410	\$ 710,206
Investments-certificates of deposit	1,650,574	1,400,388
Accrued interest	18,234	31,072
Accounts receivable	63,194	212,764
Unconditional promises to give	85,319	350,750
Prepaid expenses	18,514	18,333
Total current assets	<u>\$ 2,539,245</u>	<u>\$ 2,723,513</u>
PROPERTY AND EQUIPMENT	\$ 123,835	\$ 123,835
Less, accumulated depreciation	(118,109)	(114,720)
Total property and equipment	<u>\$ 5,726</u>	<u>\$ 9,115</u>
LONG-TERM ASSETS		
Unconditional promises to give, less unamortized discount	\$ -	\$ -
Investments-certificates of deposit	-	899,115
Total long-term assets	<u>\$ -</u>	<u>\$ 899,115</u>
Total assets	<u><u>\$ 2,544,971</u></u>	<u><u>\$ 3,631,743</u></u>
CURRENT LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 581	\$ 55,237
Payroll liabilities	3,021	2,446
Total current liabilities	<u>\$ 3,602</u>	<u>\$ 57,683</u>
NET ASSETS		
Without donor restrictions		
Undesignated	\$ 2,190,409	\$ 2,849,482
Board designated	15,000	15,000
With donor restrictions	335,960	709,578
Total net assets	<u>\$ 2,541,369</u>	<u>\$ 3,574,060</u>
Total current liabilities and net assets	<u><u>\$ 2,544,971</u></u>	<u><u>\$ 3,631,743</u></u>

See notes to the financial statements.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Program service fees	\$ 807,945	\$ -	\$ 807,945
Contributions			
Contributions and grants	644,003	937,099	1,581,102
Contribution from United Way	-	50,000	50,000
Contributed nonfinancial assets	72,677	-	72,677
Interest income	104,392	-	104,392
Other income	13,507	-	13,507
Net assets released from restrictions:			
Satisfaction of restrictions	1,360,717	(1,360,717)	-
Total revenues, gains and other support	\$ 3,003,241	\$ (373,618)	\$ 2,629,623
EXPENSES			
Program services	\$ 2,970,896	\$ -	\$ 2,970,896
Supporting services			
General and administrative	494,659	-	494,659
Fund raising	196,759	-	196,759
Total expenses	\$ 3,662,314	\$ -	\$ 3,662,314
Change in net assets	\$ (659,073)	\$ (373,618)	\$ (1,032,691)
NET ASSETS BEGINNING OF THE YEAR	2,864,482	709,578	3,574,060
NET ASSETS END OF THE YEAR	\$ 2,205,409	\$ 335,960	\$ 2,541,369

See notes to the financial statements.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Program service fees	\$ 1,204,710	\$ -	\$ 1,204,710
Contributions			
Contributions and grants	1,678,207	884,510	2,562,717
Contribution from United Way	-	50,000	50,000
Contributed nonfinancial assets	77,268	-	77,268
Interest income	58,308	-	58,308
Other income	126	-	126
Net assets released from restrictions:			
Satisfaction of restrictions	1,030,636	(1,030,636)	-
Total revenues, gains and other support	\$ 4,049,255	\$ (96,126)	\$ 3,953,129
EXPENSES			
Program services	\$ 2,963,083	\$ -	\$ 2,963,083
Supporting services			
General and administrative	458,023	-	458,023
Fund raising	204,162	-	204,162
Total expenses	\$ 3,625,268	\$ -	\$ 3,625,268
Change in net assets	\$ 423,987	\$ (96,126)	\$ 327,861
NET ASSETS BEGINNING OF THE YEAR	2,440,495	805,704	3,246,199
NET ASSETS END OF THE YEAR	\$ 2,864,482	\$ 709,578	\$ 3,574,060

See notes to the financial statements.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

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

	Program Services	Supporting Services		Total
		General and Administrative	Fund Raising	
Compensation and related expenses				
Compensation	\$ 2,062,127	\$ 67,243	\$ 112,072	\$ 2,241,442
Employee benefits and taxes	556,276	18,140	30,232	604,648
Total compensation and related expenses	<u>\$ 2,618,403</u>	<u>\$ 85,383</u>	<u>\$ 142,304</u>	<u>\$ 2,846,090</u>
Client records and welfare	\$ 14,011	\$ -	\$ -	\$ 14,011
Computers and maintenance	19,384	40,658	-	60,042
Consultants and contractors	269,841	218,140	30,826	518,807
Copier and maintenance	-	3,257	-	3,257
Depreciation	-	3,389	-	3,389
Development and marketing	-	1,379	16,842	18,221
Fees	22	8,082	-	8,104
Insurance	-	24,092	-	24,092
Law library	3,688	-	-	3,688
Meetings for board and staff	2,816	10,168	4,174	17,158
Office expense	-	26,342	-	26,342
Policy	2,355	-	-	2,355
Postage and delivery	-	392	740	1,132
Printing and filing	96	-	65	161
Professional and association dues	1,825	170	1,808	3,803
Rent and utilities	605	73,207	-	73,812
Training	18,009	-	-	18,009
Travel and transportation	19,841	-	-	19,841
Total expenses	<u>\$ 2,970,896</u>	<u>\$ 494,659</u>	<u>\$ 196,759</u>	<u>\$ 3,662,314</u>

See notes to the financial statements.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

**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	\$ 2,094,923	\$ 68,313	\$ 113,855	\$ 2,277,091
Employee benefits and taxes	535,526	17,463	29,105	582,094
Total compensation and related expenses	<u>\$ 2,630,449</u>	<u>\$ 85,776</u>	<u>\$ 142,960</u>	<u>\$ 2,859,185</u>
Client records and welfare	\$ 16,304	\$ -	\$ -	\$ 16,304
Computers and maintenance	21,322	44,722	-	66,044
Consultants and contractors	196,251	158,649	22,419	377,319
Copier and maintenance	-	4,283	-	4,283
Depreciation	-	3,765	-	3,765
Grants to others	-	2,765	33,772	36,537
In-kind rent contribution	773	76,495	-	77,268
Insurance	-	22,393	-	22,393
Law library	4,189	-	-	4,189
Meetings for board and staff	2,640	9,530	3,912	16,082
Office expense	-	40,655	-	40,655
Policy	7,368	-	-	7,368
Postage and delivery	-	354	668	1,022
Printing and filing	164	-	112	276
Professional and association dues	322	30	319	671
Professional fees	23	8,606	-	8,629
Training	19,169	-	-	19,169
Travel and transportation	64,109	-	-	64,109
Total expenses	<u>\$ 2,963,083</u>	<u>\$ 458,023</u>	<u>\$ 204,162</u>	<u>\$ 3,625,268</u>

See notes to the financial statements.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

**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	\$ (1,032,691)	\$ 327,861
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,389	3,765
Increase (decrease) in operating assets:		
Accounts receivable	149,570	84,507
Unconditional promises to give	265,431	161,085
Accrued interest	12,838	5,288
Prepaid expenses	(181)	(4,583)
Increase (decrease) in operating liabilities:		
Accounts payable	(1,865)	53,589
Payroll liabilities	(52,216)	(18,144)
Net cash provided by (used in) operating activities	<u>\$ (655,725)</u>	<u>\$ 613,368</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	\$ -	\$ (2,923)
Redemption (purchases) of certificates of deposit	648,929	(799,503)
Net cash provided by (used in) investing activities	<u>\$ 648,929</u>	<u>\$ (802,426)</u>
Net increase (decrease) in cash and cash equivalents	<u>\$ (6,796)</u>	<u>\$ (189,058)</u>
Beginning cash and cash equivalents	<u>\$ 710,206</u>	<u>\$ 899,264</u>
Ending cash and cash equivalents	<u><u>\$ 703,410</u></u>	<u><u>\$ 710,206</u></u>

See notes to the financial statements.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Louisiana Center for Children's Rights is a nonprofit law office that supports the juvenile defense system of Louisiana. The Organization's mission and vision are as follows:

Mission

Using direct representation and advocacy, we fight to keep children out of the justice system so that they can thrive in their homes and communities.

Vision

We envision a Louisiana where every child, no matter their race or class, is free to be a kid and supported in becoming a healthy adult.

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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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 equivalents.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Receivables consist primarily of a reimbursable government grant. These amounts are recognized only after allowable costs have been incurred and are considered fully collectible based on the Organization's past experience and the creditworthiness of the funding agencies. Because these receivables do not represent financial assets subject to credit risk, the Organization has evaluated ASC 326 (CECL) and determined it does not apply. Accordingly, no allowance for doubtful accounts is considered necessary.

Unconditional Promises to Give

Unconditional promises to give that are expected to be collected within one year and are recorded at their net realizable value. Contributions that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discount on these amounts are computed using a risk-free interest rate of 5% applicable to the year in which the contribution is made. Amortization of the discount is included in contribution revenue.

Property and Equipment

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

Certificates of deposit

Certificates of deposit held for investment that are not debt securities are included in "investments-certificates of deposit". The certificates of deposit have a remaining maturity of less than one year and are classified as a current asset on the combined Statements of Financial Position.

Revenue Recognition

The Organization recognizes revenue in accordance with Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*, and ASC Topic 606, *Revenue from Contracts with Customers*, as applicable. Revenue is recognized when it is realized or realizable and earned, in accordance with the following policies:

Program Service Fees

Contracts for service revenue are recognized as earned as the services are provided in accordance with the approved contracts.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (continued)

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.

Interest Income

Interest income is recognized on cash deposits, money market accounts, and certificates of deposit as it is earned using the effective yield method. Interest income is recorded when it is both measurable and realizable, which generally occurs as interest accrues on the underlying accounts. Interest earned on all cash and investment accounts is included in interest income in the accompanying statements of activities.

Expense Allocation

The costs of providing program services and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on use rates estimated by management.

Contributed Nonfinancial Assets

In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used. The Organization benefited from in-kind rent contribution for its administrative and program office space. This amount has been reported as both in-kind rent contribution and in-kind rent expense on the statements of activities. The Organization recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The Organization receives services from volunteers who give their time to the Organization's programs and fund-raising campaigns, but which do not meet the criteria for financial statement recognition.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending June 30, 2022, 2023, and 2024, are subject to examination by the IRS, generally for three years after they were filed.

Concentrations

The Organization's primary source of revenue is derived from program service fees and contributions and grants. For the years ended June 30, 2025 and 2024, \$807,945 and \$1,204,710 or 31% and 30% of the Organization's total gross revenue was from program service fees, respectively. In addition, \$1,631,102 and \$2,612,717 or 62% and 66% from contributions and grants revenue. The Organization receives a significant amount of these revenues through various governmental entities. If significant budget cuts are made at the federal, state, or local level, the amount of funds the Organization receives could be reduced significantly and have an adverse impact on its operations. As of December 12, 2025, management was not aware of any actions taken that would adversely affect the funds received by the Organization from these sources in the upcoming fiscal year.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

New Accounting Pronouncements

The Organization has adopted the Current Expected Credit Losses (CECL) accounting standard, as per Accounting Standards Update (ASU) No. 2016-13, "Financial Instruments – Credit Losses (Topic 326)." The standard introduces a new model for estimating credit losses on financial instruments. After a thorough evaluation, management has determined that the impact of adopting the CECL standard on the financial statements is immaterial. The Organization has considered factors such as historical loss experience, current economic conditions, and other relevant factors in its credit loss estimation process. As a result, the adoption of the CECL standard has not had a material impact on the Organization's financial position, results of operations, or cash flows.

NOTE 2. CASH AND CASH EQUIVALENTS

The Organization maintains two bank accounts, which includes a money market account and a checking account in New Orleans, Louisiana. Accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) for amounts up to \$250,000 for interest bearing accounts. Cash at these institutions exceeded FDIC limits by \$117,318 and \$430,622 at June 30, 2025 and 2024, respectively. The Organization maintains its cash with a high-quality financial institution which the Organization believes limits these risks.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 3. CERTIFICATES OF DEPOSIT

The certificates of deposit balance at June 30, 2025 and 2024 consist of the following:

Certificates of deposit held by institutions:	<u>2025</u>
Short-term:	
Yields 5.05% per annum, due 08/04/2025	\$ 50,002
Yields 5.05% per annum, due 08/08/2025	250,010
Yields 5.05% per annum, due 09/03/2025	249,875
Yields 5.00% per annum, due 09/29/2025	99,975
Yields 5.15% per annum, due 12/01/2025	249,438
Yields 5.15% per annum, due 12/05/2025	249,575
Yields 5.15% per annum, due 02/04/2026	249,875
Yields 5.15% per annum, due 05/26/2026	<u>251,824</u>
Total certificates of deposit	<u>\$ 1,650,574</u>

Certificates of deposit held by institutions:	<u>2024</u>
Short-term:	
Yields 5.30% per annum, due 08/29/2024	\$ 249,875
Yields 5.40% per annum, due 10/01/2024	250,232
Yields 5.15% per annum, due 01/17/2025	249,785
Yields 5.05% per annum, due 04/04/2025	199,870
Yields 5.50% per annum, due 04/30/2025	200,751
Yields 5.00% per annum, due 06/02/2025	<u>249,875</u>
	<u>\$ 1,400,388</u>
Long-term:	
Yields 5.05% per annum, due 08/04/2025	\$ 50,020
Yields 5.05% per annum, due 08/08/2025	250,108
Yields 5.00% per annum, due 09/29/2025	99,975
Yields 5.15% per annum, due 12/01/2025	249,437
Yields 5.15% per annum, due 12/05/2025	<u>249,575</u>
	<u>\$ 899,115</u>
Total certificates of deposit	<u>\$ 2,299,503</u>

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

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

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment for the years ended June 30, 2025 and 2024 is as follows:

	2025	2024	Useful Life
Equipment	\$ 77,861	\$ 77,861	5 to 7 years
Furniture	45,974	45,974	5 to 7 years
	<u>\$ 123,835</u>	<u>\$ 123,835</u>	
Less, accumulated depreciation	(118,109)	(114,720)	
Total	<u>\$ 5,726</u>	<u>\$ 9,115</u>	

Depreciation expense for the years ended June 30, 2025 and 2024 was \$3,389 and \$3,765, respectively.

NOTE 5. UNCONDITIONAL PROMISES TO GIVE

The Organization had the following unconditional promises to give for the years ended June 30, 2025 and 2024. The long-term portion of the assets were discounted using a 5% rate.

	2025	2024
Public Welfare	\$ -	\$ 200,000
Baptist Community Ministries	-	65,000
United Way	50,000	50,000
Campbell Foundation	-	35,000
Institute of Mental Health	12,500	12,500
Louisiana Bar Foundation	22,819	-
Total unconditional promises to give	<u>\$ 85,319</u>	<u>\$ 362,500</u>
Unamortized discount	-	(11,750)
Unconditional promises to give, net	<u>\$ 85,319</u>	<u>\$ 350,750</u>
Current portion	\$ 85,319	\$ 350,750
Long-term	-	-
Total	<u>\$ 85,319</u>	<u>\$ 350,750</u>

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

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

NOTE 6. LEASE AND DONATED FACILITIES

On June 1, 2015, the Organization entered into a lease agreement with the City of New Orleans whereby the Organization would lease space at no cost for its administrative and program facility. The City of New Orleans owns and manages the facility. The initial term of the donated lease was for a three-year period that ended on May 31, 2018. Beginning June 1, 2018, the Organization continues to have use of the office space with services and utilities at no cost. The Organization recorded the fair value of the annual lease as an in-kind rental contribution and expense. The current fair market value of the lease is \$72,677. In-kind rent contribution and expense of \$72,677 and \$77,268 was recorded for the years ended June 30, 2025 and 2024, respectively.

NOTE 7. NET ASSETS

The detail of the Organization's net asset categories at June 30, are as follows:

	2025	2024
Without donor restrictions:		
Undesignated	\$ 2,190,409	\$ 2,849,482
Designated for future liquidity	15,000	15,000
Total without donor restrictions	<u>\$ 2,205,409</u>	<u>\$ 2,864,482</u>
With donor restrictions:		
Unexpended funds received for restricted purposes	\$ 56,382	\$ 130,723
Unexpended funds received for future periods	279,578	578,855
Total with donor restrictions	<u>\$ 335,960</u>	<u>\$ 709,578</u>
Total net assets	<u>\$ 2,541,369</u>	<u>\$ 3,574,060</u>

NOTE 8. CONTINGENCY

The Organization is a recipient of contracts and grants from the state and federal funding agencies. The contracts and grants are governed by various state and federal guidelines, regulations, and contractual agreements. The administration of the programs and activities funded by these contracts and grants are under the control and administration of the Organization and are subject to audit and/or review by the funding agencies. Any contract or grant found to be not properly spent in accordance with the terms, conditions, and regulations of the state and federal agencies may be subject to recapture.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

NOTE 9. LIQUIDITY

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

Financial assets at year-end:	2025	2024
Cash and cash equivalents	\$ 703,410	\$ 710,206
Accounts receivable	63,194	212,764
Unconditional promises to give	85,319	350,750
Total financial assets available	<u>\$ 851,923</u>	<u>\$ 1,273,720</u>

The Organization is substantially supported by grants, governmental contracts and contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Occasionally, the board designates a portion of any operating surplus to its liquidity reserves, which was \$15,000 as of June 30, 2025 and 2024. The funds established by the governing board may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

NOTE 10. RELATED PARTY TRANSACTION

The Board of Directors is a voluntary board. No compensation was paid to any board member during the years ended June 30, 2025 and 2024.

NOTE 11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 12, 2025, the date which the financial statements were available for use. Management's evaluation revealed no subsequent events that require adjustment to or disclosure in the financial statements.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



**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 and Executive Director of
Louisiana Center for Children's Rights
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 Louisiana Center for Children's Rights (a nonprofit 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 December 12, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana Center for Children's Rights' 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 Louisiana Center for Children's Rights' internal control. Accordingly, we do not express an opinion on the effectiveness of Louisiana Center for Children's Rights' 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.

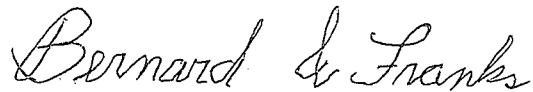
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Louisiana Center for Children's Rights' 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. 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
December 12, 2025

LOUISIANA CENTER FOR CHILDREN’S RIGHTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

SUMMARY OF AUDITORS’ RESULTS

1. The auditors’ report expresses an unmodified opinion on the financial statements of Louisiana Center for Children’s Rights, which was prepared in accordance with generally accepted accounting principles 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.
2. No significant deficiencies or material weaknesses of Louisiana Center for Children’s Rights’ in 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 Louisiana Center for Children’s Rights were disclosed 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*.
4. No management letter was issued for June 30, 2025 and 2024.
5. Louisiana Center for Children’s Rights did not expend more than \$750,000 in federal awards during the year ended June 30, 2025 and 2024, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

FINDINGS-FINANCIAL STATEMENTS

There were no findings for the years ended June 30, 2025 and 2024.

FINDINGS-FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This is not applicable to the Organization for the years ended June 30, 2025 and 2024.

REPORT BY MANAGEMENT

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

There were no audit findings for the year ended June 30, 2024.

SUPPLEMENTARY INFORMATION

LOUISIANA CENTER FOR CHILDREN'S RIGHTS
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO THE EXECUTIVE DIRECTOR
FOR THE YEAR ENDED JUNE 30, 2025

Executive Director: Kristen Rome

Salary	\$	135,000
Benefits-insurance		26,555
Reimbursements		1,286
Total	\$	<u>162,841</u>

ADDITIONAL CONTEXT REGARDING FY25 FINANCIALS

LCCR completed FY25 with a significant deficit after finishing the prior eight fiscal years with surpluses. This was expected. When budgeting for FY25, we included the spending of funds from our cash reserve. This was done so that we could properly wind down our Juvenile Life Without Parole Project, whose state contract concluded in mid-2024. JLWOP resentencing cases can be slow-going in the court system. This extra time beyond contract closure allowed us to finish up the remaining juvenile life cases we had on our roster or otherwise be able to hand them off in good shape, thus striving to ensure that our JLWOP clients were not left with unresolved motions. Even with this reserve spending (which came specifically from accrued unspent JLWOP contract funds), we note that LCCR still has approximately \$2.2 million remaining in our cash reserve—enough to cover ten months of operating expenses. With our JLWOP project now completely wound down, we have not planned for any further reserve spending in FY26, as reflected by our reduced expense budget for that fiscal year.