

KIDS' ORCHESTRA, INC.
BATON ROUGE, LOUISIANA
JUNE 30, 2023

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Directors of
Kids' Orchestra, Inc.

We have reviewed the accompanying financial statements of Kids' Orchestra (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

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

Accountant's Conclusion

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

Supplementary Information

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

Report on Agreed-Upon Procedures

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated December 20, 2023, on the results of our agreed-upon procedures.

L. A. Champagne & Co, LLP

*December 20, 2023
Baton Rouge, Louisiana*

KIDS' ORCHESTRA, INC.
STATEMENTS OF FINANCIAL POSITION

Years ended June 30, 2023 and 2022

ASSETS	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash	\$ 181,776	\$ 198,189
Grants receivable	113,353	61,933
Pledges receivable, current portion	-	10,700
Prepaid expenses	<u>2,107</u>	<u>4,621</u>
Total current assets	<u>297,236</u>	<u>275,443</u>
PROPERTY AND EQUIPMENT		
Leasehold improvements	38,936	38,936
Furniture and equipment	50,115	29,360
Music equipment	<u>160,302</u>	<u>160,302</u>
Total property and equipment	249,353	228,598
Less accumulated depreciation	<u>(220,187)</u>	<u>(211,114)</u>
Property and equipment, net of depreciation	29,166	17,484
Operating lease right-of-use, net of amortization	<u>31,934</u>	<u>-</u>
Property and equipment, net	<u>61,100</u>	<u>17,484</u>
OTHER ASSETS		
Security deposit	<u>2,000</u>	<u>2,000</u>
Total other assets	<u>2,000</u>	<u>2,000</u>
Total assets	<u>\$ 360,336</u>	<u>\$ 294,927</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 2,784	\$ 9,052
Payroll liabilities	21,931	20,650
Line of credit	75,000	-
Current portion of right-of-use liability	<u>27,278</u>	<u>-</u>
Total current liabilities	126,993	29,702
NON-CURRENT LIABILITIES		
Non-current portion of right-of-use liability	<u>4,656</u>	<u>-</u>
Total non-current liabilities	4,656	-
NET ASSETS		
Without donor restrictions	228,687	263,525
With donor restrictions	<u>-</u>	<u>1,700</u>
Total net assets	<u>228,687</u>	<u>265,225</u>
Total liabilities and net assets	<u>\$ 360,336</u>	<u>\$ 294,927</u>

See accompanying notes

KIDS' ORCHESTRA, INC.
STATEMENTS OF ACTIVITIES
Years ended June 30, 2023 and 2022

	2023			2022		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
SUPPORT AND REVENUE						
Corporate contributions	\$ 21,540	-	\$ 21,540	\$ 10,362	-	\$ 10,362
Foundation contributions	242,159	-	242,159	158,415	-	158,415
Individual contributions	74,037	-	74,037	71,551	-	71,551
In-kind contributions	55,800	-	55,800	3,000	-	3,000
Other contributions	5,350	-	5,350	41,568	-	41,568
Government grants	251,989	-	251,989	139,660	-	139,660
Student dues	110,686	-	110,686	72,631	-	72,631
Tax incentive	-	-	-	60,007	-	60,007
Interest income	1,909	-	1,909	113	-	113
Other miscellaneous	56,897	-	56,897	1,418	-	1,418
Net assets released from restrictions	1,700	(1,700)	-	6,450	(6,450)	-
Total support and revenue	<u>822,067</u>	<u>(1,700)</u>	<u>820,367</u>	<u>565,175</u>	<u>(6,450)</u>	<u>558,725</u>
EXPENSES						
Program services	532,822	-	532,822	361,921	-	361,921
Management and general	248,975	-	248,975	227,246	-	227,246
Fundraising	75,108	-	75,108	111,789	-	111,789
Total expenses	<u>856,905</u>	<u>-</u>	<u>856,905</u>	<u>700,956</u>	<u>-</u>	<u>700,956</u>
CHANGE IN NET ASSETS	(34,838)	(1,700)	(36,538)	(135,781)	(6,450)	(142,231)
NET ASSETS-BEGINNING OF YEAR	<u>263,525</u>	<u>1,700</u>	<u>265,225</u>	<u>399,306</u>	<u>8,150</u>	<u>407,456</u>
NET ASSETS-END OF YEAR	<u>\$ 228,687</u>	<u>\$ -</u>	<u>\$ 228,687</u>	<u>\$ 263,525</u>	<u>\$ 1,700</u>	<u>\$ 265,225</u>

See accompanying notes

KIDS' ORCHESTRA, INC.
STATEMENTS OF CASH FLOWS
Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (36,538)	\$ (142,231)
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Depreciation	9,073	12,067
Decrease (increase) in		
Grants receivable	(51,420)	(45,533)
Prepaid expenses	2,514	(4,621)
Pledges receivable	10,700	9,450
Increase (decrease) in		
Accounts payable	(6,268)	932
Payroll liabilities	1,281	2,968
Total adjustments	<u>(34,120)</u>	<u>(24,737)</u>
Net cash provided by (used in) operating activities	<u>(70,658)</u>	<u>(166,968)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment	<u>(20,755)</u>	<u>(2,637)</u>
Net cash used in investing activities	<u>(20,755)</u>	<u>(2,637)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	<u>75,000</u>	<u>-</u>
Net cash provided by financing activities	<u>75,000</u>	<u>-</u>
INCREASE (DECREASE) IN CASH	(16,413)	(169,605)
Cash - beginning of year	198,189	367,794
Cash - end of year	<u>\$ 181,776</u>	<u>\$ 198,189</u>

See accompanying notes

KIDS' ORCHESTRA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES

Years ended June 30, 2023 and 2022

	2023				2022			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Advertising	\$ 1,651	\$ -	\$ 8,560	\$ 10,211	\$ -	\$ -	\$ 32,228	\$ 32,228
Auto	1,258	33	-	1,291	748	52	-	800
Contract labor	138,180	-	748	138,928	85,687	-	8,581	94,268
Depreciation	-	9,073	-	9,073	-	12,067	-	12,067
Dues and subscriptions	1,036	5,618	400	7,054	1,065	3,384	200	4,649
Professional development	1,272	866	2,211	4,349	2,547	35	20	2,602
Employee benefits	18,876	11,173	2,537	32,586	16,461	10,304	524	27,289
Fundraising	5,286	199	1,097	6,582	3,498	440	26,043	29,981
Insurance	-	17,176	-	17,176	-	18,923	-	18,923
Materials	5,572	46	-	5,618	2,955	-	-	2,955
Meals	642	2,768	758	4,168	-	2,394	728	3,122
Meetings and conferences	148	320	45	513	-	-	60	60
Occupancy	9,600	27,965	-	37,565	-	27,000	-	27,000
Office	-	2,098	-	2,098	-	1,075	-	1,075
Orchestra	3,707	-	-	3,707	2,006	-	-	2,006
Other	5,775	12,283	3,832	21,890	4,471	9,149	2,624	16,244
Payroll taxes	20,898	8,432	3,506	32,836	15,543	8,456	1,446	25,445
Professional fees	350	40,589	4,979	45,918	571	33,541	20,996	55,108
Postage and printing	566	4,992	549	6,107	3,818	99	903	4,820
Repairs	1,649	-	-	1,649	1,468	-	-	1,468
Salaries	273,136	96,541	45,886	415,563	221,083	91,533	17,436	330,052
Student snacks	43,220	-	-	43,220	-	-	-	-
Telephone	-	8,803	-	8,803	-	8,794	-	8,794
	<u>\$ 532,822</u>	<u>\$ 248,975</u>	<u>\$ 75,108</u>	<u>\$ 856,905</u>	<u>\$ 361,921</u>	<u>\$ 227,246</u>	<u>\$ 111,789</u>	<u>\$ 700,956</u>

See accompanying notes

KIDS' ORCHESTRA, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2023

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

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

Basis of accounting

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

Basis of presentation

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

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

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

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

Contributions and expenses

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

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Tax incentive income

Tax incentive income is recognized as revenue in the period in which the incentive is approved and payable by the governmental agency. Tax incentive income consists of Musical and Theatrical Production Tax Credits as provided by Louisiana Revised Statute 47:6034. The revenue recorded as Tax incentive income was \$0 and \$60,007 at June 30, 2023 and 2022, respectively.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

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

Promises to give

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

Management estimates the allowance for doubtful pledges based on historical collections together with a review of the current status of existing pledge receivables. The allowance for uncollectible receivables was \$0 and \$300 at June 30, 2023 and 2022, respectively.

Property and equipment

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

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Depreciation expense charged to operation expense was \$9,073 and \$12,067 in 2023 and 2022, respectively.

Included in furniture and equipment is cost associated with the build out of the Organization's new website in the amount of \$20,755. As of June 30, 2023, the website was still under construction.

Donated services

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. There were no such services recognized in 2023 or 2022.

Income taxes

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

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

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

Advertising

The Organization expenses advertising costs as incurred. Such costs amounted to \$10,211 and \$32,228 in 2023 and 2022, respectively.

Functional allocation of expenses

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

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Revenue recognition

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

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

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

Adoption of new accounting standards

Effective July 1, 2022, the Organization adopted the requirements of FASB ASC 842, *Leases*. This new standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. Leases with a term of less than 12 months will not record a ROU asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term.

The Organization adopted the standard using the modified retrospective method. Accordingly, the results reporting periods beginning after July 1, 2022 are presented under ASC 842, while prior period amounts are not adjusted and continue to be reported under the accounting standards in effect during those periods.

The Organization elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to re-evaluate the classification of leases in effect at the point of adoption, and

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

relief from reevaluation of existing leases that have initial directs costs associated with the execution of the lease contract. The Organization also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the right of use assets.

The new standard requires that leases with a lease term of more than 12 months be classified as either finance or operating leases. Leases are classified as finance leases when the Organization expects to consume a major part of the economic benefits of the leased assets over the remaining lease term. Conversely, if the Organization is not expected to consume a major part of the economic benefits of the leased assets, then they are classified as operating leases. The lease classification affects both the pattern and presentation of expense recognized in the statement of activities, the categorization of assets and liabilities on the statement of financial position, and classification of cash flows in the statement of cash flows.

Total lease cost consists of two components; amortization expense related to the write-off of the right-to-use assets and interest expense from lease obligations.

For financing leases, the total lease cost is recorded on an accelerated basis whereby interest expense is recorded using the effective interest method and right-of-use assets are amortized on a straight-line basis over the remaining lease term. For operating leases, total lease cost is measured and recorded on a straight-line basis over the lease term.

Lease obligations are measured and recorded at the present value of future lease payments using a discount rate. Because the Organization generally does not have access to the rate implicit in each lease, lease obligations are measured using the risk-free rate as the discount rate.

Right-of-use assets are generally measured and recorded at the sum of the lease obligation, any initial direct costs to consummate the lease, and any lease payments made on or before the commencement date.

B: NON-CASH INVESTING AND FINANCING ACTIVITIES

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

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

C: RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions consist of the following as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Time restrictions		
Multi-year pledges receivable	\$ -	\$ 1,700
	<u>\$ -</u>	<u>\$ 1,700</u>

D: LIQUIDITY

The following reflects the Organization's financial assets as of June 30, 2023 and 2022, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	<u>2023</u>	<u>2022</u>
Cash	\$ 181,776	\$ 198,189
Grants receivable	113,353	61,933
Pledges receivable, current portion	-	10,700
Less donor imposed restrictions	-	(1,700)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 295,129</u>	<u>\$ 269,122</u>

E: PLEDGES RECEIVABLE

Pledges receivable are unconditional promises to give from individual donors and are detailed as follows as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Receivable in less than one year	\$ -	\$ 11,000
Receivable in one to five years	-	-
Total pledges receivable	-	11,000
Less discounts to net present value	-	-
Less allowance for uncollectible accounts	-	(300)
Net pledges receivable	<u>\$ -</u>	<u>\$ 10,700</u>

F: CONCENTRATIONS*Credit Risk*

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

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

G: EMPLOYEE BENEFIT PLAN

The Organization provides a defined contribution employee benefit plan qualifying under Internal Revenue Code Section 403(b). All employees are eligible to participate in the plan. Employees may elect to contribute a portion of their base salary on a pre-tax or Roth basis, at each employee's election. Employer contributions to the plan are discretionary. The Organization did not contribute to this plan in 2023 or 2022.

H: LEASES

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

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

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

	<u>2023</u>	<u>2022</u>
Operating lease right-to-use asset		
Cost	\$ 53,825	\$ -
Accumulated amortization	(21,891)	-
	<u>\$ 31,934</u>	<u>\$ -</u>

The operating lease was discounted using the two-year risk-free rate of 4.11% at the date of the lease's inception. The weighted-average remaining operating lease terms is 1.17 years.

A summary of the future lease payments for the operating lease at June 30, 2023 is as follows:

For the years ended June 30,	Amount
<u>2024</u>	<u>28,080</u>
2025	4,680
	<u>\$ 32,760</u>
Less effects of discounting	(826)
	<u>\$ 31,934</u>

Short term leases

In January 2019, the Organization entered into a sixty-month lease for a copier. Minimum rental payments of \$206 per month are required. An additional contingent rental is due based on usage. Rental expense was \$29,078 and \$30,569 for 2023 and 2022, respectively. Of those amounts \$1,706 and \$869 were contingent rental payments for 2023 and 2022, respectively.

H: LEASES (Continued)

Future minimal rental payments due under such leases as of June 30, 2023 are as follows:

For the years ended June 30,	Amount
<u>2024</u>	\$ <u>1,648</u>
	\$ <u><u>1,648</u></u>

I: LINE OF CREDIT

The Organization maintains a \$125,000 line of credit through a local financial institution secured by security interest in all assets. The line of credit matures on October 3, 2024. The Organization is obligated to make monthly interest payments at a variable interest rate. As of June 30, 2023 and 2022, the outstanding balance on this line was \$75,000 and \$0, respectively.

J: CONTRIBUTED GOODS

During the years ended June 30, 2023 and 2022, the Organization received the following non-cash contributions that have been reflected as such in the accompanying statement of activities at fair market value. The corresponding expenses are included in the Schedule of Functional Expenses in the appropriate categories:

Category	Expense account charged	2023	2022
Rent	Occupancy	\$ 12,600	\$ 3,000
Meals & Refreshments	Student snacks	43,200	-
Total in kind contributions		<u>\$ 55,800</u>	<u>\$ 3,000</u>

K: SUBSEQUENT EVENTS

Subsequent events were evaluated through December 20, 2023, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

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

For the year ended June 30, 2023
(See Independent Accountant's Review Report)

Agency Head

Jody Hanet, Executive Director

No compensation, reimbursement, or benefits were provided to the agency head using public finds for the year end June 30, 2023.

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

November 10, 2023 (Date Transmitted)

LA Champagne & Co., LLP (CPA Firm Name)
4911 Bennington Ave (CPA Firm Address)
Baton Rouge, LA 70808 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2023 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

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

Yes No N/A

]

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

Open Meetings

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

Yes No N/A

Budget

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

Yes No N/A

Reporting

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

Yes No N/A

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

Yes [] No [] N/A [X]

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

Yes [X] No [] N/A []

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

Yes [] No [] N/A [X]

Prior-Year Comments

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

Yes [X] No [] N/A []

General

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

Yes [X] No [] N/A []

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

Yes [X] No [] N/A []

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

Yes [X] No [] N/A []

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

Yes [X] No [] N/A []

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

Yes [X] No [] N/A []

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

Yes [X] No [] N/A []

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

Yes [X] No [] N/A []

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

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

Yes No N/A

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

<u>Christina C. Davis</u>	Secretary	<u>11/29/2023</u>	Date
<u>Mike Singletary</u>	Treasurer	<u>12/11/2023</u>	Date
<u>Lauren Fowler</u>	President	<u>11/29/2023</u>	Date

Signature: Lauren Fowler
Lauren Fowler (Nov 29, 2023 10:10 CST)
Email: laurenbr225@gmail.com

Signature: Christina Davis
Christina Davis (Nov 29, 2023 10:40 CST)
Email: christina.davis@bcbsla.com

Signature: Mike Singletary
Email: msingletary@nwila.com



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Directors of
Kids' Orchestra

We have performed the procedures enumerated below, which were agreed to by the management of Kids' Orchestra and the Legislative Auditor (the specified parties), on the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2023, as required by Louisiana Revised Statute 24:513 and *the Louisiana Governmental Audit Guide*. The Management of Kids' Orchestra is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Federal, State, and Local Awards

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

Federal, State, or Local Grant Name	Grant Year	AL No. (if applicable)	Amount
Division of the Arts	2023	n/a	\$10,000
Arts Council	2023/2024	n/a	10,900
Total Expenditures			\$20,900

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

Randomly selected disbursements from each grant.

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

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

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

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

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

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

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

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

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

No formal close out reports required.

Open Meetings

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

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

Budget

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

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

State Audit Law

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

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

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

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

Prior Comments

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

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

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

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

This report is intended solely to describe the scope of testing performed on the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

S. A. Champagne & Co, LLP

*Baton Rouge, Louisiana
December 20, 2023*