

Consolidated Financial Report

*New Orleans Military and
Maritime Academy, Inc. and Subsidiary
New Orleans, Louisiana*

June 30, 2025



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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
New Orleans Military and Maritime Academy, Inc. and Subsidiary
New Orleans, Louisiana.

Opinion

We have audited the accompanying consolidated financial statements of New Orleans Military and Maritime Academy, Inc. and Subsidiary (NOMMA) (a non-profit corporation), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of New Orleans Military and Maritime Academy, Inc. and Subsidiary as of June 30, 2025, and the changes in its net assets, functional expenses, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 NOMMA'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 NOMMA'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.

Report on Summarized Comparative Information

We have previously audited NOMMA's 2024 consolidated financial statements and expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 5, 2024. In our opinion, the summarized comparative information presented herein as of

and for the year ended June 30, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated 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. The 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.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. Schedule 1 is required by Louisiana Revised Statute 24:513(a)(3). Such information in the supplemental schedules 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. The 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 1, 2025 on our consideration of NOMMA's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreement, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness on the 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 NOMMA's internal control over financial reporting and compliance.



Certified Public Accountants.

New Orleans, Louisiana,
December 1, 2025.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**New Orleans Military and Maritime Academy, Inc. and Subsidiary**
New Orleans, LouisianaJune 30, 2025
(with comparative totals for 2024)

	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,139,669	\$ 866,243
Grants receivable	378,581	979,514
Promise to give, net	150,563	-
Interest receivable	18,196	18,196
Other receivable	115,688	-
Investments	6,651,058	6,524,484
Prepaid expenses	259,986	254,175
Total current assets	<u>8,713,741</u>	<u>8,642,612</u>
NONCURRENT ASSETS		
Property and equipment, net	<u>16,770,508</u>	<u>16,998,984</u>
Total assets	<u><u>\$25,484,249</u></u>	<u><u>\$25,641,596</u></u>
CURRENT LIABILITIES		
Accounts payable	\$ 296,034	\$ 340,144
Accrued salaries and benefits	559,904	525,008
Accrued interest payable	19,296	19,296
Deferred revenues	33,136	7,364
Total current liabilities	<u>908,370</u>	<u>891,812</u>
NON CURRENT LIABILITIES		
Bonds payable, net of bond issuance costs	<u>10,769,792</u>	<u>10,745,258</u>
Total liabilities	<u>11,678,162</u>	<u>11,637,070</u>
NET ASSETS		
Without donor restrictions	13,655,524	14,004,526
With donor restrictions	150,563	-
Total net assets	<u>13,806,087</u>	<u>14,004,526</u>
Total liabilities and net assets	<u><u>\$25,484,249</u></u>	<u><u>\$25,641,596</u></u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF ACTIVITIES**New Orleans Military and Maritime Academy, Inc. and Subsidiary**
New Orleans, LouisianaFor the year ended June 30, 2025
(with comparative totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Totals	2024 Totals Only
Revenues and Other Support				
State/local Minimum				
Foundation Program	\$13,249,332	\$ -	\$13,249,332	\$12,016,108
Federal grants	2,480,899	-	2,480,899	3,056,385
Other federal funding	15,638	-	15,638	431,309
State grants	487,152	-	487,152	320,711
Grants and contributions	199,053	150,563	349,616	190,738
Interest income	440,296	-	440,296	409,429
Investment income	270,510	-	270,510	268,631
Other revenue	593,708	-	593,708	701,263
Total revenues and other support	<u>17,736,588</u>	<u>150,563</u>	<u>17,887,151</u>	<u>17,394,574</u>
Expenses				
General instructional	7,139,693	-	7,139,693	5,929,587
General non-instructional	4,269,054	-	4,269,054	4,048,538
Special education	1,145,461	-	1,145,461	1,026,398
Special program	182,131	-	182,131	702,040
Total program services	<u>12,736,339</u>	<u>-</u>	<u>12,736,339</u>	<u>11,706,563</u>
Administration	<u>5,349,251</u>	<u>-</u>	<u>5,349,251</u>	<u>5,288,657</u>
Total expenses	<u>18,085,590</u>	<u>-</u>	<u>18,085,590</u>	<u>16,995,220</u>
Change in net assets	(349,002)	150,563	(198,439)	399,354
Net Assets				
Beginning of year	<u>14,004,526</u>	<u>-</u>	<u>14,004,526</u>	<u>13,605,172</u>
End of year	<u>\$13,655,524</u>	<u>\$150,563</u>	<u>\$13,806,087</u>	<u>\$14,004,526</u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**New Orleans Military and Maritime Academy, Inc. and Subsidiary**
New Orleans, LouisianaFor the year ended June 30, 2025
(with comparative totals for 2024)

	General Instructional	General Non-Instructional	Special Education	Special Programs	Administrative	2025 Total Expenses	2024 Totals Only
Advertising, printing, and binding	\$ 2,175	\$ 44,235	\$ -	\$ -	\$ 1,701	\$ 48,111	\$ 38,362
Communications	12,013	-	-	-	33,753	45,766	61,427
Custodial services	-	13,138	-	-	192,478	205,616	193,090
Depreciation and amortization	-	471,135	-	-	223,179	694,314	587,592
Disposal services	-	11,358	-	-	21,609	32,967	30,528
Food service	-	521,515	-	-	-	521,515	511,269
Insurance	-	5,943	-	-	515,436	521,379	661,776
Interest	-	-	-	-	463,100	463,100	487,634
Lawn care	-	-	-	-	38,920	38,920	33,919
Materials and supplies	586,720	100,967	1,963	32,922	73,470	796,042	739,914
Miscellaneous	34,335	18,311	-	-	74,762	127,408	129,512
Other employee benefits	665,087	144,236	90,566	12,225	266,140	1,178,254	887,891
Other purchased professional services	-	3,191	-	-	137,657	140,848	167,420
Payroll taxes	377,020	109,444	56,740	5,793	165,027	714,024	663,462
Purchased educational services	109,605	181,051	-	46,742	234,468	571,866	605,314
Purchased technical services	-	13,795	-	-	62,733	76,528	126,995
Rentals	11,026	-	-	-	131,764	142,790	188,201
Repairs and maintenance	-	37,202	-	-	229,818	267,020	244,112
Retirement	112,390	25,535	12,387	2,226	62,638	215,176	186,210
Salaries	4,996,546	1,544,010	741,260	76,589	2,287,692	9,646,097	8,901,494
Student transportation	-	988,586	242,545	-	-	1,231,131	1,144,440
Travel	72,630	21,330	-	5,634	40	99,634	57,860
Tuition	160,146	2,160	-	-	-	162,306	143,982
Utilities	-	11,912	-	-	132,866	144,778	202,816
	<u>\$7,139,693</u>	<u>\$4,269,054</u>	<u>\$1,145,461</u>	<u>\$182,131</u>	<u>\$5,349,251</u>	<u>\$18,085,590</u>	<u>\$16,995,220</u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS**New Orleans Military and Maritime Academy, Inc. and Subsidiary**
New Orleans, LouisianaFor the year ended June 30, 2025
(with comparative totals for 2024)

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (198,439)	\$ 399,354
Adjustments to reconcile change in net assets to net cash provided by operating activities to net cash:		
Depreciation	669,780	587,592
Amortization	24,534	24,534
Accretion of discount on investments	(270,510)	(268,631)
(Increase) decrease in assets:		
Grants receivable	600,933	(231,105)
Pledge receivable	(150,563)	-
Other receivable	(115,688)	-
Minimum foundation program revenue receivable	-	716,523
Interest receivable	-	29,151
Prepaid expenses	(5,811)	89,691
Increase (decrease) in liabilities:		
Accounts payable	(44,110)	(136,062)
Accrued salaries and benefits	34,896	115,641
Deferred revenues	25,772	(101,812)
Net cash provided by operating activities	<u>570,794</u>	<u>1,224,876</u>
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	12,848,976	9,472,704
Purchases of investments	(12,705,040)	(10,789,368)
Purchases of property and equipment	(441,304)	(83,335)
Net cash used in investing activities	<u>(297,368)</u>	<u>(1,399,999)</u>
Net Increase (Decrease) in Cash	273,426	(175,123)
Cash		
Beginning of year	<u>866,243</u>	<u>1,041,366</u>
End of year	<u><u>\$ 1,139,669</u></u>	<u><u>\$ 866,243</u></u>
Supplementary Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u><u>\$ 463,100</u></u>	<u><u>\$ 463,100</u></u>

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**New Orleans Military and Maritime Academy, Inc. and Subsidiary**
New Orleans, Louisiana

June 30, 2025

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Organization**

New Orleans Military and Maritime Academy, Inc. and Subsidiary (NOMMA) was created as non-profit organizations and an LLC under the laws of the State of Louisiana. New Orleans Military and Maritime Academy, Inc. applied to the Louisiana Board of Elementary and Secondary Education (BESE) to operate a Type 2 charter school. On May 20, 2011, BESE approved the charter. New Orleans Military and Maritime Academy, Inc. serves eligible students in eighth through twelfth grade. On July 1, 2016, New Orleans Military and Maritime Academy, Inc.'s charter was approved for an additional ten years ending on June 30, 2026.

b. Principles of Consolidation

The accompanying consolidated financial statements include the accounts of NOMMA and its 100% wholly owned subsidiary, NOMMA Real Estate, LLC. All significant intercompany accounts and transactions have been eliminated.

c. Basis of Accounting

The consolidated financial statements of NOMMA have been prepared in conformity with accounting principles generally accepted in the United States of America on the accrual basis of accounting. The Financial Accounting Standards Board (FASB) is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles.

d. Financial Statement Presentation

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

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

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

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

e. 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 and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

f. Cash and Cash Equivalents

NOMMA classifies all highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents.

g. Restricted Cash

During the years ended June 30, 2025 and 2024, NOMMA had restricted cash of \$36,955 and \$3,201, respectively, which is required by the terms of the bond payable (See Note 9). The restricted cash is included in the cash and cash equivalents balance on the consolidated statement of net position.

h. Grants Receivable and Other Receivables

All receivables are stated at the amount management expects to collect from outstanding balances. The consolidating financial statements do not include an estimate for allowance for doubtful accounts. Management believes that all receivables are fully collectible.

i. Investments

Investments are valued at their fair values in the Consolidated Statement of Financial Position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 6 for a discussion of fair value measurements. Donated securities are recorded at their fair value at the date of donation. Purchases and sales of securities are recorded on a trade-date basis. Unrealized gains and losses on investments recorded at fair value are included in the Consolidated Statement of Activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

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

j. Property and Equipment

Property and equipment are capitalized at cost and updated for additions and retirements during the year. The net carrying amount is considered the net realized value. Donated property and equipment are recorded at fair market value as of the date received. NOMMA maintains a capitalization threshold of \$5,000 for furniture and equipment and \$50,000 for site improvements. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. All reported property and equipment are depreciated using the straight-line method over three to forty years.

k. Bond Issuance Costs

Bond issuance costs ("costs") associated with the Qualified School Construction Bonds and Qualified Zone Academy Bonds issued by the Louisiana Community Development Authority are carried at net cost, reduce the face value of the accompanying bonds on the Consolidated Statement of Financial Position and are being amortized over the life of the accompanying bonds. As of June 30, 2025 and 2024, the costs had a gross value of \$539,215 with accumulated amortization of \$309,007 and \$284,473, respectively. For each of the years ended June 30, 2025 and 2024, amortization expense on the costs was \$24,534. Estimated yearly amortization expense for each of the next five years is \$24,534 with \$107,539 to be amortized in the years thereafter.

l. Compensated Absences and Accrued Salaries

NOMMA's staff is eligible to earn paid time off in addition to school holidays and break periods. Staff are allowed a maximum of 80 hours of sick and personal days per year. Staff are not allowed to carry over sick or personal days to the following year. As of June 30, 2025, NOMMA's liability for paid time off was insignificant, therefore not recorded. As of June 30, 2024, NOMMA's liability for paid time off was \$2,203, which is recorded in accrued salaries and benefits on the Consolidated Statement of Financial Position. As of June 30, 2025 and 2024, NOMMA has accrued \$559,904 and \$525,008 for employee salaries and related benefits earned as of those dates, respectively.

m. Revenue Recognition

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

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

m. Revenue Recognition (Continued)

Donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statement of Activities as net assets released from restrictions.

Revenues from federal and state grants are recorded when NOMMA has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by NOMMA, or when earned under the terms of the grant.

NOMMA's primary source of funding is through the Minimum Foundation Program (MFP) funded by the State Public School Fund. For the years ended June 30, 2025 and 2024, NOMMA received \$13,249,332 and \$12,016,108, respectively. MFP revenue accounted for 74% and 68% of NOMMA's total revenue for the years ended June 30, 2025 and 2024, respectively.

Donations of noncash assets are recorded at their fair values in the period received. Donations of services that create or enhance nonfinancial assets or that require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. There were no donations of non-cash assets for the years ended June 30, 2025 and 2024.

n. Functional Allocation of Expenses

As required under the FASB Accounting Standards Update (ASU) No. 2016-14, "*Not-for-Profit Entities*" (Topic 958), NOMMA has presented a consolidated statement of functional expense as part of its audited consolidated financial statements. Directly identifiable expenses are charged to program and administration. Expenses related to more than one function are charged to program and administration based on periodic time and expense studies. Payroll related costs are allocated basis on time and effort.

o. Tax Matter

NOMMA has received a tax-exempt ruling under Section 501(c)(3) from the Internal Revenue Code and, accordingly, is not subject to Federal income tax unless NOMMA has unrelated trade or business income. NOMMA Real Estate, LLC is a limited liability company and disregarded for income tax purposes. Accordingly, no provision for income taxes is included in the consolidated financial statements.

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

o. Tax Matter (Continued)

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of June 30, 2025, management of NOMMA believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements. Tax years ended June 30, 2025 and 2024, and later remain subject to examination by the taxing authorities.

p. Reclassification

Certain amounts in the 2024 consolidated financial statements have been reclassified to conform with the 2025 consolidated financial statement presentation.

q. Subsequent Events

Management evaluates events occurring subsequent to the date of the consolidated financial statements in determining the accounting for and disclosure of transactions and events that affect the consolidated financial statements. Subsequent events have been evaluated through December 1, 2025, which is the date the consolidated financial statements were available to be issued.

Note 2 - CONCENTRATIONS OF CREDIT RISK

NOMMA maintains its cash balances with several financial institutions where the balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2025, cash deposits in excess of the Federal Deposit Insurance Corporation limit of approximately \$724,000 was exposed to custodial credit risk and were fully collateralized with securities held by the pledging financial institution's trust department or agent.

Note 3 - GRANTS RECEIVABLE

Grants receivable are comprised of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Title I	\$174,484	\$196,566
High Cost Services	59,662	65,390
IDEA	54,200	57,807
United States Marine Corps	41,677	33,260
Carl D. Perkins Career and Technical Education Grant	28,277	26,396
Title III	8,186	17,406
Title II	6,529	5,396
School Food and Other Programs	5,566	5,873
Elementary and Secondary School Emergency Relief (ESSER)	<u>-</u>	<u>571,420</u>
Totals	<u><u>\$378,581</u></u>	<u><u>\$979,514</u></u>

Note 4 - PROMISE TO GIVE

Promises of donors to make contributions to NOMMA are included in the consolidated financial statements as promises to give after discounting projected future cash flows to the present value using a discount rate of approximately 4.2% as of June 30, 2025. The discount rate is based on the bond interest rate with Hancock Whitney.

The promises to give as of June 30, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Unconditional promises to give	\$ 160,000	\$ -
Unamortized discount	<u>(9,437)</u>	<u>-</u>
Net unconditional promises to give	<u><u>\$ 150,563</u></u>	<u><u>\$ -</u></u>
Amount due in:		
Less than one year	\$ 40,000	\$ -
One to five years	<u>120,000</u>	<u>-</u>
Totals	<u><u>\$ 160,000</u></u>	<u><u>\$ -</u></u>

Note 5 - INVESTMENTS

Investments held as of June 30, 2025 and 2024 are comprised of the following:

	<u>2025</u>	<u>2024</u>
U.S. Treasury bills	<u>\$6,651,058</u>	<u>\$6,524,484</u>

As of June 30, 2025, the total value of U.S. Treasury bills is equal to the cost of \$6,577,763 and the accrued interest (accretion) of \$73,295. As of June 30, 2024, the total value of U.S. Treasury bills is equal to the cost of \$6,419,311 and the accrued interest (accretion) of \$105,172.

Investment income for the years ended June 30, 2025 and 2024 on the Consolidated Statement of Activities is summarized as follows:

	<u>2025</u>	<u>2024</u>
Interest income	<u>\$ 270,510</u>	<u>\$ 268,631</u>

Note 6 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC Topic 820, “*Fair Value Measurements*”, are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that NOMMA 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.

Note 6 - FAIR VALUE MEASUREMENTS (Continued)

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 measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodology used for assets measured at fair value.

U.S. Treasury Bills: Valued at the closing price reported on the active market on which the individual securities are traded. These are included in Level 1 of the fair value hierarchy.

The method 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 NOMMA believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Assets measured at fair value on a recurring basis as of June 30, 2025 and 2024 are comprised of and determined as follows:

Description	2025			
	Based on			
	Total Assets Measured At Fair Value	Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
U.S. Treasury bills	<u>\$6,651,058</u>	<u>\$6,651,058</u>	<u>\$ -</u>	<u>\$ -</u>
Description	2024			
	Based on			
	Total Assets Measured At Fair Value	Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
U.S. Treasury bills	<u>\$6,524,484</u>	<u>\$6,524,484</u>	<u>\$ -</u>	<u>\$ -</u>

Note 6 - FAIR VALUE MEASUREMENTS (Continued)

As of June 30, 2025 and 2024, there were no assets measured at fair value on a non-recurring basis.

Note 7 - PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2025 and 2024 consists of the following:

	<u>2025</u>	<u>2024</u>
Building and improvements	\$19,369,970	\$19,300,026
Land	2,818,875	2,818,875
Machinery and equipment	480,809	480,809
Leasehold improvements	630,648	350,666
Construction in progress	220,128	128,750
Less: accumulated depreciation	<u>(6,749,922)</u>	<u>(6,080,142)</u>
Totals	<u>\$16,770,508</u>	<u>\$16,998,984</u>

Depreciation expense for the years ended June 30, 2025 and 2024 totaled \$669,780 and \$587,592, respectively.

Note 8 - LEASES

Property Leases

On May 25, 2023, NOMMA entered into a lease agreement for building space used as a fitness center with an annual lease payment of \$1. The lease requires NOMMA to maintain the property and pay all taxes and insurance premiums. The lease expires on December 9, 2083.

Also on May 25, 2023, NOMMA entered into a lease agreement for a parking lot with an annual lease payment of \$1. The lease requires NOMMA to maintain the property and pay all taxes and insurance premiums. The lease expires on May 25, 2122. NOMMA has the option to purchase the parking lot for \$1 at any time during the term of this lease.

Note 9 - BONDS PAYABLE

The Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA) issued \$3,000,000 of its Revenue Bonds as Qualified School Construction Bonds (Series 2012A Bonds) and \$8,000,000 of its Revenue Bonds as Qualified Zone Academy Bonds (Series 2012B Bonds) upon the request of NOMMA with the proceeds of the sale to be loaned to NOMMA for the purpose of financing the construction of the charter school campus located at 425 O'Bannon Street New Orleans, Louisiana on the Federal City Campus.

Note 9 - BONDS PAYABLE (Continued)

Under the terms of the loan and assignment agreement between LCDA and NOMMA, the loan was effective upon the closing of the Series 2012A Bonds and Series 2012B Bonds and shall terminate on the date on which the bonds have been paid in full.

NOMMA is responsible for making all interest and principal payments to the trustee as per the bond schedule, with a maturity date of October 31, 2034. The interest rate is 4.21% plus a supplemental coupon during construction at 2.93%. Approximately, 94% of the interest on the bonds is subsidized by the United States Treasury resulting in interest income of \$440,296 and \$409,429 for the years ended June 30, 2025 and 2024, respectively.

On October 31, 2012, Whitney Bank as bond trustee transferred the proceeds to NOMMA. The proceeds, as well as \$3,600,000 of loan proceeds obtained from the New Orleans Federal Alliance (the "NOFA loan"), were used to invest in QEI, LLC for the purpose of financing the construction of the charter school campus located at 425 O'Bannon Street New Orleans, Louisiana on the Federal City Campus.

As of June 30, 2015, the NOFA loan had been completely paid off.

Interest expense on the bonds totaled \$463,100 for each of the years ended June 30, 2025 and 2024.

A summary of bonds payable at June 30, 2025 and 2024 follows:

	2025	2024
Bonds payable	\$11,000,000	\$11,000,000
Less: unamortized debt issuance costs	<u>(230,208)</u>	<u>(254,742)</u>
Totals	<u><u>\$10,769,792</u></u>	<u><u>\$10,745,258</u></u>

Estimated scheduled debt service payments as of June 30, 2025, including interest, on the 2012A and 2012B Bonds are as follows:

Year ending June 30	Principal	Interest	Totals
2026	\$ -	\$ 463,100	\$ 463,100
2027	-	463,100	463,100
2028	-	463,100	463,100
2029	-	463,100	463,100
2030	-	463,100	463,100
Thereafter	<u>11,000,000</u>	<u>1,852,400</u>	<u>12,852,400</u>
Totals	<u><u>\$11,000,000</u></u>	<u><u>\$4,167,900</u></u>	<u><u>\$15,167,900</u></u>

Note 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted by grantors and donors for specific programs, purposes, or periods to assist NOMMA. These restrictions are considered to expire when payments for restricted purposes are made or a set period of time has passed.

Net assets with donor restrictions as of June 30, 2025 and 2024 were available for the following purposes or periods:

	<u>2025</u>	<u>2024</u>
Time-restricted promise to give	<u>\$ 150,563</u>	<u>\$ -</u>

Note 11 - GRANT PROGRAM CONTINGENCIES

NOMMA participates in a number of state and federal grant programs which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that NOMMA has not complied with the rules and regulations governing the grants, refunds of any funds received and the collectability of any related receivable as of June 30, 2025 could be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying consolidated financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and NOMMA.

Note 12 - ECONOMIC DEPENDENCY

NOMMA receives the majority of its revenue from the State of Louisiana Minimum Foundation Program (MFP). MFP funding for the years ended June 30, 2025 and 2024 totaled \$13,249,332 and \$12,016,108, respectively. Funding from various federal grants and other federal funding passed through the State of Louisiana and totaled \$2,496,537 and \$3,487,694 for the years ended June 30, 2025 and 2024, respectively. Funding from various state grants totaled \$487,152 and \$320,711 for the years ended June 30, 2025 and 2024, respectively. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds NOMMA receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will significantly affect the amount of funds NOMMA will receive in fiscal year 2026.

Note 13 - RETIREMENT PLAN

NOMMA has a defined contribution 401(k) plan. All regular employees who are 21 years of age or older are eligible to participate upon their hire date. Contributions to the plan are made by way of pre-tax and/or post-tax salary deferrals and are made at the sole discretion of the employee up to the maximum amount allowed by federal law. NOMMA will make a matching contribution equal to 100% of the first 3% of participants' elective deferrals and 50% of the next 2%. All employees are immediately vested in their contributions. There is a 3-year vesting period for employer profit-sharing contributions. There were no employer profit-sharing contributions for the years ended June 30, 2025 and 2024. For the years ended June 30, 2025 and 2024, NOMMA recorded retirement contributions in the amount of \$215,176 and \$186,210, respectively.

Note 14 - AVAILABILITY OF FINANCIAL ASSETS

NOMMA is substantially supported by grants on an unrestricted and restricted basis. Because a grantor's restriction requires resources to be used in a particular manner or in a future period, NOMMA must maintain sufficient resources to meet those responsibilities to its grantors. Thus, financial assets may not be available for general expenditure within one year. As part of NOMMA's liquidity management, management established a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Management established guidelines for making decisions related to managing short-term cash reserves and other investments in a prudent manner.

NOMMA's objective is to maintain liquid financial assets without donor restrictions sufficient to cover 60 days of program expenditures. NOMMA regularly monitors liquidity required to meet its operating needs and other contractual commitments. Expenditures are generally met within 30 days, utilizing the financial resources NOMMA has available. In addition, NOMMA operates with a budget to monitor sources and uses of funds throughout the year.

Note 14 - AVAILABILITY OF FINANCIAL ASSETS (Continued)

As of June 30, 2025 and 2024, NOMMA has financial assets available within one year of the consolidated statement of financial position date to meet cash needs for general expenditures consisting of the following:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash	\$1,139,669	\$ 866,243
Grants receivable	378,581	979,514
Pledge receivable	150,563	-
Interest receivable	18,196	18,196
Other receivable	115,688	-
Investments	<u>6,651,058</u>	<u>6,524,484</u>
Total financial assets	<u>8,453,755</u>	<u>8,388,437</u>
Less amounts unavailable for general expenditure within one year due to:		
Restricted by donors with time or purpose restrictions	(150,563)	-
Restricted cash	<u>(36,955)</u>	<u>(3,201)</u>
Total financial assets not available to be used within one year	<u>(187,518)</u>	<u>(3,201)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$8,266,237</u></u>	<u><u>\$8,385,236</u></u>

SUPPLEMENTARY INFORMATION

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

New Orleans Military and Maritime Academy, Inc. and Subsidiary
New Orleans, Louisiana

For the year ended June 30, 2025

Agency Head Name: Colonel Christopher J. Schlafer, USMC (Retired)

Purpose

Salary	\$ 192,000
Benefits - insurance	96
Benefits - retirement	7,600
Deferred compensation	0
Workers compensation	569
Benefits - life insurance	0
Benefits - long term disability	0
Benefits - FICA and Medicare	15,356
Car allowance	0
Vehicle provided by government	0
Cell phone	624
Dues	0
Vehicle rental	0
Per diem	0
Tuition reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Unvouchered expenses	0
Meetings and conventions	0
Other - stipend	<u>66,500</u>
	<u><u>\$ 282,745</u></u>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors,
New Orleans Military and Maritime Academy, Inc. and Subsidiary,
New Orleans, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of New Orleans Military and Maritime Academy, Inc. and Subsidiary (a non-profit corporation) (NOMMA), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, which collectively comprise NOMMA’s consolidated financial statements, and have issued our report thereon dated December 1, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered NOMMA’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 NOMMA’s internal control. Accordingly, we do not express an opinion on the effectiveness of NOMMA’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 NOMMA’s consolidated 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 and significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether NOMMA's consolidated 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 consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Bourgeois Bennett, L.L.C." in a cursive script.

Certified Public Accountants.

New Orleans, Louisiana,
December 1, 2025.

INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors,
New Orleans Military and Maritime Academy, Inc. and Subsidiary,
New Orleans, Louisiana.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of New Orleans Military and Maritime Academy, Inc. and Subsidiary (NOMMA) (a charter school organization) with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of NOMMA's major federal programs for the year ended June 30, 2025. NOMMA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, NOMMA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of NOMMA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of NOMMA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to NOMMA's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on NOMMA's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about NOMMA's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 NOMMA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of NOMMA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of NOMMA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

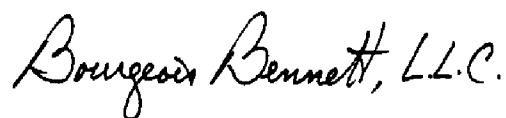
Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants.

New Orleans, Louisiana.
December 1, 2025.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

New Orleans Military and Maritime Academy, Inc. and Subsidiary
New Orleans, Louisiana

For the year ended June 30, 2025

Federal Grantor/Program Title	Federal AL Number	Grantor Number	Federal Expenditures	Subrecipient Costs
United States Department of Agriculture				
Pass-through Programs From:				
Louisiana Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	\$ 91,420	\$ -
National School Lunch Program	10.555	N/A	373,991	-
Summer Food Service Program for Children	10.557	N/A	5,866	-
Total Child Nutrition Cluster			<u>471,277</u>	<u>-</u>
Food Distribution Cluster:				
Commodity Supplemental Food Program	10.565	N/A	15,117	-
Emergency Food Assistance Program	10.569	N/A	4,266	-
Total Food Distribution Cluster			<u>19,383</u>	<u>-</u>
Total United States Department of Agriculture			<u>490,660</u>	<u>-</u>
United States Department of Defense:				
ROTC Language and Culture Grants	12.357	N/A	510,216	-
United States Department of Education				
Pass-through Programs From:				
Louisiana Department of Education:				
Title I Grants to Local Educational Agencies	84.010A	28-25-T1-L3	563,155	-
Special Education (IDEA) Grants to States	84.027A	28-25-B1-L3	202,521	-
Special Education (IDEA) Grants to States	84.027X	28-25-IA11-L3	59,662	-
Career and Technical Basic Grants to States	84.048	28-25-02-L3	18,740	-
Title III English Language Acquisition State Grants	84.365A	28-25-60-L3	19,888	-
Title III English Language Acquisition State Grants - Immigrant Children and Youth	84.365A	28-24-S3-L3	6,135	-
Supporting Effective Instruction State Grants	81.367A	28-25-60-L3	19,206	-
Education Stabilization Fund:				
Under the Coronavirus Aid, Relief, and Economic Security Act:				
COVID-19 Elementary and Secondary School Emergency Relief	84.425U	28-21-ES3F-L3	197,440	-
COVID-19 Elementary and Secondary School Emergency Relief	84.425U	28-21-ES31-L3	320,017	-
Total Education Stabilization Fund			<u>517,457</u>	<u>-</u>
Total United States Department Education			<u>1,406,764</u>	<u>-</u>
United States Department of Homeland Security				
Pass-through Programs From:				
Louisiana Governor's Office of Homeland Security and Emergency Preparedness				
Hazard Mitigation Grant	97.039	N/A	73,259	-
Total expenditures of federal awards			<u>\$2,480,899</u>	<u>\$ -</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

New Orleans Military and Maritime Academy, Inc. and Subsidiary New Orleans, Louisiana

For the year ended June 30, 2025

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of New Orleans Military and Maritime Academy, Inc. and Subsidiary (NOMMA). NOMMA's reporting entity is defined in Note 1 to the consolidated financial statements for the year ended June 30, 2025. All federal awards received directly from federal agencies are included on the schedule, as well as federal awards passed-through other government agencies.

b. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to NOMMA's consolidated financial statements for the year ended June 30, 2025.

Note 2 - INDIRECT COST RATE

NOMMA has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

New Orleans Military and Maritime Academy, Inc. and Subsidiary New Orleans, Louisiana

For the year ended June 30, 2025

Section I - Summary of Auditor's Results

a) Financial Statements

Type of report issued on the consolidated financial statements: Unmodified

Internal control over financial reporting:

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

Noncompliance material to consolidated financial statements noted?

☐ Yes ☒ No

b) Federal Awards

Internal controls over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ☐ Yes ☒ No

Type of auditor's report issued on compliance for major programs: unmodified

- Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? ☐ Yes ☒ No

Section I - Summary of Auditor's Results (Continued)

c) Identification of Major Programs:

<u>Federal AL Number</u>	<u>Name of Federal Program</u>
84.010A	United States Department of Education Pass-through Programs From: Louisiana Department of Education: Title 1 Grants to Local Educational Agencies

Dollar threshold used to distinguish
between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? X Yes No

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

No internal control over financial reporting findings were reported during the audit for the year ended June 30, 2025.

Compliance and Other Matters

No compliance findings material to the consolidated financial statements were reported during the audit for the year ended June 30, 2025.

Section III - Federal Award Findings and Questioned Costs**Internal Control/Compliance**

There were no findings or questioned costs reported during the audit of the consolidated financial statements for the year ended June 30, 2025 related to internal control and compliance material to federal awards.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

New Orleans Military and Maritime Academy, Inc. and Subsidiary New Orleans, Louisiana

For the year ended June 30, 2025

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

Internal Control Over Financial Reporting

There were no findings noted during the audit for the year ended June 30, 2024 related to internal control over financial reporting material to the consolidated financial statements.

Compliance and Other Matters

There were no findings material to the consolidated financial statements noted during the audit for the year ended June 30, 2024 related to compliance and other matters.

Section II - Internal Control and Compliance Material to Federal Awards

Internal Control Over Financial Reporting

No internal control over financial reporting findings were reported during the audit for the year ended June 30, 2024.

Compliance and Other Matters

No compliance findings material to the consolidated financial statements were reported during the audit for the year ended June 30, 2024.

Section III - Management Letter

A management letter was not issued in connection with the audit of the consolidated financial statements for the year ended June 30, 2024.

MANAGEMENT'S CORRECTIVE ACTION PLAN

New Orleans Military and Maritime Academy, Inc. and Subsidiary
New Orleans, Louisiana

For the year ended June 30, 2025

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

Internal Control Over Financial Reporting

There were no findings noted during the audit for the year ended June 30, 2025 related to internal control over financial reporting material to the consolidated financial statements.

Compliance and Other Matters

There were no findings material to the consolidated financial statements noted during the audit for the year ended June 30, 2025 related to compliance and other matters.

Section II - Internal Control and Compliance Material to Federal Awards

There were no findings or questioned costs reported during the audit of the consolidated financial statements for the year ended June 30, 2025, related to internal control and compliance material to federal awards.

Section III - Management Letter

A management letter was not issued in connection with the audit of the consolidated financial statements for the year ended June 30, 2025.

SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)
(UNAUDITED)

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors,
New Orleans Military and Maritime Academy, Inc. and Subsidiary,
New Orleans, Louisiana.

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of New Orleans Military and Maritime Academy, Inc. and Subsidiary (NOMMA), for the year ended June 30, 2025, and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514(I). Management of NOMMA is responsible for its performance and statistical data.

NOMMA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the performance and statistical data accompanying the annual financial statements. Additionally, the Louisiana Department of Education and the Louisiana Legislative Auditor have agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and associated findings are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 2)

1. We selected a random sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on Schedule 2.
 - Total General Fund Instructional Expenditures
 - Total General Fund Equipment Expenditures

Results: No exceptions were noted.

Class Size Characteristics (Schedule 3)

2. We obtained a list of classes by school, school type, and class size as reported on the schedules. We traced a sample of ten classes to the October 1, 2024 roll books for those classes and observed that the class was properly classified on the schedules.

Results: No exceptions were noted.

Education Levels/Experience of Public School Staff

3. We obtained the October 1, 2024 PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

Results: Exception noted: One sampled individual's experience was incorrectly reported on the June 30, 2025 PEP data submitted to the Department of Education.

Public School Staff Data: Average Salaries

4. We obtained the June 30, 2025 PEP data submitted to the Department of Education (or equivalent listing provided by management), of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the listing was complete. We selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

Results: No exceptions were noted.

We were engaged by NOMMA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of NOMMA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual consolidated financial statements of New Orleans Military and Maritime Academy, Inc. and Subsidiary as required by Louisiana Revised Statute 24:514.1, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 1, 2025.

**GENERAL FUND INSTRUCTIONAL AND SUPPORT
EXPENDITURES AND CERTAIN LOCAL REVENUE SOURCES**

New Orleans Military and Maritime Academy, Inc. and Subsidiary
New Orleans, Louisiana

For the year ended June 30, 2025
(Unaudited)

General Fund Instructional and Equipment Expenditures

Instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 4,866,515
Other instructional staff salaries	709,825
Instructional staff employee benefits	1,201,085
Purchased professional and technical services	58,873
Instructional materials and supplies	696,034
Instructional equipment	<u>-</u>

Total teacher and student interaction activities	\$ 7,532,332
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Other instructional activities	298,483
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Pupil support services	1,234,829
Less: equipment for pupil support services	<u>-</u>

Net pupil support services	1,234,829
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Instructional staff services	813,450
Less: equipment for instructional staff services	<u>-</u>

Net instructional staff services	813,450
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School administration	1,365,033
Less: equipment for school administration	<u>-</u>

Net school administration	<u>1,365,033</u>
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Total general fund instructional expenditures	<u><u>\$ 11,244,127</u></u>
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* Remainder of the BESE Schedule 2 does not apply to the School.

See independent accountant's report on applying agreed-upon procedures.

CLASS SIZE CHARACTERISTICS**New Orleans Military and Maritime Academy, Inc. and Subsidiary**
New Orleans, LouisianaAs of October 1, 2024
(Unaudited)

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	0%	-	0%	-	0%	-	0%	-
Elementary Activity Classes	0%	-	0%	-	0%	-	0%	-
Middle/Jr. High	0%	-	0%	-	0%	-	0%	-
Middle/Jr. High Activity Classes	0%	-	0%	-	0%	-	0%	-
High	52%	211	43%	176	5%	19	0%	-
High Activity Classes	65%	11	29%	5	6%	1	0%	-
Combination	0%	-	0%	-	0%	-	0%	-
Combination Activity Classes	0%	-	0%	-	0%	-	0%	-

Note:

The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students, and maximum enrollment in grades 4 through 12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

See independent accountant's report on applying agreed-upon procedures.



NEW ORLEANS
MILITARY & MARITIME
ACADEMY

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New Orleans, LA 70114
(504) 227-3810

Louisiana Legislative Auditor
1600 North 3rd Street
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Through

Mr. Paul Pechon, CPA
Bourgeois Bennett, LLC
P. O. Box 60600
New Orleans, Louisiana 70160-0600

Re: Management's Response to the Board of Elementary and Secondary Agreed-Upon Procedures for
New Orleans Military & Maritime Academy, Inc.

Dear Mr. Pechon:

Testing of the Profile of Educational Personnel (PEP) data for fiscal year ending June 30, 2025 yielded one exception as follows: One sampled individual had incorrect years of experience in the PEP data reported to the Department of Education. New Orleans Military & Maritime Academy, Inc. personnel analyzed the reasons for the discrepancy and alternate procedures are being implemented to prevent future reporting errors.

With warm regards,

Colonel Chris Schlafer, USMC (Ret)
Commandant/Chief Executive Officer