THE BRIGHT SCHOOL

NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED

JUNE 30, 2025 AND 2024

ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

4227 Canal Street
New Orleans, LA 70119
ericksenkrentel.com

INDEPENDENT AUDITORS' REPORT

To the Board of Governors
The Bright School
New Orleans, Louisiana

Opinion

We have audited the accompanying financial statements of The Bright School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bright School as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bright School and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

To the Board of Governors
The Bright School
New Orleans, Louisiana
October 6, 2025

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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

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

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

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

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Governors
The Bright School
New Orleans, Louisiana
October 6, 2025

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

Report on Supplementary Information

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

October 6, 2025
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

THE BRIGHT SCHOOL
STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

ASSETS

	2025	2024
CURRENT ASSETS:		
Cash and cash equivalents	$ 28,918	$ 111,866
Investments	984,641	1,365,395
Grants receivable	-	33,242
Unconditional promises to give, net	-	25,000
Prepaid expenses	19,835	11,657
Total current assets	1,033,394	1,547,160
PROPERTY AND EQUIPMENT:		
Land	65,200	65,200
Machinery and equipment	83,188	56,516
Land improvements	422,669	32,739
Building	1,175,963	1,175,963
Less: accumulated depreciation	(83,568)	(50,474)
Total property and equipment, net	1,663,452	1,279,944
OTHER ASSETS		
Deposits	4,480	-
Right of use assets - operating leases, net	-	3,535
Total other assets	4,480	3,535
Total assets	$ 2,701,326	$ 2,830,639

LIABILITIES AND NET ASSETS

CURRENT LIABILITIIES:		
Accounts payable	$ 13,263	$ 5,637
Accrued expenses	17,432	16,387
Current portion of operating leases	-	3,535
Current portion of long-term debt	43,787	4,352
Total current liabilities	74,482	29,911
NON-CURRENT LIABILITIIES:		
Long-term debt, net of current portion	669,318	975,648
Total non-current liabilities	669,318	975,648
Total liabilities	743,800	1,005,559
NET ASSETS:		
Without donor restrictions	1,937,564	1,760,414
With donor restrictions	19,962	64,666
Total net assets	1,957,526	1,825,080
Total liabilities and net assets	$ 2,701,326	$ 2,830,639

See accompanying NOTES TO FINANCIAL STATEMENTS

THE BRIGHT SCHOOL
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Totals
SUPPORT AND REVENUE:			
Support:			
Grants	$ 274,407	$ -	$ 274,407
Contributions	259,923	72,557	332,480
Total support	534,330	72,557	606,887
Revenue:			
Tuition	73,416	-	73,416
Sublease income	15,000	-	15,000
Investment income (loss), net	133,793	-	133,793
Total revenue	222,209	-	222,209
Net assets released from restrictions	117,261	(117,261)	-
Total support and revenue	873,800	(44,704)	829,096
EXPENSES:			
Educational program services	586,417	-	586,417
Management and general	44,510	-	44,510
Fundraising	65,723	-	65,723
Total expenses	696,650	-	696,650
Change in net assets	177,150	(44,704)	132,446
Net assets, beginning of year	1,760,414	64,666	1,825,080
Net assets, end of year	$ 1,937,564	$ 19,962	$ 1,957,526

See accompanying NOTES TO FINANCIAL STATEMENTS

THE BRIGHT SCHOOL
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Totals
SUPPORT AND REVENUE:			
Support:			
Grants	$ 61,721	$ 76,808	$ 138,529
Contributions	341,388	13,000	354,388
Total support	403,109	89,808	492,917
Revenue:			
Tuition	74,353	-	74,353
Other income	11,888	-	11,888
Investment income (loss), net	129,866	-	129,866
Total revenue	216,107	-	216,107
Net assets released from restrictions	127,244	(127,244)	-
Total support and revenue	746,460	(37,436)	709,024
EXPENSES:			
Educational program services	406,347	-	406,347
Management and general	41,761	-	41,761
Fundraising	55,314	-	55,314
Total expenses	503,422	-	503,422
Change in net assets	243,038	(37,436)	205,602
Net assets, beginning of year	1,517,376	102,102	1,619,478
Net assets, end of year	$ 1,760,414	$ 64,666	$ 1,825,080

See accompanying NOTES TO FINANCIAL STATEMENTS

THE BRIGHT SCHOOL
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

		Supporting Services		
	Educational Program Services	Management and General	Fundraising	Total
Salaries	$ 295,629	$ 10,125	$ -	$ 305,754
Payroll taxes	23,119	780	-	23,899
Consulting	-	-	65,723	65,723
Insurance	27,179	792	-	27,971
Bank charges	-	739	-	739
Interest expense	51,214	1,492	-	52,706
Moving expenses	-	12,482	-	12,482
Office expense	24,156	2,101	-	26,257
Postage and shipping	17	1	-	18
Professional fees	51,025	10,880	-	61,905
Repairs and maintenance	33,190	967	-	34,157
Educational supplies	13,370	-	-	13,370
Depreciation	30,446	2,648	-	33,094
Scholarships	33,783	1,217	-	35,000
Summer camp expenses	-	-	-	-
Rent	3,289	286	-	3,575
Total expenses	$ 586,417	$ 44,510	$ 65,723	$ 696,650

See accompanying NOTES TO FINANCIAL STATEMENTS

THE BRIGHT SCHOOL
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

		Supporting Services		
	Educational Program Services	Management and General	Fundraising	Total
Salaries	$ 218,894	$ 19,034	$ -	$ 237,928
Payroll taxes	17,113	1,488	-	18,601
Consulting	-	-	55,314	55,314
Insurance	13,551	1,178	-	14,729
Bank charges	-	307	-	307
Interest expense	-	9,963	-	9,963
Moving expenses	-	644	-	644
Office expense	3,841	334	-	4,175
Postage and shipping	322	28	-	350
Professional fees	55,979	4,868	-	60,847
Repairs and maintenance	105	-	-	105
Educational supplies	8,491	-	-	8,491
Depreciation	10,684	929	-	11,613
Scholarships	43,000	-	-	43,000
Summer camp expenses	-	-	-	-
Rent	34,367	2,988	-	37,355
Total expenses	$ 406,347	$ 41,761	$ 55,314	$ 503,422

See accompanying NOTES TO FINANCIAL STATEMENTS

THE BRIGHT SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:		
Change in net assets	$ 132,446	$ 205,602
Adjustments to reconcile increase (decrease) in net assets to cash from operating activities:		
Depreciation	33,094	11,613
Unrealized (gain) loss on investments	(39,736)	(90,155)
Realized (gain) loss on sales of investments	(56,542)	(18,083)
Changes in:		
(Increase) decrease in grants receivable	33,242	(23,728)
(Increase) decrease in unconditional promises to give	25,000	24,401
(Increase) decrease in prepaid expenses	(8,178)	(3,533)
(Increase) decrease in deposits	(4,480)	-
Increase (decrease) in accounts payable	7,626	5,637
Increase (decrease) in lease liability	-	(5,324)
Increase (decrease) in accrued expenses	1,045	1,223
Net cash from operating activities	123,517	107,653
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:		
Purchase of property and equipment	(416,602)	(276,553)
Proceeds from sale of investments	625,180	234,635
Purchases of investments	(148,148)	(128,576)
Net cash (used for) investing activities	60,430	(170,494)
CASH FLOWS FROM (USED FOR) FINANCING ACTIVITIES:		
Principal payments	(266,895)	-
Net cash from (used for) financing activities	(266,895)	-
Net (decrease) in cash and cash equivalents	(82,948)	(62,841)
Cash and cash equivalents, beginning of year	111,866	174,707
Cash and cash equivalents, end of year	$ 28,918	$ 111,866

See accompanying NOTES TO FINANCIAL STATEMENTS

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Bright School (the "School") is a non-profit corporation organized under the laws of the State of Louisiana which provides educational program services to hearing-impaired pre-school children. The School's primary sources of income are tuition, grants and donations as well as investment income.

Basis of Accounting

The financial statements of the School are prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities in accordance with generally accepted accounting principles in the United States of America as promulgated by the Financial Accounting Standards Board (FASB).

Basis of Presentation

The School follows the recommendation of the FASB in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations.* Under FASB ASC 958-210-50-3, the School is required to report information regarding its financial position and activities according to two classes of net assets:

- Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the School. The School's board may designate assets without restrictions for operational purposes from time to time.

- Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor-imposed restrictions are temporary in nature; those restrictions will be met by actions of the School or by the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Use of Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the School considers all restricted and unrestricted cash and other highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The School uses the reserve method to recognize uncollectible promises to give.

Investments

Investments are recorded at cost, or if donated, at fair value at the date of donation. Thereafter, investments are recorded at fair value. Unrealized and realized gains and losses on investments, dividends, interest, and other investment income are recorded as revenues without restrictions in the accompanying statements of activities. A decline in the fair value of investments below cost that is deemed to be other than temporary, results in a charge to net assets and the establishment of a new basis for the investment.

FASB ASC topic 820, *Fair Value Measurements and Disclosures* emphasizes market-based measurement and, in doing so, stipulates a fair value hierarchy. The hierarchy is based on the type of inputs, or data used, to measure fair value. The fair value hierarchy is summarized below:

Level 1 lies at the top of the hierarchy, where inputs are quoted prices in active markets.

Level 2 inputs are in the middle of the hierarchy, where data are adjusted from similar items traded in markets that are active markets or from identical or similar items in markets that are not active. Level 2 inputs do not stem directly from quoted prices.

Level 3 inputs are unobservable and generated by the entity itself.

No Level 2 or Level 3 inputs were used by the School.

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (continued)

The School's measurements of fair value are made on a recurring basis, and their valuation techniques for assets recorded at fair value are as follows:

Mutual funds and exchange traded funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Property and Equipment

Property and equipment exceeding $500 are recorded at historical cost or estimated historical cost if historical cost is not available. Betterments that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Normal maintenance and minor purchases are expensed to repairs and maintenance of the School. Depreciation expense for the years ended June 30, 2025 and 2024 totaled $33,094 and $11,613, respectively. Depreciation is calculated using the straight-line basis with the following estimated useful lives:

Machinery & equipment	5-7 Years
Land improvements	39 Years
Building	39 Years

Leases

The School applies judgement in determining whether a contract contains a lease and whether a lease is classified as an operating lease or a finance lease. The School defines the lease term as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that the School will exercise that option. The lease term is used in determining classification between operating lease and finance lease, calculating the lease liability and determining the incremental borrowing rate.

The School also applies judgment in allocating the consideration in a contract between lease and non-lease components. It considers whether the School can benefit from the right-of-use asset either on its own or together with other resources and whether the asset is highly dependent on or highly interrelated with another right-of-use asset.

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The School is required to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. The School generally uses the incremental borrowing rate when initially recording real estate leases. Information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available.

The School determines the incremental borrowing rate of each lease by estimating the credit rating of the School at the time the lease is recognized, referencing market yields corresponding to the credit rating and weighted average life of the lease, and factoring in other lease-specific factors such as assumed collateral.

Revenue Recognition

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when stipulated time restriction ends or purpose of restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donated facilities are recorded at the fair value at the date of the donation.

The School recognizes revenue from student tuition and fees during the year in which the related services are provided to students. The performance obligation of delivering educational services is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course of the academic year.

Functional Expenses

The cost of program and supporting services has been summarized on a functional basis in the statements of activities. This requires the allocation of certain costs based on total program costs and estimates made by management. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Salaries and employee benefits have been allocated based on time and effort. Rent and depreciation have been allocated based on square footage. All other allocated expenses have been allocated based on actual expenses incurred.

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

The School is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. It is exempt from Louisiana income tax under the authority of R.S. 47:121(5).

The School's evaluation revealed no tax positions that would have a material impact on the financial statements. The 2021 – 2024 tax years remains subject to examination by the IRS. The School does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

Date of Management's Review

Subsequent events have been evaluated through October 6, 2025, which is the date the financial statements were available to be issued.

(2) SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid during the years ended June 30, 2025, and 2024 for interest totaled $52,706 and $9,963, respectively.

Noncash Investing/Financing Activity

In April 2024, the School acquired a new building and land for $1,241,163. The School financed $980,000 through a six-year promissory note. The remaining portion of the building consisted of the downpayment, inspections, and permits.

(3) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the School's financial assets as of June 30, 2025, and 2024, 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. However, amounts already appropriated for general expenditure within one year of the statement of financial position date have not been subtracted as unavailable.

	2025	2024
Financial assets, at year end	$ 1,013,559	$ 1,535,503
Less those unavailable for general expenditure within one year due to:		
Debt service	(43,787)	(4,352)
Financial assets available to meet cash needs for general expenditures within one year	$ 969,772	$ 1,531,151

The School is substantially supported by grants and contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the School must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the School's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

(4) INVESTMENTS

The fair values of investments are determined by reference to quoted prices in active markets for identical assets (Level 1) and are as follows at June 30:

	2025	2024
Exchange traded funds	$ 577,437	$ 686,310
Mutual funds	407,204	679,085
Total investments	$ 984,641	$ 1,365,395

(4) INVESTMENTS (CONTINUED)

The following schedule summarizes the net gain (loss) on investments without donor restrictions and its classification in the statement of activities for the years ended June 30, 2025 and 2024:

	2025	2024
Interest and dividend income	$ 45,444	$ 31,728
Net unrealized gains (losses)	39,736	90,155
Realized gains (losses)	56,542	18,083
Management fees	(7,929)	(10,100)
Total gain (loss) on investments	$ 133,793	$ 129,866

(5) UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are expected to be received as follows at June 30, 2025 and 2024:

	2025	2024
Due within one year	$ -	$ 25,000
Total unconditional promises to give, net	$ -	$ 25,000

(6) NOTES PAYABLE

Notes payable at June 30, 2025 and 2024 consisted of the following:

	2025	2024
Note payable to First Horizon Bank for Pasadena property. Bearing an interest rate of 6%. Interest only payments for first 12 months. First principal payment of $7,070 was due May 2025, followed by 59 payments. Remaining principal and interest will be paid at maturity in April 2030.	$ 713,105	$ 980,000
Total long-term debt	713,105	980,000
Less: current portion	(43,787)	(4,352)
	$ 669,318	$ 975,648

The maturities of notes payable for the next five years and thereafter are as follows:

2026	$ 43,787
2027	46,488
2028	49,355
2029	52,399
2030	521,076
	$ 713,105

Interest expense totaled $52,706 for the year ended June 30, 2025.

(7) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at June 30:

	2025	2024
Restricted to future periods	$ 19,962	$ 64,666

(7) NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets with donor restrictions were released from restrictions for the following purposes during the years ended June 30:

	2025	2024
Operations	$ 114,766	$ 81,244
Tuition	2,495	46,000
	$ 117,261	$ 127,244

(9) RISKS AND UNCERTAINTIES

The School maintains cash balances at a financial institution. Accounts at this institution are insured by the Federal Deposit Insurance Corporation up to $250,000. The School's balances were fully insured at June 30, 2025 and 2024.

In general, investment securities are exposed to various risks, such as interest rate, currency, credit, and market volatility. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in risk in the near term would materially affect the fair market value of investments held by the School.

(10) RELATED PARTY TRANSACTIONS

The School received donations totaling $26,400 and $27,500 from foundations affiliated with a board member during the year ended June 30, 2025 and 2024.

THE BRIGHT SCHOOL
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2025

	Linda Frantz
Time served	07/01/24 through 06/30/25
Salary	$ -
Benefits	-
Total compensation, benefits, and other payments	$ -

*Note: Linda Frantz does not receive salary or related benefits from public sources.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

4227 Canal Street
New Orleans, LA 70119
ericksenkrentel.com

October 6, 2025

To the Board of Governors
The Bright School
New Orleans, Louisiana

We have audited the financial statements of The Bright School (the "School") for the year ended June 30, 2025 and we have issued our report thereon dated October 6, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letters to you dated July 22, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by The Bright School are described in Note 1 to the financial statements. No new accounting policies having a material impact on the financial statements were adopted by the School and the application of existing policies was not changed during 2024. We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements were:

> Management's estimate of the fair value of investments is based on quoted market prices of the underlying assets held. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of depreciation is based on the useful lives of assets. We evaluated the key factors and assumptions used to develop the depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of the functional allocation of expenses is based on specific identification and time and expense studies. We evaluated the key factors and assumptions used to develop the functional allocation of expenses in determining that it is reasonable in relation to the financial statements as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 6, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the School's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the School's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Governors and management of The Bright School and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Ericksen Krentel, LLP

Certified Public Accountants