

**KIDS' ORCHESTRA, INC.**  
**BATON ROUGE, LOUISIANA**  
**JUNE 30, 2022**

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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 statement of financial position of June 30, 2022, 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 2022 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 purposes 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 2021 Financial Statements**

The 2021 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated October 14, 2021. We have not performed any auditing procedures since that date.

### **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 1, 2022, on the results of our agreed-upon procedures.

*L. A. Champagne & Co, LLP*

*December 1, 2022  
Baton Rouge, Louisiana*

**KIDS' ORCHESTRA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
*Years ended June 30, 2022 and 2021*

<b>ASSETS</b>	2022	2021
<b>CURRENT ASSETS</b>		
Cash	\$ 198,189	\$ 367,794
Grants receivable	61,933	16,400
Pledges receivable, current portion	10,700	12,000
Prepaid expenses	4,621	-
Total current assets	275,443	396,194
 <b>PROPERTY AND EQUIPMENT</b>		
Leasehold improvements	38,936	38,936
Furniture and equipment	29,360	26,723
Music equipment	160,302	160,302
Total property and equipment	228,598	225,961
Less accumulated depreciation	(211,114)	(199,047)
Property and equipment, net	17,484	26,914
 <b>OTHER ASSETS</b>		
Pledges receivable, noncurrent portion, net of allowance	-	8,150
Security deposit	2,000	2,000
Total other assets	2,000	10,150
 Total assets	\$ 294,927	\$ 433,258
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 9,052	\$ 8,120
Payroll liabilities	20,650	17,682
Total current liabilities	29,702	25,802
 <b>NET ASSETS</b>		
Without donor restrictions	263,525	399,306
With donor restrictions	1,700	8,150
Total net assets	265,225	407,456
 Total liabilities and net assets	\$ 294,927	\$ 433,258

*See accompanying notes*

**KIDS' ORCHESTRA, INC.**  
**STATEMENTS OF ACTIVITIES**  
*Years ended June 30, 2022 and 2021*

	2022			2021		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Corporate contributions	\$ 10,362	\$ -	\$ 10,362	\$ 13,736	\$ -	\$ 13,736
Foundation contributions	158,415	-	158,415	198,931	-	198,931
Individual contributions	71,551	-	71,551	61,761	-	61,761
In-kind contributions	3,000	-	3,000	3,000	-	3,000
Other contributions	41,568	-	41,568	-	-	-
Government grants	139,660	-	139,660	194,705	-	194,705
Student dues	72,631	-	72,631	28,886	-	28,886
Tax incentive	60,007	-	60,007	263,439	-	263,439
Interest income	113	-	113	123	-	123
Other miscellaneous	1,418	-	1,418	-	-	-
Net assets released from restrictions	6,450	(6,450)	-	23,050	(23,050)	-
Total support and revenue	<u>565,175</u>	<u>(6,450)</u>	<u>558,725</u>	<u>787,631</u>	<u>(23,050)</u>	<u>764,581</u>
<b>EXPENSES</b>						
Program services	361,921	-	361,921	329,996	-	329,996
Management and general	227,246	-	227,246	216,856	-	216,856
Fundraising	111,789	-	111,789	125,138	-	125,138
Total expenses	<u>700,956</u>	<u>-</u>	<u>700,956</u>	<u>671,990</u>	<u>-</u>	<u>671,990</u>
<b>CHANGE IN NET ASSETS</b>	(135,781)	(6,450)	(142,231)	115,641	(23,050)	92,591
<b>NET ASSETS-BEGINNING OF YEAR</b>	<u>399,306</u>	<u>8,150</u>	<u>407,456</u>	<u>283,665</u>	<u>31,200</u>	<u>314,865</u>
<b>NET ASSETS-END OF YEAR</b>	<u>\$ 263,525</u>	<u>\$ 1,700</u>	<u>\$ 265,225</u>	<u>\$ 399,306</u>	<u>\$ 8,150</u>	<u>\$ 407,456</u>

See accompanying notes

**KIDS' ORCHESTRA, INC.**  
**STATEMENTS OF CASH FLOWS**  
*Years ended June 30, 2022 and 2021*

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (142,231)	\$ 92,591
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Depreciation	12,067	16,249
Amortization of discount on pledges receivable	-	543
Decrease (increase) in		
Grants receivable	(45,533)	5,575
Prepaid expenses	(4,621)	3,718
Pledges receivable	9,450	21,964
Increase (decrease) in		
Accounts payable	932	(27,480)
Payroll liabilities	2,968	(2,903)
PPP advance	-	(65,420)
Total adjustments	<u>(24,737)</u>	<u>(47,754)</u>
Net cash provided by (used in) operating activities	<u>(166,968)</u>	<u>44,837</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of music equipment	<u>(2,637)</u>	<u>(2,147)</u>
Net cash used in investing activities	<u>(2,637)</u>	<u>(2,147)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>INCREASE (DECREASE) IN CASH</b>	(169,605)	42,690
Cash - beginning of year	367,794	325,104
Cash - end of year	<u>\$ 198,189</u>	<u>\$ 367,794</u>

*See accompanying notes*

**KIDS' ORCHESTRA, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
*Years ended June 30, 2022 and 2021*

	2022				2021			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Advertising	\$ -	\$ -	\$ 32,228	\$ 32,228	\$ -	\$ -	\$ 38,974	\$ 38,974
Auto	748	52	-	800	13	58	-	71
Contract labor	85,687	-	8,581	94,268	48,798	-	-	48,798
Depreciation	-	12,067	-	12,067	-	16,249	-	16,249
Dues and subscriptions	1,065	3,384	200	4,649	518	1,492	504	2,514
Professional development	2,547	35	20	2,602	60	3,135	168	3,363
Employee benefits	16,461	10,304	524	27,289	23,158	9,074	3,082	35,314
Fundraising	3,498	440	26,043	29,981	155	50	8,026	8,231
Insurance	-	18,923	-	18,923	452	21,550	183	22,185
Materials	2,955	-	-	2,955	1,043	-	-	1,043
Meals	-	2,394	728	3,122	-	483	168	651
Meetings and conferences	-	-	60	60	-	34	(10)	24
Occupancy	-	27,000	-	27,000	-	27,770	-	27,770
Office	-	1,075	-	1,075	-	732	131	863
Orchestra	2,006	-	-	2,006	1,205	805	-	2,010
Other	4,471	9,149	2,624	16,244	5,457	6,817	2,877	15,151
Payroll taxes	15,543	8,456	1,446	25,445	16,599	6,489	3,622	26,710
Professional fees	571	33,541	20,996	55,108	-	33,750	-	33,750
Postage and printing	3,818	99	903	4,820	2,801	1,070	1,360	5,231
Repairs	1,468	-	-	1,468	-	-	-	-
Salaries	221,083	91,533	17,436	330,052	229,737	77,830	66,053	373,620
Telephone	-	8,794	-	8,794	-	9,468	-	9,468
	<u>\$ 361,921</u>	<u>\$ 227,246</u>	<u>\$ 111,789</u>	<u>\$ 700,956</u>	<u>\$ 329,996</u>	<u>\$ 216,856</u>	<u>\$ 125,138</u>	<u>\$ 671,990</u>

*See accompanying notes*

**KIDS' ORCHESTRA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

*June 30, 2022*

**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 \$60,007 and \$263,439 at June 30, 2022 and 2021, respectively.

*Paycheck Protection Program funds*

During the year ended June 30, 2022 and 2021, the Organization received \$0 and \$112,500 respectively, in funds from the Paycheck Protection Program (PPP) under the CARES Act and has elected to treat these funds as a conditional promise to give under FASB ASC 958-605. As a result, \$0 and \$177,920 in PPP funds have been recognized as government grant income in 2022 and 2021, respectively, as the conditions for forgiveness have been substantially met.

*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 those amounts are 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 \$300 and \$4,850 at June 30, 2022 and 2021, respectively.

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

*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.

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 \$12,067 and \$16,249 in 2022 and 2021, respectively.

*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 2022 or 2021.

*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 \$32,228 and \$38,974 in 2022 and 2021, respectively.

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

*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 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.

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.

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

There were no non cash investing and financing transactions in 2022 or 2021.

**C: LIQUIDITY**

The following reflects the Organization's financial assets as of June 30, 2022 and 2021, 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:

	<u>2022</u>	<u>2021</u>
Cash	\$ 198,189	\$ 367,794
Grants receivable	61,933	16,400
Pledges receivable, current portion	10,700	12,000
Less donor-imposed restrictions	<u>(1,700)</u>	<u>(8,150)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 269,122</u>	<u>\$ 388,044</u>

**D: PLEDGES RECEIVABLE**

Pledges receivable are unconditional promises to give from individual donors and are detailed as follows as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Receivable in less than one year	\$ 11,000	\$ 12,000
Receivable in one to five years	<u>-</u>	<u>13,000</u>
Total pledges receivable	11,000	25,000
Less discounts to net present value	-	-
Less allowance for uncollectible accounts	<u>(300)</u>	<u>(4,850)</u>
Net pledges receivable	<u>\$ 10,700</u>	<u>\$ 20,150</u>

**E: CONDITIONAL PROMISES TO GIVE**

The Organization had a conditional promise of \$70,000 from Capital Area United Way as of June 30, 2021. The funds are conditional on the Organization's submission of quarterly reports on program results and compliance with Capital Area United Way's Results-based Accountability framework and grants guidelines. The organization had no conditional promises to give in 2022.

**F: RESTRICTIONS ON NET ASSETS**

Net assets with donor restrictions consist of the following as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Time restrictions		
Multi-year pledges receivable	\$ <u>1,700</u>	\$ <u>8,150</u>
	<u>\$ 1,700</u>	<u>\$ 8,150</u>

**G: 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.

**H: 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 2022 or 2021.

**I: OPERATING LEASES**

In June, 2020, the Organization entered into a twenty-five-month lease for the use of a building beginning July 1, 2020 and ending on July 31, 2022 at \$2,250 per month, \$250 of which is recognized as an in-kind charitable contribution with the first month's rent waived. The lease may be renewed by the Organization for an additional two-year period with proper notice. On September 1, 2022 the Organization renewed the building lease for another twenty-four months m ending on August 31, 2024 at \$2,340 per month, \$250 of which is recognized as an in-kind charitable contribution.

In January, 2019, the Organization entered into a sixty-month lease for a copier. Minimum rental payments of \$225 per month are required. An additional contingent rental is due based on usage.

Rental expense was \$30,569 and \$30,042 for 2022 and 2021, respectively. Of those amounts \$869 and \$342 were contingent rental payments for 2022 and 2021, respectively.

Future minimal rental payments due under such leases as of June 30, 2022 are as follows:

<u>Year</u>		<u>Amount</u>
2023	\$	4,950
2024		2,000
	\$	<u>6,950</u>

**L: SUBSEQUENT EVENTS**

Subsequent events were evaluated through December 1, 2022, 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, 2022*  
*(See Independent Accountant's Review Report)*

**Agency Head**

Jody Hanet, Executive Director

No compensation, reimbursement, or benefits were provided to the agency head using public finds for the year end June 30, 2022.

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

Dear Chief Executive Officer:

Attached is the Louisiana Attestation Questionnaire that is to be completed by you or your staff. This questionnaire is a required part of the review/attestation engagement of Louisiana quasi-public agencies. The completed and signed questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting.

The completed and signed attestation questionnaire and a copy of the adoption instrument, if appropriate, **must be given to the independent certified public accountant at the beginning of the engagement.** The CPA will, during the course of his/her engagement, perform certain agreed-upon procedures to the responses in the questionnaire. It is not necessary to return the questionnaire to the Legislative Auditor's office.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the CPA during the course of his/her engagement. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Michael J. Waguespack, CPA  
Louisiana Legislative Auditor

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

\_\_\_\_\_ (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, 2022 (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 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





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

The Board of Directors of  
Kids Orchestra, Inc.

We have performed the procedures enumerated below, which were agreed to by the management of The Walls Project 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, 2022, 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 Agency's management.

*The Organization provided us with the following list of expenditures for federal, state, and local government grant awards for the year ended June 30, 2022:*

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
Louisiana Division of the Arts (LDOA)	2021/2022	N/A	\$ 10,000
U.S. Housing and Urban Development (HUD) Community Development Block Grants (CDBG)	2021	N/A	\$ 75,000

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 account.*

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 Executive Director, 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.

*Close out reports provided agreed with organizations financial records.*

### **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, or recommendations.*

This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. 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 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.

The purpose of this report is 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 1, 2022*