

YOUNG AUDIENCES CHARTER SCHOOL

FINANCIAL STATEMENTS

June 30, 2016 and 2015



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

Young Audiences Charter School
Table of Contents
June 30, 2016

REPORT

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

FINANCIAL STATEMENTS

Statements of Financial Position	4
Statement of Activities-2016	5
Statement of Activities-2015	6
Statements of Cash Flows	7
Notes to the Financial Statements	8

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

Independent Accountants' Report on Applying Agreed-Upon Procedures	14
Schedule K-1: General Fund Instructional and Support Expenditures and Certain Local Revenue Sources for the Year Ended June 30, 2016	17
Schedule K-2: Education Levels of Public School Staff	18
Schedule K-3: Number and Type of Public Schools	19
Schedule K-4: Experience of Public Principals, Assistant Principals and Full-Time Classroom Teachers	20
Schedule K-5: Public School Staff Data: Average Salaries	21
Schedule K-6: Class Size Characteristics	22
Schedule K-7: Louisiana Educational Assessment Program (LEAP)	23
Schedule K-9: iLEAP Tests	24

Young Audiences Charter School
Table of Contents
June 30, 2016

REPORT REQUIRED BY *GOVERNMENTAL AUDITING STANDARDS*

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	25
Schedule of Findings and Questioned Costs	27
Summary Schedule of Prior Audit Findings and Questioned Costs	28

SUPPLEMENTARY INFORMATION

Schedule of Agency Head Compensation	29
Statement of Functional Expenses-2016	30
Statement of Functional Expenses-2015	31



REPORT

INDEPENDENT AUDITORS' REPORT

Board of Directors
Young Audiences Charter School
Gretna, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Young Audiences Charter School (a nonprofit organization) ("Young Audiences Charter"), a component unit of the Jefferson Parish Public School System, which comprise the Statements of Financial Position as of June 30, 2016 and 2015, and the related Statements of Activities and Cash Flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Young Audiences Charter's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Young Audiences Charter's internal

control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Young Audiences Charter as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Agency Head Compensation and Statements of Functional Expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2016, 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.

Caru, Riggs & Ingram, L.L.C.

October 12, 2016



FINANCIAL STATEMENTS

Young Audiences Charter School Statements of Financial Position

<i>June 30,</i>	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	\$ 926,705	\$ 627,527
Cash restricted for student activities	17,315	11,785
Federal grants receivable	215,747	151,542
Accounts receivable	28,254	25,950
Prepaid expenses	41,400	19,698
Total current assets	1,229,421	836,502
Property and equipment, net	254,068	68,244
Noncurrent assets		
Deposits	19,559	-
Total noncurrent assets	19,559	-
Total assets	\$ 1,503,048	\$ 904,746
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 304,558	\$ 152,371
Accrued expenses	203,941	177,999
Total current liabilities	508,499	330,370
Total liabilities	508,499	330,370
Net assets		
Unrestricted	977,234	562,591
Temporarily restricted	17,315	11,785
Total net assets	994,549	574,376
Total liabilities and net assets	\$ 1,503,048	\$ 904,746

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

Young Audiences Charter School

Statement of Activities

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

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

Young Audiences Charter School

Statement of Activities

<i>For the year ended June 30, 2015</i>	Unrestricted	Temporarily Restricted	Total
Revenues and support			
State public school funds	\$ 4,484,146	\$ -	\$ 4,484,146
Food service	282,184	-	282,184
Federal grant	212,630	-	212,630
Donations and contributions	-	19,324	19,324
Other revenue	42,493	9,939	52,432
Net assets released from restrictions	28,671	(28,671)	-
Total revenues and support	5,050,124	592	5,050,716
Expenses			
Program Services	3,631,808	-	3,631,808
Supporting services:			
Management and general	1,074,384	-	1,074,384
Total expenses	4,706,192	-	4,706,192
Change in net assets	343,932	592	344,524
Net assets at beginning of year	218,659	11,193	229,852
Net assets at end of year	\$ 562,591	\$ 11,785	\$ 574,376

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

Young Audiences Charter School Statements of Cash Flows

<i>For the years ended June 30,</i>	2016	2015
Cash Flows From Operating Activities:		
Increase in net assets	\$ 420,173	\$ 344,524
Depreciation expense	31,216	2,267
(Increase) decrease in operating assets:		
Cash restricted for student activities	(5,530)	(610)
Prepaid expenses	(21,702)	(1,694)
Federal grants receivable	(64,205)	(4,359)
Deposits	(19,559)	-
Accounts receivable	(2,304)	(25,850)
Increase in operating liabilities:		
Accrued expenses	25,942	83,329
Accounts payable	152,187	29,313
Net cash provided by operating activities	516,218	426,920
Cash Flows From Investing Activities:		
Purchase of property and equipment	(217,040)	(65,600)
Net cash used in investing activities	(217,040)	(65,600)
Cash Flows From Financing Activities:		
Principle payments on note payable	-	(100,000)
Net cash used in financing activities	-	(100,000)
Net increase in cash and cash equivalents	299,178	261,320
Cash and cash equivalents, beginning of year	627,527	366,207
Cash and cash equivalents, end of year	\$ 926,705	\$ 627,527

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

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

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.

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.

Functional Expenses

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

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Grants and Other Receivables and Allowance for Doubtful Accounts

Grants and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through adjustments to valuation allowances based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. As of June 30, 2016 and 2015, management did not deem any receivables to be uncollectible; therefore, no allowance was recorded.

Cash and Cash Equivalents

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

Young Audiences Charter classifies all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment is capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated property and equipment is recorded at fair market values as of the date received. Young Audiences Charter capitalizes property and equipment with values over \$5,000 per item. Depreciation is computed using the straight-line method over the following useful lives:

Furniture, fixtures, and equipment	3-5 years
Building	5 years

Basis of Presentation

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

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

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

Permanently Restricted - Net assets whose use by Young Audiences Charter is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled and removed by actions of Young Audiences Charter. No such assets were recorded as of June 30, 2016 or 2015.

Reclassifications

The prior year cash restricted for student activities and related temporarily restricted net assets was included in cash and unrestricted net assets. These items have been reclassified in order to be comparable with the current year presentation. The total net assets for the prior year have not changed and there was no effect on the change in net assets.

Subsequent Events

Subsequent events have been evaluated through October 12, 2016, the date the financial statements were available to be issued and no events material to the financial statements were noted for disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE 2: CASH AND CASH EQUIVALENTS

Young Audiences Charter maintains its cash balances at a national financial institution. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the year ended June 30, 2016 and 2015. At times, the balance may exceed the federally insured amount. At June 30, 2016 and 2015, Young Audiences Charter's cash deposits exceeded the FDIC limits by approximately \$789,000 and \$539,000, respectively.

NOTE 3: NOTE PAYABLE TO AFFILIATE

In the 2014 fiscal year, Young Audiences Charter had an unsecured note payable of \$100,000 to an affiliated nonprofit organization, Young Audiences of Louisiana ("YALA"). Young Audiences Charter could borrow from YALA an amount not to exceed \$259,000 at a 0% interest rate. Young Audiences Charter was 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 outstanding balance at June 30, 2014 of \$100,000 was paid in full during the year ended June 30, 2015.

NOTE 4: PROPERTY AND EQUIPMENT

The cost of property and equipment is summarized as follows:

June 30,	2016	2015
Building	\$ 262,002	\$ 65,600
Furniture, fixtures, and equipment	27,438	6,800
Less accumulated depreciation	(35,372)	(4,156)
<u>Net carrying amount</u>	<u>\$ 254,068</u>	<u>\$ 68,244</u>

Depreciation expense was \$31,216 and \$2,267, respectively, for the years ended June 30, 2016 and 2015.

NOTE 5: LEASE AGREEMENTS

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 \$53,292 and \$58,102 in lease expense for the years ended June 30, 2016 and 2015, respectively. Young Audiences Charter is responsible for the payment of utilities, janitorial, sanitation, and disposal services.

NOTE 5: LEASE AGREEMENTS (CONTINUED)

In addition to the aforementioned lease, Young Audiences Charter entered into a lease agreement on May 5, 2016 with a leasing company for the use of a modular building. The commencement date on this lease was July 5, 2016 and has an initial term of 24 months. The lease requires monthly payments of \$3,224.

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

Fiscal year:

2017	\$ 112,197
2018	121,827
	\$ 234,024

NOTE 6: 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 \$22,541 and \$24,775 for the years ended June 30, 2016 and 2015, respectively.

NOTE 7: SIGNIFICANT CONCENTRATION

For the years ended June 30, 2016 and 2015, Young Audiences Charter received approximately 89%, of its total revenue from State public school funds.

NOTE 8: 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 9: 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, 2016 and 2015, 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.

NOTE 10: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted by donors for specific programs or purposes. These restrictions are considered to expire when payments for restricted purposes are made. None of the temporarily restricted net assets are time-restricted by donors. The temporarily restricted net assets at June 30, 2016 and 2015 are related to student activities funds.

NOTE 11: RELATED PARTIES TRANSACTIONS

In the 2014 fiscal year, Young Audiences Charter had an unsecured note payable to an affiliated nonprofit organization, Young Audiences of Louisiana ("YALA") for \$100,000. This balance was paid in full in 2015. See Note 3.

YALA provided services that were primarily for arts and culture education programs, along with management oversight and staff training. For those services, Young Audiences Charter paid YALA approximately \$903,000 and \$706,000 for the years ended June 30, 2016 and 2015, respectively.

In addition, certain in-kind services related to certain start-up costs of Young Audiences Charter were provided by YALA during fiscal years 2016 and 2015. 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*.

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

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Young Audiences Charter School
Gretna, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Young Audiences Charter School (a nonprofit organization) ("Young Audiences Charter") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of 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, 2015.
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, 2015 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, 2015 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.

Finding: We noted that (2) two employees years of experience did not agree to the PEP Report.

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.

Finding: We noted one (1) instance where a teacher's reported salary was incorrect per the June 30, 2016 PEP report.

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, 2015 roll books for those classes and determined that the class was properly classified on the schedule.

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

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

Graduation Exit Examination (GEE) (Schedule 8)

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

iLEAP Tests (Schedule K-9)

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

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.

Carri Riggs & Ingram, L.L.C.

October 12, 2016

Young Audiences Charter School
Schedule K-1

**General Fund Instructional and Support Expenditures and
Certain Local Revenue Sources
For the Year Ended June 30, 2016**

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:		
Classroom teacher salaries	\$ 1,327,804	
Other instructional staff activities	484,969	
Employee benefits	340,073	
Purchased professional and technical services	587,532	
Instructional materials and supplies	209,293	
Less instructional equipment	-	
Total teacher and student interaction activities		\$ 2,949,671
Other instructional activities		266
Pupil support activities	\$ 263,053	
Less equipment for pupil support activities	-	
Net pupil support activities		263,053
Instructional Staff Services	\$ 140,241	
Less equipment for instructional staff services	-	
Net instructional staff services		140,241
School Administration	\$ 624,404	
Less: Equipment for School Administration	-	
Net school administration		624,404
Total general fund instructional expenditures		\$ 3,977,635
Total general fund equipment expenditures		\$

Certain Local Revenue Sources:

This section is not applicable to Young Audiences Charter School.

Young Audiences Charter School
Schedule K-2
Education Level of Public School Staff
As of October 1, 2015

Category	Full-time Classroom Teachers				Principals and Assistant Principals			
	Certified		Uncertified		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	0%	-	0%	-	0%	-	0%
Bachelor's Degree	15	63%	5	56%	-	0%	-	0%
Master's Degree	9	37%	4	44%	-	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	24	100%	9	100%	-	0%	1	100%

**Young Audiences Charter School
Schedule K-3
Number and Type of Public Schools
For the Year Ended June 30, 2016**

Type	2016
	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, 2015

	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	7	11	11	1	3	-	-	33
Principals	1	-	-	-	-	-	-	1
Total	8	11	11	1	3	-	-	34

Young Audiences Charter School
Schedule K-5
Public School Staff Data: Average Salaries
2015-2016 School Year

	All Classroom Teachers	Classroom Teachers Excluding ROTC And Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$41,227	\$41,227
Average Classroom Teacher's Salary Excluding Extra Compensation	\$41,227	\$41,227
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	35.00	35.00

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, 2015

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	8%	12	79%	126	13%	21	-	-
Elementary Activity Classes	-	-	86%	18	14%	3	-	-
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

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

Young Audiences Charter School
Schedule K-7
Louisiana Educational Assessment Program (LEAP) Tests
For the Year Ended June 30, 2016

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2016		2016		2016		2016	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4								
Advanced	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Mastery	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Approaching Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Unsatisfactory	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Total	0	0%	0	0%	0	0%	0	0%

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

Note (2): Test scores were not available as of the time of this report.

Young Audiences Charter School
Schedule K-9
iLEAP Tests
For the Year Ended June 30, 2016

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2016		2016		2016		2016	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Mastery	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Approaching Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Unsatisfactory	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Total	0	0%	0	0%	0	0%	0	0%

Note: Young Audiences Charter School was operating as a grade K-4 school in audit year. Therefore, Schedule 9 only applies for Grade 3.

Note (2): Test scores were not available as of the time of this report.

The slide features a decorative design with horizontal bars at the top and bottom. The top bar is split into a dark blue segment on the left and a lighter blue segment on the right. The bottom bar is also split, with a lighter blue segment on the left and a dark blue segment on the right. The central area has a yellow background with a faint, stylized geometric pattern of overlapping triangles and lines on the left side.

**REPORTS REQUIRED BY
*GOVERNMENT AUDITING
STANDARDS***

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

Board of Directors
Young Audiences Charter School
Gretna, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Young Audiences Charter School (a nonprofit organization) ("Young Audiences Charter"), which comprise the Statements of Financial Position as of June 30, 2016 and 2015, and the related Statements of Activities and Cash Flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 12, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Young Audiences Charter's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Young Audiences Charter's internal control. Accordingly, we do not express an opinion on the effectiveness of Young Audiences Charter's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Young Audiences Charter's financial statements are free 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*.

Purpose of this Report

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

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

October 12, 2016



Young Audiences Charter School Schedule of Findings and Questioned Costs

A. SUMMARY OF AUDITORS' RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of Young Audiences Charter School.
2. No significant deficiencies relating to the audit of financial statements and is reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Discovery were reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. No management letter was issued for the year ended June 30, 2016.

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

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

C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

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

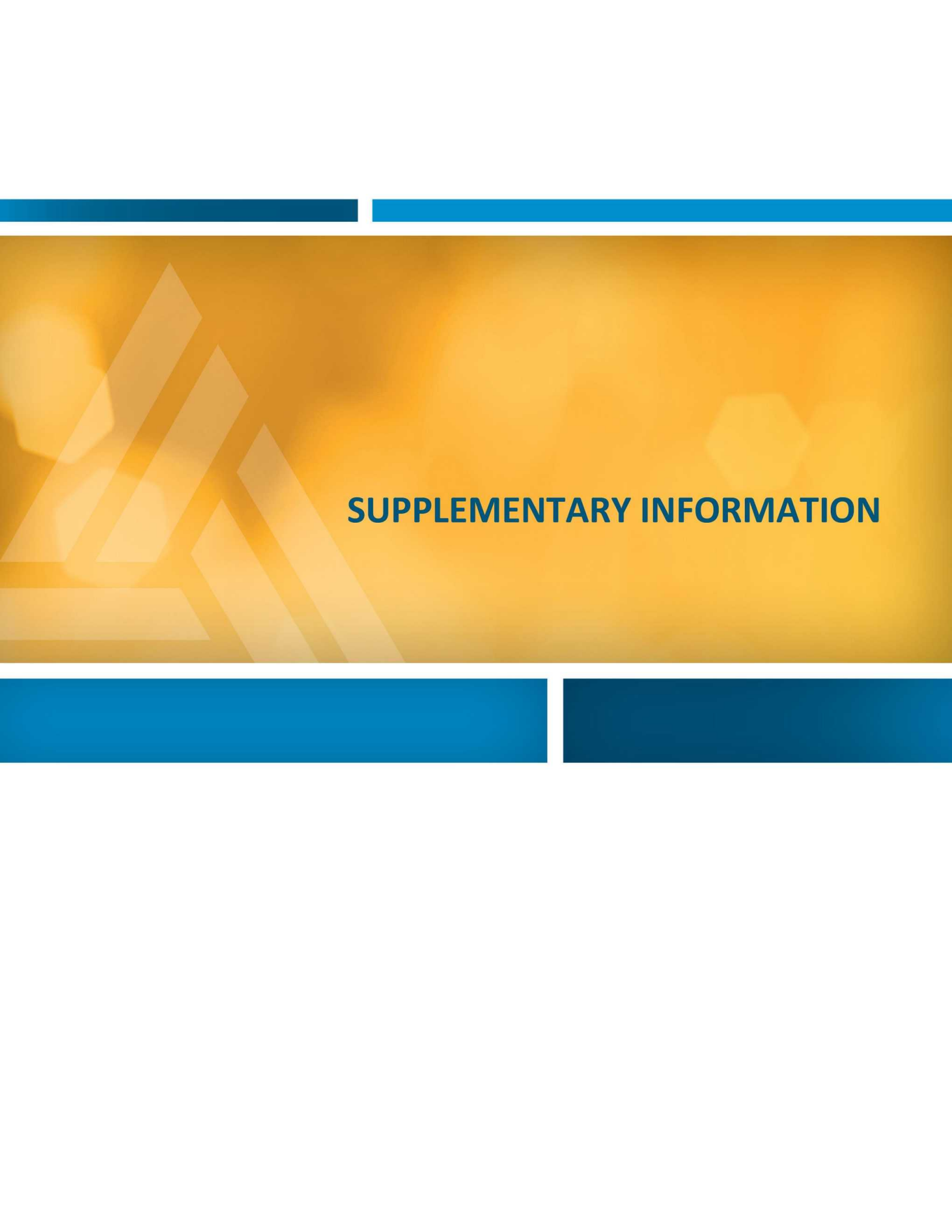
**Young Audiences Charter School
Summary Schedule of Prior Audit Findings and Questioned Costs**

A. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended June 30, 2015.

B. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

There were no findings related to compliance and other matters for the year ended June 30, 2015.



SUPPLEMENTARY INFORMATION

YOUNG AUDIENCES CHARTER SCHOOL
SCHEDULE OF AGENCY HEAD COMPENSATION
For the Year Ended June 30, 2016

Agency Head Name: Brandon House

PURPOSE	AMOUNT
Salary	\$ 92,500
Benefits-health insurance	-
Benefits-retirement	-
Deferred compensation	-
Workers comp	506
Benefits-life insurance	930
Benefits-long term disability	-
Benefits-Fica & Medicare	7,060
Car allowance	-
Vehicle provided by government	-
Cell phone	643
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	1,687
Travel	166
Registration fees	-
Conference travel	-
Unvouchered expenses	-
Meetings & conventions	-
Other	-
	\$ 103,492

Young Audiences Charter School Statement of Functional Expenses

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

Young Audiences Charter School Statement of Functional Expenses

<i>For the year ended June 30, 2015</i>	Instructional	Management and General	Total
Salaries	\$ 1,799,807	\$ 211,459	\$ 2,011,266
Professional Purchased Services	554,664	309,122	863,786
Employee Benefits	343,761	32,875	376,636
Transportation Services	355,990	-	355,990
Food Service	286,735	-	286,735
Purchased Property Services	61,926	223,744	285,670
Materials & Supplies	168,767	24,196	192,963
Other Expenses	28,648	128,012	156,660
Utilities	-	86,995	86,995
Insurance	-	36,767	36,767
Equipment	20,654	4,760	25,414
Other Purchased Services	548	14,187	14,735
Textbooks, Books, Workbooks, Periodicals	10,308	-	10,308
Depreciation Expense	-	2,267	2,267
Total expenses	\$ 3,631,808	\$ 1,074,384	\$ 4,706,192