Financial Report

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

December 31, 2019

Bourgeois Bennett
CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS
A LIMITED LIABILITY COMPANY

Financial Report

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December 31, 2019

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of The Young Men's Christian Association of Greater New Orleans, Louisiana (YMCA) (a non-profit organization) which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Young Men's Christian Association of Greater New Orleans, Louisiana as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited YMCA's 2018 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 10, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 7, 2020, on our consideration of YMCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering YMCA's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
May 7, 2020.

STATEMENT OF FINANCIAL POSITION

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

Metairie, Louisiana

December 31, 2019
(with comparative totals for 2018)

ASSETS

	2019	2018
Cash and cash equivalents	$ 2,355,886	$ 2,033,384
Unconditional promises to give	40,082	83,304
Grants receivable	31,899	84,421
Other receivables	25,614	36,604
Prepaid expenses	103,157	115,367
Investments	509,216	422,852
Property and equipment, net	11,607,497	11,472,996
Financing and loan acquisition costs, net	4,752	9,505
Total assets	$ 14,678,103	$ 14,258,433

LIABILITIES

	2019	2018
Accounts payable and accrued expenses	$ 634,637	$ 337,778
Deferred revenue	48,333	48,733
Funds held for YMCA Alliance	-	11,596
Capital lease obligations	268,907	53,601
Financing and lease obligation	1,575,435	1,677,938
Total liabilities	2,527,312	2,129,646

NET ASSETS

	2019	2018
Without donor restrictions		
Undesignated	(178,787)	18,096
Invested in property and equipment	11,607,497	11,472,996
Total without donor restrictions	11,428,710	11,491,092
With donor restrictions	722,081	637,695
Total net assets	12,150,791	12,128,787
Total liabilities and net assets	$ 14,678,103	$ 14,258,433

See notes to financial statements.

Exhibit B

STATEMENT OF ACTIVITIES

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

For the year ended December 31, 2019
(with comparative totals for 2018)

	Without Donor Restrictions	With Donor Restrictions	2019 Totals	2018 Totals
Revenues and Public Support				
Membership dues	$ 2,804,708	$ -	$ 2,804,708	$ 2,791,953
Program fees	1,512,402	-	1,512,402	1,724,412
Government grants and contracts	513,001	-	513,001	347,195
Foundation and private grants	531,370	-	531,370	1,022,064
Federated campaigns	65,750	-	65,750	98,468
Contributions	157,950	127,608	285,558	481,419
Special events, net of direct benefit to costs ($115,094 for 2019 and $75,098 for 2018)	156,231	-	156,231	214,985
Interest income	15,521	-	15,521	1,675
Investment income (loss)	75,645	-	75,645	(32,145)
Gain on disposition of assets	-	-	-	4,128
Sales of supplies and services	56,187	-	56,187	49,881
Miscellaneous	35,582	-	35,582	32,063
Total revenues and public support before net assets released from restrictions	5,924,347	127,608	6,051,955	6,736,098
Net assets released from restrictions	43,222	(43,222)	-	-
Total revenues and public support	5,967,569	84,386	6,051,955	6,736,098
Expenses				
Program services	5,277,808	-	5,277,808	5,666,497
General and administrative	731,176	-	731,176	850,196
Fundraising	38,347	-	38,347	25,284
Total expenses	6,047,331	-	6,047,331	6,541,977
Changes in Net Assets Before Gain on Interest Rate Swap Agreement	(79,762)	84,386	4,624	194,121
Gain on interest rate swap agreement (Note 11)	17,380	-	17,380	40,024
Changes in Net Assets	(62,382)	84,386	22,004	234,145
Net Assets				
Beginning of year	11,491,092	637,695	12,128,787	11,894,640
End of year	$ 11,428,710	$ 722,081	$ 12,150,791	$ 12,128,785

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

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

For the year ended December 31, 2019
(with comparative totals for 2018)

	Program Services			
	Youth Development	Healthy Living	Social Responsibility	Total Program Services
Personnel costs				
Salaries and wages	$ 926,944	$ 1,404,200	$ 271,809	$ 2,602,953
Employee benefits	77,394	125,960	58,637	261,991
Payroll taxes	69,456	110,038	22,488	201,982
Total personnel costs	1,073,794	1,640,198	352,934	3,066,926
Non-personnel costs				
Amortization	-	-	-	-
Conference and meetings	28,698	9,299	3,358	41,355
Contract services	64,217	81,362	57,559	203,138
Depreciation	235,009	264,386	89,733	589,128
Equipment - maintenance	26,310	54,292	10,169	90,771
Equipment	-	-	-	-
Interest and finance service fees	29,861	108,227	11,287	149,375
Insurance	53,022	58,807	22,659	134,488
Marketing	10,198	22,008	7,857	40,063
Membership dues	36,487	41,026	17,228	94,741
Miscellaneous	126	135	45	306
Occupancy	211,069	261,221	83,273	555,563
Postage	708	2,092	245	3,045
Special fundraising events expenses	-	-	-	-
Supplies	171,376	58,546	15,335	245,257
Telephone	12,043	13,261	4,006	29,310
Travel	15,668	8,234	10,440	34,342
Total non-personnel costs	894,792	982,896	333,194	2,210,882
	1,968,586	2,623,094	686,128	5,277,808
Less allocated to direct benefit to donor costs	-	-	-	-
Total expenses	$ 1,968,586	$ 2,623,094	$ 686,128	$ 5,277,808

See notes to financial statements.

Support Services				
Management and General	Fundraising	Total Support Services	2019 Totals	2018 Totals
$ 370,782	$ -	$ 370,782	$ 2,973,735	$ 3,334,509
68,304	-	68,304	330,295	436,513
45,036	-	45,036	247,018	289,498
484,122	-	484,122	3,551,048	4,060,520
4,753	-	4,753	4,753	4,752
12,974	134	13,108	54,463	35,717
88,581	9,492	98,073	301,211	356,106
4,729	-	4,729	593,857	573,212
7,069	-	7,069	97,840	66,113
-	-	-	-	4,535
19,671	-	19,671	169,046	177,285
14,028	-	14,028	148,516	142,870
2,169	6,780	8,949	49,012	81,841
4,992	-	4,992	99,733	106,302
4,525	-	4,525	4,831	3,364
65,426	-	65,426	620,989	560,457
1,511	-	1,511	4,556	4,601
-	115,094	115,094	115,094	75,098
6,571	21,941	28,512	273,769	291,592
4,817	-	4,817	34,127	32,323
5,238	-	5,238	39,580	40,387
247,054	153,441	400,495	2,611,377	2,556,555
731,176	153,441	884,617	6,162,425	6,617,075
-	(115,094)	(115,094)	(115,094)	(75,098)
$ 731,176	$ 38,347	$ 769,523	$ 6,047,331	$ 6,541,977

Exhibit D

STATEMENT OF CASH FLOWS

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

Metairie, Louisiana

For the year ended December 31, 2019
(with comparative totals for 2018)

	2019	2018
Cash Flows From Operating Activities		
Changes in net assets	$ 22,004	$ 234,145
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Amortization	4,753	4,752
Depreciation	593,857	573,212
Gain on disposition of assets	-	(4,128)
Gain on interest rate swap agreement	(17,380)	(40,024)
Realized gain on investments	(14,531)	(13,224)
Unrealized (gain) loss on investments	(53,336)	50,408
(Increase) decrease in operating assets:		
Unconditional promises to give	43,222	2,266
Grants receivable	52,522	139,980
Other receivables	10,990	7,212
Prepaid expenses	12,210	(16,709)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	314,239	(35,279)
Deferred revenue	(400)	5,963
Funds held for YMCA Alliance	(11,596)	1,459
Net cash provided by operating activities	956,554	910,033

	2019	2018
Cash Flows From Investing Activities		
Purchases of investments	(685,621)	(689,869)
Proceeds from sales of investments	667,124	661,582
Purchases of property and equipment	(476,282)	(370,963)
Net cash used in investing activities	(494,779)	(399,250)
Cash Flows From Financing Activities		
Repayment of capital lease obligations	(36,770)	(3,509)
Repayment of financing and lease obligation	(102,503)	(97,176)
Net cash used in financing activities	(139,273)	(100,685)
Net Increase in Cash and Cash Equivalents	322,502	410,098
Cash and Cash Equivalents		
Beginning of year	2,033,384	1,623,286
End of year	$ 2,355,886	$ 2,033,384
Supplemental Disclosure of Noncash Investing and Financing Activities		
Increase in capital lease asset and obligation due to purchase of equipment	$ 252,076	$ -

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

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

December 31, 2019 and 2018

Note 1 - NATURE OF OPERATIONS

a. Description of Organization

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

b. Program Activities

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

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

Note 1 - NATURE OF OPERATIONS (Continued)

b. Program Activities (Continued)

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

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

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization and Income Taxes

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

The Financial Accounting Standards Board (FASB) guidance requires tax effects from uncertain tax positions to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. As of December 31, 2019, management has determined that there are no material uncertain positions that require recognition in the financial statements. Additionally, no provision for income taxes is reflected in these financial statements. Interest and penalties would be recognized as tax expense; however, there is no interest and penalties recognized in the Statements of Activities. The tax years after December 31, 2016 are still open to audit for both federal and state purposes.

b. Basis of Accounting

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

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Basis of Presentation

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

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

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

d. Operating Activities

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

e. Use of Estimates

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

f. Cash and Cash Equivalents

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

g. Promises to Give

Contributions are recognized when the donor makes a promise to give to YMCA that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. All promises to give are recognized as assets, net of an allowance for uncollectible amounts. The YMCA provides for estimated uncollectible promises to give based on prior years'

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Promises to Give (Continued)

experience and management's analysis of specific promises made. As of December 31, 2019 and 2018, management determined an allowance was not necessary.

h. Investments

Investments are reported at fair value or estimated fair value.

i. Property and Equipment

Property and equipment consist of land, buildings, office furniture and equipment, and leasehold improvements, and is stated at cost or, if contributed, at fair market value at date of donation, net of accumulated depreciation. Contributions of property and equipment are recorded at estimated fair value. Repairs and maintenance are charged to expense as incurred; major renewals and betterments are capitalized. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the related assets. Buildings and building improvements are depreciated over 10 to 40 years, other depreciable property, and equipment from 3 to 10 years. Only major replacements and improvements with a cost in excess of $1,000 are capitalized and included in property and equipment.

j. Deferred Revenue

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

k. Contributions

YMCA reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Contributed Services

YMCA recognizes contributions of services received if such services: (a) create or enhance nonfinancial assets, (b) require specialized skills, (c) are provided by individuals possessing those skills, and (d) would typically need to be purchased if not contributed. The YMCA received no contributed services for the years ended December 31, 2019 and 2018.

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

m. Government Grants and Contracts

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

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

Government grants and contracts receivable are recorded in receivables. All other contributions are recorded in promises to give. The allowance for doubtful accounts is determined by the age of the balance, historical collection rates, and specific identification of uncollectible accounts. Uncollectible receivable are charged to the allowance. An expense is recorded at the time the allowance is adjusted. Government receivables totaled $7,860 and $18,722 as of December 31, 2019 and 2018, respectively.

During 2019, YMCA signed a cooperative endeavor agreement in the amount of $700,000 with the State of Louisiana. As of December 31, 2019, this is an unexpended grant that has not been recognized pending fulfillment of conditions associated with the award. There were no such unrecognized grants or contributions in place as of December 31, 2018.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Revenue Recognition

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

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

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

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

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

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Revenue Recognition (Continued)

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

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

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

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

o. Functional Allocation of Expenses

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

p. Unamortized Loan Costs

Financing costs related to the financing and lease obligation have been capitalized and are being amortized over the estimated life of the obligation. Financing and loan acquisition costs totaled $47,525 as of December 31, 2019 and 2018. Accumulated amortization totaled $42,773 and $38,020 as of December 31, 2019 and 2018, respectively.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Grants Receivable

Grants receivable are stated at the amount management expects to collect from outstanding balances. Management monitors outstanding balances and provides for uncollectible amounts on a specific account basis. Management believes all outstanding balances as of December 31, 2019 and 2018 are fully collectible.

r. Derivative Instruments

YMCA has a derivative instrument that is used as a hedge to a variable interest loan. YMCA accounts for this derivative instrument under the FASB ASC Topic 815, "*Derivatives and Hedging*". More specifically, FASB ASC 815-20 requires that the fair value of derivatives be recorded as a liability and a related loss or as an asset and a related gain depending on the future net payments forecasted under the derivative.

s. Impairment of Long-lived Assets

The carrying value of YMCA's long-lived assets is reviewed to determine if facts or circumstances suggest that the assets may be impaired or that the remaining useful, depreciable life may need to be changed. YMCA considers internal and external factors related to each asset, including future asset utilization and business climate. If these factors and the projected undiscounted cash flows of the asset over the remaining life indicate that the asset will not be recoverable, the carrying value will be adjusted down to the estimated fair value, if less than book value. As of December 31, 2019 and 2018, there are no impaired long-lived assets.

t. Recently Issued Accounting Standards

Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, "*Revenue from Contracts*" with Customers (Topic 606). This ASU supersedes the revenue recognition requirements in Topic 605, "*Revenue Recognition*", and most industry-specific guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The YMCA adopted this ASU on January 1, 2019.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

t. Recently Issued Accounting Standards (Continued)

Revenue Recognition (Continued)

The YMCA implemented ASU 2014-09 using a full retrospective method of application. The adoption of ASU 2014-09 resulted in changes to the disclosure of revenue. There were no material changes to the recognition or presentation of revenue as a result of the application of ASU 2014-09. As a result, no cumulative effect adjustment was recorded upon adoption.

Contributions Received and Contributions Made

In June 2018, the FASB issued ASU 2018-08, "*Not-for-Profit Entities*" (Topic 958) clarifying the scope and accounting guidance for contributions received and contributions made. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional. The YMCA adopted this ASU on January 1, 2019.

The YMCA implemented ASU 2018-08 using a full retrospective method of application. The adoption of ASU 2018-08 resulted in changes to the disclosure of revenue. There were no material changes to the recognition or presentation of revenue as a result of the application of ASU 2018-08. As a result, no cumulative effect adjustment was recorded upon adoption.

Leases

In February 2016, the FASB issued ASU 2016-02, "*Leases*". This ASU affects any entity that enters into a lease, with some specified scope exemptions. The main difference between previous GAAP and this ASU is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. The amendments in this ASU are effective for fiscal years beginning after December 15, 2020. The YMCA has not yet implemented this ASU and is in the process of assessing the effect on the YMCA's financial statements.

u. Reclassification

Certain amounts in the 2018 consolidated financial statements have been reclassified to conform to the 2019 financial statement presentation.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

v. Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to December 31, 2019, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended December 31, 2019. Management has performed their analysis through May 7, 2020 the date the financial statements were available to be issued.

Note 3 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2019 and 2018 are restricted for the following purposes or periods:

	2019	2018
Net assets with donor restrictions:		
Restricted for		
Capital expenditures	$681,999	$554,391
Subsequent periods	40,082	83,304
Totals	$722,081	$637,695

Note 4 - CONCENTRATION OF CREDIT RISK

YMCA maintains cash balances at several local financial institutions where they are insured by the Federal Deposit Insurance Corporation up to $250,000 per institution. As of December 31, 2019, YMCA had approximately $1,845,000 of cash deposits in excess of the insured limits.

Note 5 - AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure, which is without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	$ 2,355,886
Unconditional promises to give	40,082
Grants receivable	31,899
Other receivables	25,614
Investments	509,216
Total financial assets	2,962,697
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	(722,081)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,240,616

Note 6 - UNCONDITIONAL PROMISES TO GIVE

Promises of donors to make contributions to YMCA are included in the financial statements as unconditional promises to give. Unconditional promises to give as of December 31, 2019 and 2018 totaled $40,082 and $83,304, respectively, substantially all of which are due within one year.

Note 7 - INVESTMENTS

Investments as of December 31, 2019 and 2018 are comprised of the following:

	2019		
	Cost	Fair Market Value	Excess of Market Over Cost
Equity securities	$ 120,190	$ 125,647	$ 5,457
Mutual funds	345,147	383,569	38,422
Totals	$465,337	$ 509,216	$ 43,879

Note 7 - INVESTMENTS (Continued)

	2018		
	Cost	Fair Market Value	Excess of Market Over Cost (Cost Over Market)
Equity securities	$116,816	$105,339	$(11,477)
Mutual funds	315,493	317,513	2,020
Totals	$432,309	$422,852	$ (9,457)

	Cost	Market	Excess of Market Over Costs (Cost Over Market)
Balances as of December 31, 2019	$465,337	$509,216	$ 43,879
Balances as of December 31, 2018	$432,309	$422,852	(9,457)
Increase in unrealized appreciation			53,336
Net realized gain			14,531
Interest and dividend income			12,799
Less: management fees			(5,021)
Net investment income - 2019			$ 75,645

	Cost	Market	Excess of Market Over Costs (Cost Over Market)
Balances as of December 31, 2018	$432,309	$422,852	$ (9,457)
Balances as of December 31, 2017	$390,798	$431,749	40,951
Increase in unrealized depreciation			(50,408)
Net realized gain			13,224
Interest and dividend income			11,918
Less: management fees			(6,879)
Net investment loss - 2018			$(32,145)

Note 8 - FAIR VALUE MEASUREMENTS

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

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

Note 8 - FAIR VALUE MEASUREMENTS (Continued)

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

Assets measured at fair value on a recurring basis as of December 31, 2019 and 2018 are comprised of and determined as follows:

		2019		
			Based on	
Description	Total Assets Measured At Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Equity securities	$125,647	$125,647	$ -	$ -
Mutual funds	383,569	383,569	-	-
	$509,216	$509,216	$ -	$ -

		2018		
			Based on	
Description	Total Assets Measured At Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Equity securities	$105,339	$105,339	$ -	$ -
Mutual funds	317,513	317,513	-	-
	$422,852	$422,852	$ -	$ -

As of December 31, 2019, there were no assets measured at fair value on a non-recurring basis.

Note 9 - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2019 and 2018 consists of the following:

	2019	2018
Land	$ 1,978,929	$ 1,978,929
Buildings	11,408,882	11,408,882
Furniture and equipment	2,531,231	2,475,989
Leasehold improvements	1,514,966	1,470,411
Construction in progress	763,790	218,383
	18,197,798	17,552,594
Less accumulated depreciation	(6,590,301)	(6,079,598)
Totals	$11,607,497	$11,472,996

Depreciation expense totaled $593,857 and $573,211 for the years ended December 31, 2019 and 2018, respectively.

Note 10 - CAPITAL LEASE OBLIGATIONS

As of December 31, 2019 and 2018, YMCA had capital leasing arrangements for equipment with varying interest rates ranging from approximately 1.90% to 4.47%. As of December 31, 2019 and 2018, the following is a schedule of capitalized cost and accumulated depreciation acquired through capital leases:

	2019	2018
Capitalized costs	$425,269	$175,269
Accumulated depreciation	(155,284)	(123,382)
Net book value	$269,985	$ 51,887

Depreciation expense on equipment acquired through the capital lease totaled $31,901 and $43,817 for the years ended December 31, 2019 and 2018, respectively.

Capitalized costs, accumulated depreciation, and depreciation expense are included in the totals of property and equipment in Note 9.

Note 10 - CAPITAL LEASE OBLIGATIONS (Continued)

Future minimum payments under the capital lease obligations as of December 31, 2019 are as follows:

Year Ending December 31,	
2020	$ 86,291
2021	72,607
2022	68,289
Thereafter	67,906
Total future payments	295,093
Less amount representing interest	(26,186)
Present value of net future payments	$268,907

Interest expense for the capital lease obligations totaled $1,717 and $2,969 for the years ended December 31, 2019 and 2018, respectively.

Note 11 - FINANCING AND LEASE OBLIGATIONS

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

The funding of the obligation is in three phases. The first phase totaled $2,327,691 and was issued on December 1, 2010 ("Project Part I"). The second phase totals $1,912,309 ("Project Part II"), and the final phase totals $760,000 ("Project Part III"), these phases have not been drawn on as of December 31, 2019.

The outstanding balance under this obligation was $1,575,435 and $1,677,938 as of December 31, 2019 and 2018, respectively.

Note 11 - FINANCING AND LEASE OBLIGATIONS (Continued)

YMCA entered into an interest rate swap agreement in December 2010 with a local financial institution. The notional amount on this agreement as of December 31, 2019 and 2018 was approximately $1,575,000 and $1,678,000, respectively, and bears interest at a fixed rate of 5.35%. The floating interest rate on the swap agreement is calculated based on 59.80% of USD-LIBOR-BBA (1.7543% and 2.5027% as of December 31, 2019 and 2018, respectively) plus 228 basis points. This Agreement was effective December 22, 2010 and terminates on December 28, 2020. The hedge agreement is designed to hedge the risk of changes in interest rates.

YMCA follows Topic 815, *Derivatives and Hedges*, which requires YMCA to recognize all of its derivative instruments as either assets or liabilities on the Statements of Financial Position at fair value. The accounting for the change in fair value of the derivative instrument is recognized as a component of change in unrestricted net assets in the Statements of Activities. YMCA has recognized an unfavorable position with the counterparty in the amounts of $32,331 and $49,711 as accounts payable and accrued expenses on the Statements of Financial Position as of December 31, 2019 and 2018, respectively, and recorded unrealized gains of $17,380 and $40,024 on the Statements of Activities for the years ended December 31, 2019 and 2018, respectively.

Interest expense on the bonds and swap agreement for the years ended December 31, 2019 and 2018 was approximately $88,000 and $94,000, respectively.

The obligations of projects Part II and III will bear interest at the same rate of interest as the Project Part I obligation and will mature on various dates through December 28, 2020. Principal and interest payments are due monthly. The required principal payments for the Project Part II and III obligations will be determined subsequent to the issuance of the proceeds. The required principal payments for Project Part I are as follows:

Year Ending December 31,	
2020	$1,575,435

Note 12 - GRANTS

YMCA participates in a number of state and federally-assisted grant programs. Federal and state grants are included in grants revenue for the years ended December 31, 2019 and 2018. The programs are subject to compliance audits. Such audits could result in requests for reimbursement by the grantor agency for expenditures disallowed under the terms and compliance requirements of the grants. YMCA's management believes that the amount of disallowances, if any, which may arise from future audits, will not be material to the financial statements.

Note 13 - NATIONAL YMCA ORGANIZATION

YMCA is a member of the National YMCA Organization and is responsible for paying monthly dues to the National YMCA. Differences between estimated revenues and actual revenues resulted in an overpayment of dues in both 2019 and 2018. The balance due from the National YMCA as of December 31, 2019 and 2018 was $959 and $10,323, respectively.

Note 14 - RETIREMENT PLANS

YMCA participates in a defined contribution, individual account, money purchase retirement plan which is administered by the National YMCA Retirement Fund. Employer contributions to the plan for the years ended December 31, 2019 and 2018 totaled $170,203 and $219,169, respectively.

Note 15 - OPERATING LEASES

YMCA has certain operating leases for office and warehouse space and various office equipment used in operations. Rent expense related to these leases totaled $37,234 and $38,964 for the years ended December 31, 2019 and 2018, respectively, and is included in contract services, occupancy and equipment expenses in the accompanying Statements of Functional Expenses for the years ended December 31, 2019 and 2018.

Future minimum lease payments under these non-cancellable operating leases as of December 31, 2019 are as follows:

Year Ending December 31,	
2020	$ 40,575
2021	40,575
2022	30,041
Total	$111,191

Note 16 - SPECIAL EVENTS

As part of its fundraising efforts, the YMCA holds periodic special events. Revenue for special events is recognized in the period in which the event is held. Gross receipts from special fundraising events consist of exchange transaction revenue and contribution revenue. As a result of adopting ASU 2014-09 during 2019, YMCA is required to separately present the components of this revenue. Direct expenses associated with special events for the years ended December 31, 2019 and 2018 are netted against such revenue as follows:

	2019	2018
Contributions	$172,464	$139,147
Special events - revenue	98,861	150,936
Special events - gross	271,325	290,083
Less: cost of direct donor benefits	(115,094)	(75,098)
Special event revenue, net	$156,231	$214,985

Note 17 - SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest for the years ended December 31, 2019 and 2018 is as follows:

	2019	2018
Cash paid for interest	$94,794	$100,064

Note 18 - PRIOR PERIOD INFORMATION

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with YMCA's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

Note 19 - SUBSEQUENT EVENTS

Subsequent to year end, YMCA's operations have been disrupted by the Coronavirus (COVID-19) pandemic, which adversely impacted the ability to conduct its operation. The Young Men's Christian Association of Greater New Orleans is a not-for-profit organization that relies on membership dues and donations to support the majority of its programs. The closure of facilities due to the pandemic has prevented the delivery of services and loss of revenue from cancelled membership, program, fundraisers and donor support is substantial.

The global outbreak of COVID-19 continues to rapidly to evolve, and the ultimate impact of the pandemic is highly uncertain. While YMCA expects that the COVID-19 outbreak may adversely impact its fiscal year 2020 results, it cannot at this time accurately predict the full extent to which the COVID-19 outbreak will affect its finances and operation. Other adverse consequences of COVID-19 or any other similar outbreaks in the future may include a decline in membership and program registrations, cancellation of fund raising events, increased operating costs, and/or a decline in revenues resulting from fewer grants and contributions. YMCA continues to monitor developments and the directives of federal, state, and local officials to determine what additional precautions and procedures need to be implemented.

SUPPLEMENTAL INFORMATION

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

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

For the year ended December 31, 2019

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

Purpose:	
Salary	$ 160,000
Benefits - insurance	7,242
Benefits - retirement	19,200
Benefits - other	1,018
Car allowance	-
Vehicle provided by the Association	-
Per diem	-
Reimbursements	240
Travel	1,489
Registration fees	-
Conference travel	996
Continuing professional education fees	-
Housing	-
Unvouched expenses	-
Special meals	-
	$ 190,185

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of The Young Men's Christian Association of Greater New Orleans, Louisiana (YMCA), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 7, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
May 7, 2020.

SCHEDULE OF FINDINGS AND RESPONSES

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

For the year ended December 31, 2019

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	____ Yes _X_ No
• Significant deficiency(ies) identified that are not considered to be a material weakness?	____ Yes _X_ None reported
Noncompliance material to financial statements noted?	____ Yes _X_ No

b) Federal Awards

YMCA did not expend more than $750,000 in Federal awards during the year ended December 31, 2019, and therefore, is exempt from the audit requirements under the *Uniform Guidance.*

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

Internal Control Over Financial Reporting

No material weaknesses were noted during the audit of the financial statements for the year ended December 31, 2019.

No significant deficiencies were noted during the audit of the financial statements for the year ended December 31, 2019.

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

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2019.

Section III - Federal Award Findings and Questioned Costs

Internal Control/Compliance

YMCA did not expend more than $750,000 in Federal awards during the year ended December 31, 2019 and, therefore, was exempt from the audit requirements under the *Uniform Guidance.*

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

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

For the year ended December 31, 2019

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

Internal Control Over Financial Reporting

No material weaknesses were noted during the audit of the consolidated financial statements for the year ended December 31, 2018.

No significant deficiencies were noted during the audit of the consolidated financial statements for the year ended December 31, 2018.

Compliance and Other Matters

No compliance findings material to the consolidated financial statements were reported during the audit for the year ended December 31, 2018.

Section II - Internal Control and Compliance Material to Federal Awards

YMCA did not expend more than $750,000 in Federal awards during the year ended December 31, 2019 and, therefore, was exempt from the audit requirements under the *Uniform Guidance.*

Section III - Management Letter

A management letter was not issued in connection with the audit for the year December 31, 2018.

MANAGEMENT'S CORRECTIVE ACTION PLAN

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

For the year ended December 31, 2019

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

Internal Control Over Financial Reporting

No material weaknesses were noted during the audit of the financial statements for the year ended December 31, 2019.

No significant deficiencies were noted during the audit of the financial statements for the year ended December 31, 2019.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2019.

Section II - Internal Control and Compliance Material to Federal Awards

YMCA did not expend more than $750,000 in Federal awards during the year ended December 31, 2019 and, therefore, was exempt from the audit requirements under the *Uniform Guidance.*

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2019.