

**KID smART and subsidiary**

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023



Education through  
imagination. <sup>sm</sup>

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
KID smART and subsidiary  
New Orleans, Louisiana

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the consolidated financial statements of KID smART and subsidiary (a non-profit organization), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of KID smART and subsidiary as of June 30, 2024 and 2023, 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 (GAAS) 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 Consolidated 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 Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

## ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements as a whole. The consolidating statements of financial position, the consolidating statements of activities and the consolidating statements of functional expenses on pages 21 – 26 and the Schedule of Compensation, Benefits, and Other Payments to Agency Heads on page 20 are presented for purposes of additional analysis and are 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 consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 30, 2024 on our consideration of KID smART and subsidiary'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 KID smART and subsidiary'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 KID smART and subsidiary's internal control over financial reporting and compliance.

Metairie, Louisiana  
December 30, 2024

*Wegmann Bazet, APC*

KID SMART AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2024 and 2023

	2024	2023
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 685,812	\$ 431,318
Grants and contracts receivable	3,689	86,820
Prepaid expenses	1,798	26
Total current assets	691,299	518,164
Beneficial interest in assets held by Greater New Orleans Foundation	865,482	779,083
Other noncurrent assets	52,000	2,500
Right of use assets - operating, net of accumulated amortization	26,525	98,294
Total assets	\$ 1,635,306	\$ 1,398,041
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ -	\$ 15,051
Accrued payroll liabilities	24,639	20,466
Current portion of operating lease obligations	33,075	16,675
Current portion of long term debt	3,800	3,800
Interest payable	6,123	6,123
Total current liabilities	67,637	62,115
Operating lease obligation, less current portion	-	81,193
Long-term debt, less current portion	146,200	146,200
Total liabilities	213,837	289,508
<b>NET ASSETS</b>		
Net assets		
Without donor restrictions:		
Undesignated	74,169	232,701
Board designated reserve fund	865,482	779,082
With donor restrictions	481,818	96,750
Total net assets	1,421,469	1,108,533
Total liabilities and net assets	\$ 1,635,306	\$ 1,398,041

See accompanying Notes to Consolidated Financial Statements.

KID SMART AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and other support			
Public support - government grants	\$ 109,486	\$ 55,831	\$ 165,317
Other support:			
Private donors	107,026	-	107,026
Corporate donors	151,612	-	151,612
Foundations	447,456	670,000	1,117,456
In-kind donations	34,421	-	34,421
Contracts	428,414	-	428,414
Other grants	5,000	-	5,000
Other income	5,373	-	5,373
Net assets released from restrictions	<u>340,763</u>	<u>(340,763)</u>	<u>-</u>
Total revenue and other support	<u>1,629,551</u>	<u>385,068</u>	<u>2,014,619</u>
Expenses			
Program services			
Creative schools	1,104,628	-	1,104,628
Arts & education conference	212,428	-	212,428
Bloomberg arts internship	<u>99,133</u>	<u>-</u>	<u>99,133</u>
Total program services	<u>1,416,189</u>	<u>-</u>	<u>1,416,189</u>
Supporting services			
Management and general	179,152	-	179,152
Fundraising	<u>195,436</u>	<u>-</u>	<u>195,436</u>
Total supporting services	<u>374,588</u>	<u>-</u>	<u>374,588</u>
Total expenses	<u>1,790,777</u>	<u>-</u>	<u>1,790,777</u>
Other income			
Interest and dividend income	12,065	-	12,065
Investment income, net	<u>77,029</u>	<u>-</u>	<u>77,029</u>
Total other income	<u>89,094</u>	<u>-</u>	<u>89,094</u>
Change in net assets	(72,132)	385,068	312,936
Net assets			
Beginning of year	<u>1,011,783</u>	<u>96,750</u>	<u>1,108,533</u>
End of year	<u>\$ 939,651</u>	<u>\$ 481,818</u>	<u>\$ 1,421,469</u>

See accompanying Notes to Consolidated Financial Statements.

KID SMART AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and other support			
Public support - government grants	\$ 31,206	\$ 90,896	\$ 122,102
Other support:			
Private donors	170,620	-	170,620
Corporate donors	50,779	-	50,779
Foundations	464,712	208,000	672,712
In-kind donations	11,228	-	11,228
Contracts	222,410	-	222,410
Other income	7,634	-	7,634
Net assets released from restrictions	<u>388,661</u>	<u>(388,661)</u>	<u>-</u>
Total revenue and other support	<u>1,347,250</u>	<u>(89,765)</u>	<u>1,257,485</u>
Expenses			
Program services	1,114,202	-	1,114,202
Supporting services:			
Management and general	154,087	-	154,087
Fundraising	<u>166,934</u>	<u>-</u>	<u>166,934</u>
Total expenses	<u>1,435,223</u>	<u>-</u>	<u>1,435,223</u>
Other income			
Interest and dividend income	13,748	-	13,748
Investment income, net	<u>43,542</u>	<u>-</u>	<u>43,542</u>
Total other expense	<u>57,290</u>	<u>-</u>	<u>57,290</u>
Change in net assets	(30,683)	(89,765)	(120,448)
Net assets			
Beginning of year	<u>1,042,466</u>	<u>186,515</u>	<u>1,228,981</u>
End of year	<u>\$ 1,011,783</u>	<u>\$ 96,750</u>	<u>\$ 1,108,533</u>

See accompanying Notes to Consolidated Financial Statements.

KID SMART AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2024

	Program Services			Supporting Services		Total
	Creative Schools	Arts & Education Conference	Bloomberg Arts Internship	Management and General	Fundraising	
Salaries	\$ 496,288	\$ 95,440	\$ 44,539	\$ 90,895	\$ 99,158	\$ 826,320
Teaching artist wages	126,469	24,321	11,350	-	-	162,140
Payroll taxes and employee benefit	120,551	23,183	10,819	22,079	24,086	200,717
Total salaries and related expense:	<u>743,308</u>	<u>142,944</u>	<u>66,707</u>	<u>112,974</u>	<u>123,244</u>	<u>1,189,177</u>
Contractual labor	41,798	8,038	3,751	7,656	8,351	69,594
Professional services	64,200	12,346	5,762	11,758	12,827	106,893
Teacher stipends	36,243	6,970	3,253	6,638	7,241	60,345
Education	7,767	1,494	697	1,423	1,552	12,933
In-kind donations	20,673	3,976	1,855	3,786	4,131	34,421
Public relations	7,316	1,407	657	1,340	1,462	12,182
Special projects and workshops	41,686	8,016	3,741	7,635	8,329	69,407
Supplies	35,393	6,806	3,176	6,482	7,072	58,930
School resources	4,080	785	366	747	815	6,793
Subscriptions	18,077	3,476	1,622	3,311	3,612	30,098
Telephone	8,366	1,609	751	1,533	1,671	13,929
Meetings	5,824	1,120	523	1,067	1,164	9,698
Postage	2,526	486	227	462	505	4,205
Printing and copying	9,585	1,843	860	1,756	1,915	15,959
Office expense	35,013	6,733	3,142	6,413	6,996	58,298
Bank charges	6,326	1,217	568	1,159	1,264	10,533
Payroll fees	1,800	346	162	330	359	2,997
Miscellaneous	3,001	577	269	550	599	4,997
Travel	2,661	512	239	487	532	4,431
Insurance	8,983	1,728	806	1,645	1,795	14,957
Total functional expenses	<u>\$ 1,104,628</u>	<u>\$ 212,428</u>	<u>\$ 99,133</u>	<u>\$ 179,152</u>	<u>\$ 195,436</u>	<u>\$1,790,777</u>

See accompanying Notes to Consolidated Financial Statements.

KID SMART AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2023

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 559,323	\$ 89,492	\$ 96,949	\$ 745,764
Teaching artist wages	151,118	-	-	151,118
Payroll taxes and employee benefits	133,655	21,385	23,167	178,207
Total salaries and related expenses	<u>844,096</u>	<u>110,877</u>	<u>120,116</u>	<u>1,075,089</u>
Contractual labor	34,676	5,548	6,011	46,235
Professional services	40,547	6,488	7,028	54,063
Teacher stipends	38,484	6,157	6,671	51,312
Education	6,104	976	1,058	8,138
In-kind donations	8,421	1,347	1,460	11,228
Public relations	10,272	1,644	1,780	13,696
Special projects and workshops	13,246	2,119	2,296	17,661
Supplies	28,078	4,492	4,867	37,437
School resources	4,646	743	805	6,194
Subscriptions	6,902	1,105	1,196	9,203
Telephone	5,183	830	898	6,911
Meetings	4,418	706	766	5,890
Postage	1,462	234	253	1,949
Printing and copying	12,408	1,985	2,151	16,544
Office expense	18,584	2,970	3,220	24,774
Bank charges	11,750	1,880	2,037	15,667
Payroll fees	2,156	344	374	2,874
Miscellaneous	4,014	642	696	5,352
Travel	6,038	965	1,047	8,050
Insurance	12,717	2,035	2,204	16,956
Total functional expenses	<u>\$ 1,114,202</u>	<u>\$ 154,087</u>	<u>\$ 166,934</u>	<u>\$1,435,223</u>

See accompanying Notes to Consolidated Financial Statements.

KID SMART AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 312,936	\$ (120,448)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Unrealized and realized gain	(82,621)	(49,682)
Operating lease asset amortization	71,769	16,159
(Increase) decrease in operating assets:		
Grants and contracts receivable	83,131	(67,326)
Prepaid expenses	(1,772)	-
Other noncurrent assets	(49,500)	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(15,051)	(4,347)
Accrued payroll liabilities	4,173	(12,926)
Operating lease obligations	(64,793)	(16,585)
Interest payable	-	6,123
Net cash provided (used) by operating activities	<u>258,272</u>	<u>(249,032)</u>
Cash flows from investing activities:		
Purchases of investments	<u>(3,778)</u>	<u>(5,458)</u>
Net cash used by investing activities	<u>(3,778)</u>	<u>(5,458)</u>
Net increase (decrease) in cash and cash equivalents	254,494	(254,490)
Cash and cash equivalents at beginning of year	<u>431,318</u>	<u>685,808</u>
Cash and cash equivalents at end of year	<u>\$ 685,812</u>	<u>\$ 431,318</u>

See accompanying Notes to Consolidated Financial Statements.

KIDSMART AND SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

1) Nature of activities

KID smART and subsidiary (collectively, KID smART or Organization) is a nonprofit organization committed to helping transform public education in the New Orleans region through innovative arts integrated learning. KID smART works to support students, teachers and schools through extended artist residencies and professional development for teachers. KID smART programs teach to the whole child, engaging students in learning through the arts and helps teachers change their pedagogy to include the arts.

New Orleans Arts Education Alliance (NOAEA), founded July 1, 2017, is a wholly owned subsidiary of KID smART. NOAEA is a collective impact project – gathering parents, the educational community, government, cultural institutions, business, and philanthropy – to ensure meaningful arts education for all New Orleans public school students. As such, NOAEA is incorporated in the state of Louisiana, and works under the 501(c)(3) of KID smART who has representation on the Governance Council. As NOAEA matures, services to the organization will change. To date, KID smART has provided predominately administrative, policy, fund development and financial support services.

2) Summary of significant accounting policies

a) Basis of accounting

The consolidated financial statements of the Organization have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

b) Consolidation

The consolidated financial statements include the accounts of KID smART and its wholly owned subsidiary – NOAEA. All significant intercompany balances and transactions have been eliminated in consolidation.

c) Estimates

The preparation of consolidated 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, disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

d) Cash and cash equivalents

For purposes of the statements of cash flows, KID smART considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

e) Grants and contracts receivable

Accounts are considered overdue if uncollected within ninety days of original invoice. The Organization determines the allowance for credit losses based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectible. No allowance for credit losses has been provided, as management has evaluated the accounts and believes they are all collectible. Grants and contracts receivable were \$3,689, \$86,820, and \$19,494 for the years ended June 30, 2024, 2023, and 2022, respectively.

f) Fundraising

All expenses associated with the fundraising are expensed as incurred.

KIDSMART AND SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

2) Summary of significant accounting policies (continued)

g) Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statements of financial position. Net investment income (loss) is reported in the consolidated statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

h) Compensated absences

KID smART and subsidiary's employees earn paid-time-off (PTO). PTO accrues per pay period based upon years of service. Each employee may rollover up to twenty days of accrued but unused hours of PTO per year.

i) Designation of unrestricted assets

It is the policy of the Board of Directors of KID smART to review its plans for future capital needs and to designate appropriate sums of unrestricted net assets to assure adequate financing of such needs. Designated unrestricted net assets have been designated by the Board for operating or programmatic use and are not restricted by time or purpose.

j) Revenue recognition

*Contributions:* The Organization reports gifts of cash and other assets as with donor restriction if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires—that is, when a stipulated time restriction ends, or purpose restriction is accomplished—with donor restriction net assets are reclassified to without donor-restriction net assets and reported in the consolidated statements of activities as net assets released from restrictions.

Unconditional promises to give with payments due in future periods are presumed to be time restricted by the donor until received and are reported as with donor-restriction net assets.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Until that point, any amounts received are recorded as refundable advances.

*Government support and revenue:* The Organization has contracts with government and third parties for the performance of various services, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Government and other grants revenues are nonexchange transactions in which no commensurate value is exchanged. Accordingly, contribution accounting is applied under Accounting Standards Codification ("ASC") Topic 958, *Not-for-Profit Entities*. Government and other grants are evaluated for contributions that are conditional. The Organization recognizes revenue as expenses are incurred, to a maximum of the grant award.

Program service fees and exchange-type grants and contracts revenue are recognized when services are provided. Program fees and payments under exchange-type grants and contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

k) In-kind contributions

Noncash donations are recorded as contributions at their fair values at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

KIDSMART AND SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

2) Summary of significant accounting policies (continued)

l) Tax matters

KID smART and subsidiary has received a tax-exempt ruling under Section 501(c)(3) of the Internal Revenue Code, and accordingly, and with few exceptions, is not subject to federal taxes unless the Company has unrelated trade or business income.

The Organization adopted the provisions of Financial Accounting Standards Board (“FASB”) ASC 740, *Accounting for Uncertainty in Income Taxes*. Management believes there is no material uncertain tax position and, accordingly it will not recognize any liability for unrecognized tax benefits. With few exceptions, the Organization is not subject to U.S. federal and state income tax examinations by tax authorities beyond three years from the filing of those returns.

m) Functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. Where practicable, expenses are directly classified to specific program or supporting service categories. Costs that are not specifically identifiable within functional categories are classified using allocation methods. Allocated costs and methods include occupancy, software, hardware, subscriptions, supplies, insurance, salaries, payroll taxes, and employee benefits allocated based on time studies.

n) Leases

The Organization determines if an arrangement is a lease at inception of the contract and assesses the appropriate classification as finance or operating. Finance and operating lease liabilities represent the present value of minimum lease payments not yet paid. Lease assets represent the right to use an underlying asset and are based upon the lease liabilities. To determine the present value of lease payments, the Organization estimates an incremental borrowing rate which represents the rate used for a secured borrowing of a similar term as the lease. Variable lease payments that do not depend on an index or a rate, such as insurance and property taxes, are excluded from the measurement of the lease liability and are expensed when the obligation for that payment is incurred.

The lease term includes the initial contractual terms as well as any options to extend the lease when it is reasonably certain that the Organization will exercise that option. Leases with an initial term of 12 months or less are not recorded on the consolidated statements of financial position. Operating lease payments are charged on a straight-line basis to rent expense over the lease term and finance lease payments are charged to interest expense and amortization over the lease terms. Assets under finance leases are amortized in accordance with the Organization’s normal depreciation policy for owned assets or over the lease term, if shorter.

The Organization evaluates whether events and circumstances have occurred that indicate right of use assets have been impaired. Measurement of any impairment of such assets is based on their fair values. Once a right of use asset for a lease is impaired, the carrying amount of the right of use asset is reduced through expense and the remaining balance is subsequently amortized on a straight-line basis. During 2024 and 2023, the Organization determined that the carrying amount of right of use assets has not exceeded its fair value; accordingly, no impairment losses exist.

KIDSMART AND SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

2) Summary of significant accounting policies (continued)

o) Advertising

Kid smART and the New Orleans Arts Education Alliance expense advertising as incurred. Advertising expense was \$12,182 and \$13,696 for the years ended June 30, 2024 and 2023, respectively, and is included in Public relations on the consolidated statement of functional expenses.

3) Restrictions on assets

Net assets with donor restriction are available for the following purposes or periods:

	<u>2024</u>	<u>2023</u>
Oscar J. Tolmas Charitable Trust	\$ -	\$ 20,000
GNOF	-	28,000
Bloomberg	421,819	-
Baptist Community Ministries	-	48,750
Maggie George	50,000	-
Culture and Tourism	9,999	-
	<u>\$ 481,818</u>	<u>\$ 96,750</u>

Net assets with donor restrictions released from restriction during the periods consist of the following:

	<u>2024</u>	<u>2023</u>
LA Division of Arts	\$ -	\$ 2,413
ACNO	-	11,016
NEA	45,832	77,467
Bloomberg	173,181	-
Booth-Bricker	25,000	25,000
Baptist Community Ministries	48,750	101,250
Oscar J. Tolmas Charitable Trust	20,000	20,000
GNOF	28,000	-
Kellogg	-	151,515
	<u>\$ 340,763</u>	<u>\$ 388,661</u>

4) Concentrations of credit risk

Financial instruments that potentially subject KID smART and subsidiary to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. KID smART and subsidiary may, at times, have deposits in excess of the FDIC insured limits. The Organization has not experienced any losses in such accounts and does not have any policy requiring collateral or other security to support its deposits. The Organization has investment accounts that contain cash and securities. Balances are insured up to \$500,000, with a limit of \$250,000 for cash, by the Securities Investor Protection Corporation (SIPC). The Organization may, at times, have deposits in excess of the SIPC insured limits. Revenue from one donor represents 30% of total revenues to KID smART for the year ended June 30, 2024. Revenue from one donor represents 12% of total revenues for the year ended June 30, 2023.

KIDSMART AND SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

5) Liquidity and availability

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2024</u>
Cash and cash equivalents	\$ 685,812
Grants and contracts receivables	3,689
Less: funds unavailable for general expenditures within one year, due to donor restriction for future purpose or period	(481,818)
	<u>\$ 207,683</u>

The endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

6) Investments

Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value. That hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below.

Level 1            Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2            Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3            Inputs to the valuation methodology are unobservable and significant to the fair value measurements.

KIDSMART AND SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

6) Investments (continued)

The asset's or liability's fair value measurements level within the fair value hierarchy is based on the lowest level of any inputs that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024 and 2023.

*Equities, certain Fixed Income Funds and certain Money Market Funds:* Valued at the closing price reported on the active market on which the individual securities are traded. If quoted market prices are not available for the specific security, then fair values are estimated by using pricing models or quoted prices of securities with similar characteristics.

*Corporate Bonds, and Fixed Income Bond Funds:* Valued at the present value of the expected future cash flows utilizing the minimum risk-free rate of return. The valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

*Other Investments:* Included in other investments are Private Equity Funds, Limited Liability Entities, Hedge Funds, and Pooled Investment Funds. These investments are valued based upon the units held at year-end multiplied by the respective unit value. The unit value is based upon significant observable inputs, although it is not based upon quoted market prices in an active market. The underlying investments consist primarily of equity securities, debt obligations, short-term investments and other marketable securities. In accordance with ASC 820-10, these investments are not classified in the fair value hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. Investments as of June 30, 2024 and 2023 are composed of the following:

	<u>Assets at Fair Value as of June 30, 2024</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity Funds	\$ 334,037	\$ -	\$ -	\$ 334,037
Fixed Income Funds	22,541	67,054	-	89,595
Money Market Funds	23,421	-	-	23,421
Total assets at fair value	<u>\$ 379,999</u>	<u>\$ 67,054</u>	<u>\$ -</u>	447,054
Investments recorded at NAV as practical expedient				418,428
				<u>\$ 865,482</u>

KIDSMART AND SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

6) Investments (continued)

<u>Assets at Fair Value as of June 30, 2023</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity Funds	\$ 234,762	\$ -	\$ -	\$ 234,762
Fixed Income Funds	53,116	53,646	-	106,762
Money Market Funds	13,293	-	-	13,293
Total assets at fair value	<u>\$ 301,171</u>	<u>\$ 53,646</u>	<u>\$ -</u>	354,817
Investments recorded at NAV as practical expedient				424,266
				<u>\$ 779,083</u>

In accordance with ASC 820-10, other investments are measured at fair value using the NAV per share (or its equivalent) practical expedient and have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented on the Statements of Financial Position.

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Dividends and interest	\$ 12,065	\$ 13,748
Realized (loss) gain in value of investments	(18,888)	974
Management fees	(5,592)	(6,140)
Unrealized gain on investments	101,509	48,708
	<u>\$ 89,094</u>	<u>\$ 57,290</u>

7) Long-term debt

Long-term debt consists of the following:

	<u>2024</u>	<u>2023</u>
Economic Injury Disaster Loan from the Small Business Association (SBA). Monthly payments begin one year after the note and total approximately \$640 with an interest rate of 2.75%. The note matures May 13, 2050.	\$ 150,000	\$ 150,000
Total long-term debt	150,000	150,000
Less: current portion	3,800	3,800
Long-term debt, less current portion	<u>\$ 146,200</u>	<u>\$ 146,200</u>

KIDSMART AND SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

7) Long-term debt (continued)

Future maturities of long-term debt are as follows:

<u>For the Year Ending</u>	<u>Amount</u>
2025	\$ 3,800
2026	3,900
2027	4,000
2028	4,100
2029	4,200
Thereafter	<u>130,000</u>
	<u>\$150,000</u>

8) Board designated endowments

On February 27, 2018 the Board of Directors approved the establishment of a Reserve Fund to serve as contingency to cover a shortage of cash flow caused by exceptional unbudgeted expenses, loss of predicted funding, or an unforeseen opportunity. The Reserve Fund should not be used to cover regular budgeted expenses, except in the extreme cases in which anticipated funding did not come through, or that actual expenditure exceeded the amount expected.

In order to draw funds under the above circumstances, the Finance Committee must approve the use of the money. The Reserve Fund may be used to cover an unforeseen opportunity. In this instance, the Executive Committee of the Board should review the opportunity and make the recommendation to use a portion of the funds. This account shall provide ready access to the funds for liquidity, as KID smART may require. If the Finance Committee authorizes the Executive Director to access funds for liquidity, a liability will be recorded on KID smART's books to reflect the withdrawal, and these funds shall be repaid to the Reserve Fund as soon as practicable.

KID smART has as a goal the creation of a reserve fund totaling a third of KID smART's annual expenses. The Reserve Fund will be increased by a minimum of \$5,000 per year, until that goal is met, and maintained at that level each year thereafter. A portion of the Reserve Fund shall be invested in an account with no capital risk where the preservation of the principal is of paramount concern. Accordingly, a third of the Reserve Fund is invested in certificates of deposit and the remaining amount is invested in the Greater New Orleans Foundation's Quasi-Endowment Fund.

Changes in net assets without donor restrictions that are board-designated as an endowment for the years ended June 30, 2024 and 2023 consists of the following:

	<u>2024</u>	<u>2023</u>
Board-designated endowment, beginning of year	\$ 779,083	\$ 723,249
Dividends and interest	12,065	13,748
Realized (loss) gain	(18,888)	974
Unrealized gain	101,509	48,708
Management fees	(8,287)	(7,596)
Board-designated endowment, end of year	<u>\$ 865,482</u>	<u>\$ 779,083</u>

9) Leases

The Company leases office space under an agreement, which is classified as an operating lease. The lease does not contain a significant residual value guaranty and does not impose significant restrictions or covenants.

KIDSMART AND SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

9) Leases (continued)

At June 30, 2024, the remaining lease term for the operating lease was approximately 1 year. The discount rate for the operating lease was 4.13%.

The table below presents certain information related to lease costs for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 39,776	\$ 20,574
Short-term lease cost	18,522	4,200
Total lease costs	<u>\$ 58,298</u>	<u>\$ 24,774</u>

Maturities of lease liabilities as of June 30, 2024 are as follows:

For the years ending June 30:	<u>Amount</u>
2025	\$ 33,825
Total	<u>33,825</u>
Less: present value discount	<u>(750)</u>
Lease liability	33,075
Less: current portion of lease liability	<u>(33,075)</u>
Long term portion of lease liability	<u>-</u>

10) In-kind contributions

KID smART receives donated goods, facilities, and services from unpaid volunteers who assist in fundraising and special projects. The amounts have been recognized in the accompanying statements of activities as they meet the criteria for recognition under FASB ASC 958-605, *Accounting for Contributions Received and Contributions Made*.

Donated materials, facilities, and services are as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Auction and items	\$ 845	\$ 854
Event space	-	1,000
Professional services	1,514	500
Materials	27,062	8,874
Travel	5,000	-
	<u>\$ 34,421</u>	<u>\$ 11,228</u>

Donated goods services are recognized at fair value based on current rates for similar goods and services. Donated auction items are valued at the sales price received during the auction on the day of the event. All gifts-in-kind received during the years ended June 30, 2024 and 2023 were unrestricted.

KIDSMART AND SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

11) Related party transactions

NOAEA pays a monthly management fee to KID smART in the amount of \$1,250 per month. This fee represents compensation for the administrative, policy, fund development, and financial support services of the organization. Management fees for the years ended June 30, 2024 and 2023 were \$15,000.

NOAEA also pays KID smART for health insurance expenses for NOAEA staff in addition to the monthly fee. Health insurance expenses for the years ended June 30, 2024 and 2023 were \$4,180 and \$5,018 respectively. All intercompany transactions have been eliminated in the consolidated financial statements.

12) Supplemental cash flows disclosures

	<u>2024</u>	<u>2023</u>
Right-of-use asset obtained in exchange for lease obligation	\$ <u>          -</u>	\$ <u>  114,453</u>

13) Subsequent events

Subsequent to year end, the Organization purchased a building they were previously renting and obtained a loan for \$942,500.

The Organization has evaluated subsequent events through the date of the auditor’s report, the date which the consolidated financial statements were available to be issued. There were no other material subsequent events that required recognition or additional disclosures in these consolidated financial statements.

KIDSMART AND SUBSIDIARY  
 SCHEDULE OF COMPENSATION, BENEFITS,  
 AND OTHER PAYMENTS TO AGENCY HEADS  
 For the Year Ended June 30, 2024

	KID smART	NOAEA
	Elise Goldman Executive Director	J. Celeste Kee Executive Director
Total compensation	\$ -	\$ -

There were no payments for the benefits of the Executive Directors that were derived from public funds (state and/or local governmental funds and/or federal funds passed through a state or local government agency).

KID SMART AND SUBSIDIARY  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

June 30, 2024

	<u>KID smART</u>	<u>NOAEA</u>	<u>Totals Before Consolidating Entries</u>	<u>Consolidating Entries</u>	<u>Consolidated Totals</u>
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 624,073	\$ 61,739	\$ 685,812	\$ -	\$ 685,812
Grants and contracts receivable	7,521	-	7,521	(3,832)	3,689
Prepaid expenses	1,798	-	1,798	-	1,798
Total current assets	<u>633,392</u>	<u>61,739</u>	<u>695,131</u>	<u>(3,832)</u>	<u>691,299</u>
Beneficial interest in assets held by Greater New Orleans Foundation	865,482	-	865,482	-	865,482
Other noncurrent assets	52,000	-	52,000	-	52,000
Right of use assets - operating, net of accumulated amortization	<u>26,525</u>	<u>-</u>	<u>26,525</u>	<u>-</u>	<u>26,525</u>
Total assets	<u>\$ 1,577,399</u>	<u>\$ 61,739</u>	<u>\$ 1,639,138</u>	<u>\$ (3,832)</u>	<u>\$ 1,635,306</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable and accrued expenses	\$ -	\$ 3,832	\$ 3,832	\$ (3,832)	\$ -
Accrued compensated absences	24,639	-	24,639	-	24,639
Current portion of operating lease obligations	33,075	-	33,075	-	33,075
Current portion of long term debt	3,800	-	3,800	-	3,800
Interest payable	6,123	-	6,123	-	6,123
Total current liabilities	<u>67,637</u>	<u>3,832</u>	<u>71,469</u>	<u>(3,832)</u>	<u>67,637</u>
Long-term debt, less current portion	<u>146,200</u>	<u>-</u>	<u>146,200</u>	<u>-</u>	<u>146,200</u>
Total liabilities	<u>213,837</u>	<u>3,832</u>	<u>217,669</u>	<u>(3,832)</u>	<u>213,837</u>
<b>NET ASSETS</b>					
Without donor restrictions:					
Undesignated	16,262	57,907	74,169	-	74,169
Board designated reserve fund	865,482	-	865,482	-	865,482
With donor restrictions	<u>481,818</u>	<u>-</u>	<u>481,818</u>	<u>-</u>	<u>481,818</u>
Total net assets	<u>1,363,562</u>	<u>57,907</u>	<u>1,421,469</u>	<u>-</u>	<u>1,421,469</u>
Total liabilities and net assets	<u>\$ 1,577,399</u>	<u>\$ 61,739</u>	<u>\$ 1,639,138</u>	<u>\$ (3,832)</u>	<u>\$ 1,635,306</u>

KID SMART AND SUBSIDIARY  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

June 30, 2023

	KID smART	NOAEA	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 387,501	\$ 43,817	\$ 431,318	\$ -	\$ 431,318
Grants and contracts receivable	94,310	-	94,310	(7,490)	86,820
Prepaid expenses	26	-	26	-	26
Total current assets	<u>481,837</u>	<u>43,817</u>	<u>525,654</u>	<u>(7,490)</u>	<u>518,164</u>
Beneficial interest in assets held by Greater New Orleans Foundation	779,083	-	779,083	-	779,083
Other noncurrent assets	2,000	500	2,500	-	2,500
Right of use assets-operating, net of accumulated amortization	<u>98,294</u>	<u>-</u>	<u>98,294</u>	<u>-</u>	<u>98,294</u>
Total assets	<u>\$ 1,361,214</u>	<u>\$ 44,317</u>	<u>\$ 1,405,531</u>	<u>\$ (7,490)</u>	<u>\$ 1,398,041</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable and accrued expenses	\$ 14,814	\$ 7,727	\$ 22,541	\$ (7,490)	\$ 15,051
Accrued compensated absences	18,558	1,908	20,466	-	20,466
Current portion of operating lease obligations	16,675	-	16,675	-	16,675
Current portion of long term debt	3,800	-	3,800	-	3,800
Interest payable	<u>6,123</u>	<u>-</u>	<u>6,123</u>	<u>-</u>	<u>6,123</u>
Total current liabilities	59,970	9,635	69,605	(7,490)	62,115
Operating lease obligation, less current portion	81,193	-	81,193	-	81,193
Long-term debt, less current portion	<u>146,200</u>	<u>-</u>	<u>146,200</u>	<u>-</u>	<u>146,200</u>
Total liabilities	<u>287,363</u>	<u>9,635</u>	<u>296,998</u>	<u>(7,490)</u>	<u>289,508</u>
<b>NET ASSETS</b>					
Without donor restrictions:					
Undesignated	198,019	34,682	232,701	-	232,701
Board designated reserve fund	779,082	-	779,082	-	779,082
With donor restrictions	<u>96,750</u>	<u>-</u>	<u>96,750</u>	<u>-</u>	<u>96,750</u>
Total net assets	<u>1,073,851</u>	<u>34,682</u>	<u>1,108,533</u>	<u>-</u>	<u>1,108,533</u>
Total liabilities and net assets	<u>\$ 1,361,214</u>	<u>\$ 44,317</u>	<u>\$ 1,405,531</u>	<u>\$ (7,490)</u>	<u>\$ 1,398,041</u>

KID SMART AND SUBSIDIARY  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENTS OF ACTIVITIES

For the Year Ended June 30, 2024

	KID smART Without Donor Restrictions	NOAEA Without Donor Restrictions	KID smART With Donor Restrictions	NOAEA With Donor Restrictions	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
Revenues and other support							
Public support - government grants	\$ 109,486	\$ -	\$ 9,999	\$ 45,832	\$ 165,317	\$ -	\$ 165,317
Other support:							
Private donors	107,026	-	-	-	107,026	-	107,026
Corporate donors	151,612	-	-	-	151,612	-	151,612
Foundations	371,496	75,960	670,000	-	1,117,456	-	1,117,456
In-kind donations	34,421	-	-	-	34,421	-	34,421
Contracts	468,414	-	-	-	468,414	(40,000)	428,414
Other grants	5,000	-	-	-	5,000	-	5,000
Other income	5,287	86	-	-	5,373	-	5,373
Net assets released from restrictions	294,931	45,832	(294,931)	(45,832)	-	-	-
Total revenue and other support	1,547,673	121,878	385,068	-	2,054,619	(40,000)	2,014,619
Expenses							
Program services	1,371,026	75,963	-	-	1,446,989	(30,800)	1,416,189
Supporting services:							
Management and general	172,701	10,851	-	-	183,552	(4,400)	179,152
Fundraising	188,399	11,837	-	-	200,236	(4,800)	195,436
Total expenses	1,732,126	98,651	-	-	1,830,777	(40,000)	1,790,777
Other income:							
Interest and dividend income	12,065	-	-	-	12,065	-	12,065
Investment income, net	77,029	-	-	-	77,029	-	77,029
Total other income	89,094	-	-	-	89,094	-	89,094
Change in net assets	(95,359)	23,227	385,068	-	312,936	-	312,936
Net assets							
Beginning of year	1,012,850	(1,067)	96,750	-	1,108,533	-	1,108,533
End of year	\$ 917,491	\$ 22,160	\$ 481,818	\$ -	\$ 1,421,469	\$ -	\$ 1,421,469

KID SMART AND SUBSIDIARY  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENTS OF ACTIVITIES

For the Year Ended June 30, 2023

	KID smART Without Donor Restrictions	NOAEA Without Donor Restrictions	KID smART With Donor Restrictions	NOAEA With Donor Restrictions	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
<b>Revenues and other support</b>							
Public support - government grants	\$ 31,206	\$ -	\$ 58,429	\$ 32,467	\$ 122,102	\$ -	\$ 122,102
Private donors	170,620	-	-	-	170,620	-	170,620
Corporate donors	50,779	-	-	-	50,779	-	50,779
Foundations	401,432	63,280	208,000	-	672,712	-	672,712
In-Kind donation	11,228	-	-	-	11,228	-	11,228
Contracts	237,410	-	-	-	237,410	(15,000)	222,410
Other income	3,540	4,094	-	-	7,634	-	7,634
Net assets released from restrictions	356,194	32,467	(356,194)	(32,467)	-	-	-
<b>Total revenue and other support</b>	<b>1,262,409</b>	<b>99,841</b>	<b>(89,765)</b>	<b>-</b>	<b>1,272,485</b>	<b>(15,000)</b>	<b>1,257,485</b>
<b>Expenses</b>							
Program services	1,055,481	69,971	-	-	1,125,452	(11,250)	1,114,202
Supporting services:							
Management and general	144,692	11,195	-	-	155,887	(1,800)	154,087
Fundraising	156,757	12,127	-	-	168,884	(1,950)	166,934
<b>Total expenses</b>	<b>1,356,930</b>	<b>93,293</b>	<b>-</b>	<b>-</b>	<b>1,450,223</b>	<b>(15,000)</b>	<b>1,435,223</b>
<b>Other income:</b>							
Interest and dividend income	13,748	-	-	-	13,748	-	13,748
Investment gain, net	43,542	-	-	-	43,542	-	43,542
<b>Total other income</b>	<b>57,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,290</b>	<b>-</b>	<b>57,290</b>
<b>Change in net assets</b>	<b>(37,231)</b>	<b>6,548</b>	<b>(89,765)</b>	<b>-</b>	<b>(120,448)</b>	<b>-</b>	<b>(120,448)</b>
<b>Net assets</b>							
Beginning of year	1,050,081	(7,615)	186,515	-	1,228,981	-	1,228,981
End of year	\$ 1,012,850	\$ (1,067)	\$ 96,750	-	\$ 1,108,533	\$ -	\$ 1,108,533

KID SMART AND SUBSIDIARY  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2024

	KID smART			NOAEA			Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
	Program Services	Supporting Services		Program Services	Supporting Services				
	Management and General	Fundraising		Management and General	Fundraising				
Salaries	\$ 617,843	\$ 88,264	\$ 96,287	\$ 18,423	\$ 2,632	\$ 2,871	\$ 826,320	\$ -	\$ 826,320
Teaching artist wages	162,140	-	-	-	-	-	162,140	-	162,140
Payroll taxes and employee benefits	149,958	21,421	23,371	4,595	656	716	200,717	-	200,717
Total salaries and related expenses	<u>929,941</u>	<u>109,685</u>	<u>119,658</u>	<u>23,018</u>	<u>3,288</u>	<u>3,587</u>	<u>1,189,177</u>	<u>-</u>	<u>1,189,177</u>
Contractual labor	53,587	7,656	8,351	-	-	-	69,594	-	69,594
Professional services	81,270	11,610	12,666	1,037	148	162	106,893	-	106,893
Teacher stipends	46,466	6,638	7,241	-	-	-	60,345	-	60,345
Education	9,861	1,409	1,537	97	14	15	12,933	-	12,933
In-kind donations	26,504	3,786	4,131	-	-	-	34,421	-	34,421
Public relations	9,380	1,340	1,462	-	-	-	12,182	-	12,182
Special projects and workshops	52,808	7,544	8,230	19,885	2,841	3,099	94,407	(25,000)	69,407
Supplies	45,362	6,481	7,069	14	2	2	58,930	-	58,930
School resources	5,231	747	815	-	-	-	6,793	-	6,793
Subscriptions	9,176	1,311	1,430	13,999	2,000	2,182	30,098	-	30,098
Telephone	9,345	1,336	1,456	1,380	197	215	13,929	-	13,929
Meetings	6,285	898	979	1,183	169	184	9,698	-	9,698
Postage	3,238	462	505	-	-	-	4,205	-	4,205
Printing and copying	12,287	1,755	1,915	2	-	-	15,959	-	15,959
Office expense	43,118	6,160	6,720	1,771	253	276	58,298	-	58,298
Bank charges	8,110	1,159	1,264	-	-	-	10,533	-	10,533
Payroll fees	1,723	247	269	584	83	91	2,997	-	2,997
Miscellaneous	3,848	549	600	11,550	1,650	1,800	19,997	(15,000)	4,997
Travel	3,403	487	530	9	1	1	4,431	-	4,431
Insurance	10,083	1,441	1,571	1,434	205	223	14,957	-	14,957
Total functional expenses	<u>\$ 1,371,026</u>	<u>\$ 172,701</u>	<u>\$ 188,399</u>	<u>\$ 75,963</u>	<u>\$ 10,851</u>	<u>\$ 11,837</u>	<u>\$ 1,830,777</u>	<u>\$ (40,000)</u>	<u>\$ 1,790,777</u>

KID SMART AND SUBSIDIARY  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2023

	KID smART			NOAEA			Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
	Program Services	Supporting Services		Program Services	Supporting Services				
		Management and General	Fundraising		Management and General	Fundraising			
Salaries	\$ 521,181	\$ 83,389	\$ 90,338	\$ 38,142	\$ 6,103	\$ 6,611	\$ 745,764	\$ -	\$ 745,764
Teaching artist wages	151,118	-	-	-	-	-	151,118	-	151,118
Payroll taxes and employee benefits	126,995	20,318	22,012	6,661	1,066	1,155	178,207	-	178,207
Total salaries and related expenses	<u>799,294</u>	<u>103,707</u>	<u>112,350</u>	<u>44,803</u>	<u>7,169</u>	<u>7,766</u>	<u>1,075,089</u>	<u>-</u>	<u>1,075,089</u>
Contractual labor	33,551	5,368	5,816	1,125	180	195	46,235	-	46,235
Professional services	39,484	6,317	6,844	1,064	170	184	54,063	-	54,063
Teacher stipends	38,484	6,157	6,671	-	-	-	51,312	-	51,312
Education	6,104	976	1,058	-	-	-	8,138	-	8,138
In-kind donations	8,421	1,347	1,460	-	-	-	11,228	-	11,228
Public relations	10,272	1,644	1,780	-	-	-	13,696	-	13,696
Special projects and workshops	11,117	1,778	1,927	2,129	341	369	17,661	-	17,661
Supplies	28,011	4,481	4,855	67	11	12	37,437	-	37,437
School resources	4,646	743	805	-	-	-	6,194	-	6,194
Subscriptions	6,877	1,100	1,192	26	4	4	9,203	-	9,203
Telephone	3,744	600	649	1,439	230	249	6,911	-	6,911
Meetings	4,296	687	745	122	19	21	5,890	-	5,890
Postage	1,462	234	253	-	-	-	1,949	-	1,949
Printing and copying	12,403	1,984	2,150	5	1	1	16,544	-	16,544
Office expense	15,431	2,468	2,675	3,150	504	546	24,774	-	24,774
Bank charges	11,750	1,880	2,037	-	-	-	15,667	-	15,667
Payroll fees	1,473	236	255	683	109	118	2,874	-	2,874
Miscellaneous	4,014	642	696	11,250	1,800	1,950	20,352	(15,000)	5,352
Travel	4,212	674	730	1,826	292	316	8,050	-	8,050
Insurance	10,435	1,669	1,809	2,282	365	396	16,956	-	16,956
Total functional expenses	<u>\$ 1,055,481</u>	<u>\$ 144,692</u>	<u>\$ 156,757</u>	<u>\$ 69,971</u>	<u>\$ 11,195</u>	<u>\$ 12,127</u>	<u>\$ 1,450,223</u>	<u>\$ (15,000)</u>	<u>\$ 1,435,223</u>

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  
KID smART and subsidiary

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 KID smART and subsidiary (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 December 30, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered KID smART and subsidiary's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of KID smART and subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of KID smART and subsidiary'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. However, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

## **Compliance and Other Matters**

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

Metairie, Louisiana  
December 30, 2024

*Wegmann Bazet, APC*

KIDSMART AND SUBSIDIARY  
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES  
For the Year Ended June 30, 2024

**SECTION I SUMMARY OF THE AUDITORS' RESULTS**

1. Type of report issued on the consolidated financial statements: **Unmodified Opinion.**
2. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **None reported.**

Material weaknesses: **No.**

3. Noncompliance which is material to the financial statements: **No.**
4. A management letter was issued: **No.**

**SECTION II FINANCIAL STATEMENT FINDINGS**

NOT APPLICABLE

KIDSMART AND SUBSIDIARY  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
For the Year Ended June 30, 2023

FINANCIAL STATEMENT FINDINGS

**2023-001: Compliance with Annual Filing Deadline**

Condition:

The audit report for the year ended June 30, 2023 was not submitted within six (6) months after year end as required by state law.

Status:

Resolved.