

**KIDS' ORCHESTRA, INC.**  
**BATON ROUGE, LOUISIANA**  
**JUNE 30, 2024**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Directors of  
Kids' Orchestra, Inc.

We have reviewed the accompanying financial statements of Kids' Orchestra (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement whether due to fraud or error.

### Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA, and the standards applicable to review engagements contained in the *Governmental Auditing Standards*, issued by the United States Comptroller. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Kids' Orchestra and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

**Supplementary Information**

The accompanying schedule of compensation, benefits and other payments to the agency head is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

**Report on Agreed-Upon Procedures**

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated December 22, 2024, on the results of our agreed-upon procedures.

*S. A. Champagne & Co, LLP*

*December 22, 2024*

*Baton Rouge, Louisiana*

**KIDS' ORCHESTRA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

*June 30, 2024 and 2023*  
*(See Independent Accountant's Review Report)*

<b>ASSETS</b>	2024	2023
<b>CURRENT ASSETS</b>		
Cash	\$ 139,152	\$ 181,776
Grants receivable	74,184	113,353
Prepaid expenses	4,618	2,107
Total current assets	<u>217,954</u>	<u>297,236</u>
<b>PROPERTY AND EQUIPMENT</b>		
Leasehold improvements	38,936	38,936
Furniture and equipment	52,634	50,115
Music equipment	159,752	160,302
Total property and equipment	<u>251,322</u>	<u>249,353</u>
Less accumulated depreciation	(228,261)	(220,187)
Property and equipment, net of depreciation	<u>23,061</u>	<u>29,166</u>
Operating lease right-of-use, net of amortization	155,478	31,934
Property and equipment, net	<u>178,539</u>	<u>61,100</u>
<b>OTHER ASSETS</b>		
Security deposit	2,000	2,000
Total other assets	<u>2,000</u>	<u>2,000</u>
Total assets	<u><u>\$ 398,493</u></u>	<u><u>\$ 360,336</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 18,603	\$ 2,784
Deferred revenue	47,500	-
Payroll liabilities	31,339	21,931
Line of credit	-	75,000
Current portion of right-of-use liability	28,355	27,278
Total current liabilities	<u>125,797</u>	<u>126,993</u>
<b>NON-CURRENT LIABILITIES</b>		
Non-current portion of right-of-use liability	127,123	4,656
Total non-current liabilities	<u>127,123</u>	<u>4,656</u>
<b>NET ASSETS</b>		
Without donor restrictions	145,573	228,687
With donor restrictions	-	-
Total net assets	<u>145,573</u>	<u>228,687</u>
Total liabilities and net assets	<u><u>\$ 398,493</u></u>	<u><u>\$ 360,336</u></u>

*See accompanying notes*



**KIDS' ORCHESTRA, INC.**  
**STATEMENTS OF ACTIVITIES**  
*Years ended June 30, 2024 and 2023*  
*(See Independent Accountant's Review Report)*

	2024			2023		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Corporate contributions	\$ 22,411	\$ -	\$ 22,411	\$ 21,540	\$ -	\$ 21,540
Foundation contributions	205,177	-	205,177	242,159	-	242,159
Individual contributions	16,035	-	16,035	74,037	-	74,037
In-kind contributions	53,640	-	53,640	55,800	-	55,800
Other contributions	-	-	-	5,350	-	5,350
Government grants & contracts	429,450	-	429,450	251,989	-	251,989
Student dues	145,525	-	145,525	110,686	-	110,686
Tax incentive	107,749	-	107,749	-	-	-
Interest income	10,869	-	10,869	1,909	-	1,909
Other miscellaneous	13,116	-	13,116	56,897	-	56,897
Net assets released from restrictions	-	-	-	1,700	(1,700)	-
Total support and revenue	<u>1,003,972</u>	<u>-</u>	<u>1,003,972</u>	<u>822,067</u>	<u>(1,700)</u>	<u>820,367</u>
<b>EXPENSES</b>						
Program services	744,375	-	744,375	532,822	-	532,822
Management and general	292,260	-	292,260	248,975	-	248,975
Fundraising	50,451	-	50,451	75,108	-	75,108
Total expenses	<u>1,087,086</u>	<u>-</u>	<u>1,087,086</u>	<u>856,905</u>	<u>-</u>	<u>856,905</u>
<b>CHANGE IN NET ASSETS</b>	(83,114)	-	(83,114)	(34,838)	(1,700)	(36,538)
<b>NET ASSETS-BEGINNING OF YEAR</b>	<u>228,687</u>	<u>-</u>	<u>228,687</u>	<u>263,525</u>	<u>1,700</u>	<u>265,225</u>
<b>NET ASSETS-END OF YEAR</b>	<u>\$ 145,573</u>	<u>\$ -</u>	<u>\$ 145,573</u>	<u>\$ 228,687</u>	<u>\$ -</u>	<u>\$ 228,687</u>

See accompanying notes

**KIDS' ORCHESTRA, INC.**  
**STATEMENTS OF CASH FLOWS**  
*Years ended June 30, 2024 and 2023*  
*(See Independent Accountant's Review Report)*

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (83,114)	\$ (36,538)
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Depreciation	8,624	9,073
Decrease (increase) in		
Grants receivable	39,169	(51,420)
Prepaid expenses	(2,511)	2,514
Pledges receivable	-	10,700
Increase (decrease) in		
Accounts payable	15,819	(6,268)
Deferred revenue	47,500	-
Payroll liabilities	9,408	1,281
Total adjustments	<u>118,009</u>	<u>(34,120)</u>
Net cash provided by (used in) operating activities	<u>34,895</u>	<u>(70,658)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of equipment	<u>(2,519)</u>	<u>(20,755)</u>
Net cash used in investing activities	<u>(2,519)</u>	<u>(20,755)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on line of credit	(75,000)	-
Proceeds from line of credit	<u>-</u>	<u>75,000</u>
Net cash provided by (used in) financing activities	<u>(75,000)</u>	<u>75,000</u>
<b>INCREASE (DECREASE) IN CASH</b>	(42,624)	(16,413)
Cash - beginning of year	<u>181,776</u>	<u>198,189</u>
Cash - end of year	<u><u>\$ 139,152</u></u>	<u><u>\$ 181,776</u></u>

*See accompanying notes*

**KIDS' ORCHESTRA, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**

*Years ended June 30, 2024 and 2023*  
*(See Independent Accountant's Review Report)*

	2024				2023			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Advertising	\$ 1,360	\$ 12,000	\$ 458	\$ 13,818	\$ 1,651	\$ -	\$ 8,560	\$ 10,211
Auto	3,782	30	2	3,814	1,258	33	-	1,291
Contract labor	228,021	-	-	228,021	138,180	-	748	138,928
Depreciation	-	8,624	-	8,624	-	9,073	-	9,073
Dues and subscriptions	838	4,878	1,784	7,500	1,036	5,618	400	7,054
Professional development	8,325	3,543	1,965	13,833	1,272	866	2,211	4,349
Employee benefits	27,700	10,299	2,470	40,469	18,876	11,173	2,537	32,586
Fundraising	3,559	3,906	1,908	9,373	5,286	199	1,097	6,582
Insurance	-	19,736	-	19,736	-	17,176	-	17,176
Materials	13,008	-	-	13,008	5,572	46	-	5,618
Meals	1,320	2,608	549	4,477	642	2,768	758	4,168
Meetings and conferences	2,105	387	2,622	5,114	148	320	45	513
Occupancy	9,040	26,443	-	35,483	9,600	27,965	-	37,565
Office	647	8,342	-	8,989	-	2,098	-	2,098
Orchestra	3,884	-	-	3,884	3,707	-	-	3,707
Other	7,932	13,313	306	21,551	5,775	12,283	3,832	21,890
Payroll taxes	26,837	8,301	2,597	37,735	20,898	8,432	3,506	32,836
Professional fees	-	53,932	-	53,932	350	40,589	4,979	45,918
Postage and printing	82	3,347	-	3,429	566	4,992	549	6,107
Repairs	1,311	-	-	1,311	1,649	-	-	1,649
Salaries	362,771	104,143	35,790	502,704	273,136	96,541	45,886	415,563
Student snacks	41,853	-	-	41,853	43,220	-	-	43,220
Telephone	-	8,428	-	8,428	-	8,803	-	8,803
	<u>\$ 744,375</u>	<u>\$ 292,260</u>	<u>\$ 50,451</u>	<u>\$ 1,087,086</u>	<u>\$ 532,822</u>	<u>\$ 248,975</u>	<u>\$ 75,108</u>	<u>\$ 856,905</u>

*See accompanying notes*



**KIDS' ORCHESTRA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2024*

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of activities*

The Kids' Orchestra, Inc. (the Organization) is a not-for-profit organization whose purpose is to provide music education, instruments, and leadership development and performance opportunities to kindergarten through fifth grade students of all races, cultures, and backgrounds.

*Basis of accounting*

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

*Basis of presentation*

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). The Organization reports information regarding its financial position and activities according to the two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual; such as those restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets with donor restrictions to net assets without donor restrictions.

*Contributions and expenses*

Contributions are reported as revenue in the period the promise and obligation are determined to be unconditional. Contributions restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the same fiscal year in which the support is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions.

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

*Tax incentive income*

Tax incentive income is recognized as revenue in the period in which the incentive is approved and payable by the governmental agency. Tax incentive income consists of Musical and Theatrical Production Tax Credits as provided by Louisiana Revised Statute 47:6034. The revenue recorded as tax incentive income was \$107,749 and \$0 at June 30, 2024 and 2023, respectively.

*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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Cash and cash equivalents*

For the purpose of the statement of cash flows, the Organization considers all unrestricted cash, short-term savings and time deposits purchased with a maturity of three months or less to be cash.

*Promises to give*

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recognized at fair value, which is measured as the present value of their future cash flows. The discount on these amounts is computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods of more than one year are use restricted until after the due date.

Management estimates the allowance for doubtful pledges based on historical collections together with a review of the current status of existing pledge receivables. The allowance for uncollectible receivables was \$0 and \$0 at June 30, 2024 and 20223 respectively.

*Property and equipment*

Property and equipment are stated at cost. Expenditures for additions, renewals, and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. Upon retirement or disposal of assets, the costs and related accumulated depreciation or amortization are removed from the accounts and any gain or loss is included in income.

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Depreciation is calculated on the straight-line method based on the following estimated useful lives of assets:

Leasehold improvements	10 Years
Furniture and equipment	5-7 Years
Music equipment	5-7 Years

Depreciation expense charged to operation expense was \$8,624 and \$9,073 in 2024 and 2023, respectively.

Included in furniture and equipment is cost associated with the build out of the Organization's new website in the amount of \$21,018, which was completed during the 2024 fiscal year.

*Donated services*

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. There were no such services recognized in 2024 or 2023.

*Income taxes*

The Organization is exempt from Federal Income Taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation under IRC 170(b)(1)(A)(vi). Accordingly, no provision for income taxes has been included in the financial statements.

The Organization accounts for income taxes in accordance with the income tax accounting guidance included in the FASB ASC. Under this guidance, the Organization may recognize the tax effects from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by tax authorities. The Organization has evaluated its tax positions regarding the accounting for uncertain income tax positions and does not believe that it has any material uncertain tax positions.

The Organization files a United States return of organization exempt from income tax. The Organization is also subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress.

*Advertising*

The Organization expenses advertising costs as incurred. Such costs amounted to \$13,818 and \$10,211 in 2024 and 2023, respectively.

*Functional allocation of expenses*

Certain expenses are charged directly to functional classifications. Other expenses are allocated between program, fundraising, and management and general based upon a reasonable basis that is

## A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

consistently applied. All natural expense categories classified as fundraising are such allocations. The allocations are based on estimates of staff time spent and resource usage for each function.

### *Revenue recognition*

Student dues are recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied. To accomplish this, the Organization applies the following five-step process to achieve this core principle:

- Identification of the contract with the member;
- Identification of the performance obligations under the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the identified performance obligations; and
- Recognition of revenue when (or as) an entity satisfies the identified performance obligations.

### *Revenue Disaggregation*

The Organization disaggregates revenue from contracts with customers into major revenue streams and based on the timing of recognized revenue. The Organization's revenue disaggregated based on timing of the transfer of goods or services as follows as of June 30, 2024 and 2023:

	2024	2023
Recognized over time:		
Student dues	145,525	110,686

### *Contract Balances*

The timing of revenue recognition, billings, and cash collections results in contract assets, receivables, and contract liabilities. The Organization had no contract assets, receivables, or liabilities as of June 30, 2024 and 2023.

Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

### *Leases*

The Organization uses a right-of-use (ROU) model that requires a lessee to record an ROU asset and lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities.



**B: NON-CASH INVESTING AND FINANCING ACTIVITIES**

During 2024, the Organization acquired \$155,478 of an operating right-of-use asset in exchange for a lease obligation. During 2023 \$53,825 of an operating right-of-use asset was acquired.

**C: RESTRICTIONS ON NET ASSETS**

There were no net assets with donor restrictions as of June 30, 2024 and 2023.

**D: LIQUIDITY**

The following reflects the Organization's financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	2024	2023
Cash	\$ 139,152	\$ 181,776
Grants receivable	74,184	113,353
Less donor imposed restrictions	-	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 213,336</u>	<u>\$ 295,129</u>

The Organization maintains a practice of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**E: CONCENTRATIONS**

*Credit Risk*

The Organization maintains its cash in bank deposit accounts, the balances of which at times may exceed federally insured limits. The Organization has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

Contributions and grants receivable emanate from a relatively diverse group of donors and grantors. However, collection is dependent on the continued financial health of these individuals, companies, and organizations.

**F: EMPLOYEE BENEFIT PLAN**

The Organization provides a defined contribution employee benefit plan qualifying under Internal Revenue Code Section 403(b). All employees are eligible to participate in the plan. Employees may elect to contribute a portion of their base salary on a pre-tax or Roth basis, at each employee's election. Employer contributions to the plan are discretionary. The Organization did not contribute to this plan in 2024 or 2023.



## **G: LEASES**

In May 2024, the Organization entered into a sixty-month lease for the use of a building beginning June 23, 2024 and ending on June 30, 2029 at \$2,300 - \$3,500 per month. Total operating lease expenses for 2024 and 2023 were \$35,483 and \$37,565, respectively.

Amounts recognized as right-of-use assets related to operating leases included in property and equipment on the statement of financial position, while related lease liabilities are included in current and long-term debt.

As of June 30, 2024 and 2023, right-to-use assets related to operating leases were as follows:

	2024	2023
Operating lease right-to-use asset		
Cost	\$ 155,478	\$ 53,825
Accumulated amortization	-	(21,891)
	<u>\$ 155,478</u>	<u>\$ 31,934</u>

The operate lease was discounted using the two-year risk-free rate of 4.52% at the date of the lease's inception. The weighted-average remaining operating lease terms is 5.00 years.

A summary of the future lease payments for the operating lease at June 30, 2024 is as follows:

For the years ended June 30,	Amount
2025	\$ 27,600
2026	31,200
2027	34,800
2028	38,400
2029	42,000
	<u>\$ 174,000</u>
Less effects of discounting	(18,522)
	<u>\$ 155,478</u>

## **H: LINE OF CREDIT**

The Organization maintains a \$125,000 line of credit through a local financial institution secured by security interest in all assets. The line of credit matures on October 3, 2026. The Organization is obligated to make monthly interest payments at a variable interest rate. As of June 30, 2024, and 2023, the outstanding balance on this line was \$0 and \$75,000 respectively.

**I: CONTRIBUTED GOODS**

During the years ended June 30, 2024, and 2023, the Organization received the following non-cash contributions that have been reflected as such in the accompanying statement of activities at fair market value. The corresponding expenses are included in the Schedule of Functional Expenses in the appropriate categories:

Category	Expense account charged	2024	2023
Rent	Occupancy	\$ 12,040	\$ 12,600
Meals & Refreshments	Student snacks	41,600	43,200
Total in kind contributions		<u>\$ 53,640</u>	<u>\$ 55,800</u>

**J: SUBSEQUENT EVENTS**

Subsequent events were evaluated through December 22, 2024, which is the date the financial statements were available to be issued.

## **SUPPLEMENTARY INFORMATION**

**KIDS' ORCHESTRA  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AN AGENCY HEAD**

*For the year ended June 30, 2024  
(See Independent Accountant's Review Report)*

**Agency Head**

Patrick Tuck, Executive Director

No compensation, reimbursement, or benefits were provided to the agency head using public funds for the year end June 30, 2024.

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-public Agencies)**

August 26, 2024 (Date Transmitted)

LA Champagne & Co., LLP (CPA Firm Name)

4911 Bennington Ave (CPA Firm Address)

Baton Rouge, LA 70808 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2024 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Federal, State, and Local Awards**

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes ☒ No ☐ N/A ☐

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes ☒ No ☐ N/A ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐ N/A ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes ☒ No ☐ N/A ☐

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication “[Open Meeting FAQs](#),” available on the Legislative Auditor’s website to determine whether a non-profit agency is subject to the open meetings law.**

Yes ☐ No ☐ N/A ☒

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes ☒ No ☐ N/A ☐

**Reporting**

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ☒ No ☐ N/A ☐



We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes ☒ No ☐ N/A ☐

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes ☒ No ☐ N/A ☐

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes ☐ No ☐ N/A ☒

### **Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes ☐ No ☐ N/A ☒

### **General**

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes ☒ No ☐ N/A ☐

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes ☒ No ☐ N/A ☐

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes ☒ No ☐ N/A ☐

We have provided you with all relevant information and access under the terms of our agreement.

Yes ☒ No ☐ N/A ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes ☒ No ☐ N/A ☐

We are not aware of any material misstatements in the information we have provided to you.

Yes ☒ No ☐ N/A ☐

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes ☒ No ☐ N/A ☐

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal

controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes ☒ No ☐ N/A ☐

The previous responses have been made to the best of our belief and knowledge.

<u>Christina Davis</u>	Secretary	<u>9/5/24</u>	Date
<u>Mike Ray</u>	Treasurer	<u>9/5/24</u>	Date
<u>John</u>	President	<u>9/12/24</u>	Date



## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Directors of  
Kids' Orchestra

We have performed the procedures enumerated below, which were agreed to by the management of Kids' Orchestra and the Legislative Auditor (the specified parties), on the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2024, as required by Louisiana Revised Statute 24:513 and *the Louisiana Governmental Audit Guide*. The Management of Kids' Orchestra is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified users of the 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 findings are as follows:

### Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Organization's management.

Federal, State, or Local Grant Name	Grant Year	AL No. (if applicable)	Amount
LA Arts Council	2024	n/a	\$5,925
LA Division of the Arts	2024	n/a	7,500
Total Expenditures			\$13,425

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

*Randomly selected disbursements from each grant.*

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

*Each of the selected disbursements agreed to the amount and payee in the supporting documentation.*

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

*Each of the selected disbursements were coded to the correct fund and general ledger.*

5. Report whether the selected disbursements were approved in accordance with the Organization's policies and procedures.

*Each of the selected disbursements were approved by the Board Members, which is in accordance with their policies and procedures.*

6. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

*Each of the selected disbursements met the requirements of the related grant agreement.*

7. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Organization's financial records; and report whether the amounts in the close-out reports agree with the Organization's financial records.

*No formal close-out reports required.*

### **Open Meetings**

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there were any exceptions. Note: Please refer to the Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at <http://appl.la.state.la.us/llala.nsf>, to determine whether a non-profit agency is subject to the open meetings law.

*The Organization is not required to comply with LA R.S. 42:11 through 42:28 (the open meetings law) because the Organization is not a public body.*

### **Budget**

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the Organization provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state or local grants included the purpose and duration of the grants; and whether the budgets for state grants also included specific goals, objectives, and measures of performance.

*The Organization provided a comprehensive budget to each applicable agency for the programs mentioned previously.*

### **State Audit Law**

10. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

*The Organization's report was submitted to the Legislative Auditor before the statutory due date.*

11. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

*The Organization's management represented that the Organization did not enter into any contracts during the fiscal year that were subject to the public bid law.*

### **Prior Comments**

12. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

*There were no prior year suggestions, exceptions, recommendations or comments from the prior year, as represented in the current year management representation letter.*

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

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

This report is intended solely to describe the scope of testing performed on the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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.

*S. A. Champagne & Co, LLP*

*Baton Rouge, Louisiana  
December 22, 2024*