YOUNG AUDIENCES OF LOUISIANA, INC.

FINANCIAL STATEMENTS

JUNE 30, 2020

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Postlethwaite & Netterville
A Professional Accounting Corporation
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A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT

To the Board of Directors for
Young Audiences of Louisiana, Inc.
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Young Audiences of Louisiana, Inc. (a nonprofit organization) (the Organization) which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year ended June 30, 2020, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors consider internal control relevant to the Organization'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 the Organization'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.

Postlethwaite & Netterville

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Young Audiences of Louisiana, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of the Organization as of and for the year ended June 30, 2019, were audited by other auditors whose report dated December 27, 2019, expressed an unmodified opinion on those financial statements.

Other Matters

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Organization adopted Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, as of July 1, 2019.

Our opinion is not modified with respect to this matter.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

Postlethwaite & Netterville

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering the Organization's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Metairie, Louisiana
March 17, 2021

YOUNG AUDIENCES OF LOUISIANA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

A S S E T S

	2020	2019
ASSETS		
Cash	$ 551,516	$ 270,544
Accounts receivable	67,913	74,177
Grants receivable	328,525	324,462
Contract receivable	64,743	157,750
Due from related party	551,185	392,890
Investments	430,097	410,489
Beneficial interest in assets held by others	26,963	27,747
Total assets	$ 2,020,942	$ 1,658,059

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

	2020	2019
LIABILITIES		
Accounts payable	$ 148,110	$ 205,065
Refundable advance - Paycheck Protection Program	59,194	-
Total liabilities	207,304	205,065
NET ASSETS		
Without donor restrictions	1,786,675	1,425,247
With donor restrictions	26,963	27,747
Total net assets	1,813,638	1,452,994
Total liabilities and net assets	$ 2,020,942	$ 1,658,059

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

YOUNG AUDIENCES OF LOUISIANA, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019

	2020			2019		
	Without Donor Restictions	With Donor Restrictions	Total	Without Donor Restictions	With Donor Restrictions	Total
Revenues and support:						
Program fees	$ 1,768,102	$ -	$ 1,768,102	$ 1,941,918	$ -	$ 1,941,918
Contract revenue	358,977	-	358,977	475,948	-	475,948
Federal grants	1,184,957	-	1,184,957	709,252	-	709,252
Contributions	386,395	-	386,395	349,783	-	349,783
Fundraisers, net of cost of direct benefits to donors	19,435	-	19,435	44,048	-	44,048
Investment income, net	19,810	-	19,810	32,063	-	32,063
Beneficial interest income, net	-	310	310	-	57	57
Miscellaneous revenue	300	-	300	11,465	-	11,465
Paycheck Protection Program income	277,173	-	277,173	-	-	-
Net assets released from restrictions	1,094	(1,094)	-	-	-	-
Total revenues and support	4,016,243	(784)	4,015,459	3,564,477	57	3,564,534
Expenses:						
Program services	2,987,012	-	2,987,012	2,910,070	-	2,910,070
Supporting services:						
Management and general	491,336	-	491,336	398,385	-	398,385
Fundraising	176,467	-	176,467	179,492	-	179,492
Total expenses	3,654,815	-	3,654,815	3,487,947	-	3,487,947
Change in net assets	361,428	(784)	360,644	76,530	57	76,587
NET ASSETS AT BEGINNING OF YEAR	1,425,247	27,747	1,452,994	1,348,717	27,690	1,376,407
NET ASSETS AT END OF THE YEAR	$ 1,786,675	$ 26,963	$ 1,813,638	$ 1,425,247	$ 27,747	$ 1,452,994

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

YOUNG AUDIENCES OF LOUISIANA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020			
		Supporting Services		
	Program Services	Management & General	Fundraising	Total
Personnel expenses				
Salaries and benefits	$ 1,471,164	$ 236,113	$ 108,975	$ 1,816,252
Professional services	1,160,848	37,048	37,048	1,234,944
Payroll taxes	106,691	17,125	7,904	131,720
Total personnel expenses	2,738,703	290,286	153,927	3,182,916
Other expenses				
Accounting and legal	35,908	115,565	-	151,473
Advertising	10,412	-	2,604	13,016
Community outreach	3,872	3,476	553	7,901
Computer/website	3,458	-	1,345	4,803
Cooperative funding	-	13,125	-	13,125
Field trips and transportation	23,815	-	-	23,815
Fundraising activities	-	-	23,029	23,029
Insurance	-	4,310	-	4,310
Interest and bank charges	-	4,552	-	4,552
Miscellaneous	1,006	5,199	628	6,833
Office supplies	-	16,798	-	16,798
Program supplies	113,475	-	-	113,475
Rent	7,940	10,827	5,293	24,060
Staff/board development	-	18,954	-	18,954
Teacher recruitment	28,200	-	-	28,200
Telephone	3,113	2,540	2,540	8,193
Travel/conferences	17,110	5,704	5,703	28,517
Total other expenses	248,309	201,050	41,695	491,054
Less expenses included with revenues on the statement of activities				
Cost of direct benefits to donors	-	-	(19,155)	(19,155)
Total expenses included in the expense section on the statement of activities	$ 2,987,012	$ 491,336	$ 176,467	$ 3,654,815

(continued)

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

YOUNG AUDIENCES OF LOUISIANA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019
(CONTINUED)

	2019			
		Supporting Services		
	Program Services	Management & General	Fundraising	Total
Personnel expenses				
Salaries and benefits	$ 1,176,412	$ 188,807	$ 87,142	$ 1,452,361
Professional services	1,335,468	42,621	42,621	1,420,710
Payroll taxes	82,943	13,311	6,143	102,397
Total personnel expenses	2,594,823	244,739	135,906	2,975,468
Other expenses				
Accounting and legal	87,061	64,074	-	151,135
Advertising	26,435	-	6,609	33,044
Community outreach	3,866	3,471	552	7,889
Computer/website	10,772	-	4,189	14,961
Cooperative funding	-	17,900	-	17,900
Dues/memberships/subscriptions	1,140	-	760	1,900
Field trips and transportation	26,090	-	-	26,090
Fundraising activities	-	-	17,340	17,340
Insurance	-	3,867	-	3,867
Interest and bank charges	-	4,834	-	4,834
Office supplies	-	19,910	-	19,910
Parking	-	1,110	-	1,110
Postage	1,585	1,153	913	3,651
Program supplies	130,714	-	-	130,714
Rent	9,723	13,258	6,482	29,463
Staff/board development	-	16,386	-	16,386
Telephone	3,584	2,924	2,924	9,432
Travel/conferences	14,277	4,759	4,759	23,795
Total other expenses	315,247	153,646	44,528	513,421
Less expenses included with revenues on the statement of activities				
Cost of direct benefits to donors	-	-	(942)	(942)
Total expenses included in the expense section on the statement of activities	$ 2,910,070	$ 398,385	$ 179,492	$ 3,487,947

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

YOUNG AUDIENCES OF LOUISIANA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 360,644	$ 76,587
Adjustments to reconcile change in net assets		
to cash provided by (used in) operating activities:		
Investment and beneficial interest income	(19,918)	(36,732)
Changes in operating assets and liabilities:		
Accounts receivable	6,264	(36,457)
Grants receivable	(4,063)	(260,740)
Contracts receivable	93,007	16,379
Due from related party	(158,295)	44,554
Prepaid expenses	-	14,150
Accounts payable	(56,955)	62,837
Refundable advance - Paycheck Protection Program	59,194	-
Net cash provided by (used in) operating activities	279,878	(119,422)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from withdrawal of investment	1,094	5,906
Net cash provided by investing activities	1,094	5,906
Net increase (decrease) in cash and cash equivalents	280,972	(113,516)
Cash, beginning of year	270,544	384,060
Cash, end of year	$ 551,516	$ 270,544

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

YOUNG AUDIENCES OF LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization

Young Audiences of Louisiana, Inc. (the Organization), a nonprofit organization, was incorporated in the State of Louisiana in 1962 with the mission of inspiring, empowering, and uniting children through education, arts, and culture. The Organization presents cultural and educational activities, primarily workshops, plays, and concerts, for students and teachers throughout southeast Louisiana.

Basis of Accounting and Presentation of Net Assets

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

Net assets without donor restrictions: Net assets that are not subject to donor (or grantor) restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

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

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restrictions are accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Use of Estimates

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

Cash

Cash includes amounts on deposit at financial institutions. The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

1. Summary of Significant Accounting Policies (continued)

Receivables

Receivables, consisting of accounts receivable, grants receivable, contract receivable, and due from related party, are stated at the amount management expects to collect from outstanding balances. The Organization determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable. At June 30, 2020 and 2019, the Organization did not deem any receivables to be uncollectable; therefore, no allowance was recorded.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Net investment income consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment expenses.

Net investment income earned on donor restricted net assets which are perpetual in nature is recorded in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law.

Beneficial Interest in Assets Held by Others

The Organization has been named as an irrevocable beneficiary of a perpetual trust held and administered by an independent trustee. At the date the Organization receives notice of a beneficial interest, a contribution with donor restrictions of a perpetual nature is recorded in the statements of activities, and a beneficial interest in assets held by others is recorded in the statements of financial position at the fair value of the underlying trust assets. Thereafter, the beneficial interest in the trust is reported at the fair value of the trusts' assets in the statements of financial position, with trust distributions and changes in fair value recognized in the statements of activities.

Income Taxes

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

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

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

1. **Summary of Significant Accounting Policies (continued)**

Revenue and Revenue Recognition

The Organization recognizes program fees and contract revenue when the programs are delivered and the services are provided.

Revenues from federal grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Revenue is recognized when the Organization has met the performance requirements and/or incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. The Organization recognized as revenue all funds related to these grants during the years ended June 30, 2020 and 2019.

Contributions and revenues from non-federal grants are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of beneficial interest is received. Conditional contributions are not recognized until the conditions on which they depend have been substantially met. At June 30, 2020, contributions approximating $87,220 have not been recognized in the accompanying statements of activities because the conditions on which they depend have not yet been met.

Refundable advances as reported on the statement of financial position consist of Paycheck Protection Program funding received for which eligible expenditures have not been incurred at June 30, 2020.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are charged directly to program or support services categories based on specific identification where possible. Indirect expenses have been allocated using the following methodologies: salaries and employee-related expenses – time and effort; rent and insurance – management's estimates and usage of the leased premises.

Recently Adopted Accounting Standard

Effective July 1, 2019, the Organization adopted Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of *Not-for-Profit Entities (Topic 958)*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The implementation of this new standard did not have a material impact on the measurement or recognition of revenue.

YOUNG AUDIENCES OF LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies (continued)**

Accounting Pronouncements Issued but Not Yet in Effect

The Financial Accounting Standards Board (FASB) has issued ASU 2014-09, *Revenue from Contracts with Customers*, to update its revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The standard may be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. On June 3, 2020, the FASB deferred the effective date of this standard for certain entities. This standard will be effective for the Organization's fiscal year ending June 30, 2021.

On September 17, 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. The ASU requires the new standard to be applied retrospectively, with amendments taking effect for the Organization's fiscal year ending June 30, 2022.

In February 2016, the FASB issued ASU 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842), Targeted Improvements*, to simplify the lease standard's implementation. The amended guidance relieves businesses and other organizations of the requirement to present prior comparative years' results when they adopt the new lease standard. Instead of recasting prior year results using the new accounting when they adopt the guidance, companies can choose to recognize the cumulative effect of applying the new standard to leased assets and liabilities as an adjustment to the opening balance of retained earnings. On June 3, 2020, the FASB deferred the effective date of this standard for certain entities. This standard will be effective for the Organization's fiscal year ending June 30, 2023.

The Organization is currently assessing the impact of these pronouncements on its financial statements.

Reclassification

Certain amounts in the 2019 financial statements have been reclassified to conform to the current year presentation.

2. Liquidity and Availability

The table below presents the Organization's financial assets available for general expenditures within one year at June 30:

	2020	2019
Financial assets at year end:		
Cash	$ 551,516	$ 270,544
Accounts and other receivables	1,012,366	949,279
Investments	430,097	410,489
Beneficial interest in assets held by others	26,963	27,747
Total financial assets	2,020,942	1,658,059
Less: amounts not available to be used within one year for general expenditures:		
Assets with donor restrictions	26,963	27,747
Financial assets available to meet general expenditures within one year	$ 1,993,979	$ 1,630,312

The Organization's goal is to maintain financial assets at a level equal to 90-120 days of its operating expenses (approximately $830,000-$1,100,000). As part of the Organization's liquidity management plan, any large, long-term excess cash may be invested.

3. Beneficial Interest in Assets Held by Others

The Organization maintains a beneficial interest in assets at the Greater New Orleans Foundation (GNOF). The beneficial interest is an investment pool managed by Cambridge Associates, who monitor investment returns for the beneficial interest. The amount available for distribution is equal to 4% of the previous twelve quarters average beneficial interest balance, with September 30th of the previous year being the most recent quarter. See Note 4 for further information on the market value of the beneficial interest.

4. Fair Value Measurements

FASB authoritative guidance for fair value measurements defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The guidance also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

4. Fair Value Measurements (continued)

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy under the guidance are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020 and 2019.

Mutual funds, equities, and exchange traded and closed ended funds (ETFs and CEFs): Valued at the closing price reported on the active market on which the individual securities or commodities are traded.

Beneficial interest: Valued based on the fair value of fund investments as reported by GNOF.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value, except those measured at cost, as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 132,813	$ -	$ -	$ 132,813
Equities	250,398	-	-	250,398
ETFs and CEFs	33,230	-	-	33,230
Beneficial interest	-	-	26,963	26,963
	$ 416,441	$ -	$ 26,963	443,404
Cash, at cost				13,656
				$ 457,060

4. Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value, except those measured at cost, as of June 30, 2019:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 135,174	$ -	$ -	$ 135,174
Equities	242,239	-	-	242,239
Beneficial interest	-	-	27,747	27,747
	$ 377,413	$ -	$ 27,747	405,160
Cash, at cost				33,076
				$ 438,236

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30:

	2020	2019
Beneficial interest, beginning of year	$ 27,747	$ 27,690
Beneficial interest income, net	310	57
Distributions	(1,094)	-
Beneficial interest, end of year	$ 26,963	$ 27,747

5. Cooperative Funding Expense

The national Young Audiences organization computes the Organization's share of cooperative funding expense based upon their eligible revenues compared to revenues of all chapters. Cooperative funding for the years ended June 30, 2020 and 2019 totaled $13,125 and $17,900, respectively.

6. Operating Leases

On January 1, 2019, the Organization entered into a lease agreement with minimum monthly rental payments of $2,388 for the use of classroom and storage space. The lease expired on December 31, 2019 and was renewed through December 31, 2020. Monthly minimum rental payments are $2,439 under the renewed lease agreement.

Future minimum rental payments for the office space, as of June 30, 2020 are as follows:

Period Ending June 30	Amount
2021	$ 14,634

Rent expense for operating leases during the years ended June 30, 2020 and 2019 was $24,060 and $29,463, respectively.

7. Concentrations and Credit Risk

For the years ended June 30, 2020 and 2019, the Organization received 30% and 20%, respectively, of its revenues and 33% and 34% of its receivables, respectively, from federal grants. The Organization's other significant source of revenue is from a related party. See Note 8.

The Organization manages deposit concentration risk by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Organization has not experienced losses in any of these accounts.

8. Related Party Transactions

The Organization provides arts and education programs services along with management oversight and staff training to a related party, Young Audiences Charter Association (YACA). The Organization recorded approximately $1,443,000 and $1,414,000 in program fees revenue related to such services for the years ended June 30, 2020 and 2019 on the accompanying statements of activities. Amounts outstanding at June 30, 2020 and 2019, are recorded and classified as due from related party in the accompanying statements of financial position. In addition, certain in-kind services related to the start-up of YACA were provided by the Organization; however, the financial statements do not reflect the value of such services because they do not meet the criteria prescribed by U.S. GAAP.

9. Outbreak of COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout the United States. The COVID-19 pandemic has negatively impacted the global economy and created significant volatility and disruption of financial markets. The extent of the continuing impact of the COVID-19 pandemic on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on the Organization's donors, students, employees and vendors, all of which are uncertain and cannot be predicted.

10. Paycheck Protection Program

During the year ended June 30, 2020, the Organization applied for and was approved for a $336,367 loan under the Paycheck Protection Program administered by the Small Business Administration as part of the relief efforts related to COVID-19. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized. The Organization recognized $277,173 of the loan as an unconditional contribution, which is recorded in the statement of activities for the year ended June 30, 2020, having met the conditions for forgiveness by incurring eligible expenditures. The remaining $59,194 is recognized as a refundable advance, which is recorded in the statement of financial position at June 30, 2020, and will be recognized as revenue once the remaining eligible expenditures are incurred.

11. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 17, 2021, and determined that other than the matter regarding the continuing impact of the outbreak of COVID-19 described in Note 9, there were no other events occurred that require additional disclosure. No events after this date have been evaluated for inclusion in the financial statements.

SUPPLEMENTAL INFORMATION

YOUNG AUDIENCES OF LOUISIANA, INC.
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2020

Agency Head Name: Rickie Nutik, CEO

Purpose	Amount
Salary	$ 114,300
Payroll taxes - FICA & Medicare	4,000
	$ 118,300

Note: Ms. Nutik participates in a retirement plan, but no employer match is offered at this time.

See accompanying independent auditors' report.

P&N
Postlethwaite & Netterville

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A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors for
Young Audiences of Louisiana, Inc.
New Orleans, 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 of Louisiana, Inc. (the Organization) which comprise the statement of financial position as of June 30, 2020, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 17, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

Postlethwaite & Netterville

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Metairie, Louisiana
March 17, 2021

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

To the Board of Directors
Young Audiences of Louisiana, Inc.

Report on Compliance for Each Major Federal Program

We have audited Young Audiences of Louisiana, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2020. The Organization's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for its major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Postlethwaite & Netterville

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Postlethwaite & Netterville

Metairie, Louisiana
March 17, 2021

YOUNG AUDIENCES OF LOUISIANA, INC.
SCHEUDLE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-Through Grantor	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	
United States Department of Education				
Assistance for Arts Education Development and Dissemination	84.351D	N/A	$	744,156
Louisiana Department of Education:				
Twenty-First Century Community Learning Centers	84.287C	N/A		440,801
Total United States Department of Education				1,184,957
Total Expenditures of Federal Awards			$	1,184,957

See accompanying Independent Auditors' Report.

YOUNG AUDIENCES OF LOUISIANA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

1. Basis of Presentation

   The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal awards of Young Audiences of Louisiana, Inc. (the Organization) for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*Uniform Guidance). The Organization's reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2020. All federal awards received directly from federal agencies are included on the Schedule, as well as federal awards passed-through other entities. The Schedule presents only a selected portion of the operations of the Organization; it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. Summary of Significant Accounting Policies

   Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the Organization's financial statements for the year ended June 30, 2020. Such expenditures are recognized following the cost principles contained in accordance with the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of, the basic financial statements. The Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. Relationship to Financial Statements

   Federal revenues of $1,184,957 are included in federal grant revenue on the statement of activities.

4. Relationship to Federal Financial Reports

   Amounts reported in the Schedule agree with the amounts reported in the related federal financial reports.

YOUNG AUDIENCES OF LOUISIANA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2020

(1) Summary of Independent Auditors' Results

Financial Statements

The type of report issued on the financial statements:	Unmodified opinion
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None noted
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal controls over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None noted
Type of auditor's report issued on compliance for major programs:	Unmodified opinion
Any audit findings which are required to be reported under the Uniform Guidance?	No

Identification of major program:

Program Name	**Federal CFDA#**
Assistance for Arts, Education, Development and Dissemination	84.351D

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as a low-risk auditee under Section 530 of the Uniform Guidance:	No

YOUNG AUDIENCES OF LOUISIANA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2020

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards:*

None

(3) Findings and Questioned Costs relating to Federal Awards:

None