THE BRIGHT SCHOOL

NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED

JUNE 30, 2024 AND 2023

ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of The Bright School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bright School as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

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

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

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

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

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

Report on Supplementary Information

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

March 6, 2025
New Orleans, Louisiana

Certified Public Accountants

Exhibit "A"

THE BRIGHT SCHOOL
STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

ASSETS

	2024	2023
CURRENT ASSETS:		
Cash and cash equivalents	$ 111,866	$ 174,707
Investments	1,365,395	1,363,216
Grants receivable	33,242	9,514
Unconditional promises to give, net	25,000	25,000
Prepaid expenses	11,657	8,124
Total current assets	1,547,160	1,580,561
PROPERTY AND EQUIPMENT:		
Machinery and equipment	56,516	56,516
Land improvements	32,739	17,349
Building	1,241,163	-
Less: accumulated depreciation	(50,474)	(38,861)
Total property and equipment, net	1,279,944	35,004
OTHER ASSETS		
Unconditional promises to give long-term, net	-	24,401
Right of use assets - operating leases, net	3,535	39,995
Total other assets	3,535	64,396
Total assets	$ 2,830,639	$ 1,679,961

LIABILITIES AND NET ASSETS

	2024	2023
CURRENT LIABILITIIES:		
Accounts payable	$ 5,637	$ -
Accrued expenses	16,387	15,164
Current portion of operating leases	3,535	41,784
Current portion of long-term debt	4,352	-
Total current liabilities	29,911	56,948
NON-CURRENT LIABILITIIES:		
Long-term debt, net of current portion	975,648	-
Operating leases, net of current portion	-	3,535
Total non-current liabilities	975,648	3,535
Total liabilities	1,005,559	60,483
NET ASSETS:		
Without donor restrictions	1,760,414	1,517,376
With donor restrictions	64,666	102,102
Total net assets	1,825,080	1,619,478
Total liabilities and net assets	$ 2,830,639	$ 1,679,961

See accompanying NOTES TO FINANCIAL STATEMENTS

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

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

THE BRIGHT SCHOOL
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Totals
SUPPORT AND REVENUE:			
Support:			
Grants	$ 173,101	$ -	$ 173,101
Contributions	225,615	144,500	370,115
Total support	398,716	144,500	543,216
Revenue:			
Tuition	77,698	-	77,698
Other income	7,061	-	7,061
Investment income (loss), net	85,650	-	85,650
Total revenue	170,409	-	170,409
Net assets released from restrictions	125,272	(125,272)	-
Total support and revenue	694,397	19,228	713,625
EXPENSES:			
Educational program services	394,619	-	394,619
Management and general	29,447	-	29,447
Fundraising	56,457	-	56,457
Total expenses	480,523	-	480,523
Change in net assets	213,874	19,228	233,102
Net assets, beginning of year	1,303,502	82,874	1,386,376
Net assets, end of year	$ 1,517,376	$ 102,102	$ 1,619,478

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

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

See accompanying NOTES TO FINANCIAL STATEMENTS

THE BRIGHT SCHOOL
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Educational Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total
Salaries	$ 193,238	$ 16,803	$ -	$ 210,041
Payroll taxes	15,146	1,317	-	16,463
Consulting	-	-	56,457	56,457
Insurance	6,078	528	-	6,606
Bank charges	-	170	-	170
Interest expense	-	-	-	-
Moving expenses	-	-	-	-
Office expense	1,639	143	-	1,782
Postage and shipping	297	26	-	323
Professional fees	67,982	5,911	-	73,893
Repairs and maintenance	707	-	-	707
Educational supplies	11,120	-	-	11,120
Depreciation	10,337	899	-	11,236
Scholarships	30,000	-	-	30,000
Summer camp expenses	16,104	-	-	16,104
Rent	41,971	3,650	-	45,621
Total expenses	$ 394,619	$ 29,447	$ 56,457	$ 480,523

See accompanying NOTES TO FINANCIAL STATEMENTS

THE BRIGHT SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:		
Change in net assets	$ 205,602	$ 233,102
Adjustments to reconcile increase (decrease) in net assets to cash from operating activities:		
Depreciation	11,613	11,236
Unrealized (gain) loss on investments	(90,155)	(104,891)
Realized (gain) loss on sales of investments	(18,083)	161,934
Changes in:		
(Increase) decrease in grants receivable	(23,728)	(9,514)
(Increase) decrease in unconditional promises to give	24,401	24,701
(Increase) decrease in prepaid expenses	(3,533)	(4,196)
Increase (decrease) in accounts payable	5,637	(873)
Increase (decrease) in lease liability	(5,324)	-
Increase (decrease) in accrued expenses	1,223	(1,286)
Net cash from operating activities	107,653	310,213
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:		
Purchase of property and equipment	(276,553)	(1,255)
Proceeds from sale of investments	234,635	474,747
Purchases of investments	(128,576)	(654,251)
Net cash (used for) investing activities	(170,494)	(180,759)
Net increase (decrease) in cash and cash equivalents	(62,841)	129,454
Cash and cash equivalents, beginning of year	174,707	45,253
Cash and cash equivalents, end of year	$ 111,866	$ 174,707

See accompanying NOTES TO FINANCIAL STATEMENTS

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

Nature of Activities

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

Basis of Accounting

The financial statements of the School are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation

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

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

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

Use of Estimates

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

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

Cash and Cash Equivalents

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

Promises to Give

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

Investments

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

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

> Level 1 lies at the top of the hierarchy, where inputs are quoted prices in active markets.
>
> Level 2 inputs are in the middle of the hierarchy, where data are adjusted from similar items traded in markets that are active markets or from identical or similar items in markets that are not active. Level 2 inputs do not stem directly from quoted prices.
>
> Level 3 inputs are unobservable and generated by the entity itself.
>
> No Level 2 or Level 3 inputs were used by the School.

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

Investments (continued)

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

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

Property and Equipment

Property and equipment exceeding $500 are recorded at historical cost or estimated historical cost if historical cost is not available. Betterments that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Normal maintenance and minor purchases are expensed to repairs and maintenance of the School. Depreciation expense for the years ended June 30, 2024 and 2023 totaled $11,613 and $11,236, respectively. Depreciation is calculated using the straight-line basis with the following estimated useful lives:

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

Leases

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

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

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

Leases (Continued)

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

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

Revenue Recognition

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

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

The School also receives revenues from tuition which is recognized at a specific point in time when the services are provided.

Functional Expenses

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

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

Income Tax Status

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

The School's evaluation revealed no tax positions that would have a material impact on the financial statements. The 2021 – 2023 tax years remains subject to examination by the IRS. The School does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

New Accounting Pronouncements

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (Update) No. 2016-13, "*Financial Instruments-Credit Losses*." The main objective of this Update is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in this Update replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The amendments in this Update are effective for fiscal years beginning after December 15, 2022, and interim periods within that fiscal year. The School has not had a material impact on financial position, results of operations, or cash flows as a result of the implementation of this update.

Date of Management's Review

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

(2) SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid during the year ended June 30, 2024 for interest totaled $9,963. There was no cash paid for interest for the year ended June 30, 2023.

Noncash Investing/Financing Activity

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

(3) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the School's financial assets as of June 30, 2024, and 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. However, amounts already appropriated for general expenditure within one year of the statement of financial position date have not been subtracted as unavailable.

	2024	2023
Financial assets, at year end	$ 1,535,503	$ 1,596,838
Less those unavailable for general expenditure within one year due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	-	(24,401)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,535,503	$ 1,572,437

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

(4) INVESTMENTS

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

	2024	2023
Exchange traded funds	$ 686,310	$ 503,119
Mutual funds	679,085	860,097
Total investments	$ 1,365,395	$ 1,363,216

The following schedule summarizes the net gain (loss) on investments without donor restrictions and its classification in the statement of activities for the years ended June 30, 2024 and 2023:

	2024	2023
Interest and dividend income	$ 31,728	$ 151,133
Net unrealized gains (losses)	90,155	104,891
Realized gains (losses)	18,083	(161,934)
Management fees	(10,100)	(8,440)
Total gain (loss) on investments	$ 129,866	$ 85,650

(5) UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are expected to be received as follows at June 30, 2024 and 2023.

	2024	2023
Due within one year	$ 25,000	$ 25,000
Due within two to five years	-	25,000
	25,000	50,000
Less: unamortized discount to reflect at present value	-	(599)
Total unconditional promises to give, net	$ 25,000	$ 49,401

Promises to give that are due after June 30, 2024 are discounted at 0.91%.

(6) NOTES PAYABLE

Notes payable at June 30, 2024 and 2023 consisted of the following:

	2024	2023
Note payable to First Horizon Bank for Pasadena property. Bearing an interest rate of 6%. Interest only payments for first 12 months. First principal payment is due May 2025. 59 payments of $7,070, then remaining principal and interest paid at maturity April 2030.	$ 980,000	-
Total long-term debt	980,000	-
Less: current portion	(4,352)	-
	$ 975,648	$ -

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

2025	$ 4,352
2026	27,044
2027	28,712
2028	30,483
2029	32,363
Thereafter	857,046
	$ 980,000

Interest expense totaled $9,963 for the year ended June 30, 2024.

(7) NET ASSETS WITH DONOR RESTRICTIONS

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

	2024	2023
Restricted to future periods	$ 64,666	$ 102,102

(7) NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

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

	2024	2023
Furniture and classroom supplies	$ 127,244	$ 125,272

(8) LEASES

Operating lease

The School entered into a lease with Kingsley House commencing August 1, 2019 and ending July 31, 2024 with original monthly lease payments of $3,093. Monthly payments change on an annual basis each August 1 to a final monthly payment of $3,535.

Additional information about The School's leases is as follows for the year ended June 30, 2024.

	2024	2023
Operating lease cost	$ 42,679	$ 37,302
Cash paid for amount in lease liabilities	42,679	40,360
Operating cash flows from operating leases	42,679	40,360
Right-of-use assets obtained in exchange for new operating lease liabilities	-	76,151
Weighted-average remaining lease term-operating leases	.08 years	1.08 years
Weighted-average discount rate-operating leases	1.82%	1.82%

The maturities of lease liabilities as of June 30, 2024 are as follows:

2025	$ 3,535

(9) EMPLOYEE RETENTION TAX CREDITS

During 2023, the School applied for Employee Retention Credits under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) amounting to $73,550 relating to 2020 payroll taxes, which is included in grants on the statement of activities for the year ended June 30, 2023.

(10) RISKS AND UNCERTAINTIES

The School maintains cash balances at a financial institution. Accounts at this institution are insured by the Federal Deposit Insurance Corporation up to $250,000. The School's balances were fully insured at June 30, 2024 and 2023.

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

(11) RELATED PARTY TRANSACTIONS

The School received donations totaling $27,500 and $25,000 from foundations affiliated with a board member during the year ended June 30, 2024 and 2023.

THE BRIGHT SCHOOL
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2024

	Linda Frantz
Time served	07/01/23 through 06/30/24
Salary	$ -
Benefits	-
Total compensation, benefits, and other payments	$ -

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

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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New Orleans, LA 70119
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March 6, 2025

To the Board of Directors and Management of
The Bright School
New Orleans, Louisiana

In planning and performing our audit of the financial statements of The Bright School (the School) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the School's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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 *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. 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 School's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in the School's internal control to be a material weakness:

Noncompliance with Reporting Requirements

Since the School received public funds during the fiscal year ended June 30, 2024, it is required to provide an annual financial report to the Louisiana Legislative Auditor no later than six months after its year end in accordance with Louisiana Revised Statutes 24:513 and 24:514. The School did not file its annual report on time. We recommend that the School review the reporting requirements to the Louisiana Legislative Auditor by reviewing the Louisiana Governmental Audit Guide found at www.lla.la.gov.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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

March 6, 2025
New Orleans, Louisiana

Ericksen Krentel, LLP

Certified Public Accountants

THE BRIGHT SCHOOL
MANAGEMENT'S CORRECTIVE ACTION PLAN - FINDINGS
JUNE 30, 2024

March 6, 2025

Louisiana Legislative Auditor

The Bright School (the School) respectfully submits the following corrective action plan for the year ended June 30, 2024.

Name and address of independent public accounting firm:

Ericksen Krentel, L.L.P.
4227 Canal Street
New Orleans, LA 70119

Audit Period: July 1, 2023 – June 30, 2024

The finding from the June 30, 2024 audit report is discussed below.

SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Noncompliance with Reporting Requirements

Recommendation: The School should put additional policies and procedures in place to ensure that required annual reports are filed in a timely manner. We recommend that the School review the reporting requirements to the Louisiana Legislative Auditor by reviewing the Louisiana Governmental Audit Guide found at www.lla.la.gov.

Response: The Bright School will ensure compliance with the reporting requirements for the Louisiana Legislative Auditor. This was the first year The Bright School was subject to the requirements. We have added procedures to make sure all required reports are filed within the six-month reporting period.

If there are any questions regarding this plan, please contact Linda Frantz, Executive Director, at (504) 833-7900.

Sincerely,

Linda Frantz — Signature

Executive Director — Title