Financial Report

The 18th Ward Sports Club

New Orleans, Louisiana

May 31, 2026 and 2025

Bourgeois Bennett
CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS
A LIMITED LIABILITY COMPANY

Financial Report

The 18th Ward Sports Club

New Orleans, Louisiana

May 31, 2026 and 2025

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
The 18th Ward Sports Club,
New Orleans, Louisiana.

Opinion

We have audited the accompanying financial statements of The 18th Ward Sports Club (the "Organization") (a nonprofit organization), which comprise the statements of financial position as of May 31, 2026 and 2025, 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 the Organization as of May 31, 2026 and 2025, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

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 Agency Head or Chief Executive Officer (Schedule 1) is presented for the purpose of additional analysis and is required by Louisiana Revised Statute 24:513(A)(3) 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 a report dated September 21, 2026, on our consideration of The 18th Ward Sports Club's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The 18th Ward Sports Club's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
September 21, 2026.

Exhibit A

STATEMENTS OF FINANCIAL POSITION

The 18th Ward Sports Club

New Orleans, Louisiana

As of May 31, 2026 and 2025

	2026	2025
ASSETS		
Cash	$ 31,917	$ 27,451
Accounts and grants receivable, net	302,205	284,118
Unconditional promises to give, net	10,000	114,524
Prepaid expenses	3,539	5,975
Property, plant, and equipment, net	1,952,891	1,897,819
Other assets	2,828	-
Total assets	$2,303,380	$2,329,887
LIABILITIES		
Accounts payable	$ 52,108	$ 21,890
Accrued expenses	-	25,591
Deferred revenue	21,228	-
Line of credit	199,070	50,000
Total liabilities	272,406	97,481
NET ASSETS		
Without donor restrictions	1,928,293	1,974,983
With donor restrictions	102,681	257,423
Total net assets	2,030,974	2,232,406
Total liabilities and net assets	$2,303,380	$2,329,887

See notes to financial statements.

STATEMENT OF ACTIVITIES

The 18th Ward Sports Club

New Orleans, Louisiana

For the year ended May 31, 2026

	Without Restrictions	With Restrictions	Totals
Revenues and Other Support			
Grant income	$ 694,991	$ 89,317	$ 784,308
Contributions	657,395	-	657,395
Contributed nonfinancial assets	46,767	-	46,767
Sponsorship revenue	155,950	-	155,950
Earned revenue	829,686	-	829,686
Interest income	135	-	135
Other income	3,850	-	3,850
Net assets released from restriction	244,059	(244,059)	-
Total revenues and other support	2,632,833	(154,742)	2,478,091
Expenses			
Program services	2,011,483	-	2,011,483
Administration	441,330	-	441,330
Fundraising	226,710	-	226,710
Total expenses	2,679,523	-	2,679,523
Change in net assets	(46,690)	(154,742)	(201,432)
Net Assets			
Beginning of year	1,974,983	257,423	2,232,406
End of year	$ 1,928,293	$ 102,681	$ 2,030,974

See notes to financial statements.

STATEMENT OF ACTIVITIES

The 18th Ward Sports Club

New Orleans, Louisiana

For the year ended May 31, 2025

	Without Restrictions	With Restrictions	Totals
Revenues and Other Support			
Grant income	$ 684,856	$ 58,146	$ 743,002
Contributions	521,473	179,277	700,750
Contributed nonfinancial assets	1,966,807	-	1,966,807
Sponsorship revenue	133,000	-	133,000
Earned revenue	546,086	-	546,086
Interest income	1,424	-	1,424
Other income	2,273	-	2,273
Net assets released from restriction	208,900	(208,900)	-
Total revenues and other support	4,064,819	28,523	4,093,342
Expenses			
Program services	2,030,260	-	2,030,260
Administration	342,987	-	342,987
Fundraising	184,051	-	184,051
Total expenses	2,557,298	-	2,557,298
Change in net assets	1,507,521	28,523	1,536,044
Net Assets			
Beginning of year	467,462	228,900	696,362
End of year	$ 1,974,983	$ 257,423	$ 2,232,406

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

The 18th Ward Sports Club

New Orleans, Louisiana

For the year ended May 31, 2026

	Program Services	Administrative	Fundraising	Total Expenses
Awards	$ 6,033	$ -	$ -	$ 6,033
Bad debt expense	-	9,349	-	9,349
Bank fees	991	3,708	-	4,699
Contract services	421,371	2,371	169	423,911
Depreciation expense	97,288	5,234	2,944	105,466
Field expenses and space costs	102,555	205	116	102,876
Insurance	-	49,183	-	49,183
Interest expense	-	6,109	-	6,109
Marketing and development	5,520	17,472	16,492	39,484
Meals and entertainment	20,901	1,036	513	22,450
Office supplies	1,722	3,086	593	5,401
Other program expenses	46,819	3,055	548	50,422
Payroll processing fees	760	16,650	-	17,410
Payroll taxes and fringe benefits	83,036	84,203	12,036	179,275
Professional fees	6,391	92,167	2,975	101,533
Referees and league fees	48,562	(1,499)	-	47,063
Repairs and maintenance	24,947	5,822	2,994	33,763
Salaries	900,474	125,815	186,080	1,212,369
Sports equipment and supplies	61,957	49	-	62,006
Subscriptions	4,090	7,195	22	11,307
Travel and fuel	83,995	4,776	40	88,811
Uniforms	84,167	-	-	84,167
Utilities	9,904	5,344	1,188	16,436
Totals	$2,011,483	$441,330	$226,710	$2,679,523

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

The 18th Ward Sports Club

New Orleans, Louisiana

For the year ended May 31, 2025

	Program Services	Support Services	Fundraising	Total Expenses
Awards	$ 11,765	$ -	$ -	$ 11,765
Bad debt expense	-	1,000	16,500	17,500
Bank fees	123	5,265	-	5,388
Contract services	446,434	-	-	446,434
Depreciation expense	42,217	5,452	-	47,669
Field expenses and space costs	80,605	398	-	81,003
Insurance	26,621	-	-	26,621
Marketing and development	5,243	9,860	9,045	24,148
Meals and entertainment	16,913	791	47	17,751
Office lease	-	9,200	-	9,200
Office supplies	-	6,786	195	6,981
Other program expenses	34,689	-	-	34,689
Payroll processing fees	2,080	8,822	-	10,902
Payroll taxes and fringe benefits	64,765	42,963	9,464	117,192
Professional fees	305	100,886	25,091	126,282
Referees and league fees	82,287	-	-	82,287
Repairs and maintenance	-	27,041	-	27,041
Salaries	439,428	112,829	119,879	672,136
Sports equipment and supplies	612,086	-	-	612,086
Subscriptions	2,785	8,043	486	11,314
Travel and fuel	56,595	2,263	3,344	62,202
Uniforms	105,319	-	-	105,319
Utilities	-	1,388	-	1,388
Totals	$2,030,260	$342,987	$184,051	$2,557,298

See notes to financial statements.

STATEMENTS OF CASH FLOWS

The 18th Ward Sports Club

New Orleans, Louisiana

For the years ended May 31, 2026 and 2025

	2026	2025
Cash Flows From Operating Activities		
Change in net assets	$(201,432)	$1,536,044
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Bad debt expense	9,349	17,500
Depreciation	105,466	47,669
Contributions restricted for future periods	-	(170,000)
In-kind contributions of property and equipment	-	(1,407,650)
(Increase) decrease in assets:		
Accounts and grants receivable, net	(27,436)	65,020
Unconditional promises to give, net	104,524	88,046
Prepaid expenses	2,436	9,574
Other assets	(2,828)	-
Increase (decrease) in liabilities:		
Accounts payable	30,218	13,663
Accrued expenses	(25,591)	25,591
Deferred revenue	21,228	(667)
Net cash provided by operating activities	15,934	224,790
Cash Flows From Investing Activities		
Purchases of property and equipment	(160,538)	(537,838)
Cash Flows From Financing Activities		
Borrowings on line of credit	399,070	50,000
Payments on line of credit	(250,000)	-
Net cash provided by financing activities	149,070	50,000
Net Increase (Decrease) in Cash	4,466	(263,048)
Cash		
Beginning of year	27,451	290,499
End of year	$ 31,917	$ 27,451

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

The 18th Ward Sports Club
New Orleans, Louisiana

May 31, 2026 and 2025

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization

The 18th Ward Sports Club (the "Organization") is a non-profit organization formed in 2019. The Organization's mission is to provide high quality, low-cost youth sports programs in New Orleans where everyone is welcomed regardless of race, gender, income, or neighborhood. This is accomplished through three main initiatives, the costs for which are considered program services:

Sports Community

A diverse-by-design sports program for kids ages 4 to 8. Over the course of the year, young athletes are introduced to a variety of sports including soccer, basketball, baseball, flag football, and track.

Sports Academies

The Organization asserts that youth sports participation should be a right, not a privilege. Children from low income families participate in sports at rates much lower than those from higher income families. The Organization created Sports Academy programs so that as athletes get older, they can continue to have fun, play in an inclusive environment, and further develop their skills without finances becoming a barrier to their participation.

Coaches in Training

In sports, the quality of a program largely depends on the strength of its coaches. Coaches who are well-trained and able to build relationships with kids can make an enormous difference. The Organization hires, trains, and mentors high school students to become great coaches. The Coaches in Training program gives high school athletes a chance to practice their leadership, learn to coach, and provide a service to their community.

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Accounting

The financial statements of the Organization have been prepared in conformity with accounting principles generally accepted in the United States of America on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded when incurred.

c. Financial Statement Presentation

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

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

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

d. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

e. Cash and Cash Equivalents

The Organization classifies as cash and cash equivalents all highly liquid debt instruments with an initial maturity of three months or less. As of May 31, 2026 and 2025, there were no cash equivalents.

f. Accounts and Grants Receivable

Accounts and grants receivable are stated at their net realizable value, the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts and grants receivable. Management has concluded that based on estimates of the collectability of each account, a valuation allowance was not needed for accounts and grants receivable.

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. There were no conditional promises to give as of May 31, 2026 and 2025.

Unconditional promises are recorded net of an allowance for uncollectible amounts estimated by the management. All promises to give are deemed fully collectible as of May 31, 2026.

h. Property, Equipment, and Depreciation

Organization properties, consisting principally of land and related buildings and improvements and equipment in excess of $5,000 are recorded at cost or, if donated, fair market value on the date of donation. Repairs and maintenance are charged to expense as incurred; major renewals and betterments are capitalized. Organization properties are depreciated on the straight-line method over their estimated service lives ranging from 10 to 25 years.

i. Revenue Recognition

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, "*Revenue from Contracts with Customers*" (Topic 606). This ASU implements a single framework for revenue recognition, ensuring that revenue is recognized in a manner which reflects the consideration to which the entity expects to be entitled in exchange for goods and services. The Organization recognizes revenue from the following exchange transactions:

Revenue from Contracted Services

The Organization recognizes revenue from partnerships with local municipalities and other nonprofit groups that pay the Organization to manage sports leagues. Contracted service revenues are recognized, and associated performance obligations are satisfied over time during the course of the fiscal year in which the league is operated by the Organization. During the years ended May 31, 2026 and 2025, $708,300 and $445,660 of revenues were recognized from contracted services, respectively, and are included in earned revenue on the Statements of Activities.

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Revenue Recognition (Continued)

Youth Participation Fees

The Organization charges low fees for some of the sport community leagues which are paid by the families of athletes. Youth participation fee revenues are recognized, and associated performance obligations are satisfied over time during the course of the fiscal year in which the league is operated by the Organization. During the years ended May 31, 2026 and 2025, $113,686 and $100,046 of revenues were recognized from youth participation fees, respectively, and are included in earned revenue on the Statements of Activities.

Sponsorship Revenue

The Organization receives sponsorship funding for which the Organization provides recognition on uniforms and other printed materials. Sponsorship revenues are recognized, and associated performance obligations are satisfied over time during the course of the fiscal year in which the sponsored league or event is operated by the Organization. During the years ended May 31, 2026, and 2025, $155,950 and $133,000 of revenues were recognized from sponsorships, respectively.

Revenues from exchange transactions that have been earned, but not yet collected are considered to be contract receivables, and are reported in accounts and grants receivable on the Statements of Financial Position. Revenues from exchange transactions that have been received, but not yet earned, are considered to be contract liabilities and are reported as deferred revenue on the Statements of Financial Position.

The following table summarizes contract assets and liabilities as of May 31, 2026, 2025, and June 1, 2024:

	Contract Receivables	Contract Liabilities
May 31, 2026	$150,000	$0
May 31, 2025	$80,000	$0
June 1, 2024	$80,000	$667

j. Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Contributions (Continued)

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. 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 Statements of Activities as net assets released from restrictions.

k. Contributed Nonfinancial Assets

Noncash donations are recorded as contributions at their fair market value at the date of donation. The Organization reports the donations in the net assets without donor restrictions category, unless explicit donor stipulations specify how the donated assets must be used. Donated time from skilled coaches and other sport professionals are recognized at the rates paid by the Organization for those services.

l. Donated Services from Other Volunteers

The Organization receives services from a large number of volunteers who give significant amounts of their time to the programs of the Organization. No amounts have been reflected for these types of donated services, as there is no objective basis available to measure the value of such services.

m. Advertising

The Organization expenses advertising as they are incurred. Advertising expenses totaled $39,484 and $24,148 for the years ended May 31, 2026 and 2025, respectively. Advertising costs are included in marketing and development on the Statements of Functional Expenses.

n. Methods Used for Allocation of Expenses

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

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Organization and Tax Matters

The Organization has received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service (IRS) and, accordingly, is not subject to Federal income tax unless the Organization has unrelated trade or business income.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. As of May 31, 2026, management of the Organization believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended May 31, 2023 and later remain subject to examination by the taxing authorities.

p. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through September 21, 2026, which is the date the financial statements were available to be issued.

Note 2 - CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at several local financial institutions. At times throughout the year, those balances may exceed the Federal Deposit Insurance Corporation (FDIC) limits. As of May 31, 2026, the Organization did not have any deposits in excess of FDIC limits.

Note 3 - UNCONDITIONAL PROMISES TO GIVE

Promises of donors to make contributions to the Organization are included in the financial statements as unconditional promises to give and donor restricted contributions after discounting projected future cash flows to the present value using a discount rate of 5% as of May 31, 2026 and 2025.

Note 3 - UNCONDITIONAL PROMISES TO GIVE (Continued)

Unconditional promises to give as of May 31, 2026 and 2025 consist of the following:

	2026	2025
Unconditional promises to give:	$10,000	$115,000
Less unamortized discount	-	(476)
Net unconditional promises to give	$10,000	$114,524
Amounts due in:		
Less than one year	$10,000	$105,000
One to ten years	-	10,000
Totals	$10,000	$115,000

Note 4 - PROPERTY AND EQUIPMENT

Property and equipment as of May 31, 2026 and 2025 consists of the following:

	2026	2025
Leasehold improvements	$ 858,710	$ 768,000
Buildings	722,850	722,850
Land	403,200	403,200
Equipment	106,700	20,000
Land improvements	14,567	-
Construction in progress	-	31,438
	2,106,027	1,945,488
Less accumulated depreciation	(153,136)	(47,669)
Totals	$1,952,891	$1,897,819

Depreciation expense for the years ended May 31, 2026 and 2025 totaled $105,466 and $47,669, respectively.

Note 5 - LINE OF CREDIT

On January 14, 2025, the Organization entered into a $100,000 line of credit with a local bank with a variable interest rate of Wall Street Journal Prime Rate + 2% (8.75% and 9.50% as of May 31, 2026 and 2025, respectively). The note is due on demand and expires January 14, 2030. The note is uncollateralized. There were no outstanding borrowings on the line as of May 31, 2026. As of May 31, 2025, outstanding borrowings on the line totaled $50,000.

Note 5 - LINE OF CREDIT (Continued)

On October 21, 2025, the Organization entered into a $500,000 line of credit with a local bank with a variable interest rate of CME Group Benchmark Administration Ltd 1 Month CME Term SOFR + 1.95% (5.57% as of May 31, 2026). The note is due on demand and expires October 21, 2027. The note is secured by real estate. As of May 31, 2026, outstanding borrowings on the line totaled $199,070.

Note 6 - LEASES

Short Term Leases

The Organization leased office space. The lease agreement began in June 2024 and continued through January 2025 with monthly lease payments of $1,000. The lease was extended for a single week. There was no lease expense for the year ended May 31, 2026. Lease expense for the year ended May 31, 2025 was $9,200.

Operating Lease

On October 8, 2024, the Organization entered into a 99 year lease for field space used in programming. The lease calls for $1 annual payments and the Organization is responsible for paying all repair and maintenance expenses through the term of the lease. Upon lease termination, all improvements on the leased space will be transferred to the lessor.

Note 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of May 31, 2026 and 2025 are as follows:

	2026	2025
Subject to expenditure for specific purposes:		
Swimming	$ 13,562	$ 84,277
Baseball and softball programming	3,364	25,000
Tennis	755	-
Capital projects	-	18,563
Totals	17,681	127,840
Subject to passage of time:		
Grants for future years	$ 75,000	$ 14,583
Unconditional promises to give	10,000	115,000
Totals	85,000	129,583
Total restricted net assets	$ 102,681	$ 257,423

Note 7 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets released from restrictions during the years ended May 31, 2026 and 2025 are as follows:

	2026	2025
Purpose restrictions satisfied:		
Specific sport programming	$105,913	$ -
Capital projects	18,563	-
Summer camp programming	-	12,500
Time restrictions satisfied	119,583	196,400
Totals	$244,059	$208,900

Note 8 - AVAILABILITY OF FINANCIAL ASSETS

The Organization is substantially supported by grants and donations on an unrestricted and restricted basis. Because a grantor or 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 grantors and donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, management established a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. To help manage unanticipated liquidity needs, the Organization has committed lines of credit in the amounts of $500,000 and $100,000. Management established guidelines for making decisions related to managing short-term cash reserves in a prudent manner.

The following reflects the Organization's financial assets available for general expenditures within one year as of May 31, 2026 and 2025:

	2026	2025
Financial assets at year end:		
Cash	$ 31,917	$ 27,451
Accounts and grants receivable, net	302,205	284,118
Unconditional promises to give, net	10,000	114,524
Total financial assets	344,122	426,093
Less amounts not available to be used within one year:		
Net assets with restrictions	(102,681)	(257,423)
Financials assets available to meet general expenditures over the next twelve months	$241,441	$168,670

Note 9 - CONTRIBUTED NONFINANCIAL ASSETS

The Organization recognized contributed nonfinancial assets on the Statements of Activities. Contributed nonfinancial assets for the years ended May 31, 2026 and 2025 are as follows:

	2026	2025
Support		
Equipment	$24,267	$ 541,592
Other	22,500	2,565
Property and equipment	-	1,407,650
Legal services	-	15,000
Total support	$46,767	$1,966,807
Expenditures		
Sports equipment and supplies	$24,267	$ 541,592
Marketing and development	22,500	2,565
Capitalized property and equipment	-	1,407,650
Professional fees	-	15,000
Total expenditures	$46,767	$1,966,807

The contributed nonfinancial assets did not have donor-imposed restrictions and were utilized in sport programming, administrative, and fundraising functions. The Organization estimates the fair value based on the current rates for similar services as reported by the donor.

Note 10 - EMPLOYEE BENEFIT PLANS

During the year ended May 31, 2025, the Organization established a contributory, Savings Incentive Match Plan for Employees (SIMPLE) 401(k) retirement plan which is available to all employees. Employees receive a non-elective 2% contribution from the Organization. Participants vest immediately in such contributions. The Organization's contributions to the plan during the years ended May 31, 2026 and 2025 were $16,645 and $3,452, respectively.

SUPPLEMENTAL INFORMATION

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

The 18th Ward Sports Club
New Orleans, Louisiana

For the year ended May 31, 2026

Agency Head Name: Lowrey Crews, Founder and Chief Executive Officer

Purpose	
Salary	$ -
Benefits - insurance	-
Benefits - retirement	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
	$ - *

* None of the Founder and Chief Executive Officer's salary, benefits, and other compensation is paid through public funding.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors,
The 18th Ward Sports Club,
New Orleans, Louisiana.

We have audited, 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, the financial statements of The 18th Ward Sports Club (the "Organization") as of and for the year ended May 31, 2026, and the related notes to the financial statements and have issued our report thereon dated September 21, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") to determine audit procedures that are appropriate in the circumstances for the propose 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 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.

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Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be a material weakness or significant deficiency. 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 have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
September 21, 2026.

SCHEDULE OF FINDINGS AND RESPONSES

The 18th Ward Sports Club
New Orleans, Louisiana

For the year ended May 31, 2026

Section I - Summary of Auditor's Report

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ____ Yes __X__ No

b) Federal Awards

The Organization did not expend more than $1,000,000 in Federal awards during the year ended May 31, 2026 and, therefore, is exempt from the audit requirements under *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*

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

Internal Control Over Financial Reporting

No internal control over financial reporting findings material to the financial statements were reported during the audit for the year ended May 31, 2026.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended May 31, 2026.

Section III - Internal Control and Compliance Material to Federal Awards

Not applicable.

REPORT BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

The 18th Ward Sports Club
New Orleans, Louisiana

For the year ended May 31, 2026

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

Internal Control Over Financial Reporting

No internal control over financial reporting findings material to the financial statements were reported during the audit for the year ended May 31, 2025.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended May 31, 2025.

Section II - Internal Control and Compliance Material to Federal Awards

The Organization did not expend more than $750,000 in Federal awards during the year ended May 31, 2025 and, therefore, is exempt from the audit requirements under *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended May 31, 2025.