

# YOUNG AUDIENCES CHARTER SCHOOL

## COMBINED FINANCIAL STATEMENTS

June 30, 2018 and 2017



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**Young Audiences Charter School**  
**Table of Contents**  
**June 30, 2018**

**REPORT**

Independent Auditors' Report	1
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**COMBINED FINANCIAL STATEMENTS**

Combined Statements of Financial Position	3
Combined Statements of Activities	4
Combined Statements of Functional Expenses	6
Combined Statements of Cash Flows	8
Notes to the Combined Financial Statements	9

**REPORT REQUIRED BY *GOVERNMENTAL AUDITING STANDARDS***

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 <i>Government Auditing Standards</i>	17
Schedule of Findings and Responses	19
Summary Schedule of Prior Audit Findings	20

**SUPPLEMENTARY INFORMATION**

Schedule of Compensation, Benefits and Other Payments Made to Agency Head	21
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**SCHEDULES REQUIRED BY STATE LAW (PERFORMANCE STATISTICAL DATA)**

Independent Accountants' Report on Applying Agreed-Upon Procedures	22
Schedule 1: General Fund Instructional and Support Expenditures and Certain Local Revenue Sources for the Year Ended June 30, 2018	25
Schedule 2: Class Size Characteristics	26



**REPORT**



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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Young Audiences Charter School  
Gretna, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying combined financial statements of Young Audiences Charter School (a nonprofit organization) ("Young Audiences Charter"), a component unit of the Jefferson Parish Public School System, which comprise the combined statements of financial position as of June 30, 2018 and 2017, and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Young Audiences Charter's preparation and fair presentation of the combined financial statements 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 Young Audiences Charter's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Young Audiences Charter as of June 30, 2018 and 2017, 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.

### ***Other Matters***

#### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying schedule of compensation, benefits and other payments made to agency head is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined 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 October 30, 2018, on our consideration of Young Audiences Charter'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 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 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 Young Audiences Charter's internal control over financial reporting and compliance.

*Carri Riggs & Ingram, L.L.C.*

October 30, 2018



**COMBINED  
FINANCIAL STATEMENTS**

**Young Audiences Charter School  
Combined Statements of Financial Position**

<i>June 30,</i>	2018	2017
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,064,888	\$ 1,352,042
Cash restricted for student activities	21,150	16,986
Federal grants receivable	216,817	184,922
Accounts receivable	9,823	100
Prepaid expenses	76,620	71,032
<b>Total current assets</b>	<b>1,389,298</b>	<b>1,625,082</b>
<b>Property and equipment, net</b>	<b>574,240</b>	<b>287,030</b>
<b>Noncurrent assets</b>		
Prepaid expenses	102,018	136,024
Deposits	19,559	19,559
<b>Total noncurrent assets</b>	<b>121,577</b>	<b>155,583</b>
<b>Total Assets</b>	<b>\$ 2,085,115</b>	<b>\$ 2,067,695</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 154,541	\$ 252,574
Due to related party	343,965	228,459
Accrued expenses	257,490	201,949
<b>Total current liabilities</b>	<b>755,996</b>	<b>682,982</b>
<b>Total liabilities</b>	<b>755,996</b>	<b>682,982</b>
<b>Net assets</b>		
Unrestricted	1,307,969	1,367,727
Temporarily restricted	21,150	16,986
<b>Total net assets</b>	<b>1,329,119</b>	<b>1,384,713</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,085,115</b>	<b>\$ 2,067,695</b>

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

**Young Audiences Charter School  
Combined Statement of Activities**

<i><b>For the year ended June 30, 2018</b></i>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>Revenues and support</b>			
State public school funds	\$ 6,819,775	\$ -	\$ 6,819,775
Food service	411,268	-	411,268
Federal grant	159,101	-	159,101
Donations and contributions	48,594	-	48,594
Other revenue	62,906	43,078	105,984
Net assets released from restrictions	38,914	(38,914)	-
Total revenues and support	7,540,558	4,164	7,544,722
<b>Expenses</b>			
Program Services	5,689,180	-	5,689,180
Supporting services			
Management and general	1,911,136	-	1,911,136
Total expenses	7,600,316		7,600,316
<b>Change in net assets</b>	(59,758)	4,164	(55,594)
<b>Net assets at beginning of year</b>	1,367,727	16,986	1,384,713
<b>Net assets at end of year</b>	<b>\$ 1,307,969</b>	<b>\$ 21,150</b>	<b>\$ 1,329,119</b>

*The accompanying footnotes are an integral part of this combined financial statement.*

**Young Audiences Charter School  
Combined Statement of Activities**

<i>For the year ended June 30, 2017</i>	Unrestricted	Temporarily Restricted	Total
<b>Revenues and support</b>			
State public school funds	\$ 6,187,278	\$ -	\$ 6,187,278
Food service	327,870	-	327,870
Federal grant	155,672	-	155,672
Donations and contributions	16,156	-	16,156
Other revenue	79,902	24,730	104,632
Net assets released from restrictions	25,059	(25,059)	-
Total revenues and support	6,791,937	(329)	6,791,608
<b>Expenses</b>			
Program Services	4,697,173	-	4,697,173
Supporting services			
Management and general	1,704,271	-	1,704,271
Total expenses	6,401,444	-	6,401,444
<b>Change in net assets</b>	390,493	(329)	390,164
<b>Net assets at beginning of year</b>	977,234	17,315	994,549
<b>Net assets at end of year</b>	\$ 1,367,727	\$ 16,986	\$ 1,384,713

*The accompanying footnotes are an integral part of this combined financial statement.*

**Young Audiences Charter School  
Combined Statement of Functional Expenses**

<i>For the year ended June 30, 2018</i>	<b>Instructional</b>	<b>Management and General</b>	<b>Total</b>
Salaries	\$ 2,862,439	\$ 491,483	\$ 3,353,922
Professional purchased services	1,039,757	575,605	1,615,362
Employee benefits	583,400	77,680	661,080
Transportation services	426,487	-	426,487
Food service	398,511	17,183	415,694
Purchased property services	41,254	246,897	288,151
Materials and supplies	120,405	74,705	195,110
Other expenses	89,660	204,445	294,105
Utilities	-	83,551	83,551
Depreciation expense	1,370	76,615	77,985
Equipment	35,935	7,138	43,073
Other purchased services	-	29,974	29,974
Textbooks, books, workbooks, periodicals	89,962	-	89,962
Insurance	-	25,860	25,860
<b>Total expenses</b>	<b>\$ 5,689,180</b>	<b>\$ 1,911,136</b>	<b>\$ 7,600,316</b>

*The accompanying notes are an integral part of this combined financial statement.*

## Young Audiences Charter School Combined Statement of Functional Expenses

<i>For the year ended June 30, 2017</i>	<b>Instructional</b>	<b>Management and General</b>	<b>Total</b>
Salaries	\$ 2,356,092	\$ 333,579	\$ 2,689,671
Professional purchased services	826,948	503,324	1,330,272
Employee benefits	511,021	68,297	579,318
Transportation services	356,640	-	356,640
Food service	339,292	17,198	356,490
Purchased property services	33,865	269,944	303,809
Materials and supplies	144,736	68,948	213,684
Other expenses	16,125	180,780	196,905
Utilities	-	88,540	88,540
Depreciation expense	1,748	67,027	68,775
Equipment	60,399	5,191	65,590
Other purchased services	768	55,992	56,760
Textbooks, books, workbooks, periodicals	49,539	-	49,539
Insurance	-	45,451	45,451
<b>Total expenses</b>	<b>\$ 4,697,173</b>	<b>\$ 1,704,271</b>	<b>\$ 6,401,444</b>

*The accompanying notes are an integral part of this combined financial statement.*

## Young Audiences Charter School Combined Statements of Cash Flows

<i>For the years ended June 30,</i>	2018	2017
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (55,594)	\$ 390,164
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation expense	77,985	68,775
Changes in operating assets and liabilities		
Prepaid expenses	28,418	(165,656)
Federal grants receivable	(31,895)	30,825
Accounts receivable	(9,723)	28,154
Accounts payable	(98,033)	210,123
Due to related party	115,506	(33,648)
Accrued expenses	55,541	(1,992)
<b>Net cash provided by operating activities</b>	<b>82,205</b>	<b>526,745</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	(365,195)	(101,737)
<b>Net cash used in investing activities</b>	<b>(365,195)</b>	<b>(101,737)</b>
<b>Net (Decrease) Increase in Cash, Cash Equivalents and Restricted Cash</b>	<b>(282,990)</b>	<b>425,008</b>
<b>Cash, Cash Equivalents and Restricted Cash, Beginning of Year</b>	<b>1,369,028</b>	<b>944,020</b>
<b>Cash, Cash Equivalents and Restricted Cash, End of Year</b>	<b>\$ 1,086,038</b>	<b>\$ 1,369,028</b>
Reconciliation to the Combined Statements of Financial Position		
Cash and cash equivalents	\$ 1,064,888	\$ 1,352,042
Cash restricted for student activities	21,150	16,986
<b>Total cash, cash equivalents and cash restricted for student activities</b>	<b>\$ 1,086,038</b>	<b>\$ 1,369,028</b>

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

## Young Audiences Charter School Notes to the Combined Financial Statements

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ***Organization***

Young Audiences Charter School ("Young Audiences Charter"), a nonprofit organization, was incorporated in 2013 for the purpose of operating a charter school located in Gretna, Louisiana. Young Audiences Charter was created to provide a rigorous learning environment where students achieve academically, develop intellectual curiosity, and practice environmental responsibility while integrating arts education and quality after-school programs.

Young Audiences Charter's initial school year began in August, 2013. The Jefferson Parish Public School System ("JPPSS") granted Young Audiences Charter a Type 1 charter to operate Young Audiences Charter. Young Audiences Charter has full responsibility for its finances and operations. Young Audiences Charter is a component unit of JPPSS.

Young Audiences Charter operated as a K-7 Charter School with a student enrollment of 757 and 686 for the years ended June 30, 2018 and 2017, respectively.

Young Audiences Charter is combined with Friends of Young Audiences Charter Association ("Friends of YACA"), a Type 2 supporting nonprofit organization. Friends of YACA formed in 2018 primarily to raise capital for building a new school for Young Audiences Charter (See Note 3).

#### ***Basis of Accounting***

The financial statements have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

#### ***Use of Estimates***

The preparation of 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 and disclosures. Accordingly, actual results could differ from those estimates.

#### ***Cash and Cash Equivalents***

Cash, which is held in interest bearing accounts, consists of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes. Restricted cash balances consist of amounts received from individual donors or entities who state the specific use of the contribution is for student activities.

Young Audiences Charter classifies all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

**Young Audiences Charter School**  
**Notes to the Combined Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Grants and Other Receivables and Allowance for Doubtful Accounts***

Grants and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through adjustments to valuation allowances based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. As of June 30, 2018 and 2017, management did not deem any receivables to be uncollectible; therefore, no allowance was recorded.

***Prepaid Expenses***

Prepaid expenses include health insurance premiums and payments made to vendors for services that will benefit periods beyond June 30, 2018. Young Audiences Charter has a six-year textbook subscription with Pearson Education, Inc. that was paid in full in 2017 totaling \$204,036. For the years ended June 30, 2018 and 2017, the current portion of prepaid expense for these books is \$76,620 and \$71,032 and noncurrent portion is \$102,018 and \$136,024, respectively.

***Deposits***

Deposits are assets related to the Vanguard Modular leased buildings. Young Audiences Charter will be refunded the deposits once the lease term has expired (See Note 4).

***Property and Equipment***

Property and equipment is capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated property and equipment is recorded at fair market values as of the date received. Young Audiences Charter capitalizes property and equipment with values over \$5,000 per item.

Depreciation is computed using the straight-line method over the following useful lives:

Machinery and equipment	3-5 years
Building	5 years

***Income Tax Status***

Young Audiences Charter is a tax exempt organization under Internal Revenue Code Section 501(c)(3) and, as such, is not subject to income tax.

## Young Audiences Charter School Notes to the Combined Financial Statements

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***Net Assets***

Young Audiences Charter follows the provisions of Not-For-Profit Entities Topic of Financial Accounting Standards Board (“FASB”) released Accounting Standards Update (“ASU”) 958, which establishes external financial reporting for not-for-profit organizations which includes three basic financial statements and classification of resources into three separate categories of net assets, as follows:

- Unrestricted - Net assets which are free of donor imposed restrictions; all revenues, expenses, gains and losses that are not changes in permanently or temporarily restricted net assets.
- Temporarily Restricted - Net assets whose use by Young Audiences Charter is limited by donor-imposed stipulations that either expire by the passage of time or that can be fulfilled or removed by actions of Young Audiences Charter pursuant to such stipulations.
- Permanently Restricted - Net assets whose use by Young Audiences Charter is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled and removed by actions of Young Audiences Charter. No such assets were recorded as of June 30, 2018 or 2017.

#### ***Public Support and Revenue***

Young Audiences Charter receives its support primarily from JPPSS as a flow through from the Louisiana State Department of Education and the United States Department of Education. Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances are provided for promises to give which are estimated to be uncollectible. Promises to give and contributions are principally received from corporate, school, and individual donors around the United States. Both promises to give and contributions are considered available for unrestricted use unless specifically restricted by donors. Irrevocable promises to give which relate to a subsequent year are recorded as receivables and temporarily restricted net assets in the year the commitment is received. Contributions whose donor restrictions are met in the same reporting period are reported as unrestricted support.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial 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.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net



## Young Audiences Charter School Notes to the Combined Financial Statements

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

assets are reclassified to unrestricted net assets and reported in the combined statements of activities as net assets released from restrictions.

#### ***Functional Expenses***

The cost of program and supporting services has been reported on a functional basis. This requires the allocation of certain costs based on total program costs and estimates made by management. The allocation between the functions is compiled based on the Louisiana Accounting and Uniform Governmental Handbook (“LAUGH”).

#### ***Recent Accounting Pronouncements***

In August 2016, the Financial Accounting Standards Board (“FASB”) released Accounting Standards Update (“ASU”) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which amends the financial reporting and disclosure of net assets for not-for-profit entities. The main provisions include presenting net assets in two classes, net assets with donor restrictions and net assets without donor restrictions, on the statements of financial position; presenting on the face of the statements of activities the amount of change in each of the two classes; and providing enhanced disclosures over the amounts and purposes of governing board designations, composition of net assets with donor restrictions, and qualitative information that communicates how an organization manages its liquid resources available to meet cash needs for general expenditures within one year of the statement of financial position dates. The provisions of this standard are effective for the fiscal year beginning July 1, 2018. Management is still evaluating the impact that the implementation of this ASU will have on the Young Audiences Charter’s financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The provisions of this standard are effective for the fiscal year beginning July 1, 2019. Management is still evaluating the impact that the implementation of this ASU will have on the Young Audiences Charter’s financial statements.

In February of 2016, the FASB released ASU No. 2016-02, *Leases* (Topic 842). Topic 842 supersedes Topic 840, *Leases*, and effects how entities account for operating and capital leases. The main provision of Topic 842 requires entities to recognize a lease asset and lease liability for leases classified as operating under previous guidance. A lessee should recognize in the statement of financial position a liability to make lease payments and a right-of-use asset representing its right to

## Young Audiences Charter School Notes to the Combined Financial Statements

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

use the underlying asset for the lease term. The guidance allows for accounting policy election to not recognize a lease asset or liability for leases with terms of 12 months or less. The amendments of ASU 2016-07 are effective for the fiscal year beginning July 1, 2020. Management is still evaluating the impact that the implementation of this ASU will have on the Young Audiences Charter's financial statements.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The main provisions includes guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. The amendments clarify how an entity determines whether a resource provider is participating in an exchange transaction by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred. The provisions of this standard are effective for the fiscal year beginning July 1, 2019. Management is still evaluating the impact that the implementation of this ASU will have on the Young Audiences Charter's financial statements.

#### ***Subsequent Events***

On October 18, 2018, the Louisiana State Bond Commission approved Young Audiences Charter to secure bonds up to \$27 million for the purpose of rebuilding existing facilities. Young Audiences Charter is currently in the application process to secure these bonds. Subsequent events have been evaluated through October 30, 2018, the date the financial statements were available to be issued, and no events, except as noted above, were material to the financial statements and noted for disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

#### ***Reclassification***

Certain amounts previously reported in the financial statements for the prior year have been reclassified to conform with the current year classification. Specifically, a portion of prepaid expense has been recorded as current assets and a portion has been reclassified to non-current assets to more accurately represent current and non-current assets. There was no change to total assets as a result of this reclassification.

### NOTE 2 – CASH AND CASH EQUIVALENTS

Young Audiences Charter maintains its cash balances at a national financial institution. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the year ended June 30, 2018 and 2017. At times, the balance may exceed the federally insured amount. At June 30, 2018 and 2017, Young Audiences Charter's cash deposits exceeded the FDIC limits by \$1,012,523 and \$1,150,078, respectively.

## Young Audiences Charter School Notes to the Combined Financial Statements

### NOTE 3 – PROPERTY AND EQUIPMENT

The cost of property and equipment is summarized as follows:

June 30,	2018	2017
Building	\$ 65,600	\$ 65,600
Building improvements	196,402	196,402
Leasehold improvements	118,387	101,737
Construction in process	348,547	-
Machinery and equipment	27,438	27,438
Less: accumulated depreciation	(182,134)	(104,147)
<b>Net carrying amount</b>	<b>\$ 574,240</b>	<b>\$ 287,030</b>

Depreciation expense was \$77,985 and \$68,775, respectively, for the years ended June 30, 2018 and 2017. The construction in process consists of preliminary building costs incurred by Friends of YACA to potentially acquire and renovate a building for the use of Young Audiences Charter.

### NOTE 4 – LEASE AGREEMENTS

Young Audiences Charter entered into an operating lease agreement on March 6, 2013 with the JPPSS for the use of Kate Middleton Elementary School located in Gretna, Louisiana as its school facilities at a rate of \$107 per student per year. This lease commenced on July 16, 2013 and expired on July 15, 2018. The lease expired and Young Audiences Charter renewed the operating lease agreement on June 25, 2018 with the JPPSS at the same rate and terms. This lease commenced on July 1, 2018 and expires on June 30, 2023. Young Audiences Charter recognized \$91,018 and \$87,931 in lease expense for the years ended June 30, 2018 and 2017, respectively. Young Audiences Charter is responsible for the payment of utilities, janitorial, sanitation, and disposal services.

In addition, Young Audiences Charter entered into a lease agreement on May 5, 2016 with a leasing company for the use of a modular building. The commencement date on this lease was July 5, 2016 and had an initial term of 24 months that was extended to September 29, 2018. The lease required monthly payments of \$3,224. The extended lease commenced on September 30, 2018 and has an initial term of 12 months. The lease requires monthly payments of \$1,660.

**Young Audiences Charter School**  
**Notes to the Combined Financial Statements**

**NOTE 4 – LEASE AGREEMENTS (CONTINUED)**

Future minimum commitments under the operating lease agreements are estimated to be as follows:

<i>Fiscal Year:</i>	
2019	\$ 115,241
2020	105,239
2021	109,889
2022	119,519
2023	129,149
Total	\$ 579,037

**NOTE 5 – RETIREMENT PLAN**

Employees of Young Audiences Charter may participate in an employer sponsored retirement plan. Eligible employees may elect to contribute a portion of their salaries to the plan. Young Audiences Charter's matching contribution to the Plan is 100% of the participant's contributions not to exceed 5% of the participant's compensation. Young Audiences Charter made contributions to the plan of \$23,667 and \$21,942 for the years ended June 30, 2018 and 2017, respectively.

**NOTE 6 – SIGNIFICANT CONCENTRATION**

For the years ended June 30, 2018 and 2017, Young Audiences Charter received approximately 90% and 91%, respectively, of its total revenue from State Public School funds.

**NOTE 7 – CONTINGENCIES**

State Funding - The continuation of Young Audiences Charter is contingent upon legislative appropriation or allocation of funds necessary to fulfill the requirements of the charter contract with the Jefferson Parish Public School System. If the legislature fails to appropriate sufficient monies to provide for the continuation of the charter contract, or if such appropriation is reduced by veto of the Governor or by any means provided in the appropriations act to prevent the appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the charter contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

**NOTE 8 – UNCERTAIN TAX POSITIONS**

Accounting principles generally accepted in the United States of America require Young Audiences Charter's management to evaluate tax positions taken by Young Audiences Charter and recognize a tax liability if Young Audiences Charter has taken an uncertain position that more likely than not

## Young Audiences Charter School Notes to the Combined Financial Statements

### NOTE 8 – UNCERTAIN TAX POSITIONS (CONTINUED)

would not be sustained upon examination by the Internal Revenue Service. Young Audiences Charter’s management has analyzed the tax positions taken by Young Audiences Charter, and has concluded that as of June 30, 2018 and 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. Young Audiences Charter is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

### NOTE 9 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets of \$21,150 and \$16,986 at June 30, 2018 and 2017, respectively, reported in the combined statements of financial position are available for the purposes of student activities that will expire when expenses for restricted purposes are incurred.

### NOTE 10 – FEDERAL GRANTS RECEIVABLE

Federal grants receivable at June 30, 2018 and 2017 is comprised of the following balances:

At June 30,	2018	2017
Title I	\$ 135,750	\$ 136,950
Child Nutrition	52,263	30,470
IDEA	23,351	17,502
Other	5,453	-
Total federal grants receivable	\$ 216,817	\$ 184,922

### NOTE 11 – RELATED PARTIES TRANSACTIONS

Young Audiences Charter had amounts payable to an affiliated nonprofit organization, Young Audiences of Louisiana (“YALA”). The total amount recorded as due to related party (YALA) at June 30, 2018 and 2017 on the accompanying combined statements of financial position was \$343,965 and \$228,459, respectively. YALA provided services that were primarily for arts and culture education programs, along with management oversight and staff training. For those services, Young Audiences Charter paid YALA \$1,256,730 and \$1,132,958 for the years ended June 30, 2018 and 2017, respectively. Amounts payable are noninterest bearing and have no specified repayment terms, however, management has classified amounts payable as current.



**REPORT REQUIRED BY  
*GOVERNMENT AUDITING  
STANDARDS***



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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***

Board of Directors  
Young Audiences Charter School  
Gretna, 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 combined financial statements of Young Audiences Charter School (a nonprofit organization) ("Young Audiences Charter"), which comprise the combined statements of financial position as of June 30, 2018 and 2017, and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements, and have issued our report thereon dated October 30, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the combined financial statements, we considered Young Audiences Charter's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of Young Audiences Charter's internal control. Accordingly, we do not express an opinion on the effectiveness of Young Audiences Charter'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 Young Audiences Charter 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 audits we did

not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Young Audiences Charter's combined 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, 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 Young Audiences Charter'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 Young Audiences Charter's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Caru, Riggo & Ingram, L.L.C.*

October 30, 2018



## Young Audiences Charter School Schedule of Findings and Responses

### A. SUMMARY OF AUDITORS' RESULTS

1. The independent auditors' report expresses an unmodified opinion on the combined financial statements of Young Audiences Charter School.
2. No significant deficiencies or material weaknesses relating to the audit of the combined financial statements were reported in the 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*.
3. No instances of noncompliance material to the combined financial statements of Young Audiences Charter were reported in the 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*.
4. No management letter was issued for the year ended June 30, 2018.

### B. FINDINGS RELATED TO THE COMBINED FINANCIAL STATEMENTS

There were no findings related to the combined financial statements for the year ended June 30, 2018.

### C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

There were no findings related to compliance and other matters for the year ended June 30, 2018.



## Young Audiences Charter School Summary Schedule of Prior Audit Findings

### **A. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There were no findings related to the financial statements for the year ended June 30, 2017.

### **B. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS**

There were no findings related to compliance and other matters for the year ended June 30, 2017.



## **Supplementary Information**

**Young Audiences Charter School**  
**Schedule Of Compensation, Benefits and**  
**Other Payments Made to Agency Head**  
**For the Year Ended June 30, 2018**

Agency Head Name: Brandon House, School Leader

---

<b>PURPOSE</b>	<b>AMOUNT</b>
Salary	\$ 105,000
Benefits-health insurance	369
Benefits-retirement	-
Deferred compensation	-
Workers comp	725
Benefits-life insurance	10
Benefits-long term disability	972
Benefits-Fica & Medicare	7,954
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	95
Travel	-
Registration fees	-
Conference travel	381
Unvouchered expenses	-
Meetings & conventions	-
Other	-
<hr/>	
	<b>\$ 115,506</b>



**SCHEDULES REQUIRED BY STATE  
LAW (PERFORMANCE STATISTICAL  
DATA)**

## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

Young Audiences Charter School,  
the Louisiana Department of Education,  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Young Audiences Charter School; the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual combined financial statements of the Young Audiences Charter School for the fiscal year ended June 30, 2018; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin, in compliance with Louisiana Revised Statute 24:514 I. Management of the Young Audiences Charter School is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

### General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a sample of 25 transactions, inspected 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 the schedule:
  - Total General Fund Instructional Expenditures
  - Total General Fund Equipment Expenditures
  - Total Local Taxation Revenue
  - Total Local Earnings on Investment in Real Property
  - Total State Revenue in Lieu of Taxes
  - Nonpublic Textbook Revenue
  - Nonpublic Transportation Revenue

Results: No exceptions were found as a result of applying the procedures.

### Class Size Characteristics (Schedule 2)

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a sample of 10 classes to the October 1, 2017 roll books for those classes and observed that the class was properly classified on the schedule.

Results: No exceptions were found as a result of applying the procedures.

### Education Levels/Experience of Public School Staff (No Schedule)

3. We obtained October 1, 2017 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/listing 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: No exceptions were found as a result of applying the procedures.

### Public School Staff Data: Average Salaries (No Schedule)

4. We obtained June 30, 2018 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 data/listing was complete. We then 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: We noted that Young Audiences Charter had one of 25 teachers that received a \$1,500 stipend, which was not reported in the total salaries on the PEP report.

This agreed-upon procedures engagement was performed 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, 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 were not engaged to and did not perform an examination, the objective of which would be the expression of an opinion or conclusion, respectively on the performance and statistical data accompanying the annual combined financial statements of Young Audiences Charter. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual combined financial statements of Young Audiences Charter School, as required by Louisiana Revised Statute 24:514.I, 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.

*Carri Riggs & Ingram, L.L.C.*

October 30, 2018

**Young Audiences Charter School**  
**Schedule 1**  
**General Fund Instructional and Support Expenditures and**  
**Certain Local Revenue Sources**  
**For the Year Ended June 30, 2018**

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:		
Classroom teacher salaries	\$ 2,351,818	
Other instructional staff activities	157,690	
Employee benefits	534,396	
Purchased professional and technical services	869,263	
Instructional materials and supplies	208,642	
Less instructional equipment	-	
Total teacher and student interaction activities	-	\$ 4,121,809
Other instructional activities		
		-
Pupil support activities		
	\$ 245,830	
Less equipment for pupil support activities	-	
Net pupil support activities	-	245,830
Instructional Staff Services		
	\$ 164,045	
Less equipment for instructional staff services	-	
Net instructional staff services	-	164,045
School Administration		
	\$ 1,040,621	
Less: Equipment for School Administration	-	
Net school administration	-	1,040,621
Total general fund instructional expenditures		\$ 5,572,305
Total general fund equipment expenditures		\$ -

Certain Local Revenue Sources:

**This section is not applicable to Young Audiences Charter School.**

**Young Audiences Charter School**  
**Schedule 2**  
**Class Size Characteristics**  
**For the Year Ended June 30, 2018**

As of October 1, 2017

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	0%	-	71%	17	29%	7	0%	-
Elementary Activity Classes	0%	-	92%	146	8%	12	0%	-
Middle/Jr. High	0%	-	50%	3	50%	3	0%	-
Middle/Jr. High Activity Classes	17%	5	48%	14	34%	10	0%	-
High	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
High Activity Classes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Combination	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Combination Activity Classes	8%	5	64%	39	23%	14	5%	3

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 4-12 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.

# Young Audiences Charter School

## Statewide Agreed-Upon Procedures Report

For the Year Ended June 30, 2018



**CRI** CARR  
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CPAs and Advisors

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors  
Young Audiences Charter School  
and the Louisiana Legislative Auditor  
Gretna, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Board of Directors of Young Audiences Charter School (the "School") and the Louisiana Legislative Auditor ("LLA") on the control and compliance ("C/C") areas identified in the LLA's Statewide Agreed-Upon Procedures ("SAUPs") for the fiscal period July 1, 2017 through June 30, 2018. The School is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

### ***Written Policies and Procedures***

---

1. We obtained and inspected the School's written policies and procedures and observed that they address each of the following categories and subcategories:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

**Results: No exceptions were found as a result of applying the procedure.**

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

**Results: The written policies did not address how vendors are added to the vendor list or documentation required to be maintained for all bids and price quotes.**

- c) **Disbursements**, including processing, reviewing, and approving.

**Results: No exceptions were found as a result of applying the procedure.**

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

**Results: No exceptions were found as a result of applying the procedure.**

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

**Results: No exceptions were found as a result of applying the procedure.**

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

**Results: The written policies did not address standard terms and conditions or the monitoring process.**

- g) **Credit Cards (including debit cards)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage.

**Results: No exceptions were found as a result of applying the procedure.**

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

**Results: No exceptions were noted as a result of applying the procedure.**

### **Collections**

---

2. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We selected the only deposit site.

**Results: No exceptions were found as a result of applying the procedure.**

3. For the deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We selected the one collection location for the one deposit site, obtained and inspected written policies and procedures relating to employee job duties at the collection location, and observed that job duties are properly segregated at the collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

**Results: No exceptions were found as a result of applying the procedure.**

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

**Results: No exceptions were found as a result of applying the procedure.**

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

**Results: No exceptions were found as a result of applying the procedure.**

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source are not responsible for collecting cash, unless another employee verifies the reconciliation.

**Results: No exceptions were found as a result of applying the procedure.**

- 4. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

**Results: No exceptions were found as a result of applying the procedure.**

- 5. We randomly selected two deposit dates for each of the two bank accounts. We obtained supporting documentation for each of the 4 deposits – 2 deposits for the 2 bank accounts and:

- a) We observed that receipts are sequentially pre-numbered.

**Results: No exceptions were found as a result of applying the procedure.**

- b) We traced sequentially pre-numbered receipts, system reports, or other related collection documentation to the deposit slip.

**Results: No exceptions were found as a result of applying the procedure.**

- c) We traced the deposit slip total to the actual deposit per the bank statement.

**Results: No exceptions were found as a result of applying the procedure.**

- d) We observed that the deposit was made within one business day of receipt at the collection location.

**Results: Two of four collections were not deposited within one business day of collection.**

- e) We traced the actual deposit per the bank statement to the general ledger.

**Results: No exceptions were found as a result of applying the procedure.**

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

---

6. We obtained a listing of locations that processed payments for the fiscal period and management's representation that the listing is complete. We selected the only location.

**Results: No exceptions were found as a result of applying the procedure.**

7. For the one location selected under #6 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties and observed that job duties were properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

**Results: No exceptions were found as a result of applying the procedure.**

- b) At least two employees are involved in processing and approving payments to vendors.

**Results: No exceptions were found as a result of applying the procedure.**

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employees is responsible for periodically reviewing changes to vendor files.

**Results: No exceptions were found as a result of applying the procedure.**

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Results: No exceptions were found as a result of applying the procedure.**

8. For the one location selected under #6 above, we obtained the School's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected five (5) disbursements for the only location, obtained supporting documentation for each transaction and:

- a) We observed that the disbursement matched the related original invoice/billing statement.

**Results: No exceptions were found as a result of applying the procedure.**

- b) We observed that the disbursement documentation included evidence of segregation of duties tested under #7, as applicable.

**Results: No exceptions were found as a result of applying the procedure.**

### ***Credit Cards/Debit Cards***

---

9. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.

**Results: No exceptions were found as a result of applying the procedure.**

10. Using the listing prepared by management, we selected the only two cards that were used during the fiscal period. We randomly selected one monthly statement, obtained supporting documentation, and:

- a) We observed that there is evidence that the monthly statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

**Results: No exceptions were found as a result of applying the procedure.**

- b) We observed that finance charges and late fees were not assessed on the selected statements.

**Results: No exceptions were found as a result of applying the procedure.**

11. Using the monthly statements selected under #10 above, excluding fuel cards, randomly selected ten (10) transactions from each statement, and obtained supporting documentation for the transactions. For each transaction, observed that it was supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

**Results: No exceptions were found as a result of applying the procedure.**

### ***Other***

---

12. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that the School reported the misappropriation(s) to the legislative auditor and the district attorney of Jefferson Parish.

**Results: Not applicable; no misappropriations of public funds and assets during the fiscal period.**

13. Observed that the School has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Results: The required notice is not posted on the School's premises.**

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. 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.

The purpose of this report is solely to describe the scope of procedures performed on those C/C areas identified in the SAUPs, and the result of the procedures performed, 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 LLA as a public document.

*Cam, Riggs & Ingram, L.L.C.*

October 30, 2018



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[www.yacharterschool.org](http://www.yacharterschool.org)

October 30, 2018

Louisiana Legislative Auditor  
1600 North 3<sup>rd</sup> Street  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

And

Carr, Riggs & Ingram, LLC  
111 Veterans Blvd.  
Suite 350  
Metairie, LA 70005

RE: Management's Response to Statewide Agreed-Up Procedures  
Young Audiences Charter Association

Dear Sirs:

The Young Audiences Charter Association will review policies and procedures in regard to the comments for each financial function and make appropriate changes that will improve operations and internal controls in each area that are cost effective and within our budget constraints.

Specific responses are as follows:

**Statewide AUP findings**

***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

**Results:** The written policies did not address how vendors are added to the vendor list or documentation required to be maintained for all bids and price quotes.

**Management Response:** Purchasing and contracting policies are being updated to address items above.

***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

**Results:** The written policies did not address standard terms and conditions or the monitoring process.

**Management Response:** Contracting policies are being updated to address items above.

**President**  
Edna Moore

**Board of Directors**  
Jennifer Benjamin  
Martin Drell  
Charles Gaspard  
Christine Guillory  
Saundra Levy  
Ron Laesel  
Macon Moore  
Mary Nass  
Erica Seemann

**School Leader**  
Brandon House

**School Founder**  
Rickie Nutik



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Ron Loesel  
Macon Moore  
Mary Nass  
Erica Seemann

**School Leader**  
Brandon House

**School Founder**  
Rickie Nutik

Observed that the deposit was made within one business day of collection (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

**Results: Two of four collections were not deposited within one business day of collection.**

**Management Response: The school makes every reasonable effort to make bank deposits within one business day of collection.**

We observed that the School has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Results: The required notice is not posted on the School's premises.**

**Management Response: The required notice has been posted since the auditor's observation.**

Sincerely,

A handwritten signature in black ink that reads "Richard Bates". The signature is written in a cursive style with a prominent "R" and "B".

Richard Bates  
Associate Director - Operations Officer