

EISNERAMPER

**YOUNG AUDIENCES CHARTER
ASSOCIATION**

**CONSOLIDATED FINANCIAL
STATEMENTS**

JUNE 30, 2023



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors for
Young Audiences Charter Association
Gretna, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Young Audiences Charter Association (a nonprofit organization) (the Organization) which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Young Audiences Charter Association as of June 30, 2023, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Young Audiences Charter Association for the year ended June 30, 2022 were audited by other auditors whose report dated March 24, 2023 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position, consolidating statement of activities, YACA statement of financial position - by parish, YACA statement of activities - by parish, and schedule of compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2023, 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* in considering the Organization's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Metairie, Louisiana
November 8, 2023



YOUNG AUDIENCES CHARTER ASSOCIATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 3,766,953	\$ 4,324,244
Cash restricted for student activities	43,231	43,231
Federal grants receivable	4,067,566	2,756,146
Accounts receivable	602,557	156,753
Due from related party	85,806	55,071
Prepaid expenses	<u>177,285</u>	<u>93,742</u>
Total current assets	<u>8,743,398</u>	<u>7,429,187</u>
<u>NONCURRENT ASSETS</u>		
Property and equipment, net	23,315,324	22,428,301
Right-of-use asset	141,986	-
Cash restricted for construction and debt service	2,450,792	4,378,629
Deposits	<u>21,737</u>	<u>21,737</u>
Total noncurrent assets	<u>25,929,839</u>	<u>26,828,667</u>
Total assets	<u>\$ 34,673,237</u>	<u>\$ 34,257,854</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 958,342	\$ 1,880,494
Due to related party	1,098,722	410,069
Accrued expenses	975,101	749,101
Right-of-use liability	70,155	-
Bonds payable	<u>290,000</u>	<u>280,000</u>
Total current liabilities	<u>3,392,320</u>	<u>3,319,664</u>
<u>NONCURRENT LIABILITIES</u>		
Bonds payable, net	24,632,874	24,871,164
Interest payable	306,616	310,278
Right-of-use liability	<u>72,303</u>	<u>-</u>
Total noncurrent liabilities	<u>25,011,793</u>	<u>25,181,442</u>
Total liabilities	<u>28,404,113</u>	<u>28,501,106</u>
<u>NET ASSETS</u>		
Without donor restrictions	6,222,628	5,691,269
With donor restrictions	<u>46,496</u>	<u>65,479</u>
Total net assets	<u>6,269,124</u>	<u>5,756,748</u>
Total liabilities and net assets	<u>\$ 34,673,237</u>	<u>\$ 34,257,854</u>

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

YOUNG AUDIENCES CHARTER ASSOCIATION
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:						
State public school funds	\$ 23,942,053	\$ -	\$ 23,942,053	\$ 21,951,680	\$ -	\$ 21,951,680
Federal grants - food services	1,660,501	-	1,660,501	1,247,886	-	1,247,886
Other federal grants	5,054,813	-	5,054,813	3,103,170	-	3,103,170
Donations and contributions	21,644	99,842	121,486	156,374	-	156,374
Other revenue	302,266	-	302,266	699,118	-	699,118
Rental income	214,610	-	214,610	115,766	-	115,766
Gain (loss) on write-down of property and equipment	-	-	-	(1,432,520)	-	(1,432,520)
Net assets released from restrictions	118,825	(118,825)	-	25,000	(25,000)	-
Total revenues and other support	31,314,712	(18,983)	31,295,729	25,866,474	(25,000)	25,841,474
Expenses:						
Program services	18,266,249	-	18,266,249	16,242,900	-	16,242,900
Supporting services:						
Management and general	12,517,104	-	12,517,104	11,059,422	-	11,059,422
Total expenses	30,783,353	-	30,783,353	27,302,322	-	27,302,322
Change in net assets	531,359	(18,983)	512,376	(1,435,848)	(25,000)	(1,460,848)
NET ASSETS AT BEGINNING OF YEAR	5,691,269	65,479	5,756,748	7,127,117	90,479	7,217,596
NET ASSETS AT END OF YEAR	<u>\$ 6,222,628</u>	<u>\$ 46,496</u>	<u>\$ 6,269,124</u>	<u>\$ 5,691,269</u>	<u>\$ 65,479</u>	<u>\$ 5,756,748</u>

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

YOUNG AUDIENCES CHARTER ASSOCIATION
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023		
	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
	<u>Instructional</u>	<u>Management and General</u>	
Salaries	\$ 10,429,544	\$ 2,770,404	\$ 13,199,948
Professional purchased services	2,740,235	1,565,242	4,305,477
Employee benefits	1,990,635	543,026	2,533,661
Transportation services	-	2,471,057	2,471,057
Food service	-	1,320,195	1,320,195
Materials and supplies	508,598	354,555	863,153
Other expenses	286,661	380,630	667,291
Purchased property services	129,069	1,094,967	1,224,036
Textbooks, books, workbooks, periodical	752,041	-	752,041
Insurance	387,549	166,093	553,642
Utilities	318,024	136,296	454,320
Depreciation expense	471,140	201,917	673,057
Amortization expense	46,215	19,807	66,022
Other purchased services	17,684	196,810	214,494
Equipment	188,853	41,418	230,271
Interest expense	-	1,254,688	1,254,688
	<u>\$ 18,266,249</u>	<u>\$ 12,517,104</u>	<u>\$ 30,783,353</u>

(continued)

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

YOUNG AUDIENCES CHARTER ASSOCIATION
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2022		
	<u>Program Services</u>	<u>Supporting Services</u>	
	Instructional	Management and General	Total
Salaries	\$ 8,463,298	\$ 2,046,902	\$ 10,510,200
Professional purchased services	2,613,025	2,048,558	4,661,583
Employee benefits	1,839,488	337,859	2,177,347
Transportation services	-	2,128,221	2,128,221
Food service	-	877,257	877,257
Materials and supplies	890,753	312,370	1,203,123
Other expenses	100,994	461,800	562,794
Purchased property services	114,286	965,044	1,079,330
Textbooks, books, workbooks, periodical	703,450	30	703,480
Insurance	259,737	111,316	371,053
Utilities	241,175	103,362	344,537
Depreciation expense	522,352	224,865	747,217
Amortization expense	58,643	25,132	83,775
Other purchased services	4,159	125,426	129,585
Equipment	431,540	26,922	458,462
Interest expense	-	1,264,358	1,264,358
	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 16,242,900</u>	<u>\$ 11,059,422</u>	<u>\$ 27,302,322</u>

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

YOUNG AUDIENCES CHARTER ASSOCIATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 512,376	\$ (1,460,848)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	673,057	747,217
Amortization of bond issuance costs	66,022	83,775
Amortization of bond premium	(14,312)	(14,312)
(Gain) loss on write-down of property and equipment	-	1,432,520
Changes in operating assets and liabilities:		
Prepaid and other expenses	(83,071)	(5,600)
Federal grants receivable	(1,311,420)	(2,132,677)
Accounts receivable	(445,804)	(156,753)
Due from related party	(30,735)	(17,937)
Accounts payable	(518,793)	679,363
Due to related party	688,653	172,165
Accrued expenses	226,000	216,869
Interest payable	(3,662)	(1,967)
Net cash provided by (used in) operating activities	<u>(241,689)</u>	<u>(458,185)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchases of property and equipment	<u>(1,963,439)</u>	<u>(1,018,640)</u>
Net cash provided by (used) in investing activities	<u>(1,963,439)</u>	<u>(1,018,640)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Payments on bonds	(280,000)	(145,000)
Proceeds from insurance settlement	-	2,267,480
Net cash provided by (used in) financing activities	<u>(280,000)</u>	<u>2,122,480</u>
Net change in cash	(2,485,128)	645,655
Cash, beginning of year	<u>8,746,104</u>	<u>8,100,449</u>
Cash, end of year	<u>\$ 6,260,976</u>	<u>\$ 8,746,104</u>
<u>RECONCILIATION TO STATEMENTS OF FINANCIAL POSITION</u>		
Cash	\$ 3,766,953	\$ 4,324,244
Cash restricted for student activities	43,231	43,231
Cash restricted for construction	<u>2,450,792</u>	<u>4,378,629</u>
Total cash and restricted cash	<u>\$ 6,260,976</u>	<u>\$ 8,746,104</u>
<u>DISCLOSURE OF SUPPLEMENTAL NON-CASH INVESTING AND FINANCING ACTIVITIES</u>		
Cash paid during the year for interest	<u>\$ 1,258,350</u>	<u>\$ 1,266,325</u>
Change in accounts payable related to property and equipment	<u>\$ 403,359</u>	<u>\$ 22,100</u>
Right of use asset obtained in exchange for lease obligation	<u>\$ 72,100</u>	<u>\$ -</u>

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

YOUNG AUDIENCES CHARTER ASSOCIATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization

Young Audiences Charter Association (YACA), a nonprofit organization, was incorporated in 2013 for the original purpose of operating a charter school located in Gretna, Louisiana. YACA 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. YACA's initial school year began in August 2013.

The Jefferson Parish Public School System (JPPSS) granted YACA a Type 1 charter to operate Young Audiences Charter School (YACS). Effective July 1, 2021, the Orleans Parish School Board (OPSB) authorized YACA to operate Lawrence D. Crocker, a Type 1 charter school. YACA is a component unit of JPPSS and OPSB. YACA has full responsibility for its finances and operations. YACA operated as a Pre-K to 12 and Pre-K to 11 charter school for the years ended June 30, 2023 and 2022, respectively. YACA had an average student enrollment of 1,933 and 1,921 for the years ended June 30, 2023 and 2022, respectively.

The financial statements of YACA are consolidated with the financial statements of Friends of Young Audiences Charter Association (Friends), collectively referred to as the "Organization". All material intercompany account balances and transactions have been eliminated. Friends, a Type II supporting organization under Internal Revenue Code 509(a)(3), was formed in 2018 primarily to raise capital and issue bonds for construction of a new school building for YACA.

Basis of Accounting and Presentation of Net Assets

The consolidated financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which require the Organization to report information regarding 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-imposed 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 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 actions of the Organization or by the passage of time. 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 restriction is accomplished) in the reporting period in which 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 consolidated statements of activities.

YOUNG AUDIENCES CHARTER ASSOCIATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates, and those differences could be material.

Cash and Cash Equivalents

The Organization considers all highly liquid investments available for current use with original maturities of three months or less, which are neither held for or restricted by donors for long-term purposes, to be cash equivalents. The Organization held no cash equivalents at June 30, 2023 and 2022, respectively

Cash consists of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes. Restricted cash balances consist of amounts received from individual donors or entities who state the specific use of the contribution is for student activities and proceeds from a bond issuance which stated the specific use of the proceeds is for construction.

Accounts and Grants Receivable

Accounts and grants receivable are stated at the amount management expects to collect from outstanding balances. The Organization provides for probable uncollectable amounts through a provision to bad debt expense and adjustments to valuation allowances based on its assessment of the current status of individual receivables. Balances still outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts or grants receivable. As of June 30, 2023 and 2022, management did not deem any receivables to be uncollectable; therefore, no allowance was recorded.

Prepaid Expenses

Prepaid expenses include health insurance premiums and payments made to vendors for services that will benefit periods beyond June 30, 2023 and 2022.

Deposits

Deposits are assets related to the Boxx Modular leased buildings. The Organization will be refunded the deposits once the lease term has expired (see Note 5).

YOUNG AUDIENCES CHARTER ASSOCIATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Leases

The Organization accounts for leases in accordance with ASU 2016-02, Leases (Topic 842), which requires the recognition of right-of-use (“ROU”) assets and lease liabilities on the consolidated statements of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. The Organization determines if an arrangement is a lease at the inception of the contract. For leases with terms greater than twelve months, right-of-use assets and lease liabilities are recognized at the contract commencement date based on the present value of lease payments over the lease term. Right-of-use assets represent the Organization’s right to use the underlying asset for the lease term. Lease liabilities present the Organization’s obligation to make lease payments arising from these contracts. The Organization uses a risk-free rate, which is derived from information available at the least commencement date, in determining the present value of lease payments. Lease terms may include options to extend or terminate the lease when it is reasonably certain that such options will be exercised.

Lease agreements may include rental escalation clauses or renewal options that are factored into management’s determination of lease payments, when appropriate. The estimated useful life of right-of-use (ROU) assets is limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise. The Organization’s lease agreements generally do not contain any material residual value guarantees, restrictions, or covenants.

The Organization has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and are applying this practical expedient to all relevant asset classes. Additionally, the Organization elected transition provisions available which allowed the carryforward of the Organization’s historical assessments of whether contracts contain leases, the lease classification, and the treatment of initial direct costs.

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 are recorded at fair market value as of the date received. The Organization capitalizes property and equipment with values over \$5,000 per item. Land and construction-in-progress are not considered depreciable assets.

YOUNG AUDIENCES CHARTER ASSOCIATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

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

Machinery and equipment	3-5 years
Building, building improvements, and leasehold improvements	5-35 years or the lease term, whichever is shorter

When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in the consolidated statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred.

Management reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset.

See Note 12 for additional disclosure related to impairment of property and equipment.

Income Taxes

YACA and Friends are not-for-profit corporations organized under the laws of the State of Louisiana. They are exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code), and qualify as organizations that are not private foundations 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, if any; 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 consolidated financial statements.

YOUNG AUDIENCES CHARTER ASSOCIATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Revenue and Revenue Recognition

Revenues from federal and some state grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue 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 consolidated statements of financial position. The Organization recognized as revenue all funds related to these grants during the years ended June 30, 2023 and 2022.

The Organization recognizes non-federal grants and contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give – that is, those with measurable performance or other barriers and right of return (or release) – are not recognized until the conditions on which they depend have been substantially met. The Organization did not have any conditional promises to give at June 30, 2023 and 2022.

Rental income is recognized as the rent becomes due. Rental payments received in advance are deferred until earned. All leases between the Organization and the tenants of the property are operating leases.

Contributed Services

The value of contributed services is recorded, at fair value, as revenues and support and expense in the period received, provided there is an objective basis for measurement of the value of such services and they are significant, require specialized skills and form an integral part of the Organization's efforts. The Organization did not recognize donated services during the years ended June 30, 2023 and 2022.

In addition, the Organization receives services donated by parents and community members in carrying out the Organization's mission. The value of these services is not recognized in the accompanying consolidated financial statements as they do not meet the criteria for recognition under U.S. GAAP.

Functional Expenses

The costs of programs and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated 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. The majority of expenses have been specifically identified with a program or supporting service. Certain costs have been allocated among the programs and supporting services benefited using appropriate methodologies. Salaries and employee benefits have been allocated based on time and effort. Insurance, utilities, and depreciation expenses have been allocated based on square footage.

YOUNG AUDIENCES CHARTER ASSOCIATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance Accounting Standards Codification (ASC) 842, *Leases*, to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Organization adopted the standard effective July 1, 2022, using the modified retrospective method of adoption. The Organization elected to use the transition option that allows an organization to apply the new lease standard at the adoption date and recognize a cumulative-effect adjustment (if any) to the opening balance of net assets in the year of adoption. Comparable periods continue to be presented under the guidance of the previous standard. The adoption of this standard had no material impact on the Organization.

2. Liquidity and Availability

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments.

The Organization receives the majority of its revenue from the State of Louisiana Minimum Foundation Program Funding and from various federal and state grants passed through JPPSS. The grant amounts are appropriated each year by the federal and state governments.

The Organization manages its available cash to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability;
- Maintaining liquid assets; and
- Maintaining sufficient reserves to provide reasonable assurance long-term commitments will continue to be met, ensuring the sustainability of the Organization.

YOUNG AUDIENCES CHARTER ASSOCIATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. Liquidity and Availability (continued)

The following presents the Organization's financial assets and those available to meet general expenditures within one year at June 30:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end:		
Cash	\$ 6,260,976	\$ 8,746,104
Federal grants receivable	4,067,566	2,756,146
Accounts receivable	602,557	156,753
Due from related party	85,806	55,071
Total financial assets	<u>11,016,905</u>	<u>11,714,074</u>
Less amounts not available to be used within one year		
Cash from bond issuance restricted for construction and debt service	2,450,792	4,378,629
Cash restricted for student activities	43,231	43,231
	<u>2,494,023</u>	<u>4,421,860</u>
Financial assets available for general expenditures within one year	<u>\$ 8,522,882</u>	<u>\$ 7,292,214</u>

3. Property and Equipment

Property and equipment is summarized as follows at June 30:

	<u>2023</u>	<u>2022</u>
Building	\$ 20,941,420	\$ 21,196,972
Building improvements	2,593,990	196,402
Leasehold improvements	165,867	118,387
Construction-in-progress	-	770,557
Machinery and equipment	187,562	46,442
Land	1,891,176	1,891,176
	<u>25,780,015</u>	<u>24,219,936</u>
Less accumulated depreciation	<u>(2,464,691)</u>	<u>(1,791,635)</u>
Property and equipment, net	<u>\$ 23,315,324</u>	<u>\$ 22,428,301</u>

Construction-in-progress for year ending June 30, 2022 consists predominantly of repair/restoration to a building that was damaged during Hurricane Ida on August 29, 2021. See Note 12 for additional disclosure of this matter.

Included in accounts payable on the consolidated statements of financial position was approximately \$53,000 and \$350,000 of construction-related liabilities as of June 30, 2023 and 2022, respectively.

YOUNG AUDIENCES CHARTER ASSOCIATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. Net assets with Donor Restrictions

As of June 30, 2023, net assets with donor restrictions included \$43,231 restricted for student activities and \$3,265 with other purpose restrictions. As of June 30, 2022, net assets with donor restrictions included \$43,231 restricted for student activities and \$22,248 with other purpose restrictions.

Cash restricted for student activity fees is maintained in a separate bank account.

5. Operating Leases

The Organization has lease agreements for the rental of modular buildings and office equipment at varying terms. Amounts recognized at July 1, 2022, related to ROU assets and related lease liabilities were \$98,805 and \$101,426, respectively.

Other information related to leases is as follows as of and for the year ended June 30, 2023:

Operating cash flows from operating leases	\$	35,505
ROU assets obtained in exchange for lease obligations	\$	72,100
Weighted average remaining lease term		2.21 Years
Weighted average discount rate		5.00%
Operating lease cost	\$	196,762
Short-term lease cost		<u>(161,257)</u>
Total operating lease cost	\$	<u>35,505</u>

As lessee, operating leases liabilities under non- cancellable leases (excluding short-term) leases are as follows:

2024	\$	70,155
2025		67,005
2026		<u>13,481</u>
Total lease payments		150,641
less: interest		<u>(8,183)</u>
Total	\$	<u>142,458</u>

Lease costs for the fiscal year ended June 30, 2022 totaled \$187,832.

In June 2019, Friends entered into a five-year lease agreement to rent building space to a third party at a rate of \$9,254 per month with annual increases of 3%. The space subject to this lease is included within Buildings in Note 3.

Future minimum receipts under the agreement are estimated to be as follows:

2024	\$	<u>124,990</u>
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YOUNG AUDIENCES CHARTER ASSOCIATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. Bonds Payable

Outstanding bonds consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
LPFA Revenue Bonds (Young Audiences Charter School Project) Series 2019A, interest at 5.0%, payable semi-annually, principal installments due beginning April 1, 2023 through April 1, 2057	\$24,870,000	\$24,980,000
LPFA Revenue Bonds (Young Audiences Charter School Project) Series 2019, interest at 5.5%, payable semi-annually, principal installments due beginning April 1, 2022 through April 1, 2023	-	170,000
	<u>24,870,000</u>	<u>25,150,000</u>
Unamortized premium on bonds	486,601	500,913
Unamortized issuance costs	<u>(433,727)</u>	<u>(499,749)</u>
	<u>\$24,922,874</u>	<u>\$25,151,164</u>

Louisiana Public Facilities Authority Revenue Bonds Series 2019

On June 18, 2019, the Organization issued \$24,980,000 of Louisiana Public Facilities Authority Revenue Bonds Series 2019A and \$315,000 of Louisiana Public Facilities Authority Revenue Bonds Series 2019B (Series 2019). The proceeds of the bonds were used for the purpose of obtaining and constructing a new campus for the YACA.

The principal obligations on indebtedness will mature as follows for the years ending June 30:

2024	\$ 290,000
2025	305,000
2026	320,000
2027	340,000
2028	355,000
Thereafter	<u>23,260,000</u>
Total	<u>\$ 24,870,000</u>

The bonds are secured by a mortgage on the facility and funds of Friends and are subject to certain reporting and financial covenants. Management believes that the Organization is in compliance with all covenants as of June 30, 2023.

YOUNG AUDIENCES CHARTER ASSOCIATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. Retirement Plan

Employees of YACA may participate in an employer-sponsored retirement plan. Eligible employees may elect to contribute a portion of their salaries to the plan. YACA's matching contribution to the Plan is 100% of the participant's contributions not to exceed 5% of the participant's compensation. YACA made contributions to the plan of \$118,235 and \$57,153 for the years ended June 30, 2023 and 2022, respectively.

8. Concentrations and Credit Risk

The Organization receives its support primarily from JPPSS and OPSB as a flow through from the Louisiana State Department of Education and the United States Department of Education. For the years ended June 30, 2023 and 2022, the Organization received approximately 77% and 85%, respectively, of its total revenue from state public school funds. For the years ended June 30, 2023 and 2022, 100% of students resided in Jefferson Parish and Orleans Parish in Louisiana in accordance with the enrollment eligibility requirements set forth in the Organization's charters.

The Organization has concentrated its credit risk for cash by maintaining deposits in national financial institutions, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

9. Commitments

The continuation of the Organization is contingent upon legislative appropriation or allocation of funds necessary to fulfill the requirements of the charter contracts with the JPPSS and OPPSS. 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.

The Organization participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Organization has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of June 30, 2023 and 2022 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying consolidated financial statements for such contingencies. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Organization.

YOUNG AUDIENCES CHARTER ASSOCIATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. Federal Grants Receivable

Federal grants receivable is comprised of the following balances at June 30:

	<u>2023</u>	<u>2022</u>
Title I	\$ 749,698	\$ 386,088
Title III	17,556	-
Title IV	44,388	-
Special Education	383,019	96,582
Child Nutrition	219,006	309,360
CARES/ESSER	2,653,899	1,964,116
Total federal grants receivable	<u>\$ 4,067,566</u>	<u>\$ 2,756,146</u>

11. Related Parties Transactions

The Organization had amounts payable to an affiliate, Young Audience of Louisiana (YALA). The total amount recorded as due to related party for the years ended June 30, 2023 and 2022 on the accompanying consolidated statements of financial position was \$1,098,722 and \$410,069, respectively. YALA provided services that were primarily for arts and culture education programs, along with management oversight and staff training. For those services, the Organization paid YALA \$3,665,331 and \$2,887,603 for the years ended June 30, 2023 and 2022, respectively. Amounts payable to YALA are noninterest bearing and have no specified repayment terms; however, the Organization has classified amounts payable as current because management expects to pay these amounts within the next year. The Organization had amounts receivable from YALA totaling \$85,806 and \$55,071 at June 30, 2023 and 2022, respectively, included as due from related party on the accompanying consolidated statements of financial position.

12. Contingencies

On August 29, 2021, the YACS building suffered significant damage from Hurricane Ida. The Organization recorded an impairment loss of \$3,700,000 during the year ended June 30, 2022 based on the net book value of the building of \$23,808,842 and the restoration cost ratio of 15.6% to repair the damaged asset. During the year end June 30, 2022, the Organization received insurance settlement proceeds of \$2,267,480 related to the damaged building. The Organization has recorded a loss on write-down of property and equipment of \$1,432,520 in the consolidated statement of activities for this event.

During the year ended June 30, 2023, the Organization completed construction and has capitalized costs of \$1,531,395 that are considered repair/replacement of the damaged assets.

13. Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, November 6, 2023, and determined that other than the matters above, there were no other events that require additional disclosure. No events after this date have been evaluated for inclusion in the consolidated financial statements.

SUPPLEMENTAL INFORMATION

YOUNG AUDIENCES CHARTER ASSOCIATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

	ASSETS			
	YACA	Friends	Eliminations	Total
CURRENT ASSETS				
Cash and cash equivalents	3,668,985	\$ 97,968	\$ -	\$ 3,766,953
Cash restricted for student activities	43,231	-	-	43,231
Federal grants receivable	4,067,566	-	-	4,067,566
Accounts receivable	852,346	-	(249,789)	602,557
Due from related party	66,742	19,064	-	85,806
Prepaid expenses	177,285	-	-	177,285
	<u>8,876,155</u>	<u>117,032</u>	<u>(249,789)</u>	<u>8,743,398</u>
Total current assets	<u>8,876,155</u>	<u>117,032</u>	<u>(249,789)</u>	<u>8,743,398</u>
NONCURRENT ASSETS				
Property and equipment, net	367,133	22,948,191	-	23,315,324
Right-of-use assets	141,986	-	-	141,986
Cash restricted for construction and debt service	138,611	2,450,792	(138,611)	2,450,792
Deposits	19,559	2,178	-	21,737
	<u>667,289</u>	<u>25,401,161</u>	<u>(138,611)</u>	<u>25,929,839</u>
Total noncurrent assets	<u>667,289</u>	<u>25,401,161</u>	<u>(138,611)</u>	<u>25,929,839</u>
Total assets	<u>\$ 9,543,444</u>	<u>\$ 25,518,193</u>	<u>\$ (388,400)</u>	<u>\$ 34,673,237</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 904,981	\$ 303,150	\$ (249,789)	\$ 958,342
Due to related party	1,068,453	168,880	(138,611)	1,098,722
Accrued expenses	975,101	-	-	975,101
Right-of-use liability	70,155	-	-	70,155
Bonds payable	-	290,000	-	290,000
	<u>3,018,690</u>	<u>762,030</u>	<u>(388,400)</u>	<u>3,392,320</u>
Total current liabilities	<u>3,018,690</u>	<u>762,030</u>	<u>(388,400)</u>	<u>3,392,320</u>
NONCURRENT LIABILITIES				
Bonds payable	-	24,632,874	-	24,632,874
Right of use liability	72,303	-	-	72,303
Interest payable	-	306,616	-	306,616
	<u>72,303</u>	<u>24,939,490</u>	<u>-</u>	<u>25,011,793</u>
Total noncurrent liabilities	<u>72,303</u>	<u>24,939,490</u>	<u>-</u>	<u>25,011,793</u>
Total liabilities	<u>3,090,993</u>	<u>25,701,520</u>	<u>(388,400)</u>	<u>28,404,113</u>
NET ASSETS				
Without donor restrictions	6,405,955	(183,327)	-	6,222,628
With donor restrictions	46,496	-	-	46,496
	<u>6,452,451</u>	<u>(183,327)</u>	<u>-</u>	<u>6,269,124</u>
Total net assets	<u>6,452,451</u>	<u>(183,327)</u>	<u>-</u>	<u>6,269,124</u>
Total liabilities and net assets	<u>\$ 9,543,444</u>	<u>\$ 25,518,193</u>	<u>\$ (388,400)</u>	<u>\$ 34,673,237</u>

See accompanying independent auditors' report.

YOUNG AUDIENCES CHARTER ASSOCIATION
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	YACA		Friends	Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions		
Revenues and support:					
State public school funds	\$ 23,942,053	\$ -	\$ -	\$ -	\$ 23,942,053
Federal grants - food services	1,660,501	-	-	-	1,660,501
Other federal grants	5,054,813	-	-	-	5,054,813
Donations and contributions	21,644	99,842	-	-	121,486
Other revenue	1,717,526	-	14,312	(1,429,572)	302,266
Rental income	114,373	-	1,751,747	(1,651,510)	214,610
Net assets released from restrictions	118,825	(118,825)	-	-	-
Total revenues and other support	32,629,735	(18,983)	1,766,059	(3,081,082)	31,295,729
Expenses:					
Program services	18,266,249	-	-	-	18,266,249
Supporting services:					
Management and general	13,325,711	-	2,272,475	(3,081,082)	12,517,104
Total expenses	31,591,960	-	2,272,475	(3,081,082)	30,783,353
Change in net assets	1,037,775	(18,983)	(506,416)	-	512,376
<u>NET ASSETS AT BEGINNING OF YEAR</u>	5,368,180	65,479	323,089	-	5,756,748
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 6,405,955</u>	<u>\$ 46,496</u>	<u>\$ (183,327)</u>	<u>\$ -</u>	<u>\$ 6,269,124</u>

See accompanying independent auditors' report.

YOUNG AUDIENCES CHARTER ASSOCIATION
YACA
STATEMENT OF FINANCIAL POSITION - BY PARISH
JUNE 30, 2023

ASSETS

	<u>Jefferson Parish</u>	<u>Orleans Parish</u>	<u>Total</u>
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	\$ 2,909,640	\$ 759,345	\$ 3,668,985
Cash restricted for student activities	43,231	-	43,231
Federal grants receivable	2,839,450	1,228,116	4,067,566
Accounts receivable	1,408,852	129,969	852,346
Due from related party	36,007	30,735	66,742
Prepaid expenses	153,154	24,131	177,285
	<u>7,390,334</u>	<u>2,172,296</u>	<u>8,876,155</u>
Total current assets			
<u>NONCURRENT ASSETS</u>			
Property and equipment, net	254,815	112,318	367,133
Right of Use Asset	141,986	-	141,986
Cash restricted for construction and debt service	138,611	-	138,611
Deposits	19,559	-	19,559
	<u>554,971</u>	<u>112,318</u>	<u>667,289</u>
Total noncurrent assets			
Total assets	<u>\$ 7,945,305</u>	<u>\$ 2,284,614</u>	<u>\$ 9,543,444</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>			
Accounts payable	\$ 411,478	\$ 1,179,978	\$ 904,981
Due to related party	289,915	778,538	1,068,453
Accrued expenses	751,334	223,767	975,101
Right of use liability	70,155	-	70,155
	<u>1,522,882</u>	<u>2,182,283</u>	<u>3,018,690</u>
Total current liabilities			
<u>NONCURRENT LIABILITIES</u>			
Right of use liability	72,303	-	72,303
	<u>72,303</u>	<u>-</u>	<u>72,303</u>
Total noncurrent liabilities			
Total liabilities	<u>1,595,185</u>	<u>2,182,283</u>	<u>3,090,993</u>
<u>NET ASSETS</u>			
Without donor restrictions	6,303,624	102,331	6,405,955
With donor restrictions	46,496	-	46,496
	<u>6,350,120</u>	<u>102,331</u>	<u>6,452,451</u>
Total net assets			
Total liabilities and net assets	<u>\$ 7,945,305</u>	<u>\$ 2,284,614</u>	<u>\$ 9,543,444</u>

See accompanying independent auditors' report.

YOUNG AUDIENCES CHARTER ASSOCIATION
YACA
STATEMENT OF ACTIVITIES - BY PARISH
YEAR ENDED JUNE 30, 2023

	Jefferson Parish		Orleans Parish		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	
Revenues and support:					
State public school funds	\$ 19,228,587	\$ -	\$ 4,713,466	\$ -	\$ 23,942,053
Federal grants - food services	1,181,774	-	478,727	-	1,660,501
Other federal grants	3,391,534	-	1,663,279	-	5,054,813
Donations and contributions	20,469	36,842	1,175	63,000	121,486
Other revenue	1,347,406	-	370,120	-	1,717,526
Rental income	114,373	-	-	-	114,373
Net assets released from restrictions	55,825	(55,825)	63,000	(63,000)	-
Total revenues and other support	25,339,968	(18,983)	7,289,767	-	32,610,752
Expenses:					
Program services	14,070,177	-	4,196,072	-	18,266,249
Supporting services:					
Management and general	10,594,209	-	2,731,502	-	13,325,711
Total expenses	24,664,386	-	6,927,574	-	31,591,960
Change in net assets	675,582	(18,983)	362,193	-	1,018,792
<u>NET ASSETS AT BEGINNING OF YEAR</u>	5,628,054	65,467	(259,862)	-	5,433,659
<u>NET ASSETS AT END OF YEAR</u>	\$ 6,303,636	\$ 46,484	\$ 102,331	\$ -	\$ 6,452,451

See accompanying independent auditors' report.

YOUNG AUDIENCES CHARTER ASSOCIATION
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2023

Agency Head Name: Rickie Nutik, School Leader

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 161,000
Benefits - FICA & Medicare	12,154
Benefits - long-term disability	1,450
Benefits - health insurance	5,392
Benefits - life insurance	18
	<u>\$ 180,014</u>

See accompanying independent auditors' report.

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 Charter Association
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 consolidated financial statements of Young Audiences Charter Association (the Organization), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 8, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated 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 consolidated 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 consolidated 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.

EisnerAmper LLP

EISNERAMPER LLP
Metairie, Louisiana
November 8, 2023



YOUNG AUDIENCES CHARTER ASSOCIATION
REPORTS ON COMPLIANCE AND INTERNAL CONTROL
REQUIRED BY UNIFORM GUIDANCE

JUNE 30, 2023

YOUNG AUDIENCES CHARTER ASSOCIATION
REPORTS ON COMPLIANCE AND INTERNAL CONTROL
REQUIRED BY UNIFORM GUIDANCE

JUNE 30, 2023

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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 for
Young Audiences Charter Association

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Young Audiences Charter Association's (a nonprofit organization) (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the Organization's major federal programs for the year ended June 30, 2023. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of the Organization as of and for the year ended June 30, 2023, and have issued our report thereon dated November 8, 2023, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

EisnerAmper LLP

EISNERAMPER LLP
Metairie, Louisiana
December 21, 2023



YOUNG AUDIENCES CHARTER ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass- Through Grantor	Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE			
CHILD NUTRITION CLUSTER			
Passed through the Louisiana Department of Education:			
School Breakfast Program	10.553	Unknown	\$ 422,347
National School Lunch Program	10.555	Unknown	1,016,114
COVID-19 National School Lunch Program - Supply Chain Assistance	10.555	Unknown	69,828
Total Child Nutrition Cluster			<u>1,508,289</u>
Passed through the Louisiana Department of Education:			
Child and Adult Care Food Program	10.558	Unknown	152,212
Total United States Department of Agriculture			<u>1,660,501</u>
UNITED STATES DEPARTMENT OF EDUCATION			
SPECIAL EDUCATION CLUSTER (IDEA)			
Passed through the Louisiana Department of Education:			
Special Education - Grants to States (IDEA, Part B)	84.027A	Unknown	50,382
COVID-19 - Special Education - Grants to States (IDEA, Part B)	84.027X	Unknown	22,499
Passed through the Jefferson Parish Public School System:			
Special Education - Grants to States (IDEA, Part B)	84.027A	Unknown	220,667
COVID-19 - Special Education - Grants to States (IDEA, Part B)	84.027X	Unknown	15,388
Total Special Education Cluster (IDEA)			<u>308,936</u>
TITLE I			
Passed through the Louisiana Department of Education:			
Title I Grants to Local Education Agencies (LEAs)	84.010A	Unknown	280,722
Passed through the Jefferson Parish Public School System:			
Title I Grants to Local Education Agencies (LEAs)	84.010A	Unknown	467,353
Total Title I			<u>748,075</u>
TITLE III			
Passed through the Louisiana Department of Education:			
English Language Acquisition State Grants	84.365	Unknown	17,556
TITLE IV			
Passed through the Jefferson Parish Public School System:			
Student Support and Academic Enrichment	84.424A	Unknown	44,388
EDUCATION STABILIZATION FUND			
Passed through the Louisiana Department of Education:			
COVID-19 - ESSERF II	84.425D	Unknown	909,031
COVID-19 - ESSERF III	84.425U	Unknown	1,035,095
COVID-19 - ESSERF IIIIEB	84.425U	Unknown	69,027
COVID-19 - ESSERF III Incentive	84.425U	Unknown	300,000
Passed through the Jefferson Parish Public School System:			
COVID-19 - ESSERF II	84.425D	Unknown	32,946
COVID-19 - ESSERF II Incentives	84.425D	Unknown	248,844
COVID-19 - ESSERF II SC	84.425D	Unknown	200,000
COVID-19 - ESSERF III	84.425U	Unknown	795,331
COVID-19 - ESSERF III Incentive	84.425U	Unknown	15,000
Total Education Stabilization Fund			<u>3,605,274</u>
Total United States Department of Education			<u>4,724,229</u>
FEDERAL COMMUNICATIONS COMMISSION			
Passed through the Universal Service Administration Company:			
COVID-19 - Emergency Connectivity Fund Program	32.009	Unknown	330,584
Total Federal Communications Commission			<u>330,584</u>
Total Expenditures of Federal Awards			<u>\$ 6,715,314</u>

See the accompanying notes to the schedule of expenditures of federal awards.

YOUNG AUDIENCES CHARTER SCHOOL

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Young Audiences Charter Association (the Organization) under programs of the federal government for the year ended June 30, 2023. 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). Because 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. The Organization's reporting entity is defined in Note 1 to the consolidated financial statements for the year ended June 30, 2023.

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 consolidated financial statements for the year ended June 30, 2023. 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 consolidated financial statements.

3. Relationship to Consolidated financial statements

Federal revenues of \$6,715,314 are included in the Statement of Activities.

4. De Minimis Cost Rate

During the year ended June 30, 2023, the Organization did not elect to use the 10% de minimis cost rate as covered in §200.414 of the Uniform Guidance.

5. Amounts Passed Through to Subrecipients

The Organization did not pass through any federal funding to subrecipients.

YOUNG AUDIENCES CHARTER ASSOCIATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

(1) Summary of Independent Auditors' Results

Consolidated financial statements

The type of report issued on the consolidated 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 reported

Noncompliance material to the consolidated 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 reported

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:

Education Stabilization Fund: Assistance Listing Number: 84.425D and 84.425U

Child Nutrition Cluster: Assistance Listing Number: 10.553 and 10.555

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 CHARTER ASSOCIATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

(2) Findings Relating to the Consolidated financial statements Reported in Accordance with *Government Auditing Standards*:

None noted

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

None noted.

No Schedule of Prior Year Findings and Questioned Costs is presented as there were no audit findings and questioned costs in the prior year.

YOUNG AUDIENCES CHARTER ASSOCIATION

**REPORT ON STATEWIDE
AGREED-UPON PROCEDURES ON
COMPLIANCE AND CONTROL AREAS**

FOR THE YEAR ENDED JUNE 30, 2023

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Young Audiences Charter Association and the Louisiana Legislative Auditor

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. Young Audience Charter Association's management is responsible for those C/C areas identified in the SAUPs.

Young Audience Charter Association (the Entity) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by Young Audience Charter Association 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 Comptroller General of the United States. 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 for the fiscal period July 1, 2022 through June 30, 2023. 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 Young Audience Charter Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is intended 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.



EISNERAMPER LLP

Metairie, Louisiana

December 21, 2023

**YOUNG AUDIENCES CHARTER ASSOCIATION
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 13 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

1) Written Policies and Procedures

A. Obtain and inspect the entity’s written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):

i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

No exceptions noted.

ii. **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.

The Entity’s purchasing policy does not address (2) how vendors are added to the vendor list nor (5) documentation required to be maintained for all bids and price quotes. The other attributes were addressed in the policies and procedures.

iii. **Disbursements**, including processing, reviewing, and approving

No exceptions noted.

iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or 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).

No exceptions noted.

v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

No exceptions noted.

vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

The Entity’s contracting policy does not address (2) standard terms and conditions nor (5) monitoring process. The other attributes were addressed in the policies and procedures.

vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions noted.

**YOUNG AUDIENCES CHARTER ASSOCIATION
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exceptions noted.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

The Entity is a non-profit organization. Thus, this procedure is not applicable and was not performed.

- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The Entity's debt service policy does not address (2) continuing disclosure/EMMA reporting requirements nor (3) debt reserve requirements. The other attributes were addressed in the policies and procedures.

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The Entity's information technology policy does not address the attributes required.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The Entity is a non-profit organization and therefore this procedure is not required to be performed.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions noted.

YOUNG AUDIENCES CHARTER ASSOCIATION
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023

Schedule A

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exceptions noted.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

This step is not applicable for the Entity, as the Entity is a non-profit organization.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions noted.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

A listing of bank accounts was provided and included a total of 3 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure. From the listing provided, we selected all 3 bank accounts for one month during the fiscal period June 30, 2023, resulting in 3 bank reconciliations obtained and subjected to the below procedures.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions noted.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions noted.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted.

**YOUNG AUDIENCES CHARTER ASSOCIATION
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

A listing of deposit sites was provided and included a total of 4 deposit sites. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected all deposit sites and performed the procedures below.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations for each deposit site selected in procedure #4A was provided and included a total of 5 collection locations. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we selected one collection location for each deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions noted.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit;

No exceptions noted.

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

No exceptions noted.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

No exceptions noted.

**YOUNG AUDIENCES CHARTER ASSOCIATION
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We randomly selected 2 deposit dates for each of the 3 bank accounts selected in procedure #3. We obtained supporting documentation for each of the 4 deposits and performed the procedures below.

- i. Observe that receipts are sequentially pre-numbered.
The 4 deposits selected for our procedures did not include receipts that were sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exceptions noted.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
No exceptions noted.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
For 1 of the 4 deposits tested, the deposit was not made within one business day of receipt.
- v. Trace the actual deposit per the bank statement to the general ledger.
No exceptions noted.

5) Non-payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

The listing of locations that process payments for the fiscal period was provided by the Entity's management. No exceptions were noted as a result of performing this procedure. From the listing provided, we selected the single location and performed the procedures below.

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #5A was provided by the Entity's management. No exceptions were noted as a result of performing this procedure. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

**YOUNG AUDIENCES CHARTER ASSOCIATION
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
No exceptions noted.
 - ii. At least two employees are involved in processing and approving payments to vendors;
No exceptions noted.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
For the location selected for our procedures, the employee processing payments was not prohibited from adding/modifying vendor files, and no other employee was responsible for periodically reviewing changes to the vendor files.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
No exceptions noted.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
During the period July 1, 2022 through June 30, 2023, an individual not authorized to sign checks approved the electronic disbursement (release) of funds through automated clearinghouse with supervisor approval.
- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and

A listing of non-payroll disbursements for each payment processing location selected in procedure #5A was provided by the Entity's management related to the reporting period. No exceptions were noted as a result of performing this procedure. From the listing provided, we haphazardly selected 5 disbursements for the location and performed the procedures below.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and
No exception noted.
- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

For the 5 disbursements selected for our procedures, none contained written documentation that the disbursement was approved by someone who did not process the payment.

**YOUNG AUDIENCES CHARTER ASSOCIATION
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

For the 5 electronic disbursements selected for our procedures, none contained written documentation that the disbursement was approved by someone authorized to disburse funds or written documentation that electronic disbursement was approved by the required number of authorized signors.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

A listing of cards was provided by the Entity's management. No exceptions were noted as a result of performing this procedure.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

From the listing provided, we selected all 4 cards used during the fiscal period. We haphazardly selected one monthly statement for each of the 4 cards selected and performed the procedures noted below.

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and

No exceptions noted.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**YOUNG AUDIENCES CHARTER ASSOCIATION
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

We haphazardly selected 10 transactions (or all transactions if less than 10) for each of the four credit cards selected in procedure 6B and performed the specified procedures. No exception noted.

Of the 29 total transactions tested, none contained (2) written documentation of the business/public purpose. No exceptions were noted for any of the other attributes tested.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The listing of travel and travel-related expense reimbursements was provided by the Entity's management for the fiscal period. No exceptions were noted as a result of performing this procedure. From the listing provided, we haphazardly selected 5 reimbursements and performed the procedures below.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
No exceptions noted.
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
No exceptions noted.
- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by "Written Policies and Procedures", procedure #1A(vii); and
No exceptions noted.
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
No exceptions noted.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

A listing of all agreement/contracts that were initiated or renewed during the fiscal period was provided by the Entity's management. No exceptions were noted as a result of performing this procedure. From the listing provided, we haphazardly selected 5 contracts and performed the procedures below.

**YOUNG AUDIENCES CHARTER ASSOCIATION
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

No exceptions noted

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter);

No exceptions noted.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

No exceptions noted.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

We haphazardly selected one payment for each of the five contracts selected in procedure #8A and performed the specified procedures. No exception noted.

9) Payroll and Personnel

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

A listing of employees/elected officials employed during the fiscal year was provided by the Entity's management. No exceptions were noted as a result of performing this procedure. From the listing provided, we haphazardly selected five employees/officials and performed the specified procedures. No exception noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

We haphazardly selected one pay period during the fiscal period and performed the procedures below for the five employees/officials selected in procedure #9A.

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exceptions noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exceptions noted.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exceptions noted.

**YOUNG AUDIENCES CHARTER ASSOCIATION
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

No exceptions noted.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

The Entity is a non-profit. Thus, this procedure is not applicable.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

The Entity is a non-profit. Thus, this procedure is not applicable.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

The Entity is a non-profit. Thus, this procedure is not applicable.

11) Debt Service

- A. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued as required by Article VII, Section 8 of the Louisiana Constitution.

The Entity did not issue bonds/notes during the fiscal year. Thus, this procedure is not applicable.

**YOUNG AUDIENCES CHARTER ASSOCIATION
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

A listing of bonds/notes outstanding at the end of the fiscal period was provided by the Entity's management. No exceptions were noted as a result of performing this procedure. From the listing provided, we haphazardly selected one bond/note and performed the specified procedures. No exceptions noted.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

A listing of misappropriations of public funds and assets during the fiscal period was provided by the Entity's management and included no such misappropriations. No exceptions were noted as a result of performing this procedure.

- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

The Entity has posted the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds on its premises; however, the notice is not located on the Entity's website.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

**YOUNG AUDIENCES CHARTER ASSOCIATION
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

Schedule A

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidenced that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from "Payroll and Personnel" procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

The requirements of LA RS 42:341 – 344 apply to governmental entity public officers and employees and is therefore not applicable to the Entity as it is a non-profit entity.

**YOUNG AUDIENCES CHARTER ASSOCIATION
MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN
JUNE 30, 2023**

Schedule B

Young Audiences Charter Association (the Entity) provided a response and corrective action plan for the exceptions noted in Schedule A as set forth below:

Written Policies and Procedures:

The School has updated its policies and procedures to address the issues identified with Purchasing, Contracts, and Debt Service Reporting.

Collections:

School will ensure the sequentially pre-numbered receipts for all deposits and will attempt to deposit all funds within one day of receipt.

Non-Payroll Disbursements:

Employee other than employee processing payments will approve adding/modifying vendor files.

ACH policies will be updated to reflect electronic approval for the release of funds by the required number of authorized signors.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards:

The School will ensure that all credit card receipts explicitly state the business purpose of each charge.

YOUNG AUDIENCES CHARTER ASSOCIATION
PERFORMANCE AND STATISTICAL DATA
FOR THE YEAR ENDED JUNE 30, 2023

YOUNG AUDIENCES CHARTER ASSOCIATION
PERFORMANCE AND STATISTICAL DATA
FOR THE YEAR ENDED JUNE 30, 2023

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Young Audiences Charter Association, the Louisiana Department of Education, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of Young Audiences Charter Association (YACA) for the fiscal year ended June 30, 2023. Management of YACA is responsible for its performance and statistical data.

YACA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing the specified procedures on the performance and statistical data accompanying the annual financial statements and report our findings to assist the specified parties in its compliance with Louisiana Revised Statute 24:514.1. The Louisiana Legislative Auditor ("LLA") and the Louisiana Department of Education ("LDOE") have agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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

1. We selected a sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified within the below category corresponding to the type of expenditure/revenue identified on the supporting documentation:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue (no revenue reported),
 - Total Local Earnings on Investment in Real Property (no revenue reported),
 - Total State Revenue in Lieu of Taxes (no revenue reported),
 - Nonpublic Textbook Revenue (no revenue reported), and
 - Nonpublic Transportation Revenue (no revenue reported).

No exceptions noted.

Class Size Characteristics (Schedule 2)

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced the number of students per class for a sample of 10 classes to the October 1 roll books for those classes and observed that the number of students per class agreed with its classification on the schedule.

No exceptions noted.

Education Levels/Experience of Public School Staff (NO SCHEDULE)

3. We obtained October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, obtained each individual's personnel file, and observed that each individual's education level and experience as documented in the personnel file agrees to the classification on the PEP data or equivalent listing prepared by management.

No exceptions noted.

Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We obtained June 30th PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, obtained each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents as documented in the personnel file supports the information on the PEP data (or equivalent listing prepared by management).

We noted one exception where an individual's salary reported on the PEP data did not agree with underlying accounting records.

We were engaged by YACA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data of YACA for the fiscal year ended June 30, 2023. 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 YACA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is intended solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of YACA, as required by Louisiana Revised Statute 24:514.I, 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.

EisnerAmper LLP

EISNERAMPER LLP
Metairie, Louisiana
December 21, 2023



YOUNG AUDIENCES CHARTER ASSOCIATION
GRETN, LOUISIANA

Management Responses

Public School Staff Data: Average Salaries (NO SCHEDULE)

YACA will ensure proper salary is reported for all employees on PEP.

YOUNG AUDIENCES CHARTER ASSOCIATION
GRETNA, LOUISIANA

Schedules Required by State Law (R.S. 24:514 – Performance and Statistical Data)
As of and for the Year Ended June 30, 2023

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

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

Schedule 2 – Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students.

Schedule 1: Young Audiences Charter Association
General Fund Instructional and Support Expenditures and Certain Local Revenue Sources
For the Year Ended June 30, 2023

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 6,501,843	
Other Instructional Staff Activities	244,075	
Employee Benefits	1,572,810	
Purchased Professional and Technical Services	1,733,702	
Instructional Materials and Supplies	1,430,311	
Instructional Equipment	<u>(228,314)</u>	
Total Teacher and Student Interaction Activities		11,254,427

Other Instructional Activities		<u>429,033.00</u>
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11,683,460

Pupil Support Activities	898,298	
Less: Equipment for Pupil Support Activities	<u>-</u>	
Net Pupil Support Activities		898,298

Instructional Staff Services	262,289	
Less: Equipment for instructional staff services	<u>-</u>	
Net Instructional Staff Services		262,289

School Administration	4,967,857	
Less: Equipment for School Administration	<u>(39,461)</u>	
Net School Administration		4,928,396

Total General Fund Instructional Expenditures		<u><u>\$ 17,772,443</u></u>
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Total General Fund Equipment Expenditures		<u><u>\$ 267,775</u></u>
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Certain Local Revenue Sources

Not Applicable

**Schedule 2: Class Size Characteristics
As of October 1, 2023**

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	52%	74	35%	49	13%	18	0%	-
Elementary Activity Classes	58%	11	16%	3	26%	5	0%	-
Middle/Junior High	0%	-	0%	-	0%	-	0%	-
Middle/Junior High Activity Classes	0%	-	0%	-	0%	-	0%	-
High	50%	112	25%	55	22%	49	3%	6
High Activity Classes	88%	44	8%	4	2%	1	2%	1
Combination	23%	67	37%	106	39%	112	1%	3
Combination Activity Classes	25%	14	35%	19	35%	19	5%	3

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.