EISNERAMPER

AGENDA FOR CHILDREN, INC.

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Agenda for Children, Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Agenda for Children, Inc. (a nonprofit organization) (the Organization), which comprise the consolidated statements of financial position as of June 30, 2023, and the related consolidated statement 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 Agenda for Children, Inc., as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, in 2023, the Entity adopted new accounting guidance in connection with tis implementation of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842). Our opinion is not modified with respect to this matter.

Prior Period Financial Statements

The consolidated financial statements of the Organization for the year ended June 30, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on December 20, 2022.

"EisnerAmper" is the brand name under which EisnerAmper LLP and Eisner Advisory Group LLC and its subsidiary entities provide professional services. EisnerAmper LLP and Eisner Advisory Group LLC are independently owned firms that practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. EisnerAmper LLP is a licensed CPA firm that provides attest services, and Eisner Advisory Group LLC and its subsidiary entities provide tax and business consulting services. Eisner Advisory Group LLC and its subsidiary entities are not licensed CPA firms.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the 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 auditors' 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 the Organization's internal control. Accordingly, no such opinion is expressed.

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

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

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

Supplementary Information

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information containing The Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 18 and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles, and Audit Requirements of Federal Awards*, are presented for purposes of additional analysis and are 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Metairie, Louisiana
December 11, 2023

AGENDA FOR CHILDREN, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

A S S E T S

	2023	2022
ASSETS		
Current assets		
Cash	$ 14,717,850	$ 7,274,852
Grants receivable	4,175,374	1,362,052
Contract receivable	106,899	957,548
Other receivables	-	22,116
Prepaid expenses	1,027,000	407,100
Total current assets	20,027,123	10,023,668
Deposits	10,700	10,700
Due from employees	6,433	20,131
Property and equipment, net	-	1,285
Right-of-use assets, net	246,063	-
Total assets	$ 20,290,319	$ 10,055,784

L I A B I L I T I E S A N D N E T A S S E T S

LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	$ 457,415	$ 785,441
Lease liability, current portion	91,238	-
Refundable advances	12,184,480	3,350,000
Total current liabilities	12,733,133	4,135,441
Long-term liabilities		
Lease liability, net of current portion	156,235	-
Total long-term liabilities	156,235	-
Total liabilities	12,889,368	4,135,441
NET ASSETS		
Without donor restrictions	7,040,951	5,325,343
With donor restrictions	360,000	595,000
Total net assets	7,400,951	5,920,343
Total liabilities and net assets	$ 20,290,319	$ 10,055,784

The accompanying notes are an integral part of these consolidated financial statements.

AGENDA FOR CHILDREN, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT						
Federal grants	$ 8,606,605	$ -	$ 8,606,605	$ 8,753,437	$ -	$ 8,753,437
Non-federal grants and contributions	5,380,927	325,000	5,705,927	2,110,075	4,040,000	6,150,075
Contract revenue	4,993,712	-	4,993,712	4,062,942	-	4,062,942
Interest income	106,761	-	106,761	-	-	-
Paycheck Protection Program income	-	-	-	495,080	-	495,080
Other	41,398	-	41,398	41,639	-	41,639
Net assets released from restrictions	560,000	(560,000)	-	4,294,523	(4,294,523)	-
Total revenues and other support	19,689,403	(235,000)	19,454,403	19,757,696	(254,523)	19,503,173
EXPENSES						
Program services:						
Early childhood programs	16,122,646	-	16,122,646	15,238,568	-	15,238,568
Communication and policy	276,003	-	276,003	124,886	-	124,886
Support services:						
Management and general	1,523,108	-	1,523,108	1,425,841	-	1,425,841
Fundraising	52,038	-	52,038	23,183	-	23,183
Total expenses	17,973,795	-	17,973,795	16,812,478	-	16,812,478
Change in net assets	1,715,608	(235,000)	1,480,608	2,945,218	(254,523)	2,690,695
NET ASSETS AT BEGINNING OF YEAR	5,325,343	595,000	5,920,343	2,380,125	849,523	3,229,648
NET ASSETS AT END OF YEAR	$ 7,040,951	$ 360,000	$ 7,400,951	$ 5,325,343	$ 595,000	$ 5,920,343

The accompanying notes are an integral part of these consolidated financial statements.

AGENDA FOR CHILDREN, INC.

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023				
	Program Services		Support Services		
	Early Childhood Programs	Communication and Policy	Management and General	Fundraising	Total Expenses
Personnel costs	$ 2,129,119	$ 262,064	$ 1,028,041	$ 20,561	$ 3,439,785
Travel and meetings	47,383	2,583	52,398	4,426	106,790
Occupancy	107,081	1,570	1,883	324	110,858
Advertising and promotion	158,259	62	24,905	3,613	186,839
Contract services	2,588,605	8,875	138,638	22,894	2,759,012
Information technology	79,215	-	176,508	-	255,723
Direct program expenses	10,961,925	281	1,681	58	10,963,945
Office	16,367	240	58,279	83	74,969
Other	34,692	328	40,775	79	75,874
	$ 16,122,646	$ 276,003	$ 1,523,108	$ 52,038	$ 17,973,795

	2022				
	Program Services		Support Services		
	Early Childhood Programs	Communication and Policy	Management and General	Fundraising	Total Expenses
Personnel costs	$ 1,807,836	$ 115,085	$ 569,092	$ 23,183	$ 2,515,196
Travel and meetings	13,074	713	35,175	-	48,962
Occupancy	43,882	-	128,626	-	172,508
Advertising and promotion	34,600	7,529	13,037	-	55,166
Contract services	1,442,769	-	329,604	-	1,772,373
Information technology	97,111	1,488	125,331	-	223,930
Direct program expenses	11,782,703	-	27,428	-	11,810,131
Office	10,277	71	44,129	-	54,477
Other	6,316	-	153,419	-	159,735
	$ 15,238,568	$ 124,886	$ 1,425,841	$ 23,183	$ 16,812,478

The accompanying notes are an integral part of these consolidated financial statements.

AGENDA FOR CHILDREN, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
OPERATING ACTIVITIES		
Change in net assets	$ 1,480,608	$ 2,690,695
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,285	2,204
Right-of-use amoritzation	43,411	-
Forgiveness of debt	-	(495,080)
Changes in operating assets and liabilities:		
Grants receivable	(2,813,322)	(353,342)
Contract receivable	850,649	(957,548)
Accounts receivable	22,116	(21,066)
Prepaid expenses	(619,900)	(394,591)
Due from employees	13,698	7,451
Accounts payable and accrued expenses	(328,026)	417,567
Refundable advances	8,834,480	1,850,000
Operating lease asset	(289,474)	-
Operating lease liability	247,473	-
Net cash provided by operating activities	7,442,998	2,746,290
Net change in cash	7,442,998	2,746,290
Cash, beginning of year	7,274,852	4,528,562
Cash, end of year	$ 14,717,850	$ 7,274,852

The accompanying notes are an integral part of these consolidated financial statements.

AGENDA FOR CHILDREN, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization

Agenda for Children, Inc. (AFC) is a non-profit corporation organized to provide an informed, consistent and intentional voice on behalf of Louisiana's children. Agenda for Children, Inc. helps families find and choose child care and offers training and technical assistance for child care providers in the southeastern Louisiana area.

New Orleans Early Education Network (NOEEN) is a non-profit corporation organized on June 22, 2017, to have a collective impact on the early childhood sector in New Orleans by increasing at-risk children's access to quality early care and education and by designing and implementing a systematic approach to improve the quality of all publicly funded early learning programs. AFC has the power to direct the activities of NOEEN and has fiscal control over the assets of NOEEN through a fiscal sponsorship agreement. NOEEN had limited activity related to grant funding for the years ended June 30, 2023 and 2022, respectively.

Agenda for Children's programs' work on behalf of Louisiana's children and families and is in pursuit of three primary goals: (1) Access: Increase access to high quality early learning opportunities for children and families in need, (2) Quality: Improve the quality of opportunities for children and the adults who care for them, and (3) Resources: Connect people to resources to help their efforts to help children thrive. Program services consist of learning programs and communication and policy services.

Outdoor Learning Enhancement Opportunity (OLEO) is a fully funded state-wide initiative that encourages healthy living and learning through outdoor play and physical activity. Agenda welcomed its Type III Child Care Centers in Regions 1, 3, and 4 to participate in coaching cycles that include training and materials, and enable centers to create high quality and age appropriate outdoor learning environments at no additional cost to the centers.

Consolidated Financial Statements

The accompanying consolidated financial statements include the accounts of AFC and NOEEN (collectively, the Organization). All significant intercompany transactions have been eliminated in consolidation.

Basis of Accounting and Presentation of Net Assets

The consolidated financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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 Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

1. Summary of Significant Accounting Policies (continued)

Basis of Accounting and Presentation of Net Assets (continued)

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

Recently Adopted Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases.* This accounting standard and its related subsequent improvements increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Entity elected to use the transition option that allows an organization to apply the new lease standard at the adoption date and recognize a cumulative-effect adjustment (if any) to the opening balance of net assets in the year of adoption. Comparable periods continue to be presented under the guidance of the previous standard, ASC 840. As a result of the adoption of the new lease accounting guidance, the Entity recognized, on July 1, 2022, a lease liability of $289,474 and a right-of-use asset of $289,474. The standard had a material impact on the statement of financial position but did not have a material impact on the statements of activities, functional expenses and cash flows.

The Entity adopted Accounting Standards Update (ASU) 2020-07, Not-for-Profit Entities (Topic 958), *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. This standard was adopted on a retrospective basis, and the adoption had no impact to net assets as of June 30, 2023 or 2022.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates, and those differences could be material.

1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash includes amounts on deposit at financial institutions. The Organization considers all highly liquid investments available for current use with initial maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. The Organization held no cash equivalents at June 30, 2023 and 2022.

Receivables

Receivables consisting of grants and contracts receivable are stated at the amount management expects to collect from outstanding balances. The Organization determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable. As of June 30, 2023 and 2022, management did not deem any receivables to be uncollectable; therefore, no allowance was recorded.

Prepaid

The organization records prepaid expense asset when prepayment is made. The organization recognizes the expenditure throughout the year when services are rendered and expense is incurred.

Property and Equipment

The Organization records property and equipment at cost or, if donated, at fair value on the date of donation. The Organization capitalizes property and equipment in excess of $5,000. Depreciation is computed using the straight-line method over the following estimated useful lives: software - 3 years and furniture and equipment - 5 years. Leasehold improvements are depreciated over the shorter of the useful life of the improvement or the remaining term of the lease.

When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the consolidated statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2023 and 2022.

1. Summary of Significant Accounting Policies (continued)

Revenue and Revenue Recognition (continued)

Revenues from contract services are recognized over the term of the contract. The Organization has determined that revenues from such contracts are attributable to three performance obligations (Differentiated Coaching, Group Training and a centralized source for Early Childhood Centers), and the Organization recognizes revenue as the services are performed. Progress toward completion of the Organization's consulting contracts is measured by the completion of various tasks as set forth in the scope of work. The transaction price is based on a unit cost methodology in the contract, and there is no variable consideration. There is no significant financing component as payment is received shortly after invoicing. Contract receivables at June 30, 2023, 2022 and 2021, are $106,899, $957,578 and $0, respectively. Contract payables, related to tax proceeds (see note 7) at June 30, 2023, 2022 and 2021, are $11,264,980, $0 and $0, respectively, which are presented as refundable advances.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and nature of any donor-imposed restrictions.

Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of 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 statements of activities as net assets released from restrictions.

Grants receive the same accounting treatment as contributions if management determines there are no donor-imposed conditions. Revenues from grants that are determined to have donor-imposed conditions are recognized as the related expenses are incurred, with unexpended funds recorded as refundable advances.

Contributed Services

Members of the Organization's board of directors and other volunteers have made contributions of their time to assist in the Organization's operations and related charitable programs. The value of this contributed time is not recorded in these financial statements because it does not meet the requirements to be recorded in accordance with U.S. GAAP.

Income Taxes

AFC is a not-for-profit corporation organized under the laws of the State of Louisiana. AFC is exempt from Federal income tax under Section 501(c)3 of the Internal Revenue Code (the Code) and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code.

AFC has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

1. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Direct program expenses are costs incurred that are charged directly to the function that benefits from the expense. All other costs have been allocated among the programs and supporting services benefited using time and effort.

Leases

The Entity has entered into several lease agreements. Determination of leases is arranged at inception. Operating leases are included in lease right-of-use (ROU) assets and operating lease liabilities on the statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the Entity's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of the lease payments over the lease term. As most of the Entity's leases do not provide an implicit rate, the incremental borrowing rate is used based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Entity will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Entity's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Payroll Protection Program Funding

The Organization elected to record the proceeds received under this program in accordance with FASB ASC 470 resulting in the proceeds being reported as a financial liability upon receipt based on the terms as set forth with the financial institution. Once the Organization met the PPP's eligibility criteria the funds were accounted for as forgiveness of debt in the accompanying financial statements. See Note 10.

2. Liquidity and Availability

The following presents the Organization's financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year at June 30:

Financial assets at year-end:	2023	2022
Cash	$ 14,717,850	$ 7,274,852
Grants receivable	4,175,374	1,362,052
Contract receivable	106,899	957,548
Accounts receivable	-	22,116
Deposits	10,700	10,700
Due from employees	6,433	20,131
Total financial assets	19,017,256	9,647,399
Less amounts not available to be used within one year for general expenditures:		
Deposits	10,700	10,700
Due from employees	6,433	20,131
	17,133	30,831
Financial assets available to meet general expenditures within one year	$ 19,000,123	$ 9,616,568

The Organization's goal is to maintain at least 90 days of our operating expenses (approximately $4.5M), a level greater than the recommended standard of 30 – 60 days value of expenditures in reserves. As part of its liquidity management plan, the Organization plans to invest cash in excess of daily requirements in short-term investments, CDs, and money market funds.

In August 2021, the Organization entered into a $500,000 line of credit with a local financial institution. The line of credit bears interest at a variable prime interest rate which was 8.5% as of September 2023 and matures September 5, 2024. The line was renewed in September 2023 with a total principal amount of $1,000,000. See Note 11. No amounts have been drawn on the line of credit. The line of credit is available to meet seasonal cash flow needs and in preparation for natural disasters and catastrophic events that may interrupt business.

2. Concentrations and Credit Risk

For the years ended June 30, 2023 and 2022, the Organization received approximately 42% and 45%, respectively, of its revenue from various federal grants passed through the Louisiana Department of Education. The grant amounts are appropriated each year by the federal government. If significant budget cuts are made at the federal level, the amount of funds the Organization 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 the Organization will receive relating to its grant awards.

The Organization has concentrated its credit risk for cash by maintaining deposits in reputable financial institutions, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation. The Organization has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

3. Net Assets with Donor Restrictions

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

	2023	2022
Time and Purpose:		
ECHO Grant - W.K. Kellogg Foundation	$ 350,000	$ 300,000
Purpose:		
Kid's Count - Annie E. Casey Foundation	-	45,000
Blue Cross Blue Shield - Louisiana	10,000	-
Beloved Foundation	-	250,000
	$ 360,000	$ 595,000

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by donors. The primary funds released from net assets with donor restrictions during the year ended June 30, 2023, were Beloved Foundation expenditures of $250,000 and W.K. Kellogg Foundation ECHO Fund expenditures of $250,000. The primary funds released from net assets with donor restrictions during the year ended June 30, 2022, were City Seats expenditures of $3,844,200 and expenditures of approximately $720,200 from W.K. Kellogg Foundation ECHO grants.

4. Property and Equipment

Property and equipment consist of the following as of June 30:

	2023	2022
Leasehold improvements	$ 52,392	$ 52,392
Telephone	11,016	11,016
Software	21,880	21,880
	85,288	85,288
Less: accumulated depreciation	(85,288)	(84,003)
Property and equipment, net	$ -	$ 1,285

5. Leases

In January 2023, the Organization entered into a lease agreement with Figear, LLC, for office space. The lease is to be paid in monthly installments based on an agreed upon rate. The rate increases throughout the life of the lease. The lease agreement ends in 2025.

In April 2023, the Organization entered into two lease agreements with Allfax Capital, LLC, for two digital imagers. The leases are to be paid in monthly installments based on an agreed upon rate. The lease agreements end in 2027.

5. Leases (continued)

The components of lease expense were as follows:

Year Ended June 30,	**2023**
Operating lease cost	$ 42,001
Total operating lease cost	$ 42,001

Other information related to leases was as follows:

Year Ended June 30,	**2023**
Supplemental Cash Flows Information	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating Leases	
Operating cash flows from operating leases	$ 47,396
Right-of-use assets obtained in exchange for lease obligations:	
Operating leases	289,474
Weighted Average Remaining Lease Term	
Operating leases	3.39
Weighted Average Discount Rate	
Operating leases	2.61%

Future minimum lease payments under non-cancellable leases as of June 30, 2023 are as follows:

Year Ending June 30,	
2024	$ 99,770
2025	102,602
2026	54,704
2027	4,478
	261,554
less imputed interest	(14,081)
Lease liability	$ 247,473

6. Related Party Transactions

The Organization incurred expenses with a business owned by a current board member totaling approximately $409,091, and $237,475 during the years ended June 30, 2023 and 2022, respectively for services related to its child care training programs.

The Organization has recorded amounts due from employees related to the change in the frequency of when payroll was processed. At termination, the amount is withheld from the employee's final paycheck.

7. Cooperative Endeavor Agreement

On June 4, 2020, retroactively effective as of January 1, 2020, the Organization entered into a one-year Cooperative Endeavor Agreement (CEA) with the City of New Orleans (the City) to accomplish the public purpose of providing young children with access to early education programs. The CEA required the Organization to enroll no fewer than 100 Orleans parish resident students, aged 0 – 3 years old, into early education programs across the City with a State performance rating of 3.75 or higher. Pursuant to the CEA, the City was to pay the Organization for the enrollment of no greater than 100 students at the rate of $1,000 per student per month, for a total amount not to exceed $1,200,000 per year. In addition, the City was to pay the Organization a maximum amount not to exceed $300,000 per year for administrative and managerial costs.

On August 24, 2020, an Amendment to the CEA was signed to increase the minimum enrollment of students from 100 to 200 at the rate of $1,000 per student per month or $2,400,000. The administrative fee was increased to $600,000 per year for administrative and managerial costs. The CEA was effective through December 31, 2021. Effective, January 1, 2022, a CEA was entered into under the same terms and is effective through December 31, 2022.

Effective, June 30, 2023, a Cooperative Endeavor Agreement was entered into to fund one-time wage enhancements to childcare teachers in Orleans Parish in the amount of $2,400,000 and is effective through December 31, 2023. Wage enhancements shall not exceed a total of $2,280,000. The City of New Orleans was to pay the organization a maximum amount not to exceed $120,000 for administrative and managerial costs.

Effective January 1, 2023, all tax proceeds from taxable property within Orleans Parish will be dedicated exclusively to programs and capital investments that provide childcare and educational opportunities for Orleans Parish children who have not yet entered kindergarten. The State of Louisiana will match the Special Tax Funds and will be funded through the Louisiana Department of Education. Orleans Parish estimated collection during the initial year is $21,274,959. The Organization received a total of $11,692,046 in tax proceeds of which $11,264,980 has been deferred to refundable advances. The deferred refundable advance will be recognized as services are provided over the upcoming year.

8. Compensated Absences

Employees of the Organization are entitled to paid vacation and sick days, depending on length of service and other factors. The Organization's policy is to accrue amounts earned by employees at the end of the year. As of June 30, 2023 and 2022, the Organization accrued $46,217 and $44,215 respectively, which are included in accounts payable and accrued expenses on the consolidated statements of financial position.

9. Employee Retirement Plan

The Organization adopted a 403(b) retirement plan (the Plan) on October 1, 2019, that is available to all eligible employees. Employees may contribute up to the maximum level of deferral allowed by the Internal Revenue Service. The Plan provides for safe harbor nonelective contributions equal to 3% of each employee’s eligible compensation. Safe harbor contributions for the years ended June 30, 2023 and 2022, were $76,504 and $59,670, respectively.

10. Paycheck Protection Program

During the year ended June 30, 2021, the Organization applied for and was approved for a $495,080 PPP Second Draw loan. The second draw is administered by the Small Business Administration as part of the relief efforts related to COVID-19. The Organization was granted full forgiveness of the loan in March 2022, and the entire proceeds of the loan amount were recognized as revenue for the year ended June 30, 2022.

11. Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, December 11, 2023, and determined that the following requires additional disclosure.

- In August 2021, the Organization entered into a $500,000 line of credit with a local financial institution. In September 2023, the line of credit was renewed and increased to $1,000,000. The line of credit bears interest at a variable prime interest rate which was 8.5% as of August 2023 and matures September 5, 2024.

No other subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

SUPPLEMENTAL INFORMATION

AGENDA FOR CHILDREN, INC.
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2023

Agency Head Name: Jennifer Roberts
CEO - Agenda for Children
Early Education Network

Purpose		Amount
Salary	$	258,078
Benefits - FICA & Medicare		15,683
Workers compensation		2,581
Benefits - unemployment		213
Benefits - health insurance		140
Benefits - life insurance		994
Benefits - retirement		7,536
Cell phone		1,200
	$	286,425

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INDEPENDENT AUDITORS' 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
Agenda for Children, Inc.

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 Agenda for Children, Inc. (the Organization), which comprise the consolidated statement of financial position as of June 30, 2023, 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, and have issued our report thereon dated December 11, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

"EisnerAmper" is the brand name under which EisnerAmper LLP and Eisner Advisory Group LLC and its subsidiary entities provide professional services. EisnerAmper LLP and Eisner Advisory Group LLC are independently owned firms that practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. EisnerAmper LLP is a licensed CPA firm that provides attest services, and Eisner Advisory Group LLC and its subsidiary entities provide tax and business consulting services. Eisner Advisory Group LLC and its subsidiary entities are not licensed CPA firms.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 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 the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EisnerAmper LLP

EISNERAMPER, LLP
Metairie, Louisiana
December 11, 2023

EISNERAMPER LLP

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

To the Board of Directors of
Agenda for Children, Inc.
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Agenda for Children, Inc.'s (a nonprofit organization) (the Organization) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2023. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

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 Agenda for Children, Inc. 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 the major federal program. Our audit does not provide a legal determination of Agenda for Children, Inc.'s compliance with the compliance requirements referred to above.

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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 Agenda for Children, Inc.'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 Agenda for Children, Inc.'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 Agenda for Children, Inc.'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 Agenda for Children, Inc.'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 Agenda for Children, Inc.'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 Agenda for Children, Inc.'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 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 Auditors' 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, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been 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.

EisnerAmper LLP

EISNERAMPER, LLP
Metairie, Louisiana
December 11, 2023

AGENDA FOR CHILDREN, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
National Science Foundation			
(Passed through Tulane University)			
Social, Behavioral, and Economic Sciences	47.075	TUL-SCC-560586-22/23	$ 10,307
Total for National Science Foundation			10,307
U.S. Department of Health and Human Services			
(Passed through the State of Louisiana Department of Education)			
Preschool Development Grants			
B3 Seats	93.434	28-22-B3SP	1,112,874
Ready Start Network	93.434	28-22-RSB5	75,781
Total Preschool Development Grant			1,188,655
(Passed through the State of Louisiana Department of Education)			
Child Care and Development Fund (CCDF) Cluster:			
Child Care and Development Block Grant:			
Lead Agency Stab Admin	93.575	28-21-LASA	8,925
Believe Category 3	93.575	28-21-B3CC	276,223
Believe Category 1	93.575	28-21-CCCR	731,000
Believe Category 4	93.575	28-21-B4CC	55,000
Lead Agency	93.575	28-22-COLC	260,030
B-3 Seats CCDBG	93.575	28-21-B3SA	2,719,353
Community Supply Building & Access	93.575	28-21-SBEA	499,570
Ready Start Transform	93.575	28-21-RTCC	874,727
Ready Start Transform Stab Admin	93.575	28-21-RTSA	22,629
B-3 Seats CCRSA	93.575	28-21-B3SC	1,339,448
Total Child Care and Development Block Grant			6,786,905
Child Care Mandatory and Matching Funds of the Child Care and Development Fund:			
Ready Start Network CCDF	93.596	28-22-RSCC-A4	268,366
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund			
Total Child Care and Development Fund (CCDF) Cluster			7,055,271
Total U.S. Department of Health and Human Services			8,243,926
Total Federal Expenditures			$ 8,254,233

See accompanying notes to the schedule of expenditures of federal awards.

AGENDA FOR CHILDREN, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Agenda for Children (the Organization) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the Organization's consolidated financial statements for the year ended June 30, 2023. Such expenditures are recognized following the cost principles contained in accordance with the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements.

Note C - Relationship to Financial Statements

Federal awards are included in the financial statements of the Organization as follows:

Grants - Federal	$ 8,606,605
Less: accounts receivable for reimbursement grant	352,372
	$ 8,254,233

Note D - De Minimis Cost Rate

During the year ended June 30, 2023, the Organization did not elect to use the 10% de minimis cost rate as covered in §200.414 of the Uniform Guidance.

Note E - Amounts Passed through to Subrecipients

During the year ended June 30, 2023, the Organizations did not pass through any federal funding to subrecipients.

AGENDA FOR CHILDREN, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Independent Auditors' Results

Consolidated financial statements

The type of report issued on the consolidated financial statements: Unmodified opinion

Internal control over financial reporting:

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

Noncompliance material to the consolidated financial statements noted? No

Federal Awards

Internal controls over major programs:

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

Type of auditors' report issued on compliance for major programs: Unmodified opinion

Any audit findings which are required to be reported under the Uniform Guidance? No

Identification of major program:

Child Care and Development Fund Cluster Assistance Listing #: 93.575 and 93.596

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

Auditee qualified as a low-risk auditee under Section 530 of The Uniform Guidance: Yes

AGENDA FOR CHILDREN, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Findings– Financial Statements

- None

Findings and Questioned Costs – Major Federal Awards Programs

- None

AGENDA FOR CHILDREN, INC.

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Findings– Financial Statements

- None

Findings and Questioned Costs – Major Federal Awards Programs

- None