TrainingGrounds, Inc.
Financial Statements
December 31, 2025

TrainingGrounds

Providing Knowledge To Move Families & Communities Forward

TrainingGrounds

Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
TrainingGrounds, Inc.
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of TrainingGrounds, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TrainingGrounds, Inc. as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of TrainingGrounds, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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 TrainingGrounds, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

The Board of Trustees
TrainingGrounds, Inc.

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 TrainingGrounds, Inc.'s internal control. Accordingly, no such opinion is expressed.

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer, as required by the State of Louisiana is presented for purposes of additional analysis and is not a required part of the financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. Such 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 accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

The Board of Trustees
TrainingGrounds, Inc.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2026, on our consideration of the TrainingGrounds, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 TrainingGrounds, Inc.'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 TrainingGrounds, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited TrainingGrounds, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 12, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Paciera, Gautreau & Priest, LLC

Metairie, Louisiana
June 12, 2026

TrainingGrounds, Inc.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025
(With Summarized Financial Information at December 31, 2024)

	2025	2024
ASSETS		
Cash and cash equivalents	$ 4,674,533	$ 3,775,896
Restricted cash	65,000	165,000
Accounts receivable, net	67,893	96,860
Grants receivable, net	76,718	134,727
Prepaid expenses	26,584	21,332
Promises to give, net	823,150	377,500
Investments	501,282	250,000
Inventory	24,198	0
Furniture and equipment, net	11,598	2,318
Operating lease right-of-use asset- Building	109,609	143,269
Security deposit	3,100	3,100
Total Assets	$ 6,383,665	$ 4,970,002
LIABILITIES		
Accounts payable	18,616	41,529
Accrued expenses	57,087	25,620
Deferred revenue	126,564	118,099
Refundable advance	0	50,000
Operating lease liability	109,609	140,647
Total Liabilities	311,876	375,895
NET ASSETS		
Without donor restrictions:		
Undesignated	1,383,214	815,660
Board-designated	3,293,800	2,719,851
Total without donor restrictions	4,677,014	3,535,511
With donor restrictions	1,394,775	1,058,596
Total Net Assets	6,071,789	4,594,107
Total Liabilities and Net Assets	$ 6,383,665	$ 4,970,002

See accompanying notes to financial statements.

TrainingGrounds, Inc.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2025

(With Summarized Financial Information for the Year Ended December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
SUPPORT AND REVENUES				
Contributions of cash and other financial assets	$ 31,202	$ 0	$ 31,202	$ 26,405
Contributions of nonfinancial assets	38,340	0	38,340	19,200
Pass-through government grant income	483,628	0	483,628	536,394
Private grant income	571,160	1,299,000	1,870,160	953,512
Fiscal sponsorship grant	0	0	0	200,000
United Way grant income	0	50,000	50,000	50,000
Contractor revenue	906,834	0	906,834	762,292
Workshop revenue	1,800	0	1,800	5,945
Miscellaneous income	1,729	0	1,729	1,587
Investment return, net	118,615	0	118,615	159,832
Net assets released from restrictions	1,012,821	(1,012,821)	0	0
Total Support and Revenues	3,166,129	336,179	3,502,308	2,715,167
EXPENSES				
Program Services:				
Education and training	1,827,336	0	1,827,336	1,320,802
Supporting Services:				
Management and general	176,538	0	176,538	112,105
Fundraising and development	20,752	0	20,752	26,993
Total Expenses	2,024,626	0	2,024,626	1,459,900
Change in Net Assets	1,141,503	336,179	1,477,682	1,255,267
Net Assets - Beginning of Year	3,535,511	1,058,596	4,594,107	3,338,840
Net Assets - End of Year	$ 4,677,014	$ 1,394,775	$ 6,071,789	$ 4,594,107

See accompanying notes to financial statements.

TrainingGrounds, Inc.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Summarized Financial Information for the Year Ended December 31, 2024)

	Program Services	*Supporting Services*			
	Education and Training	Management and General	Fundraising and Development	2025 Total	2024 Total
Accounting fees	$ 46,160	$ 19,390	$ 0	$ 65,550	$ 61,359
Advertising and promotion	16,111	258	198	16,567	31,051
Bank fees	89	442	0	531	527
Credit losses	0	0	0	0	1,431
Depreciation	1,414	1,426	0	2,840	1,426
Employee benefits	134,149	7,068	0	141,217	86,745
Fiscal sponsorship	93,000	0	0	93,000	35,000
Insurance	9,694	6,209	0	15,903	13,526
Miscellaneous	2,449	2,181	0	4,630	3,712
Occupancy	68,672	25,925	0	94,597	63,968
Payroll taxes	73,171	4,061	0	77,232	56,735
Postage	262	275	58	595	499
Printing	2,387	89	194	2,670	1,915
Professional fees	266,949	45,054	18,935	330,938	198,375
Salaries and wages	965,478	50,869	0	1,016,347	751,516
Specific assistance	16,501	0	0	16,501	0
Staff development	7,668	409	15	8,092	14,535
Stipends	36,990	0	0	36,990	11,549
Special Events	7,368	102	487	7,957	4,945
Supplies	15,358	3,942	379	19,679	72,064
Technology	22,074	7,035	486	29,595	30,282
Telephone	2,772	220	0	2,992	2,524
Travel	18,470	668	0	19,138	4,424
Uniforms	2,775	0	0	2,775	2,512
Workers' compensation	17,375	915	0	18,290	9,280
Total Expenses	$ 1,827,336	$ 176,538	$ 20,752	$ 2,024,626	$ 1,459,900

TrainingGrounds, Inc.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Summarized Financial Information for the Year Ended December 31, 2024)

	2025	2024
CASH FLOWS OPERATING ACTIVITIES		
Change in net assets	$ 1,477,682	$ 1,255,267
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,840	1,426
(Increase) Decrease in Accounts receivable	28,967	(90,413)
(Increase) Decrease in Grants receivable	58,009	(68,472)
Decrease in Accrued program service revenue	0	79,072
(Increase) in Prepaid expenses	(5,252)	(9,036)
(Increase) in Promise to give	(445,650)	(217,500)
(Increase) in Inventory	(24,198)	0
(Increase) in Security deposits	0	(3,100)
Increase (Decrease) in Accounts payable	(22,913)	38,976
Increase in Accrued expenses	31,467	6,451
Increase (Decrease) in Deferred revenue	8,465	(55,841)
Increase (Decrease) in Refundable advance	(50,000)	50,000
Change in Operating Lease, net	2,622	(2,622)
Net Cash Provided by Operating Activities	1,062,039	984,208
CASH FLOWS INVESTING ACTIVITIES		
Purchases of Investments	(626,182)	(250,000)
Purchases of Furniture and Equipment	(12,120)	0
Sale of Investments	374,900	504,441
Net Cash Provided by (Used in) Investing Activities	(263,402)	254,441
Net Increase in Cash, Cash Equivalents, and Restricted Cash	798,637	1,238,649
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	3,940,896	2,702,247
Cash, Cash Equivalents, and Restricted Cash - End of Year	$ 4,739,533	$ 3,940,896
SUPPLEMENTAL DISCLOSURES		
Cash paid during the year for:		
Interest	$ 0	$ 0
Income Taxes	$ 0	$ 0
Operating lease right-of-use asset and liability at lease commencement	$ 0	$ 153,672
RECONCILIATION TO STATEMENT OF FINANCIAL POSITION		
Cash and Cash Equivalents	$ 4,674,533	$ 3,775,896
Restricted Cash	65,000	165,000
Cash, Cash Equivalents, and Restricted Cash	$ 4,739,533	$ 3,940,896

See accompanying notes to financial statements.

A. Nature of Activities

TrainingGrounds, Inc. (the "Organization"), a Louisiana non-profit corporation, was established in the metropolitan New Orleans area to create supportive learning environments that enable caregivers and educators to provide children with quality experiences that promote healthy brain development, appropriate adult-child interactions, and positive social-emotional skills.

The Organization operates the We PLAY Center, provides workshops for parents, and administers professional development training for early childhood educators.

B. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of generally accepted accounting principles (GAAP). Under GAAP, the Organization is required to report information regarding financial position and activities according to the following net asset classifications:

Net Assets without donor restrictions: These amounts are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. This class of net assets also includes assets previously restricted where restrictions have expired or been met.

Net Assets with donor restrictions: These amounts are subject to stipulations imposed by donors and grantors. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Donor restrictions may also be perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

In addition, the Board of Directors has designated certain net assets as operating reserves to ensure the long-term financial stability of the Organization's mission, programs, employment, and ongoing operations. The Board of Directors has also designated certain net assets for opportunity reserves and for specific expenditures.

B. Summary of Significant Accounting Policies (Continued)

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2024 from which the summarized information was derived.

Estimates

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

Income Tax Status

The Organization is a non-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Management has evaluated its tax positions and concluded that the Organization has taken no uncertain tax positions that required recognition or disclosure in the financial statements. Tax years ended December 31, 2022 and later remain subject to examination by the taxing authorities.

Cash, Cash Equivalents, and Restricted Cash

For the purpose of the Statement of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Restricted Cash relates to funds obtained through a fiscal sponsorship agreement with an unrelated party.

Accounts Receivable and Contract Assets

Accounts receivable and other contract assets represent consideration from contractor or workshop revenues, of which the Organization has an unconditional right to receive payment. Management has assessed accounts receivable and other contract assets for impairment using the current expected credit loss model, taking into consideration historical information, current losses, and reasonable supportable forecasts to project expected future losses.

B. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Contractor and workshop revenues are recognized as revenues when the revenues are earned. Revenues are earned when the activities or services are provided, and the Organization does not believe it is required to provide additional activities or services. Fees received in advance are deferred to the applicable period in which the related services are performed.

Contributed Support

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions are reported as without donor restrictions unless the contributions have donor-imposed restrictions. Contributions restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Conditional promises to give are recognized as contributed support when the conditions on which they depend are substantially met. When donor-imposed conditions and restrictions are met in the same reporting period, the contribution is reported as an increase in net assets without donor restrictions.

Grants Receivable

Grants receivable represents billings which are based primarily on cost reimbursement contracts with governmental agencies or pass-through recipients of governmental funds. Grants receivable is stated at the amount management expects to collect from outstanding balances. Management monitors outstanding receivable balances and charges off to a provision for credit losses any balances that are determined to be uncollectible. In 2025, credit losses were $0. As of December 31, 2025, management has determined, based on historical experiences, that all remaining grant receivable balances are fully collectible; as a result, there is no allowance for uncollectible grants receivable at year end.

Governmental Financial Assistance

Amounts received from federal or state agencies or as a pass-through cost-reimbursement grant originating with federal or state funding are recognized as government grant income when the Organization has a right to reimbursement under the related grant document, generally corresponding to the incurring of grant-related costs by the Organization that are in compliance with the specific contract or grant provisions.

B. Summary of Significant Accounting Policies (Continued)

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

Contributed Facilities

Donations of facilities are recorded as contributions at the fair value at the date of donation, based on the fair value of similar rental spaces. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the use of the donated facility to a specific purpose. In 2025, the Organization received $19,200 of donated space for a second location of the We PLAY Center to operate. This amount is included in occupancy expenses in the Statement of Functional Expenses.

Investments

At December 31, 2025, investments consisted of short-term certificates of deposit. Investments are reported at their fair values in the Statement of Financial Position based on quoted market prices in active markets for identical assets and liabilities (Level 1).

Fair Value Measurements

Generally accepted accounting principles require the use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the assets and liabilities, either directly or indirectly (Level 2); and unobservable inputs from the assets or liabilities (Level 3). The Organization had no Level 2 or Level 3 assets or liabilities at December 31, 2025.

Investment Return, Net

Investment return consists of interest earnings on cash in banks and certificates of deposit. The amount is net of any investment expenses.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. These expenses require allocation on a reasonable basis that is consistently applied. These expenses were allocated based on estimates of time and effort.

B. Summary of Significant Accounting Policies (Continued)

Inventory

The Organization maintains inventory consisting of (a) purchased program materials used in the delivery of program services and (b) diapers received as in-kind contributions for distribution to program beneficiaries.

Purchased inventory is stated at the lower of cost or net realizable value. Donated diapers are recorded as contribution revenue at their estimated fair value on the date of receipt, based on observable market prices for similar goods.

Property and Equipment

The Organization has adopted a policy of capitalizing property and equipment greater than $2,500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Depreciation is provided using the straight-line basis over the estimated useful lives of the depreciable assets. The estimated useful life for furniture and equipment is 5 years.

Leases

The Organization determines if an arrangement is an operating or finance lease at the inception of the contract. All of the Organization's leases were determined to be operating leases.

Operating lease right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term, discounted using the risk-free rate. Operating lease costs are recognized as expenses on a straight-line basis over the lease term. All leases with ROU assets greater than $2,500 are reported on the Statement of Financial Position, except for leases with an initial term less than 12 months for which the Organization made the short-term lease election.

The Organization has elected the practical expedient for all leased assets that do not have a readily determinable rate implicit in the lease to use the risk-free rate. The risk-free discount rate used of 4% was based on the U.S. Treasury rates.

The Organization has elected not to recognize right-of-use assets and lease liabilities for its operating leases for office space, computers, and other office equipment for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. For these agreements, lease costs are reported on a straight-line basis over the lease term.

B. Summary of Significant Accounting Policies (Continued)

Advertising Costs

The Organization expenses advertising costs as incurred. Advertising expenses for the year ended December 31, 2025 were $16,567.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. These reclassifications had no effect on previously reported change in net assets.

Subsequent Events

Subsequent events have been evaluated through June 12, 2026, which is the date the financial statements were available to be issued.

C. Accounts Receivable and Accrued Program Service Revenue

Accounts receivable consists of $67,893 and $96,860 from contractor revenue at December 31, 2025 and January 1, 2025, respectively. Management believes there is low risk (or no risk) of credit loss related to these financial instruments; as a result, the allowance for credit losses is $0.

Allowance for credit losses- Beginning of Year	$ 0
Provision for expected credit losses	0
Writeoffs	0
Recoveries collected	0
Allowance for credit losses- End of Year	$ 0

D. Promises to Give

At December 31, 2025, the Organization had unconditional promises to give from five grantors that are expected to be collected over the next two years. These promises to give are recorded at net present value, using a 4% discount rate. Management believes that all amounts are fully collectible; therefore, no allowance for doubtful accounts has been recorded.

D. Promises to Give (continued)

Unconditional promises to give are expected to be collected as follows:

Year Ended December 31,		
2026	$	680,000
2027		150,000
Total Unconditional Promises to Give	$	830,000
Less Discount to Present Value		(6,850)
Promises to Give, net	$	823,150

E. Inventory

A summary of inventory at December 31, 2025 is as follows:

Program Materials	$	21,559
Donated Diapers		2,639
Total Inventory	$	24,198

F. Furniture and Equipment

A summary of property and equipment at December 31, 2025 is as follows:

Furniture and equipment	$	19,253
Less: Accumulated depreciation		(7,655)
Total Furniture and equipment, net	$	11,598

Depreciation expense for 2025 is $2,840.

G. Deferred Revenue

Deferred revenue consists of $126,564 and $118,099 from contractor revenue as of December 31, 2025 and January 1, 2025, respectively.

H. Net Assets

Net assets with donor restrictions are restricted by donors for specific programs, purposes, or time restricted. These restrictions are considered to expire when expenditures for restricted purposes are made, or when time has passed for time-restricted net assets.

H. Net Assets (continued)

At December 31, 2025, net assets with donor restrictions are available for the following purposes:

Subject to expenditure for specified purposes:	
Operation of the We Play Center & We Connect Hub	$ 522,239
Perinatal services	212,189
Leadership Development	509
Education and training programs	15
Replication and expansion	5,990
Subject to passage of time:	
Unconditional promise to give	653,833
Total	$ 1,394,775

The following net assets with donor restrictions were released during 2025 due to the satisfaction of donor restrictions:

Operation of the We Play Center & We Connect Hub (Time and Purpose restrictions)	$ 146,689
Perinatal services	202,811
Perinatal model	129,575
Education and training programs	40,328
Replication and expansion	122,124
Leadership Development	5,491
Scenario Planning Tools	10,000
Time	355,803
Total	$ 1,012,821

At December 31, 2025, the following net assets were designated by the Board of Directors as follows:

Operating reserves	$ 501,282
Opportunity reserves	1,835,668
Development Capacity Fund	285,000
Scaling Impact Fund	150,000
Specific expenditures- Employee Benefits	521,850
Total Board-designated net assets	$ 3,293,800

In 2025, $57,726 of board-designated assets were used to fund insurance benefits for employees.

I. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of December 31, 2025, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the Statement of Financial Position date:

Financial assets		$ 6,208,576
Less: Amounts unavailable for general expenditures within one year due to:		
Donor-imposed restrictions:		
Cash, cash equivalents, and restricted cash	(889,775)	
Promises to give	(505,000)	(1,394,775)
Board-designations:		
Cash and cash equivalents	(2,792,518)	
Investments	(501,282)	(3,293,800)
Financial assets available to meet general expenditures over the next twelve months		$ 1,520,001

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.

J. Contributions- Nonfinancial Assets

During 2025, the Organization received the following contributions of nonfinancial assets:

Donated diapers for program participants	$ 19,140
Donated use of facilities	19,200
Total Contributions of nonfinancial assets	$ 38,340

K. Conditional Contributions

As of December 31, 2025, the Organization had two outstanding awards from pass-through government contracts. The total amount of the awards remaining to be expended and reimbursed in 2026 is approximately $347,000.

L. Description of Leasing Arrangements

In September 2024, the Organization leased office and program center space for monthly payments of $3,100. The initial lease term is through August 31, 2026, with two one-year options under the same terms, except the rental rate increases 3% annually. The Organization intends to exercise the options. The Organization recorded a ROU asset and related lease liability as of September 1, 2024 in the amount of $153,672. As of December 31, 2025, the ROU asset and related liability was $109,609.

The Organization entered into a lease for space to operate its We PLAY Center and to hold education and training workshops for monthly payments of $3,183. The noncancelable lease term is April 1, 2025 to March 31, 2026.

Operating lease costs for 2025 were $75,397 ($38,800 long-term lease costs and $36,597 short-term lease costs) and are included in occupancy expenses in the Statement of Functional Expenses.

The weighted average remaining lease term for operating leases is 2.67 years.

The weighted average discount rate for operating leases is 4%.

Future maturity of the lease liability is as follows:

Year Ended December 31,	
2026	$ 42,420
2027	43,693
2028	29,705
Total future liability	$ 115,818
Less imputed interest	(6,209)
Operating lease liability	$ 109,609

M. Concentration of Credit Risk

The Organization maintains deposits with three financial institutions. At times, its cash in the bank deposit accounts and its certificates of deposit may exceed federally insured limits. As of December 31, 2025, uninsured cash and cash equivalent balances, as well as investment balances were approximately $1,382.

N. Current Vulnerability Due to Certain Concentrations

The Organization is supported primarily through individual donor contributions, private grant income, the United Way, and contracts with other nonprofit agencies and governmental entities. In 2025, 99% of pass-through government grant income and 100% of grants receivable relate to cost-reimbursement contract awards from two entities.

Other concentrations as of and for the year ended December 31, 2025 are as follows:

- 75% of private grant income was received from three private grantors and 90% of promises to give is due from two private grantors.
- 60% of contractor revenue was for services provided to two nonprofit agencies and 95% of accounts receivable was for services provided to two nonprofit agencies.

SUPPLEMENTAL INFORMATION

TrainingGrounds, Inc.

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head Name: Melanie Richardson, Executive Director

Purpose:

Salary	$	146,338
Employee Benefits:		
Medical Insurance		12,288
Dental Insurance		381
Vision Insurance		70
Life Insurance		184
	$	159,261

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(1905-1985)
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(1932-2003)
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(Retired)
RENE G. GAUTREAU, C.P.A.
(1958-2019)

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
TrainingGrounds, Inc.
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of TrainingGrounds, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 12, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered TrainingGrounds, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of TrainingGrounds, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of TrainingGrounds, Inc.'s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TrainingGrounds Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TrainingGrounds, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Paciera, Gautreau & Priest, LLC

Metairie, Louisiana
June 12, 2026