

*Financial Report*

*The Young Men's Christian Association  
of Greater New Orleans, Louisiana*

*December 31, 2023*



*Financial Report*

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of Greater New Orleans, Louisiana*

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**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors,  
The Young Men's Christian Association  
of Greater New Orleans, Louisiana,  
Metairie, Louisiana.

### **Opinion**

We have audited the accompanying financial statements of The Young Men's Christian Association of Greater New Orleans, Louisiana (the YMCA) (a non-profit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the YMCA as of December 31, 2023, 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.

### **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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the YMCA 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.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the YMCA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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, including omissions, 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 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 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 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 YMCA'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the YMCA'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.

## Report on Summarized Comparative Information

We have previously audited the YMCA's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 27, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer (Schedule 1) is presented for purposes of additional analysis, is required by Louisiana Revised Statute 24:513(A)(3) and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2024, on our consideration of the YMCA'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 the YMCA's internal control over financial reporting and compliance.



Certified Public Accountants.

New Orleans, Louisiana,  
April 24, 2024.

**STATEMENT OF FINANCIAL POSITION****The Young Men's Christian Association  
of Greater New Orleans, Louisiana**

Metairie, Louisiana

December 31, 2023  
(with comparative totals for 2022)**ASSETS**

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 2,445,984	\$ 2,388,431
Certificates of deposit	500,000	-
Unconditional promises to give	90,634	27,680
Grants receivable	242,844	75,269
Other receivables	62,589	40,613
Employee Retention Credit receivable	-	1,056,794
Prepaid expenses	251,260	293,571
Investments	702,328	613,271
Operating lease right-of-use asset, net	75,996	109,979
Finance lease right-of-use asset, net	-	60,507
Property and equipment, net	<u>10,242,898</u>	<u>10,323,206</u>
Total assets	<u>\$ 14,614,533</u>	<u>\$ 14,989,321</u>

**LIABILITIES**

Accounts payable and accrued expenses	\$ 472,280	\$ 276,592
Deferred revenue	40,000	35,000
Operating lease liability	75,996	109,979
Finance lease liability	-	60,992
Note payable, net	<u>1,367,151</u>	<u>1,416,039</u>
Total liabilities	<u>1,955,427</u>	<u>1,898,602</u>

**NET ASSETS**

Without donor restrictions:		
Undesignated	1,156,625	1,512,154
Invested in property and equipment and right-of-use assets	<u>10,318,894</u>	<u>10,493,692</u>
Total without donor restrictions	11,475,519	12,005,846
With donor restrictions	<u>1,183,587</u>	<u>1,084,873</u>
Total net assets	<u>12,659,106</u>	<u>13,090,719</u>
Total liabilities and net assets	<u>\$ 14,614,533</u>	<u>\$ 14,989,321</u>

See notes to financial statements.



**STATEMENT OF ACTIVITIES**

**The Young Men's Christian Association  
of Greater New Orleans, Louisiana**  
Metairie, Louisiana

For the year ended December 31, 2023  
(with comparative totals for 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Totals</u>	<u>2022 Totals</u>
<b>Revenues and Public Support</b>				
Membership dues	\$ 2,378,027	\$ -	\$ 2,378,027	\$ 2,177,681
Program fees	1,433,934	-	1,433,934	1,315,828
Government grants and contracts	693,800	-	693,800	660,147
Foundation and private grants	402,544	288,235	690,779	710,146
Federated campaigns	45,461	37,136	82,597	59,077
Contributions of cash and other financial assets	254,777	101,824	356,601	274,675
Contributions of nonfinancial assets	132,476	-	132,476	58,696
Special events, net of direct benefit to costs (\$86,733 for 2023 and \$68,316 for 2022)	167,781	-	167,781	122,035
Interest income	201,820	-	201,820	30,072
Investment income (loss)	83,960	-	83,960	(66,978)
Loss on disposal of assets	(101,764)	-	(101,764)	(2,449)
Sales of supplies and services	62,184	-	62,184	55,990
Miscellaneous	29,828	-	29,828	87,988
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues and public support before net assets released from restrictions	5,784,828	427,195	6,212,023	5,482,908
Net assets released from restrictions	328,481	(328,481)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues and public support	6,113,309	98,714	6,212,023	5,482,908
<b>Expenses</b>				
Program services	5,673,628	-	5,673,628	5,163,995
General and administrative	898,955	-	898,955	859,988
Fundraising	71,053	-	71,053	62,215
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	6,643,636	-	6,643,636	6,086,198
<b>Changes in Net Assets</b>	(530,327)	98,714	(431,613)	(603,290)
<b>Net Assets</b>				
Beginning of year	12,005,846	1,084,873	13,090,719	13,694,009
	<hr/>	<hr/>	<hr/>	<hr/>
End of year	\$11,475,519	\$1,183,587	\$12,659,106	\$13,090,719
	<hr/>	<hr/>	<hr/>	<hr/>

See notes to financial statements.

## STATEMENT OF FUNCTIONAL EXPENSES

**The Young Men's Christian Association  
of Greater New Orleans, Louisiana**  
Metairie, Louisiana

For the year ended December 31, 2023  
(with comparative totals for 2022)

	<u>Program Services</u>			
	<u>Youth Development</u>	<u>Healthy Living</u>	<u>Social Responsibility</u>	<u>Total Program Services</u>
Personnel costs				
Salaries and wages	\$ 948,820	\$ 1,519,100	\$ 405,890	\$ 2,873,810
Employee benefits	94,021	145,988	85,628	325,637
Payroll taxes	71,711	120,300	29,046	221,057
Total personnel costs	<u>1,114,552</u>	<u>1,785,388</u>	<u>520,564</u>	<u>3,420,504</u>
Non-personnel costs				
Amortization	24,203	27,228	9,076	60,507
Conference and meetings	45,720	7,265	1,720	54,705
Contract services	80,777	47,299	28,866	156,942
Depreciation	228,322	255,863	85,901	570,086
Equipment - maintenance	23,378	45,094	8,226	76,698
Interest and finance service fees	17,748	95,919	6,858	120,525
Insurance	48,001	46,201	21,439	115,641
Marketing	1,542	7,255	718	9,515
Membership dues	32,668	34,112	16,192	82,972
Miscellaneous	389	437	146	972
Occupancy	242,328	303,440	94,578	640,346
Postage	253	653	95	1,001
Special fundraising events expenses	-	-	-	-
Supplies	184,378	65,852	28,026	278,256
Telephone	18,270	20,464	6,821	45,555
Travel	25,037	5,462	8,904	39,403
Total non-personnel costs	<u>973,014</u>	<u>962,544</u>	<u>317,566</u>	<u>2,253,124</u>
	2,087,566	2,747,932	838,130	5,673,628
Less allocated to direct benefit to donor costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u><u>\$ 2,087,566</u></u>	<u><u>\$ 2,747,932</u></u>	<u><u>\$ 838,130</u></u>	<u><u>\$ 5,673,628</u></u>

See notes to financial statements.

Support Services				
Management and General	Fundraising	Total Support Services	2023 Totals	2022 Totals
\$ 427,508	\$ -	\$ 427,508	\$ 3,301,318	\$ 3,069,204
88,045	-	88,045	413,682	373,064
31,097	-	31,097	252,154	234,568
<u>546,650</u>	<u>-</u>	<u>546,650</u>	<u>3,967,154</u>	<u>3,676,836</u>
3,579	-	3,579	64,086	64,352
15,538	-	15,538	70,243	46,611
177,818	4,163	181,981	338,923	243,590
1,025	-	1,025	571,111	571,619
3,089	-	3,089	79,787	71,396
12,433	-	12,433	132,958	129,475
17,075	-	17,075	132,716	139,926
10,215	20,714	30,929	40,444	32,920
6,192	-	6,192	89,164	82,469
204	-	204	1,176	3,760
84,963	-	84,963	725,309	617,638
2,104	-	2,104	3,105	2,574
-	86,733	86,733	86,733	68,316
4,144	46,176	50,320	328,576	318,118
5,963	-	5,963	51,518	28,091
7,963	-	7,963	47,366	56,823
<u>352,305</u>	<u>157,786</u>	<u>510,091</u>	<u>2,763,215</u>	<u>2,477,678</u>
898,955	157,786	1,056,741	6,730,369	6,154,514
-	(86,733)	(86,733)	(86,733)	(68,316)
<u>\$ 898,955</u>	<u>\$ 71,053</u>	<u>\$ 970,008</u>	<u>\$ 6,643,636</u>	<u>\$ 6,086,198</u>

**STATEMENT OF CASH FLOWS**

**The Young Men's Christian Association  
of Greater New Orleans, Louisiana**  
Metairie, Louisiana

For the year ended December 31, 2023  
(with comparative totals for 2022)

	<u>2023</u>	<u>2022</u>
<b>Cash Flows From Operating Activities</b>		
Changes in net assets	\$ (431,613)	\$ (603,290)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Amortization	64,086	64,352
Depreciation	571,111	571,619
Loss on disposal of assets	101,764	2,449
Realized (gain) loss on investments	(10,537)	3,748
Unrealized (gain) loss on investments	(59,790)	77,028
(Increase) decrease in operating assets:		
Unconditional promises to give	(62,954)	4,818
Grants receivable	(167,575)	(2,213)
Other receivables	(21,976)	(8,184)
Employee Retention Credit receivable	1,056,794	279,735
Prepaid expenses	42,311	(145,016)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	69,216	1,032
Deferred revenue	5,000	-
Deferred loan refunds (costs)	-	6,150
	<u>1,155,837</u>	<u>252,228</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of certificates of deposit	(500,000)	-
Purchases of investments	(276,668)	(610,495)
Proceeds from sales of investments	257,938	554,261
Purchases of property and equipment	(493,398)	(176,765)
Insurance proceeds from dispositions of property and equipment	41,735	-
	<u>(970,393)</u>	<u>(232,999)</u>

**Exhibit D  
(Continued)**

	<u>2023</u>	<u>2022</u>
<b>Cash Flows From Financing Activities</b>		
Repayment of finance lease liability	(60,992)	(63,296)
Proceeds from (repayment of) notes payable	(52,467)	(37,690)
Payments on accounts payable used to finance acquisition of property and equipment	<u>(14,432)</u>	<u>-</u>
Net cash used in financing activities	<u>(127,891)</u>	<u>(100,986)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	57,553	(81,757)
<b>Cash and Cash Equivalents</b>		
Beginning of year	<u>2,388,431</u>	<u>2,470,188</u>
End of year	<u><u>\$ 2,445,984</u></u>	<u><u>\$ 2,388,431</u></u>
<b>Supplemental Disclosures of Cash Flows Information</b>		
Cash paid for interest	<u>\$ 54,256</u>	<u>\$ 62,773</u>
<b>Supplemental Disclosure of Noncash Investing and Financing Activities</b>		
Property and equipment purchases included in accounts payable	<u>\$ 140,904</u>	<u>\$ 14,432</u>

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****The Young Men's Christian Association  
of Greater New Orleans, Louisiana  
Metairie, Louisiana**

December 31, 2023 and 2022

**Note 1 - NATURE OF OPERATIONS****a. Description of Organization**

The Young Men's Christian Association of Greater New Orleans, Louisiana (the YMCA) is a not-for-profit organization established in 1852. The YMCA's mission is to advance the cause of strengthening community through youth development, healthy living, and social responsibility. The YMCA is a powerful association of men, women, and children committed to bringing about lasting personal and social change. With a focus on nurturing the potential of every child and teen, improving the nation's health and well-being and providing opportunities to give back and support neighbors, the YMCA enables youth, adults, families and communities to be healthy, confident, connected and secure.

**b. Program Activities**

**Youth Development** - The YMCA is committed to nurturing the potential of every child and teen. The YMCA believes that all kids deserve the opportunity to discover who they are and what they can achieve. That is why the YMCA helps young people cultivate the values, skills, and relationships that lead to positive behaviors, better health, and educational achievement. The YMCA programs offer a range of experiences that enrich cognitive, social, physical and emotional growth.

**Healthy Living** - The YMCA is a leading voice on health and well-being. The YMCA brings families closer together, encourage good health and fosters connections through fitness, sports, fun and shared interests. As a result, people in the community are receiving the support, guidance and resources they need to achieve greater health in spirit, mind and body. This is particularly important as the nation struggles with an obesity crisis, families struggle with work/life balance and individuals search for personal fulfillment.

**Note 1 - NATURE OF OPERATIONS (Continued)**

**b. Program Activities (Continued)**

**Social Responsibility** - The YMCA believes in giving back and supporting its neighbors. The YMCA has been listening and responding to the community's most critical social needs. The YMCA programs are how it delivers training, resources and support that empower its neighbors to effect change, bridge gaps and overcome obstacles. The YMCA engages members, participants and volunteers in activities that strengthen the community and pave the way for future generations to thrive.

As part of its mission, the YMCA programs are accessible, affordable, and open to all faiths, backgrounds, abilities, and income levels. The YMCA provides financial assistance to people who otherwise may not have been able to afford to participate.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Organization and Income Taxes**

The Young Men's Christian Association of Greater New Orleans, Louisiana is a non-profit organization organized under the laws of the State of Louisiana and is exempt from Federal income tax under Section 501 (c)(3) of the Internal Revenue Code (IRC) and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the IRC. It is also exempt from Louisiana income tax under the authority of R.S. 47:121(5).

The Financial Accounting Standards Board (FASB) guidance requires tax effects from uncertain tax positions to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. As of December 31, 2023, management has determined that there are no material uncertain positions that require recognition in the financial statements. Additionally, no provision for income taxes is reflected in these financial statements. Interest and penalties would be recognized as tax expense; however, there is no interest and penalties recognized in the Statement of Activities. The tax years after December 31, 2020 are still open to audit for both federal and state purposes.

**b. Basis of Accounting**

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

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Basis of Presentation**

The YMCA records resources for accounting and reporting purposes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* - Net assets subject to donor-imposed restrictions that will be met either by action of the YMCA or by the passage of time.

**d. Operating Activities**

Operating activities reflect all transactions increasing or decreasing net assets except those items associated with investments, contributions for facilities and equipment, property and equipment purchases and depreciation, and changes in the fair value of the interest rate swap.

**e. Use of Estimates**

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

**f. Cash and Cash Equivalents**

The YMCA considers all liquid investments with original maturities of three months or less to be cash equivalents.

**g. Promises to Give**

Contributions are recognized when the donor makes a promise to give to the YMCA that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. All promises to give are recognized as assets, net of an allowance for uncollectible amounts. The YMCA provides for estimated uncollectible promises to give based on prior years' experience and management's analysis of specific promises made. As of December 31, 2023 and 2022, management determined an allowance was not necessary.



**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h. Grants Receivables**

Grants receivables are stated at the amount management expects to collect from outstanding balances. Management monitors outstanding balances and provides for uncollectible amounts on a specific account basis. Management believes all outstanding balances as of December 31, 2023 and 2022 are fully collectible.

**i. Investments**

Investments are reported at fair value or estimated fair value.

**j. Right-of-Use Assets and Lease Liabilities**

Right of use (ROU) assets represent the YMCA's right to use the underlying assets for the lease term and lease liabilities represent the net present value of the YMCA's obligation to make payments arising from these leases. The lease liabilities are based on the present value of fixed lease payments over the lease term using the YMCA's incremental borrowing rate on the lease commencement date. If the lease includes one or more options to extend the term of the lease, the renewal option is considered in the lease term if it is reasonably certain the YMCA will exercise the options. Operating lease expense is recognized on a straight-line basis over the term of the lease. Finance lease expense is recognized as amortization of the right to use asset and interest expense. As permitted by Accounting Standards Codification (ASC) 842, leases with an initial term of twelve months or less ("short-term leases") are not recorded on the accompanying Statement of Financial Position.

**k. Property and Equipment**

Property and equipment consist of land, buildings, office furniture and equipment, and leasehold improvements, and is stated at cost or, if contributed, at fair market value at date of donation, net of accumulated depreciation. Contributions of property and equipment are recorded at estimated fair value. Repairs and maintenance are charged to expense as incurred; major renewals and betterments are capitalized. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the related assets. Buildings and building improvements are depreciated over 5 to 40 years, other depreciable property, and equipment from 2 to 10 years. Only major replacements and improvements with a cost in excess of \$1,000 are capitalized and included in property and equipment.

**l. Deferred Revenue**

Membership dues and program fees that are designated for or related to future years' activities are deferred and recognized as revenue in the period in which they apply.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m. Contributions**

The YMCA reports contributions restricted by donors 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 the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

**n. Contributed Nonfinancial Assets**

Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at the date of donation. The YMCA reports the donations in the net assets without donor restrictions category, unless explicit donor stipulations specify how the donated assets must be used.

The YMCA recognizes contributions of services received if such services: (a) create or enhance nonfinancial assets, (b) require specialized skills, (c) are provided by individuals possessing those skills, and (d) would typically need to be purchased if not contributed (see Note 14).

The YMCA receives services from a large number of volunteers who give significant amounts of their time to the programs of the YMCA. No amounts have been reflected for these types of donated services, as there is no objective basis available to measure the value of such services.

**o. Government Grants and Contracts**

The YMCA receives grant and contract funding from various federal, state, and local governments to provide a variety of program services to the public based on specific requirements included in the agreement, including eligibility, procurement, reimbursement, curriculum, staffing and other requirements. These program services range from childcare after school programs, day camp, family programs, programs for seniors, and immigration and health and welfare related programs. The YMCA's government grants and contracts are nonreciprocal transactions and include conditions stipulated by the government agencies and are, therefore, accounted for as conditional contributions. Public support is recognized as conditions are satisfied, primarily as expenses are incurred.

Cash received on government grants and contracts prior to incurring allowable expenses are recorded as advances upon receipt.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o. Government Grants and Contracts (Continued)**

Government grants and contracts receivable are recorded in receivables. All other contributions are recorded in promises to give. The allowance for doubtful accounts is determined by the age of the balance, historical collection rates, and specific identification of uncollectible accounts. Uncollectible receivables are charged to the allowance. An expense is recorded at the time the allowance is adjusted. Government grants receivables totaled \$242,844 and \$27,769 as of December 31, 2023 and 2022, respectively, which are included in grants receivable on the Statements of Financial Position.

During 2019, the YMCA signed a cooperative endeavor agreement in the amount of \$700,000 with the State of Louisiana. As of December 31, 2023, this is an unexpended grant that has not been recognized pending fulfillment of conditions associated with the award.

On January 1, 2022, the YMCA signed a cooperative endeavor agreement in the amount of \$200,000 with the Plaquemines Parish Government for the period January 1, 2022 through December 31, 2022. This grant has been fully expended and recognized as 2022 revenue and expense on the Statement of Activities.

On January 31, 2023, the YMCA signed a cooperative endeavor agreement in the amount of \$200,000 with the Plaquemines Parish Government for the period January 1, 2023 through December 31, 2023. This grant has been fully expended and recognized as revenue and expense on the Statement of Activities.

On December 19, 2023, the YMCA signed a cooperative endeavor agreement in the amount of \$200,000 with the Plaquemines Parish Government for the period January 1, 2024 through December 31, 2024. This grant will be expended and recognized as revenue and expense on the Statement of Activities once the YMCA meets the conditions associated with the award.

**p. Revenue Recognition**

The YMCA has multiple revenue streams that are accounted for as reciprocal exchange transactions including membership and program fees, residence program and related services, and government contract revenues.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Revenue Recognition (Continued)

Because the YMCA's performance obligations relate to contracts with a duration of less than one year, the YMCA has elected to apply the optional exemption provided in FASB Accounting Standards Update (ASU) No. 606-10-50-14(a), "*Revenue from Contracts with Customers*", and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. There are no incremental costs of obtaining a contract and no significant financing components.

Membership dues and program fees consist of amounts that families and individuals pay to participate in health, fitness, education and recreation activities and programs. Members join for varying lengths of time and may cancel with 30 days' notice. Members generally pay a one-time joining fee plus monthly dues in advance. Memberships provide use of the recreation facilities, access to free classes, programs and activities, and discounts to fee-based programs. The YMCA offers a variety of programs including family, childcare, day camp, teen, scholastic, fitness, aquatics, and health services.

Fee-based programs are available to the public. Program fees for short duration programs of two months or less, such as aquatics classes, are typically paid in advance at the time of registration. Program fees for longer duration programs, such as fee-based childcare, are usually paid monthly in advance. Cancellation provisions vary by program, but most transactions are cancelable with 15 to 30 days' notice. Refunds may be available for services not provided. Financial assistance is available to members and program participants. Such financial assistance is reflected as a reduction of gross membership dues and program fees.

Membership dues and program fees are recognized ratably over the period the membership or program service is provided on a straight-line basis in an amount that reflects the consideration the YMCA expects to be entitled to in exchange for those services. All the YMCA's revenue from contracts with customers are from performance obligations satisfied over time. Prices are specific to a distinct performance obligation and do not consist of multiple transactions. Membership joining fees are recognized when a new member joins.

Membership dues and program fees paid to the YMCA in advance represent contract liabilities and are recorded as other deferred revenue. Amounts billed but unpaid are contract assets and recorded as accounts receivable.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**p. Revenue Recognition (Continued)**

The YMCA has contracts with city, state, and federal agencies to provide a variety of program services to the public based on contract requirements. Such contracts from government agencies are recorded as revenue as performance obligations are satisfied, which is generally when the related expenditures are incurred over the period the service is provided.

Advances are recorded as deferred revenue from government contracts upon receipt. Included in government receivables are contract assets for unbilled services and receivables for billed unpaid services.

The YMCA extends credit to third party payers of child development, and other programs in the normal course of operations which are due within 90 days of the date of service. The YMCA also extends credit to its members enrolling in certain programs, such as summer and day camp, which are due in full prior to the start of the program. The YMCA's accounts receivable represents an unconditional right to consideration from its contracts with customers. Receivables are recorded at estimated fair value at the time of origination and are reflected in the statements of financial position net of allowances for doubtful accounts. The allowance for doubtful accounts is determined by a monthly review of account balances, including the age of the balance and historical collection experience. Uncollectible receivables are charged to the allowance. An expense is recorded at the time the allowance is adjusted.

**q. Functional Allocation of Expenses**

Expenses are charged directly to program, management or fundraising in general categories based on specific identification. Indirect expenses have been allocated based on full-time equivalent expenses and facility square footage usages.

**r. Unamortized Deferred Finance Costs**

Financing costs related to the loan are being amortized over the estimated life of the obligation. Financing and loan acquisition costs totaled \$36,701 as of both December 31, 2023 and 2022. Accumulated amortization totaled \$11,351 and \$7,772 as of December 31, 2023 and 2022, respectively (see Note 10).

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**s. Impairment of Long-Lived Assets**

The carrying value of the YMCA's long-lived assets is reviewed to determine if facts or circumstances suggest that the assets may be impaired or that the remaining useful, depreciable life may need to be changed. The YMCA considers internal and external factors related to each asset, including future asset utilization and business climate. If these factors and the projected undiscounted cash flows of the asset over the remaining life indicate that the asset will not be recoverable, the carrying value will be adjusted down to the estimated fair value, if less than book value. As of December 31, 2023 and 2022, there are no impaired long-lived assets.

**t. Recently Issued Accounting Standards**

**Measurement of Credit Losses**

In June 2016, the FASB issued ASU No. 2016-13, "*Financial Instruments - Credit Losses*" (Topic 326). The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU.

The CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses for loans, held-to-maturity securities and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. For available-for-sale securities where fair value is less than cost, credit-related impairment, if any, is recognized through an allowance for credit losses and adjusted each period for changes in credit risk. The ASU was adopted for the year ended December 31, 2023, and its adoption did not have a material impact on the financial statements.

**u. Subsequent Events**

Management has performed an analysis of the activities and transactions subsequent to December 31, 2023, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended December 31, 2023. Management has performed their analysis through April 24, 2024, the date the financial statements were available to be issued.

**Note 3 - CONCENTRATION OF CREDIT RISK**

The YMCA maintains cash balances at several local financial institutions where they are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. As of December 31, 2023, the YMCA had approximately \$2,431,000 of cash deposits in excess of the insured limits.

**Note 4 - UNCONDITIONAL PROMISES TO GIVE**

Promises of donors to make contributions to the YMCA are included in the financial statements as unconditional promises to give. Unconditional promises to give as of December 31, 2023 and 2022 totaled \$90,634 and \$27,680, respectively, substantially all of which are due within one year.

**Note 5 - EMPLOYEE RETENTION CREDIT RECEIVABLE**

During the year ended December 31, 2021, the YMCA applied for payments under the Employee Retention Credit (ERC). The ERC is a refundable credit against certain payroll taxes allowed to an eligible employer for qualifying wages that was established by the Coronavirus Aid, Relief and Economic Security (CARES) Act and further amended by the Consolidated Appropriations Act (CAA) and the American Rescue Plan (ARP). The YMCA met the ERC's eligibility requirements and considered the payments as a government grant. Accordingly, the YMCA recorded the expected payments of \$1,436,367 as its own line item on the Statement of Changes in Net Assets and as a receivable on the Statement of Financial Position for the year ended December 31, 2021. The YMCA received payments of \$1,056,794 and \$279,735 during the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 the YMCA has received all payments from the ERC.

As of December 31, 2021, the YMCA recorded in its financial statements \$1,436,367 due from filing Forms 941-X, "*Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund*", in order to receive amounts to which it believes it is entitled under the ERC, which is a refundable credit against certain payroll taxes allowed to an eligible employer for qualifying wages, that was established by the CARES Act and further amended by the CAA and the ARP. Laws and regulations concerning government programs, including the Employee Retention Credit, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the YMCA's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the YMCA.

**Note 6 - INVESTMENTS**

Investments as of December 31, 2023 and 2022 are comprised of the following:

	2023		
	Cost	Fair Market Value	Excess of Market Over Cost (Cost Over Market)
Equity securities	\$ 175,334	\$ 199,951	\$ 24,617
Mutual funds	460,368	502,377	42,009
Totals	\$ 635,702	\$ 702,328	\$ 66,626
	2022		
	Cost	Fair Market Value	Excess of Market Over Cost
Equity securities	\$ 177,946	\$ 188,472	\$ 10,526
Mutual funds	428,489	424,799	(3,690)
Totals	\$ 606,435	\$ 613,271	\$ 6,836

Investment return for the year ended December 31, 2023 is summarized as follows:

	Cost	Market	Excess of Market Over Cost
Balances as of December 31, 2023	\$ 635,702	\$ 702,328	\$ 66,626
Balances as of December 31, 2022	\$ 606,435	\$ 613,271	6,836
Unrealized appreciation			59,790
Net realized gain			10,537
Interest and dividend income			20,472
Less: management fees			(6,839)
Net investment income - 2023			\$ 83,960



**Note 6 - INVESTMENTS (Continued)**

Investment return for the year ended December 31, 2022 is summarized as follows:

	Cost	Market	Excess of Market Over Cost
Balances as of December 31, 2022	\$ 606,435	\$ 613,271	\$ 6,836
Balances as of December 31, 2021	\$ 553,949	\$ 637,813	83,864
Unrealized depreciation			(77,028)
Net realized loss			(3,748)
Interest and dividend income			20,140
Less: management fees			(6,342)
Net investment loss - 2022			\$ (66,978)

**Note 7 - FAIR VALUE MEASUREMENTS**

The framework for measuring fair value provides a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under the Financial Accounting Standards Board Accounting Standards Codification Topic 820, Fair Value Measurements are described as follows:

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

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**Note 7 - FAIR VALUE MEASUREMENTS (Continued)**

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

*Equity securities:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the YMCA are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the YMCA are deemed to be actively traded.

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

Assets measured at fair value on a recurring basis as of December 31, 2023 and 2022 are comprised of and determined as follows:

Description	Total Assets Measured at Fair Value	2023		
		Quoted Prices in Active Markets (Level 1)	Based on Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Equity securities	\$ 199,951	\$ 199,951	\$ -	\$ -
Mutual funds	502,377	502,377	-	-
	<u>\$ 702,328</u>	<u>\$ 702,328</u>	<u>\$ -</u>	<u>\$ -</u>

**Note 7 - FAIR VALUE MEASUREMENTS (Continued)**

<u>Description</u>	<u>Total Assets Measured at Fair Value</u>	<u>2022</u>		
		<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Based on Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
Equity securities	\$ 188,472	\$ 188,472	\$ -	\$ -
Mutual funds	<u>424,799</u>	<u>424,799</u>	<u>-</u>	<u>-</u>
	<u>\$ 613,271</u>	<u>\$ 613,271</u>	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2023, there were no assets measured at fair value on a non-recurring basis.

**Note 8 - PROPERTY AND EQUIPMENT**

Property and equipment as of December 31, 2023 and 2022 consists of the following:

	<u>2023</u>	<u>2022</u>
Land	\$ 1,978,929	\$ 1,978,929
Buildings	11,269,342	11,408,882
Furniture and equipment	2,426,269	2,236,211
Leasehold improvements	2,316,772	2,074,529
Construction in progress	<u>353,695</u>	<u>314,296</u>
	18,345,007	18,012,847
Less accumulated depreciation	<u>(8,102,109)</u>	<u>(7,689,641)</u>
Totals	<u>\$ 10,242,898</u>	<u>\$ 10,323,206</u>

Depreciation expense totaled \$571,111 and \$571,619 for the years ended December 31, 2023 and 2022, respectively.

**Note 9 - LEASES**

**Operating Leases**

The YMCA has certain operating leases for office and warehouse space and various office equipment used in operations. These leases are included in contract services, occupancy and equipment expenses in the accompanying Statements of Functional Expenses. Leases with original terms greater than one year are included in operating lease liabilities. These leases have monthly payments ranging from \$168 to \$2,601 with maturity dates through December 31, 2025.

**Note 9 - LEASES (Continued)**

**Operating Leases (Continued)**

Operating lease cost was \$40,822 for both the years ended December 31, 2023 and 2022.

The YMCA has recognized a right-of-use asset for operating leases, and a corresponding operating lease liability that represents the present value of their obligation to make payments of the lease term. The YMCA utilized its incremental borrowing rate.

Operating leases reported under FASB ASC 842 for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Operating lease costs	\$ 40,822	\$ 40,822
Operating lease right-of-use asset	\$ 75,996	\$ 109,979
Operating lease liability	\$ 75,996	\$ 109,979
Weighted-average information		
Weighted-average remaining lease term in years	2	3
Weighted-average discount rate	3.65%	3.65%

Future minimum lease payments under these non-cancellable operating leases as of December 31, 2023 are as follows:

	Year Ending December 31,
2024	\$40,822
2025	40,822
Total lease payments	81,644
Less amounts representing interest	(5,648)
Operating lease liability	\$75,996

**Note 9 - LEASES (Continued)**

**Finance Leases**

During 2019, the YMCA entered into a financing lease agreement for certain gym equipment that expired November 2023. Obligations under the financing lease have been recorded in the Statement of Financial Position at the present value of future minimum lease payments. The lease terms called for payments of \$5,691 per month. The interest rate of the finance lease was 3.99%.

Finance leases reported under FASB ASC 842 for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Finance lease cost:		
Amortization of right-of-use assets	\$ 60,507	\$60,508
Interest on lease obligations	1,669	4,994
Total finance lease cost	\$ 62,176	\$65,502
Finance lease right-of-use asset	\$ -	\$60,507
Finance lease liability	\$ -	\$60,992
Weighted-average information		
Weighted-average remaining lease in years	N/A	0.92
Weighted-average discount rate	N/A	3.99%

**Note 10 - NOTE PAYABLE**

The YMCA financed the renovations of existing facilities and the acquisition of property and fixtures by entering into a loan agreement in the aggregate principal amount of \$5,000,000. The loan agreement (the "Agreement") was dated December 1, 2010. In conjunction with the Agreement, the YMCA accepted the assignment and assumption of the Agreement and guarantees the Agreement. As additional collateral, the YMCA issued a mortgage on certain existing property and future facilities to be constructed.

**Note 10 - NOTE PAYABLE (Continued)**

The funding of the obligation is in three phases. The first phase totaled \$2,327,691 and was issued on December 1, 2010 (“Project Part I”). The second phase was for \$1,912,309 (“Project Part II”) and the final phase was for \$760,000 (“Project Part III”), these phases have not been drawn on as of December 31, 2023.

The obligations of Projects Part I, Part II, and Part III were refinanced on January 29, 2021 with another financial institution. The new note allows for further advances up to a maximum of \$2,500,000. For the period of January 29, 2021 through May 29, 2022, the note carried interest at the greater of 4.5% or the Prime Rate plus .50% and required monthly payments of interest only. Beginning April 2022, the note carries interest at 3.65% and requires monthly payments of principal and interest in the amount of The obligations of Projects Part I, Part II, and Part III were refinanced on January 29, 2021 with another financial institution. The new note allows for further advances up to a maximum of \$2,500,000. For the period of January 29, 2021 through May 29, 2022, the note carried interest at the greater of 4.5% or the Prime Rate plus .50% and required monthly payments of interest only. Beginning April 2022, the note carries interest at 3.65% and requires monthly payments of principal and interest in the amount of \$14,692, with all unpaid principal and accrued interest due on January 29, 2031.

The outstanding balances under these obligations were \$1,392,501 and \$1,444,968 as of December 31, 2023 and 2022, respectively.

	2023	2022
Balance of obligation	\$ 1,392,501	\$1,444,968
Less unamortized deferred finance costs	(25,350)	(28,929)
Net obligation	\$ 1,367,151	\$1,416,039

Interest expense on the notes for the years ended December 31, 2023 and 2022 was \$52,587 and \$57,779, respectively.

**Note 10 - NOTE PAYABLE (Continued)**

The required principal payments under the note as of December 31, 2023 are as follows:

<u>Year Ending December 31,</u>	
2024	\$ 54,296
2025	56,485
2026	58,611
2027	60,818
2028	62,986
Thereafter	<u>1,099,305</u>
Total	<u>\$1,392,501</u>

**Note 11 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of December 31, 2023 and 2022 are restricted for the following purposes or periods:

	<u>2023</u>	<u>2022</u>
Net assets with donor restrictions:		
Restricted for:		
Capital expenditures	\$ 636,678	\$ 659,906
Subsequent periods	289,537	27,680
Specific programs	<u>257,372</u>	<u>397,287</u>
Totals	<u>\$1,183,587</u>	<u>\$1,084,873</u>

During the years ended December 31, 2023 and 2022, net assets released from donor restrictions by incurring expenses satisfying the restricted purposes are as follows:

	<u>2023</u>	<u>2022</u>
Specific programs	\$270,883	\$358,105
Capital expenditures	29,918	-
Subsequent periods	<u>27,680</u>	<u>32,498</u>
Totals	<u>\$328,481</u>	<u>\$390,603</u>

**Note 12 - AVAILABILITY OF FINANCIAL ASSETS**

Financial assets available for general expenditure within one year as of December 31, 2023:

Cash and cash equivalents	\$2,445,984
Certificates of deposit	500,000
Unconditional promises to give	90,634
Grants receivable	242,844
Other receivables	62,589
Investments	<u>702,328</u>
Total financial assets	4,044,379
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	<u>(1,183,587)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$2,860,792</u></u>

**Note 13 - GRANTS**

The YMCA participates in a number of state and federally assisted grant programs. Federal and state grants are included in grants revenue for the years ended December 31, 2023 and 2022. The programs are subject to compliance audits. Such audits could result in requests for reimbursement by the grantor agency for expenditures disallowed under the terms and compliance requirements of the grants. The YMCA's management believes that the amount of disallowances, if any, which may arise from future audits, will not be material to the financial statements.



**Note 14 - CONTRIBUTED NONFINANCIAL ASSETS**

The YMCA recognized contributed nonfinancial assets on the Statements of Activities. Contributed nonfinancial assets for the years ended December 31, 2023 and 2022 is as follows:

	2023	2022
<b>Support</b>		
Equipment and installation	\$ 61,700	\$ -
Program supplies	33,882	23,783
Advertising	23,197	21,972
Food and drink	7,341	6,935
Event space	6,356	6,006
Total support	\$132,476	\$58,696
<b>Expenditures</b>		
Equipment and installation	\$ 61,700	\$ -
Program expenditures	33,882	23,783
Advertising	23,197	21,972
Food and drink	7,341	6,935
Event space	6,356	6,006
Total expenditures	\$132,476	\$58,696

The YMCA recognized contributed nonfinancial assets within revenue, including program supplies, services, food and drink, and event space. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed program supplies were utilized in the following programs: Aquatics, Car Seat Safety, Hats and Horses, Plaquemines Parish Tailgate Cook-Off, East Jefferson YMCA's Santa Soiree, YES Corporate Classic, Belle Chasse Golf Tournament and West St. Tammany YMCA's golf tournament. The YMCA estimates the fair value based on the wholesale values that would be received for selling similar products in the United States.

Contributed advertising services recognized comprise of professional services from publishers to advertise programs offered by the YMCA and the YES Corporate Classic. Contributed services are valued and are reported at the estimated fair value in the financial statement based on current rates for similar advertising services.

Contributed food and drink were utilized in the following programs: Aquatics, Hats and Horses, Plaquemines Parish Tailgate Cook-Off, East Jefferson YMCA's Santa Soiree, YES Corporate Classic, Belle Chasse Golf Tournament and West St. Tammany YMCA's golf tournament. The YMCA estimates the fair value based on the wholesale values that would be received for selling similar products in the United States.

**Note 14 - CONTRIBUTED NONFINANCIAL ASSETS (Continued)**

Contributed event space recognized comprise of the venue for the East Jefferson YMCA's Santa Soiree and space used for the YMCA annual meeting. The YMCA estimated the fair value based on the vendor's rental rates for similar events.

Contributed equipment and installation services were utilized in the Aquatics program, to install lighting at the West St. Tammany field, and to provide WIFI connectivity at the Plaquemines Parish facility. The YMCA estimates the fair value based on current advertised prices for similar equipment.

**Note 15 - NATIONAL YMCA ORGANIZATION**

The YMCA is a member of the National YMCA Organization and is responsible for paying monthly dues to the National YMCA. Total expenses to the National YMCA were \$83,346 and \$76,711 for the years ended December 31, 2023 and 2022, respectively. Differences between estimated revenues and actual revenues resulted in an underpayment and overpayment of dues in 2023 and 2022, respectively. The balance due to the National YMCA as of December 31, 2023 and 2022 was \$14,173 and \$1,427, respectively.

**Note 16 - RETIREMENT PLANS**

The YMCA participates in a defined contribution, individual account, money purchase retirement plan which is administered by the National YMCA Retirement Fund. Effective January 25, 2021, the Board reduced the retirement plan contribution percentage to 8% as part of the 2021 budget plan. Effective September 1, 2021, the Board restored the retirement plan contribution percentage to its original rate of 12%. Employer contributions to the plan for the years ended December 31, 2023 and 2022 totaled \$170,350 and \$174,588, respectively.

**Note 17 - COMMITMENTS AND CONTINGENCIES**

The YMCA has entered into a contract for the architectural design of the Belle Chasse Gym Project totaling approximately \$257,800. As of December 31, 2023, the YMCA has incurred construction completed or in progress costs related to this architectural design contract totaling approximately \$142,700.

The YMCA has entered into a contract for the renovation of the pool deck at the Belle Chasse facility totaling approximately \$524,200. As of December 31, 2023, the YMCA has incurred construction in progress costs related to this project of approximately \$43,200.

**Note 18 - SPECIAL EVENTS**

As part of its fundraising efforts, the YMCA holds periodic special events. Revenue for special events is recognized in the period in which the event is held. Gross receipts from special fundraising events consist of exchange transaction revenue and contribution revenue. Direct expenses associated with special events for the years ended December 31, 2023 and 2022 are netted against such revenue as follows:

	<u>2023</u>	<u>2022</u>
Contributions	\$ 143,446	\$ 98,049
Special events - ticket sales	<u>111,068</u>	<u>92,302</u>
Special events - gross	254,514	190,351
Less: cost of direct donor benefits	<u>(86,733)</u>	<u>(68,316)</u>
Special event revenue, net	<u>\$ 167,781</u>	<u>\$ 122,035</u>

**SUPPLEMENTARY INFORMATION**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**The Young Men's Christian Association  
of Greater New Orleans, Louisiana  
Metairie, Louisiana**

For the year ended December 31, 2023

**Agency Head Name:** Gordon Wadge, President, Chief Executive Officer

**Purpose:**

Salary	\$163,000
Benefits - insurance	11,186
Benefits - retirement	19,560
Benefits - other	1,018
Car allowance	-
Vehicle provided by Association	-
Per diem	374
Reimbursements	1,741
Travel	-
Registration fees	454
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouched expenses	-
Special meals	-
	<hr/>
	<b><u>\$197,332</u></b>

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

**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**

To the Board of Directors,  
The Young Men’s Christian Association  
of Greater New Orleans, Louisiana,  
Metairie, Louisiana.

We have audited, 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, the financial statements of The Young Men’s Christian Association of Greater New Orleans, Louisiana (the YMCA) (a non-profit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 24, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the YMCA’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 an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the YMCA’s internal control. Accordingly, we do not express an opinion on the effectiveness of the YMCA’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 YMCA’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.

## **Report on Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the YMCA'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, Louisiana,  
April 24, 2024.





**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters  
Material to the Financial Statements (Continued)**

**Section III - Federal Award Findings and Questioned Costs**

**Internal Control/Compliance**

The YMCA did not expend more than \$750,000 in Federal awards during the year ended December 31, 2023 and, therefore, was exempt from the audit requirements under the *Uniform Guidance*.

**REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

### **The Young Men's Christian Association of Greater New Orleans, Louisiana Metairie, Louisiana**

For the year ended December 31, 2023

#### **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements**

##### **Internal Control Over Financial Reporting**

There were no findings noted during the audit for the year ended December 31, 2022 related to internal control over financial reporting material to the basic financial statements.

##### **Compliance and Other Matters**

There were no findings material to the financial statements noted during the audit for the year ended December 31, 2022 related to compliance and other matters.

#### **Section II - Internal Control and Compliance Material to Federal Awards**

The YMCA did not expend more than \$750,000 in Federal awards during the year ended December 31, 2022 and, therefore, was exempt from the audit requirements under the *Uniform Guidance*.

#### **Section III - Management Letter**

A management letter was not issued in connection with the audit of the financial statements for the year December 31, 2022.

# **MANAGEMENT'S CORRECTIVE ACTION PLAN**

## **The Young Men's Christian Association of Greater New Orleans, Louisiana Metairie, Louisiana**

For the year ended December 31, 2023

### **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements**

#### **Internal Control Over Financial Reporting**

There were no findings noted during the audit for the year ended December 31, 2023 related to internal control over financial reporting material to the basic financial statements.

#### **Compliance and Other Matters**

There were no findings material to the financial statements noted during the audit for the year ended December 31, 2023 related to compliance and other matters.

### **Section II - Internal Control and Compliance Material to Federal Awards**

The YMCA did not expend more than \$750,000 in Federal awards during the year ended December 31, 2023 and, therefore, was exempt from the audit requirements under the *Uniform Guidance*.

### **Section III - Management Letter**

A management letter was not issued in connection with the audit of the financial statements for the year ended December 31, 2023.

**STATEWIDE AGREED-UPON PROCEDURES**

**INDEPENDENT ACCOUNTANT'S REPORT ON**  
**APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors,  
The Young Men's Christian Association,  
Metairie, Louisiana.

We have performed the procedures described in Schedule 2 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2023 through December 31, 2023. The Young Men's Christian Association of Greater New Orleans, Louisiana's (the YMCA) management is responsible for those C/C areas identified in the SAUPs.

The YMCA 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 the LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. 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 responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 2.

We were engaged by The Young Men's Christian Association of Greater New Orleans, Louisiana to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on these C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of The Young Men's Christian Association of Greater New Orleans, Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on 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.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants

New Orleans, Louisiana,  
April 24, 2024.



**SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS**  
**OF THE STATEWIDE AGREED-UPON PROCEDURES**

**The Young Men's Christian Association**  
**of Greater New Orleans, Louisiana**  
 Metairie, Louisiana

For the year ended December 31, 2023

The required procedures and our findings are as follows:

**1) Procedures Performed on the YMCA's Written Policies and Procedures:**

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

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

Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.

Exceptions: There were 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.

Performance: Obtained and read the written policy for purchasing and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.

Exceptions: There were 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 each type of revenue or YMCA 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).

Performance: Obtained and read the written policy for receipts and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

**1) Procedures Performed on the YMCA's Written Policies and Procedures: (Continued)**

- 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.  
Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.  
Exceptions: There were 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.  
Not applicable. The YMCA did not use public funds to pay for contracts initiated or renewed during the fiscal period.
  
- vii. Travel and Expense Reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.  
Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
  
- 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).  
Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.  
Exceptions: There were 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 YMCA's ethics policy.  
Not applicable for not-for-profit entities.
  
- x. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.  
Not applicable for not-for-profit entities.

**1) Procedures Performed on the YMCA's Written Policies and Procedures: (Continued)**

- 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.

Performance: Obtained and read the written policy for information technology disaster recovery/business continuity policy and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- 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.  
Not applicable for not-for-profit entities.

**2) Procedures Performed on the YMCA's 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 that the board met with a quorum at least monthly, or on a frequency in accordance with the board/finance committee's enabling legislation, charter, bylaws, or other equivalent document.

Performance: Obtained and read the written minutes of the Board meetings. The Board met with a quorum for 5 board meetings during the year, which was in accordance with the YMCA's bylaws.

Exceptions: There were no exceptions noted.

- ii. For those entities reporting on the not-for-profit accounting model, observe whether 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.

Performance: The YMCA is reporting on the not-for-profit accounting model. We inspected the meeting minutes and confirmed that financial activity relating to public funds was discussed.

Exceptions: There were 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 unrestricted fund balance in the general fund.

Not applicable for not-for-profit entities.

**2) Procedures Performed on YMCA's Board or Finance Committee: (Continued)**

- 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.

Performance: Obtained and read the written minutes of the Board meetings. There were no audit findings in the prior year.

Exceptions: There were no exceptions noted.

**3) Procedures Performed on the YMCA's Bank Reconciliations:**

- A. Obtain a listing of the YMCA's bank accounts from management and management's representation that the listing is complete. Ask management to identify the YMCA's main operating account. Select the YMCA'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:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter. We selected the main account and 4 other accounts and one month for bank reconciliations.

Exceptions: There were no exceptions noted.

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

Performance: Obtained monthly bank reconciliation for the selected month for the main operating bank account and the 4 other accounts. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were 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 within one month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

Performance: Examine the YMCA's documentation noting evidence of a member of management's review of the December bank reconciliation for the 5 bank accounts selected.

Exceptions: There were exceptions noted due to management not reviewing the bank reconciliations within one month of preparation for all 5 of the bank accounts selected.

**3) Procedures Performed on the YMCA's Bank Reconciliations: (Continued)**

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

Performance: Inspected documents for items outstanding for more than 12 months. We noted no checks outstanding greater than 12 months from the statement closing date.

Exceptions: There were no exceptions noted.

**4) Procedures Performed on the YMCA's Collections (Excluding Electronic Funds Transfers):**

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (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).

Performance: Obtained the listing of deposit sites from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

- 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:

Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals, inquired of client as to all the requirements and observed that job duties are properly segregated.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals, inquired of client as to all the requirements and observed that job duties are properly segregated.

Exceptions: There were no exceptions noted.

**4) Procedures Performed on the YMCA's Collections (Excluding Electronic Funds Transfers):  
(Continued)**

- 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

- Performance: Inspected policy manuals, inquired of client as to all the requirements and observed that job duties are properly segregated.

- Exceptions: There were 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 custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

- Performance: Inspected policy manuals, inquired of client as to all the requirements and observed that job duties are properly segregated.

- Exceptions: There were 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.

- Performance: Obtained a copy of the insurance policy for theft covering all employees who have access to cash. The policy was in force during the fiscal period.

- Exceptions: There were no exceptions noted.

- 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

- i. Observe that receipts are sequentially pre-numbered.

- Performance: Obtained supporting documentation for the selected deposits and observed that cash receipts were sequentially pre-numbered.

- Exceptions: There were no exceptions noted.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

- Performance: Traced supporting documentation to the deposit slip.

- Exceptions: There were no exceptions noted.

**4) Procedures Performed on the YMCA's Collections (Excluding Electronic Funds Transfers):  
(Continued)**

iii. Trace the deposit slip total to the actual deposit per the bank statement.

Performance: Traced deposit slip total to actual deposit per bank statement.

Exceptions: There were 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).

Performance: Observed that the deposits tested were made within one business day of receipt.

Exceptions: There were 3 deposits that were not made within one business day of receipt.

v. Trace the actual deposit per the bank statement to the general ledger.

Performance: Traced the actual deposit per the bank statement to the general ledger.

Exceptions: There were no exceptions noted.

**5) Procedures Performed on the YMCA's Non-Payroll Disbursements (Excluding Card Purchases/Payments, 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).

Performance: Obtained a listing of locations that process payments for the fiscal period from management (there is only 1 location) and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

B. For each location selected under procedure #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 YMCA has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions and reviewed written policies and procedures related to employee job duties. Observed if the job duties were properly segregated.

Exceptions: There were no exceptions noted.

**5) Procedures Performed on the YMCA's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)**

- i. At least 2 employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;  
Performance: Obtained a listing of employees involved in initiating a purchase request, approving a purchasing, and placing an order/making a purchase. Observed that at least two employees are involved.  
Exceptions: There were no exceptions noted.
  - ii. At least 2 employees are involved in processing and approving payments to vendors.  
Performance: Obtained a listing of employees involved in processing and approving payments to vendors. Observed at least two employees are involved.  
Exceptions: There were 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.  
Performance: Obtained a listing of employees involved in processing payments to vendors. Inquired with management if any employees involved are adding/modifying vendor files. Also, examined non-payroll disbursement policy which documented that the person responsible for processing payments does not add/modify vendor files.  
Exceptions: There were no exceptions noted.
  - 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.  
Performance: Obtained a listing of employees involved with signing and mailing checks and verified they are not involved in the processing of payments.  
Exceptions: There were 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.  
Performance: Obtained a listing of employees authorized to sign checks and verified they approve the electronic disbursement of funds.  
Exceptions: There were no exceptions noted.
- C. For each location selected under procedure #5A, obtain the YMCA'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:  
Performance: Obtained the YMCA's non-payroll disbursement transaction population and management's representation that the population is complete. Randomly selected 5 disbursements.  
Exceptions: There were no exceptions noted.



**5) Procedures Performed on the YMCA's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)**

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the YMCA.

Performance: Observed that the 5 disbursements matched the related original invoice/billing statements and observed supporting documentation indicating deliverables were received.

Exceptions: There were no exceptions noted.

- ii. Observe whether that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

- D. Using the YMCA'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:

- i. Approved by only those persons authorized to disburse funds (e.g., sign checks) per the YMCA's policy.

Performance: Observed the 5 disbursements included evidence of approval by authorized person.

Exceptions: There were no exceptions noted.

- ii. Approved by the required number of authorized signers per the YMCA's policy.

Performance: Observed the 5 disbursements included evidence of approval by required number of authorized signers.

Exceptions: There were no exceptions noted.

**6) Procedures Performed on the YMCA's 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.

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and cards from management and management's representation that the listing is complete. Observed all active cards, including the card numbers and the names of the persons who maintain possession of the cards.

Exceptions: There were no exceptions noted.

**6) Procedures Performed on the YMCA's Credit Cards, Debit Cards, Fuel Cards, Purchase Cards (Cards): (Continued)**

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:

- i. Observe that 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) was reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder.

Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There were no exceptions noted.

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

Performance: Observed that finance charges and/or late fees were not assessed on the selected statements.

Exceptions: There were no exceptions noted.

C. Using the monthly statements or combined statements selected under procedure #6B, 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, report whether the transaction is supported by:

- i. An original itemized receipt that identifies precisely what was purchased.

Performance: Observed that the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.

Exceptions: There were no exceptions noted.

- ii. Written documentation of the business/public purpose.

Performance: Observed that the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There were no exceptions noted.

- iii. 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.

Performance: Observed that only transactions were for meal charges and were supported by documentation of the individuals participating in meals.

Exceptions: There were no exceptions noted.

**7) Procedures Performed on the YMCA's 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:

Performance: Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period from management and received management's representation in a separate letter that the listing is complete. Obtained the related expense reimbursement form and supporting documentation for 5 reimbursements.

Exceptions: There were no exceptions noted.

- 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](http://www.gsa.gov));

Not applicable. The 5 reimbursements randomly selected were not reimbursed using a per diem.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Performance: Observed that expense reimbursements were supported by original itemized receipts that identified what was purchased.

Exceptions: There were 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).

Performance: Observed each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation included the names of those individuals participating) and other documentation required by written policy.

Exceptions: There were no exceptions noted.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Performance: Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person that received the reimbursement.

Exceptions: There were no exceptions noted.

**8) Procedures Performed on the YMCA's 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:
- 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.  
Not applicable. The YMCA did not use public funds to pay for contracts initiated or renewed during the fiscal period.
  - 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).  
Not applicable. The YMCA did not use public funds to pay for contracts initiated or renewed during the fiscal period.
  - 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).  
Not applicable. The YMCA did not use public funds to pay for contracts initiated or renewed during the fiscal period.
  - 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.  
Not applicable. The YMCA did not use public funds to pay for contracts initiated or renewed during the fiscal period.

**9) Procedures Performed on the YMCA's Payroll and Personnel:**

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries, and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.  
Performance: Obtained the listing of employees and their related salaries from management and management's representations that the listing is complete.  
Exceptions: There were no exceptions noted.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

**9) Procedures Performed on the YMCA's Payroll and Personnel: (Continued)**

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).  
Performance: Inspected all daily attendance and leave records for proper documentation.  
Exceptions: There were no exceptions noted.
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.  
Performance: Inspected the approval of attendance and leave by the supervisors for the selected employee/officials.  
Exceptions: There were no exceptions noted.
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the YMCA's cumulative leave records.  
Performance: Inspected any leave accrued or taken during the pay period was reflected in the cumulative leave records.  
Exceptions: There were no exceptions noted.
  - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.  
Performance: Inspected and agreed the rate paid to employees to the authorized pay rate in the personnel files.  
Exceptions: There were 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, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the YMCA's policy on termination payments. Agree the hours to the employees' or officials' cumulative leave records, agree the pay rates to the employees'/officials' authorized pay rates in the employees'/officials' personnel files, and agree the termination payment to the YMCA's policy.  
Performance: Inquired of management of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. The hours used in management's termination payment calculations were agreed to personnel records and the pay rates were agreed to rates in the personnel files.  
Exceptions: There were no exceptions noted.

**9) Procedures Performed on the YMCA's Payroll and Personnel: (Continued)**

- 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.

Performance: Obtained management's representation of the timely filing of payroll forms and timely payments and inspected payroll reporting forms to confirm that all payments were submitted to the applicable agencies by the required deadlines.

Exceptions: There were no exceptions noted.

**10) Procedures Performed on the YMCA's Ethics:**

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A 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.

Not applicable for not-for-profit entities.

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

Not applicable for not-for-profit entities.

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

Not applicable for not-for-profit entities.

**11) Procedures Performed on the YMCA's Debt Service:**

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

Not applicable for not-for-profit entities.

- 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).

Not applicable for not-for-profit entities.

**12) Procedures Performed on the YMCA's 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 YMCA reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the YMCA is domiciled as required by R.S. 24:523.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period, none were noted. We obtained management's representation in a separate letter. None were noted.

Exceptions: There were no exceptions noted.

- B. Observe that the YMCA 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.

Performance: Inquired of management of the existence of notice posted on the premises and website concerning the reporting of misappropriate fraud, waste, or abuse of public funds, which was confirmed.

Exceptions: There were no exceptions noted.

**13) Procedures Performed on the YMCA's 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 YMCA's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personal responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the YMCA's local server or network, and (c) was encrypted.

Performance: We performed the procedure and discussed the results with management.

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

Performance: We performed the procedure and discussed the results with management.

**13) Procedures Performed on the YMCA's Information Technology Disaster Recovery/  
Business Continuity: (Continued)**

iii. Obtain a listing of the YMCA'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.

Performance: Randomly selected 5 computers and discussed the results with management.

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

Performance: Randomly selected 5 terminated employees and discussed the results with management.

C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

The YMCA is neither a state nor a local agency, therefore, it is not applicable.

**14) Procedures Performed on the YMCA's Prevention of Sexual Harassment:**

A. Using the 5 randomly selected employees/officials from Procedures Performed on the YMCA's Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe 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.

Not applicable for not-for-profit entities.

B. Observe that the YMCA has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the YMCA's premises if the YMCA does not have a website).

Not applicable for not-for-profit entities.



**14) Procedures Performed on the YMCA's Prevention of Sexual Harassment: (Continued)**

C. Obtain the YMCA'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:

Not applicable for not-for-profit entities.

i. Number and percentage of public servants in the agency who have completed the training requirements.

Not applicable for not-for-profit entities.

ii. Number of sexual harassment complaints received by the agency.

Not applicable for not-for-profit entities.

iii. Number of complaints which resulted in a finding that sexual harassment occurred.

Not applicable for not-for-profit entities.

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.

Not applicable for not-for-profit entities.

v. Amount of time it took to resolve each complaint.

Not applicable for not-for-profit entities.

**Management's Overall Response to Exceptions:**

3.A.ii. A member of management did not document the review of bank reconciliations within 1 month of the date they were prepared.

Management's Response: Management will implement procedures to ensure management documents their review of bank reconciliations within 1 month of the date they were prepared.

3.D.iv. Bank deposits were not made within 1 business day of receipt in 3 instances.

Management's Response: Management will implement procedures to ensure deposits are made timely.