

**KID smART and subsidiary**

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 and 2024



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

CONTENTS

	<u>Page(s)</u>
Independent Auditor's Report	1-3
Financial Statements	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5-6
Consolidated Statements of Functional Expenses	7-8
Consolidated Statements of Cash Flows	9
Notes to Consolidated Financial Statements	10-18
Supplementary Information	
Schedule of Compensation, Benefits, and Other Payments to Agency Heads	19
Consolidating Statements of Financial Position – Current Year	20
Consolidating Statements of Financial Position – Prior Year	21
Consolidating Statements of Activities – Current Year	22
Consolidating Statements of Activities – Prior Year	23
Consolidating Statements of Functional Expenses – Current Year	24
Consolidating Statements of Functional Expenses – Prior Year	25
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	26-27
Schedule of Findings and Responses	28
Schedule of Prior Year Findings	29

## 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, 2025 and 2024, 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, 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 (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 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 20 – 25 and the Schedule of Compensation, Benefits, and Other Payments to Agency Heads on page 19 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, 2025 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, 2025

*Wegmann Dazet*

KID SMART AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,134,185	\$ 685,812
Grants and contracts receivable	104,295	3,689
Prepaid expenses	-	1,798
Total current assets	1,238,480	691,299
Beneficial interest in assets held by Greater New Orleans Foundation	894,290	865,482
Other noncurrent assets	2,559	52,000
Property and equipment, net	1,436,912	-
Right of use assets - operating, net of accumulated amortization	-	26,525
Total assets	\$ 3,572,241	\$ 1,635,306
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 33,018	\$ -
Accrued payroll liabilities	933	24,639
Current portion of operating lease obligations	-	33,075
Current portion of long term debt	25,000	3,800
Interest payable	323	6,123
Total current liabilities	59,274	67,637
Long-term debt, less current portion	1,049,219	146,200
Total liabilities	1,108,493	213,837
<b>NET ASSETS</b>		
Net assets		
Without donor restrictions:		
Undesignated	433,873	74,169
Board designated reserve fund	894,290	865,482
With donor restrictions	1,135,585	481,818
Total net assets	2,463,748	1,421,469
Total liabilities and net assets	\$ 3,572,241	\$ 1,635,306

See accompanying Notes to Consolidated Financial Statements.

KID SMART AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and other support			
Public support - government grants	\$ 23,284	\$ 64,167	\$ 87,451
Other support:			
Private donors	490,463	21,000	511,463
Corporate donors	60,383	-	60,383
Foundations	1,153,854	1,141,136	2,294,990
In-kind donations	54,519	-	54,519
Contracts	213,017	-	213,017
Rent income	124,897	-	124,897
Other income	4,930	-	4,930
Net assets released from restrictions	<u>572,536</u>	<u>(572,536)</u>	<u>-</u>
Total revenue and other support	<u>2,697,883</u>	<u>653,767</u>	<u>3,351,650</u>
Expenses			
Program services			
Creative schools	1,484,503	-	1,484,503
Arts & education conference	285,482	-	285,482
Bloomberg arts internship	<u>133,225</u>	<u>-</u>	<u>133,225</u>
Total program services	<u>1,903,210</u>	<u>-</u>	<u>1,903,210</u>
Supporting services			
Management and general	244,535	-	244,535
Fundraising	<u>266,761</u>	<u>-</u>	<u>266,761</u>
Total supporting services	<u>511,296</u>	<u>-</u>	<u>511,296</u>
Total expenses	<u>2,414,506</u>	<u>-</u>	<u>2,414,506</u>
Other income			
Interest and dividend income	13,817	-	13,817
Investment income, net	<u>91,318</u>	<u>-</u>	<u>91,318</u>
Total other income	<u>105,135</u>	<u>-</u>	<u>105,135</u>
Change in net assets	388,512	653,767	1,042,279
Net assets			
Beginning of year	<u>939,651</u>	<u>481,818</u>	<u>1,421,469</u>
End of year	<u>\$ 1,328,163</u>	<u>\$ 1,135,585</u>	<u>\$ 2,463,748</u>

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 expense	<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 FUNCTIONAL EXPENSES

For the Year Ended June 30, 2025

	Program Services			Supporting Services		Total
	Creative Schools	Arts & Education Conference	Bloomberg Arts Internship	Management and General	Fundraising	
Salaries	\$ 550,126	\$ 105,794	\$ 49,370	\$ 100,756	\$ 109,915	\$ 915,961
Teaching artist wages	149,356	28,722	13,404	-	-	191,482
Payroll taxes and employee benefits	211,123	40,601	18,947	38,667	42,183	351,521
Total salaries and related expenses	<u>910,606</u>	<u>175,116</u>	<u>81,721</u>	<u>139,423</u>	<u>152,098</u>	<u>1,458,964</u>
Bank charges	5,212	1,002	468	956	1,040	8,678
Building expenses	75,633	14,545	6,788	13,852	15,112	125,930
Contractual labor	26,129	5,025	2,345	4,785	5,221	43,505
Depreciation	16,538	3,180	1,484	3,029	3,304	27,537
Education	12,873	2,476	1,155	2,358	2,572	21,434
In-kind donations	32,744	6,297	2,939	5,997	6,542	54,519
Insurance	39,146	7,528	3,513	7,170	7,821	65,178
Meetings	2,569	494	231	471	513	4,277
Miscellaneous	1,734	333	156	318	346	2,887
Payroll fees	1,366	263	123	250	273	2,274
Postage	1,200	231	108	220	240	1,999
Printing and copying	14,838	2,854	1,332	2,718	2,965	24,706
Professional services	111,076	21,361	9,968	20,343	22,193	184,941
Public relations	4,620	888	415	846	923	7,692
School resources	4,594	884	412	842	918	7,650
Special projects and workshops	27,666	5,320	2,483	5,067	5,527	46,063
Subscriptions	19,440	3,738	1,745	3,560	3,884	32,367
Supplies	27,337	5,257	2,453	5,007	5,462	45,517
Teacher stipends	129,938	24,988	11,661	23,798	25,962	216,347
Telephone	9,740	1,873	874	1,784	1,946	16,217
Travel	9,504	1,828	853	1,741	1,899	15,824
Total functional expenses	<u>\$ 1,484,503</u>	<u>\$ 285,482</u>	<u>\$ 133,225</u>	<u>\$ 244,535</u>	<u>\$ 266,761</u>	<u>\$2,414,506</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 benefits	120,551	23,183	10,819	22,079	24,086	200,717
Total salaries and related expenses	<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>
Bank charges	6,326	1,217	568	1,159	1,264	10,533
Contractual labor	41,798	8,038	3,751	7,656	8,351	69,594
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
Insurance	8,983	1,728	806	1,645	1,795	14,957
Meetings	5,824	1,120	523	1,067	1,164	9,698
Miscellaneous	3,001	577	269	550	599	4,997
Office expense	35,013	6,733	3,142	6,413	6,996	58,298
Payroll fees	1,800	346	162	330	359	2,997
Postage	2,526	486	227	462	505	4,205
Printing and copying	9,585	1,843	860	1,756	1,915	15,959
Professional services	64,200	12,346	5,762	11,758	12,827	106,893
Public relations	7,316	1,407	657	1,340	1,462	12,182
School resources	4,080	785	366	747	815	6,793
Special projects and workshops	41,686	8,016	3,741	7,635	8,329	69,407
Subscriptions	18,077	3,476	1,622	3,311	3,612	30,098
Supplies	35,393	6,806	3,176	6,482	7,072	58,930
Teacher stipends	36,243	6,970	3,253	6,638	7,241	60,345
Telephone	8,366	1,609	751	1,533	1,671	13,929
Travel	2,661	512	239	487	532	4,431
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 STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 1,042,279	\$ 312,936
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized and realized gain	(98,501)	(82,621)
Depreciation expense	27,537	-
Operating lease asset amortization	-	71,769
(Increase) decrease in operating assets:		
Grants and contracts receivable	(100,606)	83,131
Prepaid expenses	1,798	(1,772)
Other noncurrent assets	49,441	(49,500)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	33,018	(15,051)
Accrued payroll liabilities	(23,706)	4,173
Operating lease obligations	(6,550)	(64,793)
Interest payable	(5,800)	-
Net cash provided by operating activities	<u>918,910</u>	<u>258,272</u>
Cash flows from investing activities:		
Purchases of property and equipment	(1,464,449)	-
Purchases of investments	-	(3,778)
Proceeds from sale of investment	69,693	-
Net cash used by investing activities	<u>(1,394,756)</u>	<u>(3,778)</u>
Cash flows from financing activities:		
Borrowings under long-term debt	942,500	-
Repayments of long-term debt	(18,281)	-
Net cash provided by financing activities	<u>924,219</u>	<u>-</u>
Net increase in cash and cash equivalents	448,373	254,494
Cash and cash equivalents at beginning of year	<u>685,812</u>	<u>431,318</u>
Cash and cash equivalents at end of year	<u>\$ 1,134,185</u>	<u>\$ 685,812</u>

See accompanying Notes to Consolidated Financial Statements.

KIDSMART AND SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2025 and 2024

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) Principle of 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, which are neither held for nor restricted by donors for long-term purposes, 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 \$104,295, \$3,689, and \$86,820 for the years ended June 30, 2025, 2024, and 2023, 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, 2025 and 2024

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 statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

h) Beneficial interest in assets held by Greater New Orleans Foundation (“GNOF”)

The Organization established an endowment fund with the GNOF that is perpetual in nature and name the Organization as beneficiary. The fund is held and invested by GNOF for the Organization’s benefit and is reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities.

i) Property and equipment

Property and equipment are stated at cost at the date of acquisition or at fair value at the date of donation for gifts. Repairs and maintenance are charged to expense as incurred; major renewals and replacements and betterments are capitalized. Property and equipment are depreciated on the straight-line method over the estimated useful lives of the assets, which is 39 years.

j) Impairment of long-lived assets

Management evaluates long-lived assets for recoverability whenever events or changes in circumstances indicate the carrying amounts may not be recoverable. Impairment losses are required to be recorded on long-lived assets when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets’ carrying amounts. No impairment losses related to the Organization’s long-lived assets have been recorded.

k) Compensated absences

Effective July 1, 2024, KID smART and subsidiary switched to an unlimited paid-time-off (PTO) policy. Prior to that, employees could earn an amount of PTO per pay period based upon years of service. Each employee could rollover up to twenty days of accrued but unused hours of PTO per year.

l) 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.

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.

KIDSMART AND SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2025 and 2024

2) Summary of significant accounting policies (continued)

n) 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.

o) 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.

p) 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.

KIDSMART AND SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2025 and 2024

2) Summary of significant accounting policies (continued)

q) Leases

The Organization determines if an arrangement is a lease at inception of the contract and assesses the appropriate classification as finance or operating. Operating leases with terms greater than one year are included in right-of-use lease assets and lease liabilities on the Organization's consolidated statements of financial position. The lease term includes payments to be made in option or renewal periods only if the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease. Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term using a risk-free interest rate over a similar term. The right-of-use asset is the amount of the lease liability adjusted for prepaid or accrued lease payments, remaining balance of any lease incentives received, and unamortized direct costs. Lease expense is recorded on a straight-line basis over the lease term through amortization of the right-of-use asset plus implicit interest accreted on the operating lease liability.

r) Advertising

Kid smART and the New Orleans Arts Education Alliance expense advertising as incurred. Advertising expense was \$7,692 and \$12,182 for the years ended June 30, 2025 and 2024, respectively, and is included in Public relations on the consolidated statements of functional expenses.

3) Restrictions on assets

Net assets with donor restriction for arts integrated education consist of the following:

	<u>2025</u>	<u>2024</u>
Audubon Lower	\$ 12,000	\$ -
Regions Bank	7,500	-
Schwab Charitable	1,500	-
Tides Foundation	138,068	-
Ochsner Health System	90,000	-
Bloomberg	801,518	421,819
Oscar J. Tolmas Charitable Trust	25,000	-
Maggie George	50,000	50,000
Culture and Tourism	9,999	9,999
	<u>\$1,135,585</u>	<u>\$ 481,818</u>

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

	<u>2025</u>	<u>2024</u>
Tides Foundation	\$ 138,068	\$ -
Maggie George	50,000	-
NEA	54,168	45,832
Bloomberg	320,301	173,181
Booth-Bricker	-	25,000
Baptist Community Ministries	-	48,750
Oscar J. Tolmas Charitable Trust	-	20,000
GNOF	-	28,000
Culture and Tourism	9,999	-
	<u>\$ 572,536</u>	<u>\$ 340,763</u>

KIDSMART AND SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2025 and 2024

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 two donors represents 35% of total revenues to KID smART for the year ended June 30, 2025. Revenue from one donor represents 30% of total revenues for the year ended June 30, 2024.

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>2025</u>
Cash and cash equivalents	\$ 1,134,185
Grants and contracts receivables	104,295
Less: funds unavailable for general expenditures within one year, due to donor restriction for future purpose or period	(1,135,585)
	<u>\$ 102,895</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) Property and equipment

Property and equipment consists of the following:

	<u>2025</u>
Building and improvements	\$ 1,171,559
Land	292,890
Total costs	1,464,449
Less: accumulated depreciation	(27,537)
Total property and equipment, net	<u>\$ 1,436,912</u>

7) 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, 2025 and 2024 were \$15,000. All intercompany transactions have been eliminated.

KIDSMART AND SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2025 and 2024

8) 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.

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, 2025 and 2024.

*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.

KIDSMART AND SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2025 and 2024

8) Investments (continued)

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, 2025 and 2024 are composed of the following:

<u>Assets at Fair Value as of June 30, 2025</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity Funds	\$ 318,882	\$ -	\$ -	\$ 318,882
Fixed Income Funds	16,255	68,262	-	84,517
Money Market Funds	29,609	-	-	29,609
Total assets at fair value	<u>\$ 364,746</u>	<u>\$ 68,262</u>	<u>\$ -</u>	433,008
Investments recorded at NAV as practical expedient				461,282
				<u>\$ 894,290</u>

<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	67,055	-	89,596
Money Market Funds	23,421	-	-	23,421
Total assets at fair value	<u>\$ 379,999</u>	<u>\$ 67,055</u>	<u>\$ -</u>	447,054
Investments recorded at NAV as practical expedient				418,428
				<u>\$ 865,482</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>2025</u>	<u>2024</u>
Dividends and interest	\$ 13,817	\$ 12,065
Realized gain (loss) in value of investments	10,055	(18,888)
Management fees	(7,183)	(5,592)
Unrealized gain on investments	88,446	101,509
	<u>\$ 105,135</u>	<u>\$ 89,094</u>

KIDSMART AND SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2025 and 2024

9) Long-term debt

Long-term debt consists of the following:

	<u>2025</u>	<u>2024</u>
Economic Injury Disaster Loan payable to the Small Business Administration (SBA) in monthly installments of \$641, including interest at a rate of 2.75%. The note matures in May 2050.	\$ 147,611	\$ 150,000
Note payable to a bank due in monthly installments of \$7,655, including interest at a rate of 7.5%. The note matures in September 2029 with any unpaid principal and interest due at maturity. The note is secured by a multiple indebtedness mortgage on real property of the Organization located in Orleans Parish.	926,608	-
Total long-term debt	1,074,219	150,000
Less current portion	(25,000)	(3,800)
Long-term debt, less current portion	\$ 1,049,219	\$ 146,200

Future maturities of long-term debt are as follows:

2026	\$ 25,000
2027	29,000
2028	34,000
2029	33,000
2030	825,000
Thereafter	128,219
	\$ 1,074,219

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>2025</u>	<u>2024</u>
Professional services	\$ 2,250	\$ 1,514
Materials	33,269	27,907
Travel	19,000	5,000
	\$ 54,519	\$ 34,421

Donated goods and services are recognized at fair value based on current rates for similar goods and services. All gifts-in-kind received during the years ended June 30, 2025 and 2024 were unrestricted.

KIDSMART AND SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2025 and 2024

11) 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 of 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.

12) Leases

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

At June 30, 2024, the remaining lease term for the operating lease was approximately 1 year and the discount rate was 4.13%. The lease was terminated in August 2025 when the Organization purchased the building from the landlord.

13) Subsequent events

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 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, 2025

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

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, 2025

	<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	\$ 1,134,185	\$ -	\$ 1,134,185	\$ -	\$ 1,134,185
Grants and contracts receivable	104,295	-	104,295	-	104,295
Total current assets	<u>1,238,480</u>	<u>-</u>	<u>1,238,480</u>	<u>-</u>	<u>1,238,480</u>
Beneficial interest in assets held by Greater New Orleans Foundation	894,290	-	894,290	-	894,290
Other noncurrent assets	2,559	-	2,559	-	2,559
Property and equipment, net	<u>1,436,912</u>	<u>-</u>	<u>1,436,912</u>	<u>-</u>	<u>1,436,912</u>
Total assets	<u>\$ 3,572,241</u>	<u>\$ -</u>	<u>\$ 3,572,241</u>	<u>\$ -</u>	<u>\$ 3,572,241</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable and accrued expenses	\$ 33,951	\$ -	\$ 33,951	\$ -	\$ 33,951
Current portion of long term debt	25,000	-	25,000	-	25,000
Interest payable	323	-	323	-	323
Total current liabilities	<u>59,274</u>	<u>-</u>	<u>59,274</u>	<u>-</u>	<u>59,274</u>
Long-term debt, less current portion	<u>1,049,219</u>	<u>-</u>	<u>1,049,219</u>	<u>-</u>	<u>1,049,219</u>
Total liabilities	<u>1,108,493</u>	<u>-</u>	<u>1,108,493</u>	<u>-</u>	<u>1,108,493</u>
<b>NET ASSETS</b>					
Without donor restrictions:					
Undesignated	433,873	-	433,873	-	433,873
Board designated reserve fund	894,290	-	894,290	-	894,290
With donor restrictions	<u>1,135,585</u>	<u>-</u>	<u>1,135,585</u>	<u>-</u>	<u>1,135,585</u>
Total net assets	<u>2,463,748</u>	<u>-</u>	<u>2,463,748</u>	<u>-</u>	<u>2,463,748</u>
Total liabilities and net assets	<u>\$ 3,572,241</u>	<u>\$ -</u>	<u>\$ 3,572,241</u>	<u>\$ -</u>	<u>\$ 3,572,241</u>

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

June 30, 2024

	KID smART	NOAEA	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
<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 ACTIVITIES

For the Year Ended June 30, 2025

	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	\$ 23,284	\$ -	\$ 9,999	\$ 54,168	\$ 87,451	\$ -	\$ 87,451
Other support:							
Private donors	490,463	-	21,000	-	511,463	-	511,463
Corporate donors	60,383	-	-	-	60,383	-	60,383
Foundations	1,145,654	8,200	1,141,136	-	2,294,990	-	2,294,990
In-kind donations	54,519	-	-	-	54,519	-	54,519
Contracts	228,017	-	-	-	228,017	(15,000)	213,017
Rent Income	124,897	-	-	-	124,897	-	124,897
Other income (expense)	90,436	(85,506)	-	-	4,930	-	4,930
Net assets released from restrictions	518,368	54,168	(518,368)	(54,168)	-	-	-
Total revenue and other support	<u>2,736,021</u>	<u>(23,138)</u>	<u>653,767</u>	<u>-</u>	<u>3,366,650</u>	<u>(15,000)</u>	<u>3,351,650</u>
Expenses							
Program services	1,887,989	26,773	-	-	1,914,762	(11,552)	1,903,210
Supporting services:							
Management and general	242,360	3,823	-	-	246,183	(1,648)	244,535
Fundraising	264,388	4,173	-	-	268,561	(1,800)	266,761
Total expenses	<u>2,394,737</u>	<u>34,769</u>	<u>-</u>	<u>-</u>	<u>2,429,506</u>	<u>(15,000)</u>	<u>2,414,506</u>
Other income:							
Interest and dividend income	13,817	-	-	-	13,817	-	13,817
Investment income, net	91,318	-	-	-	91,318	-	91,318
Total other income	<u>105,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,135</u>	<u>-</u>	<u>105,135</u>
Change in net assets	446,419	(57,907)	653,767	-	1,042,279	-	1,042,279
Net assets							
Beginning of year	881,744	57,907	481,818	-	1,421,469	-	1,421,469
End of year	<u>\$ 1,328,163</u>	<u>\$ -</u>	<u>\$ 1,135,585</u>	<u>\$ -</u>	<u>\$ 2,463,748</u>	<u>\$ -</u>	<u>\$ 2,463,748</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 donation	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 gain, 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	977,103	34,680	96,750	-	1,108,533	-	1,108,533
End of year	\$ 881,744	\$ 57,907	\$ 481,818	-	\$ 1,421,469	\$ -	\$ 1,421,469

KID SMART AND SUBSIDIARY  
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2025

	KID smART Supporting Services			Program Services	NOAEA Supporting Services		Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
	Program Services	Management and General	Fundraising		Management and General	Fundraising			
Salaries	\$ 705,290	\$ 100,756	\$ 109,915	\$ -	\$ -	\$ -	\$ 915,961	\$ -	\$ 915,961
Teaching artist wages	191,482	-	-	-	-	-	191,482	-	191,482
Payroll taxes and employee benefits	270,671	38,667	42,183	-	-	-	351,521	-	351,521
Total salaries and related expenses	<u>1,167,443</u>	<u>139,423</u>	<u>152,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,458,964</u>	<u>-</u>	<u>1,458,964</u>
Bank charges	6,682	955	1,041	-	-	-	8,678	-	8,678
Building expense	118,170	16,881	18,416	-	-	-	153,467	-	153,467
Contractual labor	30,419	4,346	4,741	3,080	439	480	43,505	-	43,505
Education	16,105	2,301	2,510	400	57	61	21,434	-	21,434
In-kind donations	41,980	5,997	6,542	-	-	-	54,519	-	54,519
Insurance	50,187	7,170	7,821	-	-	-	65,178	-	65,178
Meetings	3,292	472	513	-	-	-	4,277	-	4,277
Miscellaneous	2,223	317	347	11,550	1,650	1,800	17,887	(15,000)	2,887
Payroll fees	1,751	250	273	-	-	-	2,274	-	2,274
Postage	1,540	219	240	-	-	-	1,999	-	1,999
Printing and copying	19,024	2,718	2,964	-	-	-	24,706	-	24,706
Professional services	142,367	20,338	22,187	38	5	6	184,941	-	184,941
Public relations	5,923	846	923	-	-	-	7,692	-	7,692
School resources	5,891	842	917	-	-	-	7,650	-	7,650
Special projects and workshops	35,469	5,067	5,527	-	-	-	46,063	-	46,063
Subscriptions	13,310	1,901	2,074	11,612	1,659	1,811	32,367	-	32,367
Supplies	35,048	5,008	5,461	-	-	-	45,517	-	45,517
Teacher stipends	166,587	23,798	25,962	-	-	-	216,347	-	216,347
Telephone	12,487	1,784	1,946	-	-	-	16,217	-	16,217
Travel	12,091	1,727	1,885	93	13	15	15,824	-	15,824
Total functional expenses	<u>\$ 1,887,989</u>	<u>\$ 242,360</u>	<u>\$ 264,388</u>	<u>\$ 26,773</u>	<u>\$ 3,823</u>	<u>\$ 4,173</u>	<u>\$ 2,429,506</u>	<u>\$ (15,000)</u>	<u>\$ 2,414,506</u>

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

	KID smART Supporting Services			NOAEA Supporting Services			Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
	Program Services	Management and General	Fundraising	Program Services	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>
Bank charges	8,110	1,159	1,264	-	-	-	10,533	-	10,533
Contractual labor	53,587	7,656	8,351	-	-	-	69,594	-	69,594
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
Insurance	10,083	1,441	1,571	1,434	205	223	14,957	-	14,957
Meetings	6,285	898	979	1,183	169	184	9,698	-	9,698
Miscellaneous	3,848	549	600	11,550	1,650	1,800	19,997	(15,000)	4,997
Office expense	43,118	6,160	6,720	1,771	253	276	58,298	-	58,298
Payroll fees	1,723	247	269	584	83	91	2,997	-	2,997
Postage	3,238	462	505	-	-	-	4,205	-	4,205
Printing and copying	12,287	1,755	1,915	2	-	-	15,959	-	15,959
Professional services	81,270	11,610	12,666	1,037	148	162	106,893	-	106,893
Public relations	9,380	1,340	1,462	-	-	-	12,182	-	12,182
School resources	5,231	747	815	-	-	-	6,793	-	6,793
Special projects and workshops	52,808	7,544	8,230	19,885	2,841	3,099	94,407	(25,000)	69,407
Subscriptions	9,176	1,311	1,430	13,999	2,000	2,182	30,098	-	30,098
Supplies	45,362	6,481	7,069	14	2	2	58,930	-	58,930
Teacher stipends	46,466	6,638	7,241	-	-	-	60,345	-	60,345
Telephone	9,345	1,336	1,456	1,380	197	215	13,929	-	13,929
Travel	3,403	487	530	9	1	1	4,431	-	4,431
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>

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, 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 December 30, 2025.

**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. 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 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, 2025

*Wegmann Dazet*

KIDSMART AND SUBSIDIARY  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended June 30, 2025

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

Financial Statements

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**

There were no financial statement findings for the year ended June 30, 2025.

**SECTION III FEDERAL AWARDS**

Not applicable

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

**SECTION II FINANCIAL STATEMENT FINDINGS**

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