

YOUNG AUDIENCES CHARTER SCHOOL

FINANCIAL STATEMENTS

For the Year Ended June 30, 2014



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Young Audiences Charter School
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June 30, 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Young Audiences Charter School
Gretna, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Young Audiences Charter School (a nonprofit organization) ("Young Audiences Charter"), a component unit of the Jefferson Parish Public School System, which comprise the Statement of Financial Position as of June 30, 2014, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Young Audiences Charter's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Young Audiences Charter's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting

estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Young Audiences Charter as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2014, on our consideration of Young Audiences Charter's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Young Audiences Charter's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, LLC

November 14, 2014

Young Audiences Charter School
Statement of Financial Position

<i>June 30,</i>	2014
Assets:	
Cash and cash equivalents	\$ 377,382
Federal grants receivable	147,183
Prepaid expenses	18,004
Accounts receivable	100
Total current assets	542,669
Property and equipment- net	95,891
Total assets	\$ 638,560
Liabilities and Net Assets:	
Current liabilities:	
Accounts payable	\$ 123,058
Note payable to YALA	100,000
Accrued payroll	87,870
Total liabilities	310,928
Net assets:	
Unrestricted	302,632
Temporarily restricted	25,000
Total net assets	327,632
Total liabilities and net assets	\$ 638,560

The accompanying footnotes are integral part of this financial statement.

Young Audiences Charter School
Statement of Activities

For the year ended June 30, 2014

Change in unrestricted net assets:	
Revenue from public support and other support:	
State public school funds	\$ 3,574,448
Food service	170,224
Federal grant	147,183
Donations and contributions	10,150
Other revenue	9,902
Total revenue from public support and other support	3,911,907
Net assets released from restrictions	195,000
Total revenues	4,106,907
Expenses:	
Program Services -	
Instructional	2,817,659
Supporting services -	
Management and general	947,245
Total expenses	3,764,904
Increase in unrestricted net assets	342,003
Change in temporarily restricted net assets:	
Net assets released from restrictions	(195,000)
Decrease in temporarily restricted net assets	(195,000)
Increase in net assets	147,003
Net assets at beginning of year	180,629
Net assets at end of year	\$ 327,632

The accompanying footnotes are integral part of this financial statement.

Young Audiences Charter School
Statement of Cash Flows

For the Year Ended June 30,	2014
Cash Flows From Operating Activities:	
Increase in net assets	\$ 147,003
Depreciation expense	27,014
Increase (decrease) in operating assets:	
Prepaid expenses	(11,779)
Federal grants receivable	30,000
Grants receivable - other	147,817
Accounts receivable	(100)
Increase (decrease) in operating liabilities:	
Accrued payroll	87,870
Accounts payable	107,414
Net Cash Provided by Operating Activities	535,239
Cash Flows From Investing Activities:	
Purchase of property and equipment	(122,905)
Net Cash Used in Investing Activities	(122,905)
Cash Flows From Financing Activities:	
Reduction due to principle payments on note payable	(52,869)
Net Cash Used in Financing Activities	(52,869)
Net increase in cash and cash equivalents	359,465
Cash and cash equivalents, beginning of year	17,917
Cash and cash equivalents, end of year	\$ 377,382

The accompanying footnotes are integral part of this financial statement.

Young Audiences Charter School Statement of Functional Expenses

For the Year Ended June 30, 2014	Instructional	Management and General	Total
Salaries and benefits	\$ 1,611,719	\$ 232,207	\$ 1,843,926
Professional services	440,199	208,926	649,125
Bus service	321,456	-	321,456
Purchased property services	26,955	276,025	302,980
Food service	161,249	-	161,249
Materials and supplies	111,064	26,439	137,503
Textbooks	96,468	-	96,468
Dues and fees	-	88,103	88,103
Utilities	-	77,513	77,513
Depreciation	23,414	3,600	27,014
Insurance	24,218	-	24,218
Advertising	-	18,666	18,666
Miscellaneous	917	15,766	16,683
Total expenses	\$ 2,817,659	\$ 947,245	\$ 3,764,904

The accompanying footnotes are integral part of this financial statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Young Audiences Charter School ("Young Audiences Charter"), a nonprofit organization, was incorporated in 2013 for the purpose of operating a charter school located in Gretna, Louisiana. Young Audiences Charter was created to provide a rigorous learning environment where students achieve academically, develop intellectual curiosity, and practice environmental responsibility while integrating arts education and quality after-school programs.

Young Audiences Charter's initial school year began in August, 2013. The Jefferson Parish Public School System ("JPPSS") granted Young Audiences a Type 1 charter to operate Young Audiences Charter. Young Audiences Charter has full responsibility for its finances and operations. Young Audience Charter is a component unit of JPPSS.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Functional Expenses

The cost of program and supporting services has been reported on a functional basis. This requires the allocation of certain costs based on total program costs and estimates made by management. The allocation between the functions is compiled based on the Louisiana Accounting and Uniform Governmental Handbook.

Income Tax Status

Young Audiences Charter is a tax exempt organization under Internal Revenue Code Section 501(c)(3) and, as such, is not subject to income tax.

Public Support and Revenue

Young Audiences Charter receives its support primarily from JPPSS as a flow through from the Louisiana State Department of Education and the United States Department of Education. Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances are provided for promises to give which are estimated to be uncollectible. Promises to give and contributions are principally received from corporate, School, and individual donors around the United States. Both promises to give and contributions are considered available for unrestricted use unless specifically restricted by donors. Irrevocable promises to give which relate to a subsequent year are recorded as receivables and temporarily restricted net assets in the year the commitment is received. Contributions whose donor restrictions are met in the same reporting period are reported as unrestricted support.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Grants and Other Receivables and Allowance for Doubtful Accounts

Grants and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through adjustments to valuation allowances based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. As of June 30, 2014, management did not deem any receivables to be uncollectible; therefore, no allowance was recorded.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, Young Audiences Charter considers all unrestricted, highly liquid investments with an initial maturity of less than three months to be cash and cash equivalents.

Basis of Presentation

Young Audiences Charter follows the provisions of Not-For-Profit Entities Topic of FASB ASC (FASB ASC 958), which establishes external financial reporting for not-for-profit organizations which includes three basic financial statements and classification of resources into three separate categories of net assets, as follows:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unrestricted - Net assets which are free of donor imposed restrictions; all revenues, expenses, gains and losses that are not changes in permanently or temporarily restricted net assets.

Temporarily Restricted - Net assets whose use by Young Audiences Charter is limited by donor-imposed stipulations that either expire by the passage of time or that can be fulfilled or removed by actions of Young Audiences Charter pursuant to such stipulations.

Permanently Restricted - Net assets whose use by Young Audiences Charter is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled and removed by actions of Young Audiences Charter.

Property and Equipment

Property and equipment is capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated property and equipment is recorded at fair market values as of the date received. Young Audiences Charter maintains a capitalization threshold of \$2,500 for furniture and equipment, land, and leasehold improvements, or any one item costing under \$2,500 alone but purchased in a group for over \$2,500. Depreciation is computed using the straight-line method over the following useful lives:

Furniture, fixtures, and equipment	3-5 years
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Subsequent Events

Subsequent events have been evaluated through November 14, 2014, the date the financial statements were available to be issued.

NOTE 2: CASH AND CASH EQUIVALENTS

Young Audiences Charter maintains its cash balances at a national financial institution. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the year ended June 30, 2014. At times, the balance may exceed the federally insured amount.

NOTE 3: NOTE PAYABLE TO YOUNG AUDIENCES OF LOUISIANA

Young Audiences Charter has an unsecured note payable to an affiliated nonprofit organization, Young Audiences of Louisiana ("YALA"). Young Audiences Charter may borrow from YALA an amount not to exceed \$259,000 at a 0% interest rate. Young Audiences Charter is required to pay any unpaid borrowings in equal monthly installments, beginning July 1, 2015 and ending July 1, 2020, at which time any unpaid balance of the note shall be due in full. The balance of this note payable to YALA at June 30, 2014 recorded on the accompanying Statement of Financial Position is \$100,000.

Young Audiences Charter School
Notes to Financial Statements

NOTE 4: PROPERTY AND EQUIPMENT

The cost of property and equipment at June 30, 2014 is summarized as follows:

	2014
Property and equipment	\$ 122,905
Less: accumulated depreciation	<u>(27,014)</u>
	<u>\$ 95,891</u>

Depreciation expense was \$27,014 for the year ended June 30, 2014.

NOTE 5: LEASE AGREEMENT

Young Audiences Charter has entered into a lease agreement on March 6, 2013 with the JPPSS for the use of Kate Middleton Elementary School located in Gretna, Louisiana as its school facilities. Young Audiences Charter recognized \$43,014 in lease expense for the year ended June 30, 2014. Young Audiences Charter is responsible for the payment of utilities, janitorial, sanitation, and disposal services.

NOTE 6: OPERATING LEASES

Young Audiences Charter entered into various operating leases for the rental of copiers and printers in June of 2013. The leases are for sixty (60) months expiring in July 2018. Rental payments under these leases were \$6,925 for the year ended June 30, 2014.

Future minimum commitments under the operating lease agreements are as follows:

2015	\$ 5,976
2016	5,976
2017	5,976
2018	<u>5,976</u>
	<u>\$ 23,904</u>

NOTE 7: RETIREMENT PLAN

Employees of Young Audiences Charter may participate in an employer sponsored retirement plan. Eligible employees may elect to contribute a portion of their salaries to the plan. Young Audience Charter's matching contribution to the Plan is 100% of the participant's contributions not to exceed 5% of the participant's compensation. Young Audiences Charter made contributions to the plan of \$12,228 for the year ended June 30, 2014.

NOTE 8: SIGNIFICANT CONCENTRATION

For the year ended June 30, 2014, Young Audiences Charter received approximately 90% of its total revenue from State public school funds.

NOTE 9: CONTINGENCIES

State Funding - The continuation of Young Audiences Charter is contingent upon legislative appropriation or allocation of funds necessary to fulfill the requirements of the charter contract with the Jefferson Parish Public School System. If the legislature fails to appropriate sufficient monies to provide for the continuation of the charter contract, or if such appropriation is reduced by veto of the Governor or by any means provided in the appropriations act to prevent the appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the charter contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

NOTE 10: UNCERTAIN TAX POSITIONS

Accounting principles generally accepted in the United States of America require Young Audiences Charter's management to evaluate tax positions taken by Young Audiences Charter and recognize a tax liability if Young Audiences Charter has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Young Audiences Charter's management has analyzed the tax positions taken by Young Audiences Charter, and has concluded that as of June 30, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. Young Audiences Charter is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Young Audiences Charter's management believes it is no longer subject to income tax examinations for years prior to 2013.

NOTE 11: TEMPORARILY RESTRICTED NET ASSETS

Young Audiences Charter's temporarily restricted net assets are available for the purpose of school activities.

NOTE 12: RELATED PARTIES TRANSACTIONS

Young Audiences Charter has an unsecured note payable to an affiliated nonprofit organization, Young Audiences of Louisiana ("YALA"). The total amount recorded as a note payable to YALA at June 30, 2014 on the accompanying Statement of Financial Position is \$100,000. See Note 3.

YALA has paid certain start-up costs, primarily payroll and related benefits, of Young Audiences Charter in the amount of approximately \$103,000 for the fiscal year ended June 30, 2013, including the salary and benefits of the School Leader and Director of Operations of Young Audiences Charter. Additionally, YALA provided a cash advance of \$50,000 to Young Audience Charter in the year ended June 30, 2013. For the fiscal year ended June 30, 2014, Young Audiences Charter paid approximately \$470,000 to YALA for certain services provided by YALA to Young Audiences Charter. Those services were primarily for arts and culture education programs along with management oversight and staff training.

In addition, certain in-kind services related to certain start-up costs of Young Audiences Charter were provided by YALA during fiscal year 2014. No amounts have been reflected in the accompanying financial statements for these in-kind services since they do not meet the criteria for recognition under FASB Accounting Standards Codification ("ASC") 958, *Not-for-Profit Entities*.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Young Audiences Charter School
Gretna, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Young Audiences Charter School (a nonprofit organization) ("Young Audiences Charter") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the Young Audiences Charter and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. Young Audiences Charter is responsible for the performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

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

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

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

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule K-4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1, 2013.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule K-4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2013 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined that the individual's education level was properly classified on the schedule.

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

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

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

6. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2013 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined that the individual's experience was properly classified on the schedule.

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

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

Class Size Characteristics (Schedule K-6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule K-3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2013 roll books for those classes and determined that the class was properly classified on the schedule.

iLEAP Tests (Schedule K-9)

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

We noted the following exceptions as a result of applying the above procedures:

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

Finding:

We noted one (1) employee certification was incorrect per the October 1, 2013 PEP report.

Corrective Action Plan:

The Director of Operations will be reviewing all future reports for accuracy prior to submission.

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

Finding:

We noted one (1) instance where no documentation could be provided to support the employee's education level.

Corrective Action Plan:

The Director of Operations will assure that all personnel files are complete for the 2014 / 2015 school year.

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

Finding:

We noted nine (9) instances where the teachers' reported salary was incorrect per the June 30, 2014 PEP report. The salaries reported on the June 30, 2014 PEP report were the original contract salary; however, these teachers either did not work the full year or were wither given raises or other extra compensation during the year and their actual salary paid was more than reported.

Corrective Action Plan:

The Director of Operations will assure that all personnel files are complete for the 2014 / 2015 school year. The Director of Operations will be reviewing all future reports for accuracy prior to submission.

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

We noted nine (9) instances where the teacher's reported annual minutes worked was incorrect per the June 30, 2014 PEP report. The annual minutes reported on the June 30, 2014 PEP report was the contract amount; however, this teacher did not work a full year and the actual minutes worked were less than reported.

Corrective Action Plan:

The Director of Operations will assure that all personnel files are complete for the 2014 / 2015 school year. The Director of Operations will be reviewing all future reports for accuracy prior to submission.

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

We noted one (1) instance where no offer of employment could be provided.

Corrective Action Plan:

The Director of Operations will assure that all personnel files are complete for the 2014 / 2015 school year. The Director of Operations will be reviewing all future reports for accuracy prior to submission.

We were not engaged to and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Carr, Riggs & Ingram, LLC

November 14, 2014

Young Audiences Charter School
Schedule K-1
General Fund Instructional and Support Expenditures and
Certain Local Revenue Sources
For the Year Ended June 30, 2014

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 1,018,473	
Other instructional staff activities	136,604	
Employee benefits	230,144	
Purchased professional and technical services	265,225	
Instructional materials and supplies	178,452	
Less instructional equipment	(81,522)	
Total teacher and student interaction activities		\$ 1,747,376

Other instructional activities 121

Pupil support activities	\$ 223,212	
Less equipment for pupil support activities	(433)	
Net pupil support activities		222,779

Instructional Staff Services	\$ 61,003	
Less equipment for instructional staff services	-	
Net instructional staff services		61,003

School Administration	\$ 374,677	
Less: Equipment for School Administration	-	
Net school administration		374,677

Total general fund instructional expenditures \$ 2,405,956

Total general fund equipment expenditures \$ 81,955

Certain Local Revenue Sources:

This section is not applicable to Young Audiences Charter School.

Young Audiences Charter School
Schedule K-2
Education Level of Public School Staff
As of October 1, 2013

Category	Full-time Classroom Teachers				Principals and Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	0%	-	0%	-	0%	-	0%
Bachelor's Degree	10	71%	6	67%	-	0%	-	0%
Master's Degree	4	29%	3	33%	-	0%	1	100%
Master's Degree +30	-	0%	-	0%	-	0%	-	0%
Specialist in Education	-	0%	-	0%	-	0%	-	0%
Ph. D. or Ed. D.	-	0%	-	0%	-	0%	-	0%
Total	14	100%	9	100%	0	0%	1	100%

Young Audiences Charter School
Schedule K-3
Number and Type of Public Schools
For the Year Ended June 30, 2014

Type	2013
	Number
Elementary	1
Middle/Jr. High	-
Secondary	-
Combination	-
Total	1

Note: Schools opened or closed during the fiscal year are included in this schedule.

Young Audiences Charter School
Schedule K-4
Experience of Public Principals, Assistant Principals
and Full-Time Classroom Teachers
As of October 1, 2013

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	-	-	-	-	-	-
Classroom Teachers	12	1	7	1	1	-	1	23
Principals	1	-	-	-	-	-	-	1
Total	13	1	7	1	1	-	1	24

Young Audiences Charter School
Schedule K-5
Public School Staff Data: Average Salaries
2013-2014 School Year

	All Classroom Teachers	Classroom Teachers Excluding ROTC And Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$41,750	\$41,750
Average Classroom Teacher's Salary Excluding Extra Compensation	\$41,750	\$41,750
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	24.00	24.00

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

Young Audiences Charter School
Schedule K-6
Class Size Characteristics
As of October 1, 2013

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	5%	6	64%	82	32%	41	-	-
Elementary Activity Classes	-	-	50%	6	1%	6	-	-
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

Young Audiences Charter School
Schedule K-9
iLEAP Tests
For the Year Ended June 30, 2014

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	4	4%	5	5%	2	2%	-	-
Mastery	15	15%	14	14%	7	7%	5	5%
Basic	30	31%	44	45%	33	34%	37	38%
Approaching Basic	25	26%	23	24%	32	33%	33	34%
Unsatisfactory	24	24%	12	12%	23	24%	22	23%
Total	98	100%	98	100%	97	100%	97	100%

Note: Young Audiences Charter School was operating as a grade K-3 school in audit year. Therefore, Schedule 9 only applies for Grade 3.

Note: One student did not take the Science iLEAP. One student did not take the Social Studies iLEAP.

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

Board of Directors
Young Audiences Charter School
Gretna, Louisiana

We have audited the financial statements of Young Audiences Charter School (a nonprofit organization) ("Young Audiences Charter") as of June 30, 2014, and have issued our report thereon dated November 14, 2014. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Young Audiences Charter's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Young Audiences Charter's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Young Audiences Charter's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control over financial reporting that we consider to be a significant deficiency.

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 Young Audiences Charter'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. We consider the deficiency described in the accompany Schedule of Findings and Responses in item 2014-001 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Young Audiences Charter's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Response to Findings

Young Audiences Charter's response to our finding identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit Young Audiences Charter's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of Young Audiences Charter's management, Board of Directors, others within Young Audiences Charter, the Legislative Auditor of the State of Louisiana, federal awarding agencies and federal flow through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Carr, Riggs & Ingram, LLC

November 14, 2014

**Young Audiences Charter School
Schedule of Findings and Responses
For the Year Ended June 30, 2014**

A. SUMMARY OF AUDITOR'S RESULTS

1. The independent auditor's report expresses an unmodified opinion on the financial statements of Young Audiences Charter School.
2. One (1) control deficiency (2014 – 001) was reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. There were no instances of noncompliance material to the financial statements reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. A management letter was issued.

B. FINDING RELATED TO THE FINANCIAL STATEMENTS

2014-001: Disbursements Documentation

Condition:

Three (3) disbursements lacked adequate supporting documentation. Additionally, four (4) credit card purchases lacked adequate supporting documentation.

Criteria:

Controls should be in place and adhered to ensure adequate supporting documentation is retained for all disbursements.

Cause:

Adequate controls were not in place and communicated to staff to ensure the retention of adequate supporting documentation for all disbursements.

Effect:

Young Audiences Charter was unable to provide supporting documentation for certain disbursements.

**Young Audiences Charter School
Schedule of Findings and Responses
For the Year Ended June 30, 2014**

Recommendation:

Young Audiences Charter should follow its Board approved purchasing policy which requires appropriate supporting documentation be retained for all disbursements. Young Audiences Charter should develop and adhere to a documentation and approval process for all credit card transactions.

Management's Response:

The School Leader reviews and approves all vendor invoices; the Director of Operations located at the school reviews all credit card charges - both are done to ensure that there is proper documentation in accordance with the School's policies.

YOUNG AUDIENCES CHARTER SCHOOL

MEMORANDUM OF ADVISORY COMMENT

For the Year Ended June 30, 2014



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

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November 14, 2014

Board of Directors
Young Audiences Charter School
Gretna, Louisiana

In planning and performing our audit of the financial statements of Young Audiences Charter School (a nonprofit organization) ("Young Audiences Charter") as of and for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered Young Audiences Charter's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Young Audiences Charter's internal control. Accordingly, we do not express an opinion on the effectiveness of Young Audiences Charter's internal control.

However, during our audit we became aware of a deficiency in internal control other than a significant deficiency and material weakness and matter that is an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our observation and recommendation regarding this matter. A separate report dated November 14, 2014, contains our report on significant deficiencies in Young Audiences Charter's internal control. This letter does not affect our report dated November 14, 2014, on the financial statements of Young Audiences Charter.

We will review the status of this observation during our next audit engagement. We have already discussed this observation and recommendation with various individuals, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of this matter.

Sincerely,

Carr, Riggs & Ingram, LLC



Young Audiences Charter School Observation and Recommendation

1. Review and Approval of General Ledger Journal Entries

Observation:

We noted that general ledger journal entries are not being reviewed and approved.

Recommendation:

We recommend all journal entries be reviewed and approved by School management prior to being entered into the accounting system. A Journal Entry Approval Form should be retained in the accounting records to document such.