

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

**AS OF AND
FOR THE YEAR ENDED DECEMBER 31, 2018**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Dryades Young Men's Christian Association
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of **Dryades Young Men's Christian Association (DYMCA)**, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
Dryades Young Men's Christian Association
New Orleans, Louisiana

Auditors' Responsibility, Continued

Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements previously referred to present fairly, in all material respects, the financial position of **DYMCA** as of December 31, 2018, and the changes in its net assets, functional expenses and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
Dryades Young Men's Christian Association
New Orleans, Louisiana

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2019 on our consideration of **DYMCA's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 **DYMCA's** internal control over financial reporting and compliance.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

June 26, 2019

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

ASSETS

Current Assets:	
Cash (NOTE 3)	\$ 287,975
Amounts receivable, net (NOTE 4)	43,088
Grants receivable (NOTE 5)	106,095
Prepaid and other assets (NOTE 7)	107,466
Investment (NOTE 8)	<u>100,125</u>
Total current assets	<u>644,749</u>
Noncurrent Assets:	
Land and land improvements (NOTES 9 and 14)	773,071
Property and equipment, net (NOTES 9, 12 and 14)	<u>12,120,239</u>
Total noncurrent assets	<u>12,893,310</u>
Total assets	<u>\$13,538,059</u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable and other liabilities (NOTE 10)	\$ 704,120
Salaries, benefits and taxes payable (NOTE 11)	163,044
Lease obligations (NOTES 9 and 12)	45,880
Deferred revenue	334,358
Reserve for unemployment taxes and other payable (NOTE 13)	578,580
Current portion of notes payable (NOTE 14)	<u>114,874</u>
Total current liabilities	<u>1,940,856</u>
Noncurrent Liabilities:	
Lease obligations less current portion (NOTES 9 and 12)	35,024
Notes payable, less current portion (NOTES 9 and 14)	<u>297,639</u>
Total noncurrent liabilities	<u>332,663</u>
Total liabilities	<u>2,273,519</u>
CONTINGENCIES AND COMMITMENTS (NOTE 20)	
Net Assets:	
Without donor restrictions	<u>11,264,540</u>
Total net assets	<u>11,264,540</u>
Total liabilities and net assets	<u>\$13,538,059</u>

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

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>OPERATING ACTIVITIES</u>			
Support and Revenues:			
United Way funding	\$ 54,129	\$ -0-	\$ 54,129
Grants - State of Louisiana	4,428,975	-0-	4,428,975
Grants - Federal pass-through State of Louisiana	476,534	-0-	476,534
Grants -Federal pass-through Others	158,017	-0-	158,017
Grants - other	76,734	-0-	76,734
In-kind (NOTE 16)	254,047	-0-	254,047
Membership dues	161,272	-0-	161,272
Program income and fees	115,863	-0-	115,863
Net assets released from restrictions:			
Expiration of time restrictions	<u>2,282</u>	<u>(2,282)</u>	<u>-0-</u>
Total support and revenues	<u>5,727,853</u>	<u>(2,282)</u>	<u>5,725,571</u>
 <u>EXPENSES</u>			
Program services	5,107,133	-0-	5,107,133
Supporting services	<u>1,457,615</u>	<u>-0-</u>	<u>1,457,615</u>
Total expenses	<u>6,564,748</u>	<u>-0-</u>	<u>6,564,748</u>
Change in ne assets from operating activities	<u>(836,895)</u>	<u>(2,282)</u>	<u>(839,177)</u>
 <u>NONOPERATING ACTIVITIES</u>			
Interest income	247	-0-	247
Rental income	399,463	-0-	399,463
Contributions and donations	60,687	-0-	60,687
Support from other programs	28,012	-0-	28,012
Other	<u>53,245</u>	<u>-0-</u>	<u>53,245</u>
Total nonoperating activities	<u>541,654</u>	<u>-0-</u>	<u>541,654</u>
Change in net assets from nonoperating activities	<u>541,654</u>	<u>-0-</u>	<u>541,654</u>
Change in net assets from operating and nonoperating activities	(295,241)	(2,282)	(297,523)
Net assets, beginning of year	<u>11,559,781</u>	<u>2,282</u>	<u>11,562,063</u>
Net assets, end of year	<u>\$11,264,540</u>	<u>\$ -0-</u>	<u>\$11,264,540</u>

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

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
Salaries and wages	\$2,014,339	\$ 393,699	\$2,408,038
Employee benefits and payroll taxes	503,839	95,304	599,143
Professional fees and contract services	719,603	152,167	871,770
Supplies	88,548	21,724	110,272
Instructional material and supplies	27,438	-0-	27,438
Telephone	105,198	2,002	107,200
Postage and printing	21,655	3,109	24,764
Professional development	160	-0-	160
Utilities	227,268	-0-	227,268
Occupancy	441,975	-0-	441,975
Equipment rental	652	-0-	652
Repairs and maintenance	70,560	18,575	89,135
Conferences and conventions	1,171	8,808	9,979
Transportation and travel	330,181	3,165	333,346
Dues to National YMCA	-0-	68,556	68,556
Insurance	126,843	51,535	178,378
Other expenses	42,811	36,727	79,538
Food cost	11,536	14,175	25,711
Advertising	-0-	1,485	1,485
Student activities	11,130	-0-	11,130
Administrative fee expense	11,345	-0-	11,345
Support in-kind	254,047	-0-	254,047
Interest expense	13,250	12,789	26,039
Support to other programs	<u>11,522</u>	<u>85,672</u>	<u>97,194</u>
 Total expenses before depreciation and amortization	 5,035,071	 969,492	 6,004,563
 Depreciation and amortization	 <u>72,062</u>	 <u>488,123</u>	 <u>560,185</u>
 Total	 <u>\$5,107,133</u>	 <u>\$1,457,615</u>	 <u>\$6,564,748</u>

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

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

Cash Flows from Operating Activities:

Change in net assets \$(297,523)

Adjustments to reconcile change in net assets to
net cash provided by operating activities:

Depreciation and amortization	560,185
Loss on write-down of investments	2,282
Decrease in amounts receivable	5,145
Decrease in grants receivable	31,779
Decrease in prepaid and other assets	40,054
Decrease in cash surrender value of life insurance	49,000
Decrease in cash drawn in excess of available balance	(290)
Decrease in accounts payable and other liabilities	(68,347)
Decrease in salaries, benefits, and taxes payables	72,783
Decrease in reserve for unemployment taxes	<u>(15,557)</u>

Net cash provided by operating activities 379,511

Cash Flows from Investing Activities:

Purchase of property and equipment	(53,356)
Purchase of investment	<u>(125)</u>

Cash used in investing activities (53,481)

Cash Flows from Financing Activities:

Principal payments on finance leases	(56,968)
Proceeds from notes payable	85,368
Principal payments on notes payable	<u>(131,717)</u>

Net cash used in financing activities (103,317)

Net increase in cash 222,713

Cash, beginning of year 65,262

Cash, end of year \$ 287,975

Supplemental Cash Flow Information:

Interest paid \$ 26,039

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

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Background and General Data:

Background

Dryades Young Men's Christian Association (DYMCA) is a non-profit corporation organized under the laws of the State of Louisiana. **DYMCA** is primarily engaged in providing community services that consist of youth development, counseling, crime reduction and physical education activities. **DYMCA** also administers job training, and day care programs through grants received from the State of Louisiana and the United Way of Greater New Orleans. **DYMCA** also operates a charter school which is funded by the State of Louisiana. Several of these grants originate at the federal level and as such are deemed federal pass-through grants.

General Data

At December 31, 2018, **DYMCA** administered the following active programs and grants:

- General
- School of Commerce
- Youth Development and Outreach
- Day Care Program
- Endowment Fund
- James M. Singleton Charter School
- LA-4 Starting Points Pre-Kindergarten Program (Federal and State)
- Special Funds (Title I, Title II, Individuals with Disabilities Education Act (IDEA) B and IDEA Preschool)
- Total Community Action (Head Start)
- Wellness Center

**DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Background and General Data, Continued:

General Data, Continued

The following is a brief description of each program or grant administered by **DYMCA**:

o General

Included in general are the following:

- Program Income and Fees;
- Special Events - Self Support;
- Public Contributions and Donations; and
- Private Grants.

The resources of the General Fund are used to fund the operations of **DYMCA** that are not directly covered by specific programs or grants administered by **DYMCA**.

o School of Commerce

The School of Commerce is funded by the State Department of Labor and provides job training for entry into the labor force, and counseling and placement into unsubsidized employment.

Funding from the State of Louisiana is provided on behalf of the students in the form of tuition payments to **DYMCA**.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

General Data, Continued

o Youth Development and Outreach

The Youth Development and Outreach Program is funded by resources from the General Fund, the United Way of Greater New Orleans and private donations and grants. The program provides tutorial services to youth ages Pre-K to 14 and work to reduce crime and loitering by youth in the district area through counseling and follow-up with youth and their families.

o Day Care Program

The Daycare Program is funded through United Way of Greater New Orleans, the State of Louisiana, General and private donations. This program provides service to children one (1) to five (5) years. The Day Care Program provides child care that supports and strengthens families and nurtures the healthy, successful growth and development of each child in spirit, mind, and body.

o Endowment Fund

This fund is established to account for the revenue and expenses related to a restricted donation (see NOTE 15).

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

General Data, Continued

o James M. Singleton Charter School

James M. Singleton Charter School is an independent charter school funded by the State of Louisiana Board of Elementary and Secondary Education (BESE) and the State of Louisiana Department of Education. It provides a framework for educational experimentation through the creation of a mechanism to accomplish the following objectives:

- Improve pupil learning and, in general, the public school system;
- Increase learning opportunities and access to quality education for pupils;
- Encourage the use of different and innovative teaching methods and a variety of governance, management, and administrative structures;
- Require appropriate assessment and measurement of academic learning results;
- Account better and more thoroughly for educational results; and
- Create new professional opportunities for teachers and other school employees.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

General Data, Continued

o LA-4 Starting Points Pre-Kindergarten Program (Federal and State)

LA-4 Starting Points Pre-Kindergarten Program is funded through the State Department of Education for children age 4 years old. The program promotes student achievement and growth through a variety of activities which are designed to prepare participants for the next level of education.

o Special Funds (Titles I, II, Individuals with Disabilities Education (IDEA) IDEA B and IDEA Preschool)

Title I

Title I is funded through the State Department of Education to ensure that all children have a fair, equal and sufficient opportunity to obtain a high quality education and reach, at a minimum, proficiency on challenging state academic achievement standards and state academic assessment. The program also aims to close the achievement gap between high and low performing children, especially between disadvantaged and their more advantaged peers.

Title II

Title II is also funded through the State Department of Education to provide professional development to the teaching staff to meet the requirements that all schools have "highly qualified" teachers, defined as a teacher with full certification, a bachelors degree, and demonstrated competence in subject knowledge and teaching skills as defined by each state.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

General Data, Continued

- o Special Funds (Titles I, II, Individuals with Disabilities Education (IDEA) IDEA B and IDEA Preschool), Continued

IDEA B

IDEA B is funded through the State Department of Education to provide education to students with disabilities. Funding is contingent on compliance with six (6) main principles.

IDEA Preschool

IDEA Preschool is funded through the State Department of Education to provide various services to children from three (3) through five (5) years of age.

- o Total Community Action (Head Start Program)

DYMCA's Head Start Program is funded through Total Community Action to provide "Head Start" services to children 3 and 4 years old that are eligible to receive those services.

- o Wellness Center

The Dryades Wellness Center is funded through the General Program and membership fees. The program is aimed at the development of the mind and promotion of healthy lifestyles.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies:

Principles of Accounting

The financial statements of **DYMCA** are prepared in accordance with accounting principles generally accepted in the United States of America and are prepared on the accrual basis.

Promises to Give

Contributions are recognized when the donor makes a promise to give to **DYMCA** that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

DYMCA uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At December 31, 2018, the total allowance for doubtful accounts was \$66,167. See specific detail at NOTES 4 and 5.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Use of Estimates

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

Advertising Costs

Advertising costs are charged to operations when incurred. **DYMCA** had no direct-response advertising costs during the year ended December 31, 2018; however, the total nondirect response advertising for the year ended December 31, 2018 was \$1,485.

Funding

DYMCA receives its primary funding through support from the United Way of Greater New Orleans, grants from the State of Louisiana, the City of New Orleans, program fees, membership dues, and special events.

Contributed Services

Contributions of donated services that require specialized skills, and provided by individuals possessing those skills and would typically be purchased if not provided by donation are recorded at their fair values in the period received.

During the year ended December 31, 2018, the value of contributed services meeting the requirements for recognition in **DYMCA's** financial statements was \$-0-.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Property and Equipment

DYMCA follows the practice of capitalizing all property and equipment expenditures over \$2,500. Donated items received are recorded at the fair value at time of receipt. Depreciation is computed under the straight-line method for all depreciable assets over their respective estimated useful lives. DYMCA depreciates property and equipment using the following estimated useful lives:

<u>Asset</u>	<u>Estimated Useful Lives</u>
Building	20-40
Building improvements	7-15
Furniture and equipment	5-10

Land is recorded at cost or estimated cost.

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among animal services and supporting services benefitted. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and related benefits	Time and Effort
Occupancy	Square Footage
Professional services	Full Time Equivalent
Printing	Full Time Equivalent
Information technologies	Full Time Equivalent
Depreciation	Square Footage
Other	Time and Effort

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Statement of Cash Flows

For purposes of the statement of cash flows, **DYMCA** considers all investments with original maturities of three months or less to be cash equivalents.

Leasehold Improvements

Leasehold improvements are capitalized at cost and amortized over the shorter of the lease term or useful life.

Financial Statement Presentation

The financial statements of **DYMCA** have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provision of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide") update 2016-14. (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of **DYMCA** and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of **DYMCA**. **DYMCA**'s board may designate assets without restrictions for specific operational purposes from time to time.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Financial Statement Presentation, Continued

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporarily in nature; those restrictions will be met by actions of **DYMCA** or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

At December 31, 2018, **DYMCA's** net assets without donor restrictions reports the results of revenues generated by providing services, receiving unrestricted contributions, grants, interest from investments, disposition of real property, less expenses incurred in providing program and supporting related services. In addition, **DYMCA** presents a statement of cash flows in the accompanying financial statements.

The net assets with donor restrictions at December 31, 2018 reports endowment previously invested in government income in perpetuity.

Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

Fair Value of Financial Instruments

The estimated fair value of all significant financial statement amounts have been determined by **DYMCA** using available market information and appropriate valuation methodologies.

**DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Fair Value of Financial Instruments, Continued

DYMCA considers the carrying amounts of cash, investments, amounts receivable, prepaid assets, grants receivable, promises to give due in less than one year, accounts payable, accrued liabilities and notes payable to approximate fair value.

Budgetary Data

DYMCA's Board approves all budgetary data in connection with grant award applications.

Totals Memorandum Only

The total column on the statements in the supplementary information section of this report is captioned "Totals (Memorandum Only)" to indicate that it is presented only to facilitate financial analysis. Such data is not comparable to a consolidation.

Investment

DYMCA has elected to adopt ASC Section 958-320 (Not-for-Profit Entities, Investments Debt and Equity Securities). Under the ASC Section 958-320, investments in marketable securities with readily determinable fair values and all debt securities are reported at their fair values.

Interprogram Activities

All interprogram (due to/from) activities have been netted at the combined level in the accompanying statement of financial position.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Leases

DYMCA has elected early adoption of Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), which requires leases to recognize a right of use asset and a lease liability on the statement of financial position for all leases with a term longer than 12 months. Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of activities.

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to DYMCA's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

Recent Accounting Pronouncements:

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-14 affecting ASC 958, *Not-for-Profit Entities*, which establishes standards for external financial reporting by not-for-profit organizations. The primary objective of this update is to make certain improvements to the current reporting practices of not-for-profit entities. The amendments in this update are effective for annual financial standards issued for fiscal years beginning after December 15, 2017 and for interim periods within fiscal years beginning after December 15, 2018.

DYMCA has applied this new pronouncement in its accompanying financial statements.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - Cash:

At December 31, 2018, the carrying amount of **DYMCA**'s cash deposits was \$287,975, and the cumulative collected bank balances was \$378,372. The cumulative collected bank balances are secured from risk by \$250,000 of federal deposit insurance per financial institution, with the remaining balance collateralized by a \$1,000,000 letter of credit issued by the Federal Home Loan Bank of Dallas and pledged to **DYMCA**. **DYMCA** has no deposit policy for custodial credit risk.

Under state laws, deposits of public funds must be secured by federal deposit insurance or the pledge of securities or other instruments by the fiscal agent's bank. The market value of such pledged securities or other instruments and deposit insurance must equal or exceed the amount on deposit with the fiscal agent.

NOTE 4 - Amounts Receivable, Net:

Following is a summary of amounts receivable at December 31, 2018:

Contributions and donations receivable	\$ 50,429
Other amounts receivable	<u>58,826</u>
Subtotal	109,255
Allowance for doubtful accounts	<u>(66,167)</u>
Amounts receivable, net	<u>\$ 43,088</u>

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 5 - Grants Receivable:

At December 31, 2018, grants receivable consisted of the following:

State of Louisiana	\$ 8,831
Federal pass-through - State	79,490
Federal pass-through - other	<u>17,774</u>
Grants receivable	<u>\$106,095</u>

NOTE 6 - Liquidity:

DYMCA's financial assets available within one year of the balance sheet date for general expenditure as follows:

Cash and cash equivalents	\$287,975
Investment, at cost	102,407
Amounts receivable, net	43,088
Grants receivable	<u>106,095</u>
	<u>\$539,565</u>

DYMCA's financial assets have been reduced by amounts not available for general use because of donor-imposed restrictions within one year of the balance sheet date and amounts set aside for long-term investing in endowments.

DYMCA's endowment fund consists of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenses.

As part of **DYMCA's** liquidity management, it has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due. In addition, **DYMCA** invests cash in excess of daily requirements in short-term investments.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 7 - Prepaid and Other Assets:

At December 31, 2018, prepaid and other assets consisted of the following:

Prepaid insurance	\$ 87,042
Security deposits	15,051
Other assets	<u>5,373</u>
Total	<u>\$107,466</u>

NOTE 8 - Investment:

At December 31, 2018, **DYMCA** held a certificate of deposit with original maturity date greater than three months. The investment is stated at the lower of cost or estimated fair market value.

	<u>Cost</u>	<u>Estimated Fair Market Value</u>
Certificate of deposit	<u>\$100,125</u>	<u>\$100,125</u>

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 9 - Property and Equipment, Net:

At December 31, 2018, property and equipment consisted of the following:

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>December 31</u>
Land and land improvements	\$ <u>773,071</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>773,071</u>
Building and building improvements	16,064,001	-0-	-0-	16,064,001
Furniture and equipment	1,304,227	1,144	-0-	1,305,371
Leasehold improvements	173,042	3,834	-0-	176,876
Property held under capital leases	<u>194,953</u>	<u>48,378</u>	<u>(71,281)</u>	<u>172,050</u>
Subtotal	17,736,223	53,356	(71,281)	17,717,298
Accumulated:				
Depreciation	(5,004,377)	(496,391)	-0-	(5,500,768)
Amortization	<u>(104,778)</u>	<u>(63,794)</u>	<u>71,281</u>	<u>(97,291)</u>
Property and equipment, net	<u>\$13,400,139</u>	<u>\$(504,964)</u>	<u>\$ -0-</u>	<u>\$12,893,310</u>

NOTE 10 - Accounts Payable and Other Liabilities:

At December 31, 2018, accounts payable and other liabilities consisted of the following:

Vendors	\$136,096
City of New Orleans	<u>568,024</u>
Total	<u>\$704,120</u>

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 11 - Salaries, Benefits and Taxes Payable:

At December 31, 2018, salaries, benefits and taxes payable consisted of the following:

Salaries payable	\$ 50,706
Taxes, related benefits, and withholdings payable	<u>112,388</u>
Total	<u>\$163,044</u>

NOTE 12 - Lease Obligations:

DYMCA has four (4) thirty-six (36) month finance leases expiring on various dates in 2019 and 2021.

Future minimum lease payments at December 31, 2018 for each of the finance leases with remaining terms in excess of one year are as follows:

<u>Years Ending December 31,</u>	
2019	\$50,217
2020	18,274
2021	<u>16,751</u>
Total future minimum lease payments	85,241
Less: amount representing interest	<u>(4,337)</u>
Present value of minimum lease payments	<u>\$ 80,904</u>

Amortization expense for property held under finance leases was \$63,794 for the year ended December 31, 2018.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 13 - Reserve for Unemployment Taxes and Other Payables:

At December 31, 2018, reserve for unemployment taxes and other payables consisted of the following:

Reserve for unemployment taxes	\$378,580
Reserve for benefits payable	<u>200,000</u>
Total	<u>\$578,580</u>

NOTE 14 - Notes Payable:

At December 31, 2018, notes payable consisted of the following:

Note payable to finance company, maturing February 27, 2020, bearing interest of 3.35%, payable in 27 monthly installments of \$622, including interest and principal, and a balloon payment of \$55,822. The note is secured by real estate.

\$ 61,234

Note payable to finance company, maturing February 24, 2022, bearing interest of 5.5%, payable in 51 monthly installments of \$1,050, including interest and principal, and a balloon payment of \$73,791. The note is secured by real estate.

97,027

Note payable to bank, maturing September 22, 2024, bearing interest of 2.75%, payable in 84 monthly installments of \$1,671, including interest and principal. The note is secured by real estate.

42,664

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 14 - Notes Payable, Continued:

Note payable to finance company, maturing August 1, 2022, bearing interest of 7.20%, payable in 71 monthly installments of \$4,089, including interest and principal. The note is secured by a mobile office.	\$ 154,603
Note payable to finance company, maturing June 1, 2019 bearing interest of 5.50%.	31,705
Note payable to finance company, maturing August 29, 2019, bearing interest of 5.48%.	<u>25,280</u>
Total notes payable	412,513
Less: current portion	<u>(114,874)</u>
	<u>\$ 297,639</u>

Loan principal payments over the remaining years are as follows:

Years Ended December 31,

2019	\$114,874
2020	113,309
2021	60,821
2022	109,817
2023	7,762
Thereafter	<u>5,930</u>
Total	<u>\$412,513</u>

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 15 - Litigation:

At December 31, 2018 and through June 26, 2019, **DYMCA's** legal counsel has advised of a pending allegation for which they are unable to predict the outcome.

Further, in a matter pertaining to an audit performed by the Louisiana Legislative Auditor, it is legal counsel's opinion that a possible claim or assessment may arise at some time but they are unable to determine such claim, assessment or amount.

NOTE 16 - In-kind:

At December 31, 2018, in-kind contributions represent donated facilities, services and food items to **DYMCA**.

NOTE 17 - Pension Plan:

DYMCA participates in The YMCA Retirement Fund Retirement Plan (Retirement Plan), a defined contribution, money purchase, church plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended (the Code), and The YMCA Retirement Fund Tax-Deferred Savings Plan, a retirement income account plan as defined in section 403(b)(9) of the Code. The Retirement Plan is subject to the Employee Retirement Income Security Act of 1974 pursuant to section 401(d) of the Code. Both Plans are sponsored by The Young Men's Christian Association Retirement Fund (Fund). The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York (1921) organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs throughout the United States. The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and their eligible employees. As a defined contribution plan, the Retirement Plan and Tax-Deferred Savings Plan have no unfunded benefit obligations.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 17 - Pension Plan, Continued:

In accordance with **DYMCA's** agreement, contributions for the YMCA Retirement Fund Retirement Plan are a percentage of the participating employees' salary. These amounts are paid by the **DYMCA**. Total contributions charged to retirement costs and paid were \$150,593 for the year ended December 31, 2018.

Contributions to The YMCA Retirement Fund Tax-Deferred Savings Plan are withheld from employees' salaries and remitted to The YMCA Retirement Fund. There is no matching employer contribution to this plan.

NOTE 18 - Concentration of Risk:

DYMCA receives primarily all of its revenues from the State of Louisiana, the City of New Orleans and the United Way of Greater New Orleans. If the amount of revenues received should fall below contract levels, **DYMCA's** operating results could be adversely affected.

NOTE 19 - Income Taxes:

DYMCA is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements. Should **DYMCA's** tax-exempt status be challenged in the future, **DYMCA's** tax returns for 2015, 2016 and 2017 are open for examination by the Internal Revenue Service.

NOTE 20 - Contingencies and Commitments:

DYMCA is a recipient of direct and pass-through grants from the State of Louisiana, the City of New Orleans, and the United Way of Greater New Orleans, as applicable. These grants are governed by various guidelines, regulations and contractual agreements. The administration of the programs and activities funded by these grants is under the control and administration of **DYMCA** and is subject to audit and/or review by the applicable funding sources. Any grants or award funds found to be not properly spent in accordance with the terms, conditions and regulations of the funding sources may be subject to recapture.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 21 - Risk Management:

DYMCA is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets for which **DYMCA** carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 22 - Per Diem to Board of Directors:

During the year ended December 31, 2018, no per diem was paid to the Board of Directors in their capacity as directors.

NOTE 23 - Operating Loss:

For the year ended December 31, 2018, **DYMCA** incurred a continuing operating loss of \$295,241. Management and the Board have developed and implemented a plan to reverse the trend.

NOTE 24 - Subsequent Events:

DYMCA is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition or disclosure in the financial statements. **DYMCA** performed such as evaluation through June 26, 2019, the date which the financial statements were available to be issued, and noted no subsequent events or transactions that occurred after the statement of financial date that require recognition or disclosure.

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors
Dryades Young Men's Christian Association
New Orleans, Louisiana

Other Matters

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

We have audited the financial statements of **Dryades Young Men's Christian Association (DYMCA)** as of and for the years ended December 31, 2018 and have issued our report thereon dated June 26, 2019, which contained an unmodified opinion on those financial statements as a whole. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole.

The accompanying Schedule of Expenditures of Federal Awards (Schedule IV) is presented for the purposes of additional analysis as required by *the Uniform Guidance*, and is not a required part of the financial statements. The information in Schedule IV 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. Such 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 accompanying Schedule IV is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION
(CONTINUED)**

To the Board of Directors
Dryades Young Men's Christian Association
New Orleans, Louisiana

Other Matters, Continued

Supplementary Other Information

The supplementary information comprised of (Schedules I through III and V) is presented for the purpose of additional analysis 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information (Schedules I through III and V) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

June 26, 2018

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

	CITY OF NEW ORLEANS						
	DEPARTMENT OF SOCIAL SERVICES		COMMUNITY DEVELOPMENT BLOCK GRANT				
	General	School of Commerce	Philip Street Renovation	Total Community Action	Early Learning Readiness	Restoration Project	Endowment
ASSETS							
Current Assets:							
Cash	\$ 59,468	\$ 1,839	\$ -0-	\$ -0-	\$ 3,127	\$ -0-	\$ -0-
Amounts receivable, net	17,051	-0-	-0-	-0-	-0-	429	-0-
Grants receivable	-0-	-0-	-0-	17,757	-0-	-0-	-0-
Due from other programs	3,365,204	69,200	6,213	128,215	40,000	1,411,443	-0-
Prepaid and other assets	29,750	3,102	-0-	-0-	-0-	1,844	-0-
Investment	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total current assets	<u>3,471,473</u>	<u>74,141</u>	<u>6,213</u>	<u>145,972</u>	<u>43,127</u>	<u>1,413,716</u>	<u>-0-</u>
Noncurrent Assets:							
Land and land improvements	773,071	-0-	-0-	-0-	-0-	-0-	-0-
Property and equipment, net	12,009,128	1,281	-0-	-0-	-0-	-0-	-0-
Total noncurrent assets	<u>12,782,199</u>	<u>1,281</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets	<u>\$ 16,253,672</u>	<u>\$ 75,422</u>	<u>\$ 6,213</u>	<u>\$ 145,972</u>	<u>\$ 43,127</u>	<u>\$ 1,413,716</u>	<u>\$ -0-</u>
LIABILITIES AND NET ASSETS							
Current Liabilities:							
Accounts payable and other liabilities	\$ 315,124	\$ -0-	\$ -0-	\$ -0-	\$ 446	\$ -0-	\$ -0-
Salaries, benefits and taxes payable	41,266	-0-	-0-	-0-	-0-	-0-	-0-
Due to other programs	3,861,890	719,315	-0-	150,044	42,085	1,079,358	-0-
Current portion of lease obligations	8,121	1,354	-0-	-0-	-0-	-0-	-0-
Deferred revenue	-0-	-0-	-0-	-0-	-0-	334,358	-0-
Reserve for unemployment taxes and other payables	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Current portion of notes payable	64,230	-0-	-0-	-0-	-0-	-0-	-0-
Total current liabilities	<u>4,290,631</u>	<u>720,669</u>	<u>-0-</u>	<u>150,044</u>	<u>42,531</u>	<u>1,413,716</u>	<u>-0-</u>
Noncurrent Liabilities:							
Lease obligations, less current portion	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Notes payable, less current portion	297,639	-0-	-0-	-0-	-0-	-0-	-0-
Total noncurrent liabilities	<u>297,639</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities	<u>4,588,270</u>	<u>720,669</u>	<u>-0-</u>	<u>150,044</u>	<u>42,531</u>	<u>1,413,716</u>	<u>-0-</u>
Net assets	<u>11,665,402</u>	<u>(645,247)</u>	<u>6,213</u>	<u>(4,072)</u>	<u>596</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities and net assets	<u>\$ 16,253,672</u>	<u>\$ 75,422</u>	<u>\$ 6,213</u>	<u>\$ 145,972</u>	<u>\$ 43,127</u>	<u>\$ 1,413,716</u>	<u>\$ -0-</u>

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

STATE OF LOUISIANA

DEPARTMENT OF EDUCATION

	21st Century I	21st Century II	LA-4 Federal	LA-4 State	Special Funds	Singleton Charter School	Totals (Memorandum Only)
ASSETS							
Current Assets:							
Cash	\$ -0-	\$ 1,863	\$ -0-	\$ 70	\$ 1,087	\$ 220,521	\$ 287,975
Amounts receivable, net	4,000	-0-	-0-	244	-0-	21,364	43,088
Grants receivable	-0-	17	43,750	8,831	35,740	-0-	106,095
Due from other programs	48,000	96,344	704,372	999,041	79,962	2,330,856	9,278,850
Prepaid and other assets	-0-	350	-0-	-0-	-0-	72,420	107,466
Investment	-0-	-0-	-0-	-0-	-0-	100,125	100,125
Total current assets	<u>52,000</u>	<u>98,574</u>	<u>748,122</u>	<u>1,008,186</u>	<u>116,789</u>	<u>2,745,286</u>	<u>9,923,599</u>
Noncurrent Assets:							
Land and land improvements	-0-	-0-	-0-	-0-	-0-	-0-	773,071
Property and equipment, net	-0-	-0-	-0-	-0-	-0-	109,830	12,120,239
Total noncurrent assets	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>109,830</u>	<u>12,893,310</u>
Total assets	<u>\$ 52,000</u>	<u>\$ 98,574</u>	<u>\$ 748,122</u>	<u>\$ 1,008,186</u>	<u>\$ 116,789</u>	<u>\$ 2,855,116</u>	<u>\$ 22,816,909</u>
LIABILITIES AND NET ASSETS							
Current Liabilities:							
Accounts payable and other liabilities	\$ -0-	\$ -0-	\$ -0-	\$ 1,516	\$ 647	\$ 386,387	\$ 704,120
Salaries, benefits and taxes payable	-0-	-0-	-0-	65	-0-	121,713	163,044
Due to other programs	52,000	98,571	740,308	1,007,371	31,405	1,496,503	9,278,850
Current portion of lease obligation	-0-	-0-	-0-	-0-	-0-	36,405	45,880
Deferred revenue	-0-	-0-	-0-	-0-	-0-	-0-	334,358
Reserve for unemployment taxes and other payables	-0-	-0-	7,057	-0-	-0-	571,523	578,580
Current portion of notes payable	-0-	-0-	-0-	-0-	-0-	50,644	114,874
Total current liabilities	<u>52,000</u>	<u>98,571</u>	<u>747,365</u>	<u>1,008,952</u>	<u>32,052</u>	<u>2,663,175</u>	<u>11,219,706</u>
Noncurrent Liabilities:							
Lease obligations, less current portion	-0-	-0-	-0-	-0-	-0-	35,024	35,024
Notes payable, less current portion	-0-	-0-	-0-	-0-	-0-	-0-	297,639
Total noncurrent liabilities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>35,024</u>	<u>332,663</u>
Total liabilities	<u>52,000</u>	<u>98,571</u>	<u>747,365</u>	<u>1,008,952</u>	<u>32,052</u>	<u>2,698,199</u>	<u>11,552,369</u>
Net assets	<u>-0-</u>	<u>3</u>	<u>757</u>	<u>(766)</u>	<u>84,737</u>	<u>156,917</u>	<u>11,264,540</u>
Total liabilities and net assets	<u>\$ 52,000</u>	<u>\$ 98,574</u>	<u>\$ 748,122</u>	<u>\$ 1,008,186</u>	<u>\$ 116,789</u>	<u>\$ 2,855,116</u>	<u>\$ 22,816,909</u>

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

		STATE OF LOUISIANA DEPARTMENT OF SOCIAL SERVICES	CITY OF NEW ORLEANS COMMUNITY DEVELOPMENT BLOCK GRANT				
	General	School of Commerce	Philip Street Renovation	Total Community Action	Early Learning Readiness	Restoration Project	Endowment
<u>OPERATING ACTIVITIES</u>							
Support and Revenues:							
United Way Funding	\$ 54,129	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Grants - State of Louisiana	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Grants - Federal pass-through - State of Louisiana	1,838	-0-	-0-	-0-	-0-	-0-	-0-
Grants - Federal pass-through - Others	-0-	-0-	-0-	158,017	-0-	-0-	-0-
Grants - Other	41,734	-0-	-0-	-0-	-0-	-0-	-0-
In-kind	-0-	-0-	173,760	-0-	-0-	-0-	-0-
Membership dues	161,272	-0-	-0-	-0-	-0-	-0-	-0-
Program income and fees	63,777	52,086	-0-	-0-	-0-	-0-	-0-
Net assets released from restrictions:							
Expiration of time restrictions	2,282	-0-	-0-	-0-	-0-	-0-	(2,282)
Total support and revenues	325,032	52,086	173,760	158,017	-0-	-0-	(2,282)
<u>EXPENSES</u>							
Program services	357,261	83,964	173,760	168,441	-0-	-0-	-0-
Supporting services	1,103,496	-0-	-0-	-0-	-0-	-0-	-0-
Total expenses	1,460,757	83,964	173,760	168,441	-0-	-0-	-0-
Change in net assets from operating activities	(1,135,725)	(31,878)	-0-	(10,424)	-0-	-0-	(2,282)

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	STATE OF LOUISIANA		CITY OF NEW ORLEANS		Total Community Action	Early Learning Readiness	Restoration Project	Endowment
	DEPARTMENT OF SOCIAL SERVICES		COMMUNITY DEVELOPMENT BLOCK GRANT					
	General	School of Commerce	Philip Street Renovation					
<u>NONOPERATING ACTIVITIES</u>								
Interest income	9	-0-	-0-	-0-	-0-	6	-0-	-0-
Rental income	399,463	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Contributions and donations	48,481	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Support from other programs	-0-	-0-	-0-	-0-	8,384	-0-	-0-	-0-
Other	40,930	2,650	-0-	-0-	-0-	-0-	-0-	-0-
Total nonoperating activities	488,883	2,650	-0-	-0-	8,384	6	-0-	-0-
Change in net assets from nonoperating activities	488,883	2,650	-0-	-0-	8,384	6	-0-	-0-
Change in net assets from operating and nonoperating activities	(646,842)	(29,228)	-0-	-0-	(2,040)	6	-0-	(2,282)
Net assets, beginning of year	12,312,244	(616,019)	6,213	-0-	(2,032)	590	-0-	2,282
Net assets, end of year	\$ 11,665,402	\$ (645,247)	\$ 6,213	-0-	\$ (4,072)	\$ 596	\$ -0-	\$ -0-

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

STATE OF LOUISIANA							
DEPARTMENT OF EDUCATION							
	21st Century I	21st Century II	LA-4 Federal	LA-4 State	Special Funds	Singleton Charter School	Totals (Memorandum Only)
<u>OPERATING ACTIVITIES</u>							
Support and Revenues:							
United Way Funding	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 54,129
Grants - State of Louisiana	-0-	-0-	-0-	-0-	-0-	4,428,975	4,428,975
Grants - Federal pass-through - State of Louisiana	-0-	-0-	102,003	80,585	292,108	-0-	476,534
Grants - Federal pass-through - Others	-0-	-0-	-0-	-0-	-0-	-0-	158,017
Grants - Other	-0-	-0-	-0-	-0-	-0-	35,000	76,734
In-kind	-0-	-0-	-0-	-0-	-0-	80,287	254,047
Membership dues	-0-	-0-	-0-	-0-	-0-	-0-	161,272
Program income and fees	-0-	-0-	-0-	-0-	-0-	-0-	115,863
Net assets released from restrictions:							
Expiration of time restrictions	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total support and revenues	-0-	-0-	102,003	80,585	292,108	4,544,262	5,725,571
<u>EXPENSES</u>							
Program services	-0-	-0-	101,246	100,875	260,119	3,861,467	5,107,133
Supporting services	-0-	-0-	-0-	-0-	33,391	320,728	1,457,615
Total expenses	-0-	-0-	101,246	100,875	293,510	4,182,195	6,564,748
Change in net assets from operating activities	-0-	-0-	757	(20,290)	(1,402)	362,067	(839,177)

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

STATE OF LOUISIANA

DEPARTMENT OF EDUCATION

	21st Century I	21st Century II	LA-4 Federal	LA-4 State	Special Funds	Singleton Charter School	Totals (Memorandum Only)
<u>NONOPERATING ACTIVITIES</u>							
Interest income	-0-	3	-0-	-0-	-0-	229	247
Rental income	-0-	-0-	-0-	-0-	-0-	-0-	399,463
Contributions and donations	-0-	-0-	-0-	-0-	-0-	12,206	60,687
Support from other programs	-0-	-0-	-0-	19,628	-0-	-0-	28,012
Other	-0-	-0-	-0-	-0-	-0-	9,665	53,245
Total nonoperating income	-0-	3	-0-	19,628	-0-	22,100	541,654
Change in net assets from nonoperating activities	-0-	3	-0-	19,628	-0-	22,100	541,654
Change in net assets from operating and nonoperating activities	-0-	3	757	(662)	(1,402)	384,167	(297,523)
Net assets, beginning of year	-0-	-0-	-0-	(104)	86,139	(227,250)	11,562,063
Net assets, end of year	\$ -0-	\$ 3	\$ 757	\$ (766)	\$ 84,737	\$ 156,917	\$ 11,264,540

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	PROGRAM SERVICES							
	General			STATE OF LOUISIANA	CITY OF NEW ORLEANS	Total	Early Learning	Restoration
	Wellness Center	Youth Development and Outreach	Infant Daycare	DEPARTMENT OF SOCIAL SERVICES	COMMUNITY DEVELOPMENT BLOCK GRANT			
			School of Commerce	Philip St. Renovation	Community Action	Readiness	Project	
Salaries and wages	\$ 101,087	\$ 71,867	\$ 26,008	\$ 53,056	\$ -0-	\$ 140,407	\$ -0-	\$ -0-
Employee benefits and payroll taxes	7,734	17,062	15,459	13,318	-0-	25,994	-0-	-0-
Professional fees and contract services	42,019	26,566	4,975	9,276	-0-	-0-	-0-	-0-
Supplies	9,094	2,150	1,679	-0-	-0-	-0-	-0-	-0-
Instructional material and supplies	-0-	-0-	-0-	1,206	-0-	-0-	-0-	-0-
Telephone	5,924	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Postage and printing	500	500	378	629	-0-	-0-	-0-	-0-
Professional development	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Utilities	10,762	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Occupancy	3,125	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Equipment rental	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Repairs and maintenance	7,828	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Conferences and conventions	-0-	227	665	279	-0-	-0-	-0-	-0-
Transportation and travel	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Dues to National YMCA	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Insurance	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other expenses	1,142	350	-0-	4,623	-0-	2,040	-0-	-0-
Food cost	-0-	-0-	160	40	-0-	-0-	-0-	-0-
Advertising	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Student activities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Administrative fee expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Support in-kind	-0-	-0-	-0-	-0-	173,760	-0-	-0-	-0-
Interest expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Support to other programs	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total expenses before depreciation and amortization	189,215	118,722	49,324	82,427	173,760	168,441	-0-	-0-
Depreciation and amortization	-0-	-0-	-0-	1,537	-0-	-0-	-0-	-0-
Total expenses	\$ 189,215	\$ 118,722	\$ 49,324	\$ 83,964	\$ 173,760	\$ 168,441	\$ -0-	\$ -0-

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

PROGRAM SERVICES

STATE OF LOUISIANA

DEPARTMENT OF EDUCATION

	21st Century I	21st Century II	LA-4 Federal	LA-4 State	Special Funds	Singleton Charter School	Totals (Memorandum Only)
Salaries and wages	\$ -0-	\$ -0-	\$ 80,239	\$ 80,971	\$ 193,735	\$ 1,266,969	\$ 2,014,339
Employee benefits and payroll taxes	-0-	-0-	17,771	18,622	42,036	345,843	503,839
Professional fees and contract services	-0-	-0-	-0-	-0-	-0-	636,767	719,603
Supplies	-0-	-0-	-0-	-0-	-0-	75,625	88,548
Instructional material and supplies	-0-	-0-	1,500	50	10,048	14,634	27,438
Telephone	-0-	-0-	-0-	-0-	-0-	99,274	105,198
Postage and printing	-0-	-0-	-0-	-0-	-0-	19,648	21,655
Professional development	-0-	-0-	-0-	-0-	-0-	160	160
Utilities	-0-	-0-	-0-	-0-	-0-	216,506	227,268
Occupancy	-0-	-0-	-0-	-0-	-0-	438,850	441,975
Equipment rental	-0-	-0-	-0-	-0-	-0-	652	652
Repairs and maintenance	-0-	-0-	-0-	-0-	-0-	62,732	70,560
Conferences and conventions	-0-	-0-	-0-	-0-	-0-	-0-	1,171
Transportation and travel	-0-	-0-	803	-0-	2,955	326,423	330,181
Dues to National YMCA	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Insurance	-0-	-0-	-0-	-0-	-0-	126,843	126,843
Other expenses	-0-	-0-	933	852	-0-	32,871	42,811
Food cost	-0-	-0-	-0-	150	-0-	11,186	11,536
Advertising	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Student activities	-0-	-0-	-0-	230	-0-	10,900	11,130
Administrative fee expense	-0-	-0-	-0-	-0-	11,345	-0-	11,345
Support in-kind	-0-	-0-	-0-	-0-	-0-	80,287	254,047
Interest expense	-0-	-0-	-0-	-0-	-0-	13,250	13,250
Support to other programs	-0-	-0-	-0-	-0-	-0-	11,522	11,522
Total expenses before depreciation and amortization	-0-	-0-	101,246	100,875	260,119	3,790,942	5,035,071
Depreciation and amortization	-0-	-0-	-0-	-0-	-0-	70,525	72,062
Total	\$ -0-	\$ -0-	\$ 101,246	\$ 100,875	\$ 260,119	\$ 3,861,467	\$ 5,107,133

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

SUPPORTING SERVICES

	General	Singleton Charter School	Special Funds	Totals (Memorandum Only)
Salaries and wages	\$ 159,992	\$ 206,649	\$ 27,058	\$ 393,699
Employee benefits and payroll taxes	63,036	26,115	6,153	95,304
Professional fees and contract services	81,415	70,752	-0-	152,167
Supplies	21,724	-0-	-0-	21,724
Instructional material and supplies	-0-	-0-	-0-	-0-
Telephone	2,002	-0-	-0-	2,002
Postage and printing	3,109	-0-	-0-	3,109
Professional development	-0-	-0-	-0-	-0-
Utilities	-0-	-0-	-0-	-0-
Occupancy	-0-	-0-	-0-	-0-
Equipment rental	-0-	-0-	-0-	-0-
Repairs and maintenance	18,575	-0-	-0-	18,575
Conferences and conventions	8,808	-0-	-0-	8,808
Transportation and travel	3,165	-0-	-0-	3,165
Dues to National YMCA	68,556	-0-	-0-	68,556
Insurance	51,535	-0-	-0-	51,535
Other expenses	36,547	-0-	180	36,727
Food cost	14,175	-0-	-0-	14,175
Advertising	1,485	-0-	-0-	1,485
Student activities	-0-	-0-	-0-	-0-
Administrative fee expense	-0-	-0-	-0-	-0-
Support in-kind	-0-	-0-	-0-	-0-
Interest expense	12,789	-0-	-0-	12,789
Support to other programs	68,460	17,212	-0-	85,672
Total expenses before depreciation and amortization	615,373	320,728	33,391	969,492
Depreciation and amortization	488,123	-0-	-0-	488,123
Total	\$ 1,103,496	\$ 320,728	\$ 33,391	\$ 1,457,615

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Program Grantor/Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Pass-Through as Subgrantee of the State of Louisiana		
Department of Education:		
LA-4 Starting Points Pre-Kindergarten Programs (TANF)	93.558A	\$102,003
Child and Adult Care Program (TCA Headstart)	93.600B	<u>158,017</u>
Subtotal		<u>260,020</u>
Pass-Through as Subgrantee of the State of Louisiana		
Department of Social Services:		
Child and Adult Care Program (Project Independence)	93.596A	<u>1,838</u>
Subtotal		<u>1,838</u>
Total U.S. Department of Health		<u>261,858</u>
Pass-through as Subgrantee of the State of Louisiana		
Department of Education:		
Title I - Grant to Local Educational Agencies	84.010A	209,919
Title II - Improving Teacher Quality State Grant	84.367A	62,742
IDEA B - Handicapped	84.027A	<u>19,447</u>
Total U.S. Department of Education		<u>292,108</u>

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Program Grantor/Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<u>PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF AGRICULTURE</u>		
Pass-through as Subgrantee of the State of Louisiana Department of Education:		
National School Lunch Program	10.555	\$ <u>80,585</u>
Total U.S. Department of Agriculture		<u>80,585</u>
Total all programs		<u>\$634,551</u>

NOTE: Basis of Presentation: The accompanying Schedule of Expenditures of Federal Awards includes all Federal activity of **DYMCA** and is presented on a modified accrual basis of accounting. The information on this schedule is presented in accordance with other requirements of the Uniform Guidance.

NOTE: **DYMCA** has not elected to use the 10% de minimis indirect cost rate.

See Independent Auditors' Report on Supplementary Information.

SCHEDULE V

**DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2018**

Chief Executive Officer Name: Gregory Phillips
1/1/2018 - 3/16/2018

PURPOSE	AMOUNT
Salary	\$56,064
Benefits - retirement	6,728
Travel	2,117
Telephone	220
Company vehicle	<u>4,001</u>
Total	<u>\$69,130</u>

See Independent Auditors' Report on Supplementary Information.

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

To the Board of Directors
Dryades Young Men's Christian Association
New Orleans, 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 of America, the financial statements of **Dryades Young Men's Christian Association (DYMCA)** which comprise the statements of financial position, as of December 31, 2018, and the related statements of activities, functional expenses and cashflows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2019.

Internal Control Over Financial Reporting

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

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

Internal Control Over Financial Reporting, Continued

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. 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.

A deficiency in internal control over financial reporting 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 over financial reporting, such that there is a reasonable possibility that a material misstatement of **DYMCA'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 over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of **DYMCA's** internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **DYMCA's** internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

June 26, 2019

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE
FOR THE YEAR ENDED DECEMBER 31, 2018

Section I - Summary of Auditors' Results

Financial Statements

Type of Auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	N/A
• Significant deficiency(ies) identified?	N/A
Type of auditor's report issued on compliance for major programs:	N/A
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of <i>the Uniform Guidance</i> ?	N/A

N/A - Not applicable

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2018

Section I - Summary of Auditors' Results, Continued

Federal Awards, Continued

Identification of major programs:	N/A
Dollar threshold used to distinguish between type A and type B programs:	N/A
Auditee qualified as low-risk auditee?	N/A

Section II - Financial Statement Findings and Questioned Costs

No financial statements findings and questioned costs were reported for the year ended December 31, 2018.

Section III - Federal Award Finding and Questioned Costs

No federal award findings and questioned costs were reported for the year ended December 31, 2018.

Section IV Status of Prior Year's Findings and Questioned Costs

No prior year findings and questioned costs were reported for the year ended December 31, 2018

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

EXIT CONFERENCE

The financial statements and all related reports and schedules were discussed at an exit conference. Those that participated in the conference as well as previous discussions are as follows:

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

Ms. Catrina Reed, MBA – Controller

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Paul K. Andoh, Sr., CPA, MBA, CGFM, CGMA – Partner
Mrs. Sherina Claver, CPA – Manager
Mr. Clyde Hunter, CPA – Staff Accountant



Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA
Joseph A. Akānji, CPA

**INDEPENDENT AUDITORS' REPORT ON
OTHER MATTERS RELATED TO INTERNAL CONTROL**

To the Board of Directors
Dryades Young Men's Christian Association
New Orleans, Louisiana

Management of **Dryades Young Men's Christian Association (DYMCA)** is responsible for establishing and maintaining effective internal control. In planning and performing our audit of the financial statements of **DYMCA** as of and for the year ended December 31, 2018 in accordance with auditing standards generally accepted in the United States of America, we considered **DYMCA's** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of **DYMCA's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **DYMCA's** internal control.

During our audit, we became aware of other matters that provide an opportunity for **DYMCA** to strengthen its internal control and operating efficiency. Also, we reviewed with management the status of prior year's other matters. We previously reported on **DYMCA's** internal control in our report dated June 26, 2019. This letter does not affect our report dated June 26, 2019 on internal control and the financial statements of **DYMCA**.

We will review the status of these other matters during our next engagement. We have already discussed these other matters with **DYMCA's** personnel, and we will be pleased to discuss these other matters in further detail at your convenience.

**INDEPENDENT AUDITORS' REPORT ON
OTHER MATTERS RELATED TO INTERNAL CONTROL
(CONTINUED)**

Current Year's Other Matters

2018

Our discussion of current year's other matters follows:

Reference Number

OM 2018-001

Criteria

The Board and management are charged with the maintenance of budgetary control of the finances of **DYMCA**.

Condition

DYMCA continues to experience operating losses resulting from the decline in its level of program funding with the General Fund supporting **DYMCA**'s program objectives. For the three (3) years ended December 31, 2018, operating losses were \$295,241 (2018), \$1,292,226 (2017), and \$906,363 (2016).

Context

Total revenues and expenses for the year ended December 31, 2018 were \$6,269,507 and \$6,564,748, respectively.

Cause

Decrease in cost reimbursement funding from State and Federal Awards.

**INDEPENDENT AUDITORS' REPORT ON
OTHER MATTERS RELATED TO INTERNAL CONTROL
(CONTINUED)**

Current Year's Other Matters, Continued

2018

Reference Number, Continued

OM 2018-001

Effect or Potential Effect

Continuing negative impact on net assets from the recurring operating losses.

Recommendation

We recommend that management continue in its efforts to re-evaluate and implement cost containment measures aimed at reversing the trend. Further, management should explore avenues for revenue enhancement.

Management's Response and Planned Corrective Action

Management continues to seek additional revenue streams to cover program cost and have also increased annual campaign levels in an effort to gain additional donations to support program and agency expenses. Management has also assessed minimal cost to program to assist with program expenses.

**INDEPENDENT AUDITORS' REPORT ON
OTHER MATTERS RELATED TO INTERNAL CONTROL
(CONTINUED)**

Current Year's Other Matters, Continued

2018

Reference Number

OM 2018-002

Criteria

Management must establish internal control objectives to provide reasonable assurance regarding the achievement of operations, reliability of financial reporting and compliance with applicable contracts, laws and regulations.

Condition

Our review of a sample of five (5) payroll transactions and five (5) travel related reimbursements revealed in two (2) instances based on approved pay rates and other supporting documents provided, where it appears the employees were underpaid by \$272.72 and \$66.76, respectively.

For one (1) of two (2) terminated employees reviewed, we noted in an instance where based on the approved pay rate provided to us, that the employee was over paid by \$7.70.

In another instance of five (5) travel related reimbursements reviewed, we noted where the reimbursement rate used for mileage was less than as dictated by DYMCA's policy, State and Federal rates.

Context

Total revenues and expenses for the year ended December 31, 2018 were \$6,269,507 and \$6,564,748.

Effect or Potential Effect

The potential for the misappropriation of assets.

**INDEPENDENT AUDITORS' REPORT ON
OTHER MATTERS RELATED TO INTERNAL CONTROL
(CONTINUED)**

Current Year's Other Matters, Continued

2018

Reference Number, Continued

OM 2017-002

Cause

Level of oversight in connection with the monthly processing of its financial transactions.

Recommendation

Management should revisit with the level of oversight afforded in the financial reporting processes to ensure its completeness in executed transactions.

Further, an investigation should be performed to ascertain if **DYMCA** has an outstanding obligation to the referenced employees.

Management's Response and Planned Corrective Action

Management will provide additional training to the finance department staff members to ensure the completeness in processed payroll transactions. Management will also provide additional oversight in reviewing these accounts on a quarterly basis to ensure corrections are being made timely.

**INDEPENDENT AUDITORS' REPORT ON
OTHER MATTERS RELATED TO INTERNAL CONTROL
(CONTINUED)**

Current Year's Other Matters, Continued

2018

Reference Number

OM 2018-003

Criteria

Development of cash management strategy.

Condition

DYMCA manages various programs where funding is on a cost reimbursement basis. As such, short-term interfund transactions appear inevitable. At December 31, 2018, the cumulative interfund activities were \$9,278,850.

This condition is similar to a prior year's other matter reference number OM 2016-004.

Context

Total assets at December 31, 2018 was \$13,538,059.

Cause

Nature and level of funding.

Effect or Potential Effect

Impact on cash resources.

**INDEPENDENT AUDITORS' REPORT ON
OTHER MATTERS RELATED TO INTERNAL CONTROL
(CONTINUED)**

Current Year's Other Matters, Continued

2018

Reference Number, Continued

OM 2018-003

Recommendation

Management should initiate an analysis of its interfund activities aimed at the liquidation of amounts due to and/or from transactions, where possible.

Management's Response and Planned Corrective Action

Management continues to strategies on ways to improve its funding and cashflows.

**INDEPENDENT AUDITORS' REPORT ON
OTHER MATTERS RELATED TO INTERNAL CONTROL
(CONTINUED)**

Status of Prior Year's Other Matters

2017

Our discussion of prior year's other matters follows:

Reference Number

OM 2017-001

Criteria

The Board and management are charged with the maintenance of budgetary control of the finances of **DYMCA**.

Condition

DYMCA continues to experience operating losses resulting from the decline in its level of program funding with the General Fund supporting **DYMCA**'s program objectives. For the three (3) years ended December 31, 2017, operating losses were \$1,292,226 (2017), \$906,363 (2016), and \$245,256, (2015).

Context

Total revenues and expenses for the year ended December 31, 2017 were \$5,781,171 and \$7,073,397, respectively.

Cause

Decrease in cost reimbursement funding from State and Federal Awards.

**INDEPENDENT AUDITORS' REPORT ON
OTHER MATTERS RELATED TO INTERNAL CONTROL
(CONTINUED)**

Status of Prior Year's Other Matters, Continued

2017

Reference Number, Continued

OM 2017-001

Effect or Potential Effect

Continuing negative impact on net assets from the operating losses.

Recommendation

We recommend that management continue in its efforts to re-evaluate and implement cost containment measures aimed at reversing the trend. Further, management should explore avenues for revenue enhancement.

Current Status

Unresolved. See current year's other matter reference number OM 2018-001.

**INDEPENDENT AUDITORS' REPORT ON
OTHER MATTERS RELATED TO INTERNAL CONTROL
(CONTINUED)**

Status of Prior Year's Other Matters, Continued

2017

Reference Number

OM 2017-002

Criteria

Management must establish internal control objectives to provide reasonable assurance regarding the achievement of operations, reliability of financial reporting and compliance with applicable contracts, laws and regulations.

Condition

Our review of **DYMCA's** financial reporting processes revealed the following conditions:

- Incomplete and untimely reconciliation of general ledger subsidiary accounts to their related control accounts.
- Several credit card transactions were without the benefit of adequate documentation to support the business purpose, nature of travel event, meal purchases, etc.

Context

Total revenues and expenses for the year ended December 31, 2017 were \$5,781,171 and \$7,073,397.

Effect or Potential Effect

The potential for the misappropriation of assets.

**INDEPENDENT AUDITORS' REPORT ON
OTHER MATTERS RELATED TO INTERNAL CONTROL
(CONTINUED)**

Status of Prior Year's Other Matters, Continued

2017

Reference Number, Continued

OM 2017-002

Cause

Level of oversight in connection with the monthly processing of its financial transactions.

Recommendation

Management should revisit with the level of oversight afforded in the financial reporting processes to ensure its completeness in executed transactions.

Current Status

Partially resolved.

**INDEPENDENT AUDITORS' REPORT ON
OTHER MATTERS RELATED TO INTERNAL CONTROL
(CONTINUED)**

Status of Prior Year's Other Matters, Continued

2017

Reference Number

OM 2017-003

Criteria

Development of cash management strategy.

Condition

DYMCA manages various programs where funding is on a cost reimbursement basis. As such, short-term interfund transactions appear inevitable. At December 31, 2017, the cumulative interfund activities were \$8,173,945.

This condition is similar to a prior year's other matter reference number OM 2015-002.

Context

Total assets at December 31, 2017 was \$13,950,310.

Cause

Nature and level of funding.

Effect or Potential Effect

Impact on cash resources.

**INDEPENDENT AUDITORS' REPORT ON
OTHER MATTERS RELATED TO INTERNAL CONTROL
(CONTINUED)**

Status of Prior Year's Other Matters, Continued

2017

Reference Number, Continued

OM 2017-003

Recommendation

Management should initiate an analysis of its interfund activities aimed at the liquidation of amounts due to and/or from transactions, where possible.

Current Status

Unresolved. See current year's other matter reference number OM 2018-003.

**INDEPENDENT AUDITORS' REPORT ON
OTHER MATTERS RELATED TO INTERNAL CONTROL
(CONTINUED)**

DYMCA's response to the other matters identified in our report is described under the caption "Management's Response and Planned Corrective Action" and/or "Current Status". We did not audit **DYMCA's** response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors, **DYMCA's** management, and is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

June 26, 2019

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2018



Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES**

To the Board of Directors
Dryades Young Men's Christian Association
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by **Dryades Young Men's Christian Association (DYMCA)** and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUP) for the year ended December 31, 2018. **DYMCA's** management is responsible for those control and compliance areas identified in the SAUP.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the following procedures described either for the purpose for which this report has been requested or for any other purpose.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

The procedures and related findings to the SAUP are as follows:

Written Policies and Procedures

1. Procedure

We obtained DYMCA's written policies and procedures to determine whether the policies and procedures addressed each of the following categories and subcategories:

- a) Budgeting including preparing, adopting, monitoring, and amending the budget.

Finding

No exceptions were noted.

- b) 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.

Finding

DYMCA does not have written policies and procedures that specifically address how purchases are initiated, how vendors are added to the vendor list, or the preparation and approval process of purchase requisitions and purchase order.

Management's Response

Management will review its current policies and procedures and make the necessary adjustments to include policies that address how vendors are added to the vendor list and how purchases are initiated. Management will also formalize and adjust the current policy for preparation and approval of purchase requisitions and purchase orders.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Written Policies and Procedures, Continued

1. Procedure, Continued

- c) Disbursements including processing, reviewing, and approving.

Finding

DYMCA does not have written policies and procedures that specifically address reviewing and approving disbursements.

However, as a practice all disbursements are reviewed and approved at prescribed supervisory levels to include the board chairman of the Finance Committee.

Management's Response

Management has a formal policy in place for disbursements. Management will review the current policy to ensure all elements of statewide procedures are being met and will make the necessary adjustments to ensure future compliance.

- d) Receipts including receiving, recording, completeness and preparing deposits.

Finding

No exceptions were noted.

- e) Payroll/Personnel including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Finding

No exceptions noted.

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

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Written Policies and Procedures, Continued

1. Procedure, Continued

Finding

DYMCA does not have written policies and procedures that specifically address types of services requiring written contracts.

However, contracts within established thresholds are approved by the Board.

Management's Response

Management has written policies in place to address the process for contracts that require written contracts. Management will review the existing policies and make the necessary changes to ensure compliance with statewide procedures.

- g) Credit cards including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

Finding

DYMCA does not have written policies and procedures that specifically addresses how cards are to be controlled or allowable business uses.

Management's Response

Management amended the current financial policies in 2017 to include procedures to address credit usage and formal procedures for review and approval of expenses.

- h) Travel and expense reimbursement including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Finding

No exceptions were noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Board or Finance Committee

2. Procedure

We obtained and inspected the board/finance committee minutes for the year ended December 31, 2018, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the year ended December 31, 2018, and:

- a) We observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Finding

No exceptions noted.

- b) For **DYMCA** we observed that the minutes referenced or included financial activity relating to public funds if those public funds comprise more than 10% of **DYMCA's** collections during the year ended December 31, 2018.

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Bank Reconciliations

3. Procedure

We obtained a listing of **DYMCA's** bank accounts for the year ended December 31, 2018 from management and management's representation that the listing is complete. We asked management to identify **DYMCA's** main operating account. Select **DYMCA's** main operating account and randomly selected 4 additional accounts. We randomly selected one month from the year ended December 31, 2018, obtained and inspected the corresponding bank statement and reconciliation for each selected account, and observed that:

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

Finding

No exceptions noted.

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

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Collections

4. Procedure

We obtained a listing of deposit sites for the year ended December 31, 2018 where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We selected the only deposit site.

Finding

No exceptions noted.

5. Procedure

For the deposit site selected, we obtained a listing of **DYMCA's** only collection location and management's representation that the listing is complete. We selected the collection location for the deposit site, obtained and inspected written policies and procedures related to employee job duties for the collection location, and observed that job duties are properly segregated at the collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Finding

No exceptions noted.

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

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Cash Collections, Continued

5. Procedure, Continued

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

Finding

No exceptions noted.

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

Finding

No exceptions noted.

6. Procedure

We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Cash Collections, Continued

7. Procedure

We randomly selected two deposit dates for each of the five (5) bank accounts selected for procedure #3 under "Bank Reconciliations". We obtained supporting documentation for each of the 10 deposits and:

- a) We observed that receipts are sequentially pre-numbered.

Finding

No receipts were provided for our observation.

Management's Response

Management will work with its current vendor to explore a software system change that will facilitate the issue of sequentially pre-numbered receipts.

- b) We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Finding

No receipts were provided for our observation.

Management's Response

Management will work with its current vendor to explore a software system change that will facilitate the issue of sequentially pre-numbered receipts.

- c) We traced the deposit slip total to the actual deposit per the bank statement.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Cash Collections, Continued

7. Procedure, Continued

Finding

No exceptions noted.

- d) We observed that the deposit was made within one business day of receipt at the collection location.

Finding

One (1) of the six (6) deposits observed, was outside of the three (3) day window dictated by DYMCA's policy.

Management's Response

Management has reassigned personnel to facilitate the timely deposit of collections.

- e) We traced the actual deposit per the bank statement to the general ledger.

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Procedure

We obtained a listing of the location that process payments for the year ended December 31, 2018 and management's representation that the listing is complete. We randomly selected **DYMCA's** only location.

Finding

No exceptions noted.

9. Procedure

For the location selected under #8 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties, and observed that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Finding

No exceptions noted.

- b) At least two employees are involved in processing and approving payments to vendors.

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases), Continued

9. Procedure, Continued

- c) 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.

Finding

DYMCA's processing practice dictates that the payment processor does not add vendors in the payment process and that function is undertaken by a staff accountant.

- d) 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.

Finding

No exceptions noted.

10. Procedure

For the location selected under #8, obtain DYMCA's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. We randomly selected 5 disbursements for the location, obtained supporting documentation for each transaction and:

- a) We observed that the disbursement matched the related original invoice/billing statement.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases), Continued

10. Procedure, Continued

Finding

No exceptions noted.

- b) We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9 as applicable.

Finding

No exceptions noted.

Credit Cards

11. Procedure

We obtained from management a listing of all active credit cards for the year ended December 31, 2018, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Credit Cards, Continued

12. Procedure

Using the listing prepared by management, randomly selected the two (2) credit cards that were used during the year ended December 31, 2018. We randomly selected one monthly statement or combined statement for each card, obtain supporting documentation, and:

- a) We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit card purchases, was reviewed and approved, in writing, by someone other than the authorized card holder.

Finding

No exceptions noted.

- b) We observed that finance charges and late fees were not assessed on the selected statement.

Finding

No exceptions noted.

13. Procedure

Using the monthly statements or combined statements selected under #12, we randomly selected ten (10) transactions from each statement, and obtained supporting documentation for the transaction. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Travel and Travel-Related Expense Reimbursement

14. Procedure

We obtained from management a listing of all travel and travel-related expense reimbursements during the year ended December 31, 2018 and management's representation that the listing or general ledger is complete. We randomly selected five (5) reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five (5) reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration.

Finding

No exceptions noted.

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

Finding

No exceptions noted.

- c) We observed that each reimbursement is supported by documentation of the business/public purpose and other documentation required by written policy (procedure #1h).

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Travel and Travel-Related Expense Reimbursement, Continued

14. Procedure, Continued

Finding

No exceptions noted.

- d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Finding

No exceptions noted.

Contracts

15. Procedure

We obtained from management a listing of all agreements/contracts for professional services, material and supplies, leases, and construction activities that were initiated or renewed during the year ended December 31, 2018. We obtained management's representation that the listing is completed. We randomly selected five (5) contracts from the listing, and:

- a) We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Contracts, Continued

15. Procedure, Continued

Finding

No exceptions noted.

- b) We observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Finding

No exceptions noted.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

Finding

No exceptions noted.

- d) We randomly selected one payment from the year ended December 31, 2018 for each of the five (5) contracts, obtained the supporting invoice, agree the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Payroll and Personnel

15. Procedure, Continued

Finding

No exceptions noted

16. Procedure

We obtained a listing of employees/elected officials employed during the year ended December 31, 2018 and management's representation that the listing is complete. We randomly selected five (5) employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

Finding

No exceptions noted.

17. Procedure

We randomly selected one (1) pay period during the year ended December 31, 2018. For the five (5) employees/officials selected under #15 above, obtained attendance records and leave documentation for the pay period, and:

Finding

No exceptions noted.

- a) We observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Payroll and Personnel, Continued

17. Procedure, Continued

Finding

No exceptions noted.

- b) We observed that supervisors approved the attendance and leave of the selected employees/officials.

Finding

No exceptions noted.

- c) We observed that any leave accrued or taken during the pay period is reflected in DYMCA's cumulative leave records.

Finding

In an instance of two (2) terminated employees tested, we noted the absence of a cumulative leave report.

Management's Response

The referenced employee was not required to complete a daily attendance sheet.

18. Procedure

We obtained a listing of those employees/officials that received termination payments during the year ended December 31, 2018 and management's representation that the list is complete. We randomly selected two (2) employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Payroll and Personnel, Continued

18. Procedure, Continued

Finding

For one (1) of the two (2) employees terminated, we noted a variance in the pay rate used in comparison to the rate on file resulting in an overpayment of \$17.70.

Management's Response

Management will investigate this specific instance and provide "best practice" to staff.

19. Procedure

We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Finding

No exceptions noted.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions, respectively, on those compliance and control areas identified in the SAUP. 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.

The purpose of this report is solely to describe the scope of testing performed on those compliance and control areas identified in the SAUP, 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 Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

June 26, 2019