

YOUNG AUDIENCES CHARTER SCHOOL

FINANCIAL STATEMENTS

June 30, 2017 and 2016



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Young Audiences Charter School
Table of Contents
June 30, 2017

REPORT

Independent Auditors' Report	1
------------------------------	---

FINANCIAL STATEMENTS

Statements of Financial Position	4
----------------------------------	---

Statements of Activities	5
--------------------------	---

Statements of Functional Expenses	7
-----------------------------------	---

Statements of Cash Flows	9
--------------------------	---

Notes to the Financial Statements	10
-----------------------------------	----

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

Independent Accountants' Report on Applying Agreed-Upon Procedures	16
--	----

Schedule K-1: General Fund Instructional and Support Expenditures and Certain Local Revenue Sources for the Year Ended June 30, 2017	20
---	----

Schedule K-2: Education Level of Public School Staff	21
--	----

Schedule K-3: Number and Type of Public Schools	22
---	----

Schedule K-4: Experience of Public Principals, Assistant Principals and Full-Time Classroom Teachers	23
---	----

Schedule K-5: Public School Staff Data: Average Salaries	24
--	----

Schedule K-6: Class Size Characteristics	25
--	----

Schedule K-7: Louisiana Educational Assessment Program (LEAP)	26
---	----

Schedule K-9: iLEAP Tests	27
---------------------------	----

REPORT REQUIRED BY THE LOUISIANA LEGISLATIVE AUDITOR

Independent Accountants' Report on Applying Agreed-Upon Procedures	28
--	----



Young Audiences Charter School
Table of Contents
June 30, 2017

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>	38
Schedule of Findings and Questioned Costs	40
Summary Schedule of Prior Audit Findings and Questioned Costs	41

SUPPLEMENTARY INFORMATION

Schedule of Agency Head Compensation	42
--------------------------------------	----



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 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 statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Young Audiences Charter as of June 30, 2017 and 2016, 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 financial statements as a whole. The accompanying schedule of agency head compensation is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The schedules of performance statistical data and statewide agreed-upon procedures as required by state law and referred to in our Independent Accountants' Reports on Applying Agreed-Upon-Procedures have not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2017, 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.

Carr, Riggs & Ingram, L.L.C.

October 11, 2017



Financial Statements

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

<i>June 30,</i>	2017	2016
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,352,042	\$ 926,705
Cash restricted for student activities	16,986	17,315
Federal grants receivable	184,922	215,747
Accounts receivable	100	28,254
Prepaid expenses	207,056	41,400
Total current assets	1,761,106	1,229,421
Property and equipment, net	287,030	254,068
Noncurrent assets		
Deposits	19,559	19,559
Total noncurrent assets	19,559	19,559
Total assets	\$ 2,067,695	\$ 1,503,048
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 252,574	\$ 42,451
Due to related party	228,459	262,107
Accrued expenses	201,949	203,941
Total current liabilities	682,982	508,499
Total liabilities	682,982	508,499
Net assets		
Unrestricted	1,367,727	977,234
Temporarily restricted	16,986	17,315
Total net assets	1,384,713	994,549
Total liabilities and net assets	\$ 2,067,695	\$ 1,503,048

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

Young Audiences Charter School
Statement of Activities

<i>For the year ended June 30, 2017</i>	Unrestricted	Temporarily Restricted	Total
Revenues and support			
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
Other state revenues	-	-	-
Net assets released from restrictions	25,059	(25,059)	-
Total revenues and support	6,791,937	(329)	6,791,608
Expenses			
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
Change in net assets	390,493	(329)	390,164
Net assets at beginning of year	977,234	17,315	994,549
Net assets at end of year	\$ 1,367,727	\$ 16,986	\$ 1,384,713

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

**Young Audiences Charter School
Statement of Activities**

<i>For the year ended June 30, 2016</i>	Unrestricted	Temporarily Restricted	Total
Revenues and support			
State public school funds	\$ 5,260,858	\$ -	\$ 5,260,858
Food service	358,720	-	358,720
Federal grant	172,746	-	172,746
Donations and contributions	-	25,239	25,239
Other revenue	76,266	-	76,266
Other state revenues	11,670	-	11,670
Net assets released from restrictions	19,709	(19,709)	-
Total revenues and support	5,899,969	5,530	5,905,499
Expenses			
Program Services	4,237,754	-	4,237,754
Supporting services:			
Management and general	1,247,572	-	1,247,572
Total expenses	5,485,326	-	5,485,326
Change in net assets	414,643	5,530	420,173
Net assets at beginning of year	562,591	11,785	574,376
Net assets at end of year	\$ 977,234	\$ 17,315	\$ 994,549

The accompanying footnotes are an integral part of these financial statements.

Young Audiences Charter School Statement of Functional Expenses

<i>For the year ended June 30, 2017</i>	Instructional	Management and General	Total
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 & 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
Total expenses	\$ 4,697,173	\$ 1,704,271	\$ 6,401,444

Young Audiences Charter School Statement of Functional Expenses

<i>For the year ended June 30, 2016</i>	Instructional	Management and General	Total
Salaries	\$ 2,111,997	\$ 298,243	\$ 2,410,240
Professional Purchased Services	691,852	293,026	984,878
Employee Benefits	393,984	39,775	433,759
Food Service	396,954	-	396,954
Transportation Services	356,322	-	356,322
Purchased Property Services	34,729	232,345	267,074
Materials & Supplies	166,018	36,703	202,721
Other Expenses	13,625	140,200	153,825
Other Purchased Services	33,836	62,905	96,741
Utilities	-	76,033	76,033
Insurance	-	39,393	39,393
Textbooks, Books, Workbooks, Periodicals	36,170	-	36,170
Depreciation Expense	2,267	28,949	31,216
Total expenses	\$ 4,237,754	\$ 1,247,572	\$ 5,485,326

Young Audiences Charter School Statements of Cash Flows

<i>For the years ended June 30,</i>	2017	2016
Cash Flows From Operating Activities:		
Increase in net assets	\$ 390,164	\$ 420,173
Depreciation expense	68,775	31,216
(Increase) decrease in operating assets:		
Prepaid expenses	(165,656)	(21,702)
Federal grants receivable	30,825	(64,205)
Deposits	-	(19,559)
Accounts receivable	28,154	(2,304)
Increase (decrease) in operating liabilities:		
Accrued expenses	(1,992)	25,942
Accounts payable	210,123	(109,920)
Due to related party	(33,648)	262,107
Net cash provided by operating activities	526,745	521,748
Cash Flows From Investing Activities:		
Purchase of property and equipment	(101,737)	(217,040)
Net cash used in investing activities	(101,737)	(217,040)
Net increase in cash, cash equivalents and restricted cash	425,008	304,708
Cash, cash equivalents and restricted cash, beginning of year	944,020	639,312
Cash, cash equivalents and restricted cash, end of year	\$ 1,369,028	\$ 944,020
Cash and cash equivalents	\$ 1,352,042	\$ 926,705
Cash restricted for student activities	16,986	17,315
Total cash, cash equivalents and cash restricted for student activities	\$ 1,369,028	\$ 944,020

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

Young Audiences Charter School Notes to the 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 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-6 Charter School with a student enrollment of 686 in the fiscal year ended June 30, 2017.

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.

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").

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.

Young Audiences Charter School Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Furniture, fixtures, 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.

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 assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

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.

Young Audiences Charter School Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. As of June 30, 2017 and 2016, management did not deem any receivables to be uncollectible; therefore, no allowance was recorded.

Cash and Cash Equivalents

Cash, which is held in interest bearing accounts, consisted of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes. Restricted cash balances consist of amounts received from individuals or entities who stated 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.

Basis of Presentation

Young Audiences Charter follows the provisions of Not-For-Profit Entities Topic of FASB ASC (FASB ASC 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, 2017 or 2016.

Recent Accounting Pronouncements

In August of 2016, the Financial Accounting Standards Board released Accounting Standards Update (FASB ASU) Nos. 2016-14 and 2016-02. ASU 2016-14 will significantly enhance the disclosure requirements for not-for-profit entities and the classifications of net assets. ASU 2016-02 alters the accounting for leases on a lessee's financial statements through the recognition of a right-of-use asset and a lease liability. Early adoption of these ASUs are permitted; however, for the year ended June 30, 2017, Young Audiences Charter has elected not to adopt these new accounting pronouncements.

Young Audiences Charter School Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Subsequent events have been evaluated through October 11, 2017, the date the financial statements were available to be issued and no events material to the financial statements were noted for disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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, 2017 and 2016. At times, the balance may exceed the federally insured amount. At June 30, 2017 and 2016, Young Audiences Charter's cash deposits exceeded the FDIC limits by \$1,150,078 and \$694,020, respectively.

NOTE 3: PROPERTY AND EQUIPMENT

The cost of property and equipment is summarized as follows:

June 30,	2017	2016
Building	\$ 363,739	\$ 262,002
Machinery and equipment	27,438	27,438
Less: accumulated depreciation	(104,147)	(35,372)
Net carrying amount	\$ 287,030	\$ 254,068

Depreciation expense was \$68,775 and \$31,216, respectively, for the years ended June 30, 2017 and 2016.

NOTE 4: LEASE AGREEMENTS

Young Audiences Charter has 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 expires on July 15, 2018. Young Audiences Charter recognized \$87,931 and \$53,292 in lease expense for the years ended June 30, 2017 and 2016, respectively. Young Audiences Charter is responsible for the payment of utilities, janitorial, sanitation, and disposal services. In addition to the aforementioned lease, 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 has an initial term of 24 months. The lease requires monthly payments of \$3,224.

Young Audiences Charter School
Notes to the 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>		
2018	\$	121,827
Total	\$	121,827

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 \$21,942 and \$22,541 for the years ended June 30, 2017 and 2016, respectively.

NOTE 6: SIGNIFICANT CONCENTRATION

For the years ended June 30, 2017 and 2016, Young Audiences Charter received approximately 91% and 89%, 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 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, 2017 and 2016, 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 School Notes to the Financial Statements

NOTE 8: UNCERTAIN TAX POSITIONS (CONTINUED)

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 \$16,986 and \$17,315 at June 30, 2017 and 2016, respectively, reported in the statements of financial position are available for the purposes of student activities that will expire when payments for restricted purposes are made.

NOTE 10: RELATED PARTIES TRANSACTIONS

Young Audiences Charter had accounts payable to an affiliated nonprofit organization, Young Audiences of Louisiana (“YALA”). The total amount recorded as a payable to YALA at June 30, 2017 and 2016 on the accompanying statement of financial position was \$228,459 and \$262,107, 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 \$1,132,958 and \$903,357 for the years ended June 30, 2017 and 2016, respectively.



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



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Young Audiences Charter School
Gretna, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Young Audiences Charter School (a nonprofit organization) ("Young Audiences Charter") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Young Audiences Charter 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. Young Audiences Charter is responsible for the performance and statistical data.

Our procedures and findings are as follows:

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

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of 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, and
 - Nonpublic Transportation Revenue.

Education Levels of Public School Staff (Schedule K-2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule K-4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1, 2016.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule K-4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2016 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined that the individual's education level was properly classified on the schedule.

Number and Type of Public Schools (Schedule K-3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule K-4)

6. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2016 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined that the individual's experience was properly classified on the schedule.

Public Staff Data: Average Salaries (Schedule K-5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined that the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.
8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Class Size Characteristics (Schedule K-6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule K-3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2016 roll books for those classes and determined that the class was properly classified on the schedule.

Louisiana Education Assessment Program (LEAP) (Schedule K-7)

10. We obtained test scores as provided by the testing authority and reconciled the scores as reported by the testing authority to scores reported in the schedule by the School System.

Graduation Exit Examination (GEE) (Schedule 8)

11. The Graduation Exit Examination (GEE) is no longer administered. This schedule is no longer applicable

iLEAP Tests (Schedule K-9)

12. We obtained test scores as provided by the testing authority and reconciled the scores as reported by the testing authority to the scores reported in the schedule by Young Audiences Charter School.

Findings:

Louisiana Education Assessment Program (LEAP) (Schedule K-7)

Social Studies testing scores were not available at the time of this report.

iLEAP Tests (Schedule K-9)

Social Studies testing scores were not available at the time of this report.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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.

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 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.

This report is intended solely for the information and use of management of Young Audiences Charter, the Jefferson Parish Public School System, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Carr, Riggs & Ingram, L.L.C.

October 11, 2017

Young Audiences Charter School
Schedule K-1
General Fund Instructional and Support Expenditures and
Certain Local Revenue Sources
For the Year Ended June 30, 2017

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:		
Classroom teacher salaries	\$ 1,587,586	
Other instructional staff activities	350,881	
Employee benefits	458,391	
Purchased professional and technical services	697,734	
Instructional materials and supplies	417,428	
Less instructional equipment	-	
Total teacher and student interaction activities	-	\$ 3,512,020
Other instructional activities		485
Pupil support activities	\$ 195,399	
Less equipment for pupil support activities	-	
Net pupil support activities	-	195,399
Instructional Staff Services	\$ 202,319	
Less equipment for instructional staff services	-	
Net instructional staff services	-	202,319
School Administration	\$ 877,404	
Less: Equipment for School Administration	-	
Net school administration	-	877,404
Total general fund instructional expenditures		\$ 4,787,627
Total general fund equipment expenditures		\$ -

Certain Local Revenue Sources:

This section is not applicable to Young Audiences Charter School.

Young Audiences Charter School
Schedule K-2
Education Level of Public School Staff
As of October 1, 2016

Category	Full-time Classroom Teachers				Principals and Assistant Principals			
	Certified		Uncertified		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	0%	-	0%	-	0%	-	0%
Bachelor's Degree	15	60%	6	46%	-	0%	-	0%
Master's Degree	10	40%	7	54%	-	0%	1	100%
Master's Degree +30	-	0%	-	0%	-	0%	-	0%
Specialist in Education	-	0%	-	0%	-	0%	-	0%
Ph. D. or Ed. D.	-	0%	-	0%	-	0%	-	0%
Total	25	100%	13	100%	-	0%	1	100%

**Young Audiences Charter School
Schedule K-3
Number and Type of Public Schools
For the Year Ended June 30, 2017**

Type	2016
	Number
Elementary	1
Middle/Jr. High	-
Secondary	-
Combination	-
Total	1

Young Audiences Charter School

Schedule K-4

Experience of Public Principals, Assistant Principals
and Full-Time Classroom Teachers

As of October 1, 2016

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	-	-	-	-	-	-
Classroom Teachers	8	7	17	2	4	-	-	38
Principals		1	-	-	-	-	-	1
Total	8	8	17	2	4	-	-	39

Young Audiences Charter School
Schedule K-5
Public School Staff Data: Average Salaries
2016-2017 School Year

2017	All Classroom Teachers	Classroom Teachers Excluding ROTC And Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$40,308	\$40,308
Average Classroom Teacher's Salary Excluding Extra Compensation	\$40,308	\$40,308
Number of Teacher Full-time Equivalent (FTEs) used in Computation of Average Salaries	43.00	43.00

Note: Amounts reported include all sources of funding (i.e. federal, state and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

Young Audiences Charter School
Schedule K-6
Class Size Characteristics
As of October 1, 2016

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	-	-	73%	131	27%	49	-	-
Elementary Activity Classes	4%	1	68%	17	28%	7	-	-
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

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

Schedule K-7

Louisiana Educational Assessment Program (LEAP) Tests

For the Year Ended June 30, 2017

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2017		2017		2017		2017	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4								
Advanced	8	8%	1	1%	2	2%	-	N/A
Mastery	25	24%	34	32%	10	10%	-	N/A
Basic	33	31%	33	31%	43	41%	-	N/A
Approaching Basic	25	24%	30	29%	33	31%	-	N/A
Unsatisfactory	14	13%	7	7%	17	16%	-	N/A
Total	105	100%	105	100%	105	100%	-	N/A

Note: Young Audiences Charter School was operating as a grade K-6 school in audit year. Therefore, Schedule 7 only applies for Grade 4.

Note: Social Studies scores were not available at the time of this report.

Young Audiences Charter School
 Schedule K-9
 iLEAP Tests
 For the Year Ended June 30, 2017

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2017		2017		2017		2017	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	7	6%	12	10%	8	7%	N/A	N/A
Mastery	53	45%	53	45%	21	18%	N/A	N/A
Basic	29	25%	35	30%	49	41%	N/A	N/A
Approaching Basic	12	10%	11	9%	28	24%	N/A	N/A
Unsatisfactory	17	14%	7	6%	12	10%	N/A	N/A
Total	118	100%	118	100%	118	100%	N/A	N/A

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2017		2017		2017		2017	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	-	0%	-	0%	-	0%	N/A	N/A
Mastery	23	23%	10	10%	2	2%	N/A	N/A
Basic	30	30%	20	20%	38	37%	N/A	N/A
Approaching Basic	31	31%	47	46%	33	33%	N/A	N/A
Unsatisfactory	17	16%	24	24%	28	28%	N/A	N/A
Total	101	100%	101	100%	101	100%	N/A	N/A

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2017		2017		2017		2017	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	1	1%	-	0%	-	0%	N/A	N/A
Mastery	22	26%	17	20%	5	6%	N/A	N/A
Basic	29	35%	28	33%	39	46%	N/A	N/A
Approaching Basic	22	26%	29	35%	30	36%	N/A	N/A
Unsatisfactory	10	12%	10	12%	10	12%	N/A	N/A
Total	84	100%	84	100%	84	100%	N/A	N/A

Note: Social Studies scores were not available at the time of this report.



**REPORT REQUIRED BY
THE LOUISIANA
LEGISLATIVE AUDITOR**



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Young Audience Charter School
Gretna, Louisiana

We have performed the procedures enumerated below, which were agreed to by management of Young Audiences Charter School (a nonprofit organization) ("Young Audiences Charter") 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, 2016 through June 30, 2017. Young Audiences Charter management is responsible for those C/C areas identified in the SAUPs. Consequently, we make no representation regarding the sufficiency of the procedures below either for the purpose for which this report has been request or for any other purpose.

The procedures and associated findings are as follows:

PROCEDURES TO BE PERFORMED IN CONNECTION WITH LOUISIANA LEGISLATIVE AUDITOR STATEWIDE AGREED-UPON PROCEDURES

Written Policies and Procedures

1. We obtained the entity's written policies and procedures and reported whether those written policies and procedures address each of the following financial/business functions (or reported that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - 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.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts**, including receiving, recording, and preparing deposit
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- 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.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Board (or Finance Committee, if applicable)

- 2. We obtained and reviewed the board/committee minutes for the fiscal period, and:
 - a) Reported whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Reported whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - 1) If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, reported whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, reported whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
 - c) Reported whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Bank Reconciliations

- 3. We obtained a listing of client bank accounts from management and management's representation that the listing is complete.

4. Using the listing provided by management, we selected all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, we obtained bank statements and reconciliations for all months in the fiscal period and reported whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Collections

5. We obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, we selected all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:
 - a) We obtained existing written documentation (e.g. insurance policy, policy manual, job description) and reported whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
 - b) We obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and reported whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
 - c) We selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - 1) Using entity collection documentation, deposit slips, and bank statements, we traced daily collections to the deposit date on the corresponding bank statement and reported whether the deposits were made within one day of collection. If deposits were not made within one day of collection, reported the number of days from receipt to deposit for each day at each collection location.

- 2) Using sequentially numbered receipts, system reports, or other related collection documentation, we verified that daily cash collections are completely supported by documentation and reported any exceptions.
7. We obtained existing written documentation (e.g. policy manual, written procedure) and reported whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. We obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sorted/filtered for entity disbursements. We obtained management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, we randomly selected 25 disbursements (or randomly selected disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. We obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and reported whether the supporting documentation for each transaction demonstrated that:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we reported whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we reported whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

12. We inquired of management and observed whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and reported any exceptions. Alternately, if the checks are electronically printed on blank check stock, we reviewed entity documentation (electronic system control documentation) and reported whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, we inquired of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. We inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. We reported any exceptions.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.
15. Using the listing prepared by management, we randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

We obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. We selected the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, we selected the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) We reported whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) We reported whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, we obtained supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
 - a) For each transaction, we reported whether the transaction is supported by:
 - 1) An original itemized receipt (i.e., identifies precisely what was purchased)
 - 2) Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - 3) Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

- b) For each transaction, we compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and reported any exceptions.
- c) For each transaction, we compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions.

Travel and Expense Reimbursement

- 17. We obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, we obtained the general ledger and sorted/filtered for travel reimbursements. We obtained management's representation that the listing or general ledger is complete.
- 18. We obtained the entity's written policies related to travel and expense reimbursements. We compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and reported any amounts that exceed GSA rates.
- 19. Using the listing or general ledger from #17 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
 - a) We compared expense documentation to written policies and reported whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, we compared to the GSA rates (#18 above) and reported each reimbursement that exceeded those rates.
 - b) We reported whether each expense is supported by:
 - 1) An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - 2) Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - 3) Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

- c) We compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse).
- d) We reported whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

- 20. We obtain a listing of all contracts in effect during the fiscal period or, alternately, we obtained the general ledger and sorted/filtered for contract payments. We obtained management's representation that the listing or general ledger is complete.
- 21. Using the listing above, we selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). We obtained the related contracts and paid invoices and:
 - a) We reported whether there is a formal/written contract that supports the services arrangement and the amount paid.
 - b) We compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. We reported whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - 1) If yes, we obtained/compared supporting contract documentation to legal requirements and reported whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - 2) If no, we obtained supporting contract documentation and reported whether the entity solicited quotes as a best practice.
 - c) We reported whether the contract was amended. If so, we reported the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
 - d) We selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and reported whether the invoice and related payment complied with the terms and conditions of the contract.
 - e) We obtained/reviewed contract documentation and board minutes and reported whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Payroll and Personnel

22. We obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing is complete. We randomly select five employees/officials, obtained their personnel files, and:
- a) Reviewed compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Reviewed changes made to hourly pay rates/salaries during the fiscal period and reported whether those changes were approved in writing and in accordance with written policy.
23. We obtained attendance and leave records and randomly select one pay period in which leave was been taken by at least one employee. Within that pay period, we randomly selected 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
- a) Reported whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Reported whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Reported whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
24. We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, we selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. We reported whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
25. We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. We reported whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Other

26. We inquired of management whether the entity had any misappropriations of public funds or assets. If so, we obtained/reviewed supporting documentation and reported whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
27. We observe and reported whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
28. If we observed or otherwise identified any exceptions regarding management's representations in the procedures above, we reported the nature of each exception.

Findings:

Written Policies:

We noted that Young Audiences Charter does not have written policies addressing the legal review of its vendor contracts and the approval process for new vendors.

Management Response:

Young Audiences Charter will add the following to its existing policies:

"Independent Contractors and Consultants' Policy – It will be determined by the School Leader and Operations Manager, on a case-by-case basis, as to whether outside legal counsel review will be required for a new contract."

Collections:

We noted that each employee responsible for collecting cash is not bonded; however, each employee is insured under Young Audiences Charter's Crime Insurance Policy. We believe this as a mitigating control.

Disbursements:

We noted one (1) instance in which the selected invoice did not have a signature of approval from the School Leader, however, the check for this disbursement was signed by the School Leader which mitigates the lack of documentation of approval on the invoice.

Management Response:

Young Audiences Charter will continue to strive for 100% compliance of invoice approval prior to disbursement.

Credit Cards:

We noted five (5) transactions selected for testing for which an itemized receipt or documentation of purpose was not retained or included with the credit card reconciliation.

Management Response:

The Finance Department is currently more involved in the credit card reconciliation process and will work to ensure that there is proper documentation for all charges.

Other:

We noted that Young Audiences Charter did not have the posting concerning the reporting of misappropriation, fraud, waste, or abuse of public funds required by LA R.S. 24:523.1 on its premises or on its website.

Management Response:

When informed of this non-compliance issue, Management promptly posted the required notice on a bulletin board in the front office of the school and on its website as required.

This agreed-upon procedures engagement was performed in accordance with the attestation standard established by the American Institute of Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representations regarding the sufficiency of the procedures described above either for the purpose for which this report has been requested or for any other purpose.

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.

This report is intended solely for the information and use of management of Young Audiences Charter, the Jefferson Parish Public School System, and the LLA and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, 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 LLA as a public document.

Carr, Riggs & Ingram, L.L.C.

October 11, 2017



**REPORTS 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 financial statements of Young Audiences Charter School (a nonprofit organization) ("Young Audiences Charter"), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 11, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the 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 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 the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Young Audiences Charter's 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 audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Car, Riggs & Ingram, L.L.C.

October 11, 2017



Young Audiences Charter School Schedule of Findings and Questioned Costs

A. SUMMARY OF AUDITORS' RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of Young Audiences Charter School.
2. No significant deficiencies relating to the audit of 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 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, 2017.

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

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

C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

Young Audiences Charter School did not have the postings required by LA R.S. 24:523.1 on the premises or the website. Management promptly made the required postings when notified of the noncompliance.



**Young Audiences Charter School
Summary Schedule of Prior Audit Findings and Questioned Costs**

A. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended June 30, 2016.

B. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

There were no findings related to compliance and other matters for the year ended June 30, 2016.



Supplementary Information

YOUNG AUDIENCES CHARTER SCHOOL
SCHEDULE OF AGENCY HEAD COMPENSATION
For the Year Ended June 30, 2017

Agency Head Name: Brandon House, School Leader

PURPOSE	AMOUNT
Salary	\$ 95,000
Benefits-health insurance	171
Benefits-retirement	-
Deferred compensation	-
Workers comp	1,900
Benefits-life insurance	10
Benefits-long term disability	943
Benefits-Fica & Medicare	7,195
Car allowance	-
Vehicle provided by government	-
Cell phone	643
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	912
Registration fees	-
Conference travel	-
Unvouchered expenses	-
Meetings & conventions	-
Other	-
	<hr/>
	\$ 106,774