

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

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

**AS OF AND
FOR THE YEAR ENDED DECEMBER 31, 2019**

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2019	4
STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2019	5
STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2019	6
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2019	7
NOTES TO THE FINANCIAL STATEMENTS	8
SUPPLEMENTARY INFORMATION: Independent Auditors' Report on Supplementary Information	32
 SCHEDULES:	
Schedule I - Combining Statement of Financial Position December 31, 2019	34
Schedule II - Combining Statement of Activities for the Year Ended December 31, 2019	36

TABLE OF CONTENTS, CONTINUED

PAGE

SUPPLEMENTARY INFORMATION, CONTINUED:

SCHEDULES, CONTINUED:

Schedule III - Combining Statement of Functional Expenses for the Year Ended December 31, 2019	40
Schedule IV - Schedule of Expenditures of Federal Awards for the Year Ended December 31, 2019	43
Schedule V - Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer For the Year Ended December 31, 2019	45

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	46
---	----

SUMMARY SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019:

Section I - Summary of Auditors' Results	49
Section II - Financial Statement Findings and Responses	51
Section III - Federal Award Findings and Questioned Costs	60
Section IV - Status of Prior Year's Findings and Responses	60

EXIT CONFERENCE	61
-----------------------	----



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 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, 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.

Auditors' 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 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 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 **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, 2019 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 January 22, 2021 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

January 22, 2021

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS

Current Assets:	
Cash (NOTE 3)	\$ 158,525
Amounts receivable, net (NOTE 4)	4,896
Grants receivable (NOTE 5)	197,114
Prepaid and other assets (NOTE 7)	81,316
Investment (NOTE 8)	<u>46,025</u>
Total current assets	<u>487,876</u>
Noncurrent Assets:	
Land and land improvements (NOTES 9 and 14)	773,071
Property and equipment, net (NOTES 9, 12 and 14)	<u>11,642,483</u>
Total noncurrent assets	<u>12,415,554</u>
Total assets	<u>\$12,903,430</u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Cash drawn in excess of available balance	\$ 10,142
Accounts payable and other liabilities (NOTE 10)	1,003,025
Salaries, benefits and taxes payable (NOTE 11)	175,847
Current portion of lease obligations (NOTE 12)	41,467
Deferred revenue	334,358
Reserve for unemployment taxes and other payable (NOTE 13)	596,089
Current portion of notes payable (NOTES 9 and 14)	<u>145,458</u>
Total current liabilities	<u>2,306,386</u>
Noncurrent Liabilities:	
Lease obligations less current portion (NOTE 12)	53,340
Notes payable, less current portion (NOTES 9 and 14)	<u>179,993</u>
Total noncurrent liabilities	<u>233,333</u>
Total liabilities	<u>2,539,719</u>
CONTINGENCIES AND COMMITMENTS (NOTE 20)	
Net Assets:	
Without donor restrictions	<u>10,363,711</u>
Total net assets	<u>10,363,711</u>
Total liabilities and net assets	<u>\$12,903,430</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, 2019

	<u>Net Assets Without Donor Restrictions</u>
<u>OPERATING ACTIVITIES</u>	
Support and Revenues:	
United Way Funding	\$ 43,771
Grants - State of Louisiana	4,123,940
Grants - Federal pass-through State of Louisiana	392,230
Grants -Federal pass-through others	212,269
Grants - Other	78,120
In-kind (NOTE 16)	288,685
Membership dues	179,545
Program income and fees	26,977
Net fundraiser revenue	<u>50,153</u>
Total support and revenues	<u>5,395,690</u>
 <u>EXPENSES</u>	
Program services	5,225,447
Supporting services	<u>1,576,571</u>
Total expenses	<u>6,802,018</u>
Change in net assets from operating activities	<u>(1,406,328)</u>
 <u>NONOPERATING ACTIVITIES</u>	
Interest income	173
Rental income	419,494
Contributions and donations	30,230
Other	<u>55,602</u>
Total nonoperating activities	<u>505,499</u>
Change in net assets from nonoperating activities	<u>505,499</u>
Change in net assets from operating and nonoperating activities	(900,829)
Net assets, beginning of year	<u>11,264,540</u>
Net assets, end of year	<u>\$10,363,711</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, 2019

	<u>Program</u> <u>Services</u>	<u>Supporting</u> <u>Services</u>	<u>Total</u>
Salaries and wages	\$2,158,862	\$ 475,463	\$2,634,325
Employee benefits and payroll taxes	451,769	92,169	543,938
Professional fees and contract services	558,587	245,209	803,796
Supplies	52,847	44,708	97,555
Instructional material and supplies	123,058	-0-	123,058
Telephone	76,672	13,211	89,883
Postage and printing	9,806	2,118	11,924
Professional development	39,494	1,309	40,803
Utilities	190,926	34,691	225,617
Occupancy	428,885	4,164	433,049
Equipment rental	394	-0-	394
Repairs and maintenance	47,469	13,092	60,561
Transportation and travel	404,312	-0-	404,312
Dues to National YMCA	49,900	34,424	84,324
Insurance	125,622	51,846	177,468
Other expenses	40,076	37,788	77,864
Food cost	11,305	5,348	16,653
Advertising (NOTE 2)	88	-0-	88
Student activities	15,382	-0-	15,382
Administrative fee expense	80,183	-0-	80,183
Settlement cost	-0-	20,000	20,000
Support in-kind	288,685	-0-	288,685
Interest expense	<u>6,226</u>	<u>18,386</u>	<u>24,612</u>
 Total expenses before depreciation and amortization	 5,160,548	 1,093,926	 6,254,474
Depreciation and amortization	<u>64,899</u>	<u>482,645</u>	<u>547,544</u>
 Total	 <u>\$5,225,447</u>	 <u>\$1,576,571</u>	 <u>\$6,802,018</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, 2019

Cash Flows from Operating Activities:	
Change in net assets	\$(900,829)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation and amortization	547,544
Decrease in amounts receivable	38,192
Increase in grants receivable	(91,019)
Decrease in prepaid and other assets	26,150
Increase in cash drawn in excess of available balance	10,142
Increase in accounts payable and other liabilities	298,905
Increase in salaries, benefits, and taxes payable	12,803
Increase in reserve for unemployment taxes and other payable	<u>17,509</u>
Net cash used by operating activities	<u>(40,603)</u>
Cash Flows from Investing Activities:	
Purchase of property and equipment	(69,787)
Proceeds from sale of investment	<u>54,100</u>
Net cash used in investing activities	<u>(15,687)</u>
Cash Flows from Financing Activities:	
Principal payments on finance leases	(47,837)
Proceeds from notes payable	112,187
Principal payments on notes payable	<u>(137,510)</u>
Net cash used by financing activities	<u>(73,160)</u>
Net decrease in cash	(129,450)
Cash, beginning of year	<u>287,975</u>
Cash, end of year	<u>\$ 158,525</u>
Supplemental Cash Flow Information:	
Interest paid	<u>\$ 24,612</u>

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, 2019, **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.

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, 2019, the total allowance for doubtful accounts was \$66,388. 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, 2019; however, the total nondirect response advertising for the year ended December 31, 2019 was \$88.

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, 2019, 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, 2019, **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.

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 Transactions

All interprogram (due to/from) to include support to/from transactions have been netted at the combined level in the accompanying statements of financial position and activities.

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.

NOTE 3 - Cash:

At December 31, 2019, the carrying amount of **DYMCA's** cash deposits was \$158,525, and the cumulative collected bank balances was \$225,164. 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.

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

NOTE 3 - Cash, Continued:

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, 2019:

Contributions and other receivable	\$ <u>71,284</u>
Subtotal	71,284
Allowance for doubtful accounts	<u>(66,388)</u>
Amounts receivable, net	\$ <u>4,896</u>

NOTE 5 - Grants Receivable:

At December 31, 2019, grants receivable consisted of the following:

State of Louisiana	\$ 77,972
Federal pass-through - State	101,391
Federal pass-through - other	<u>17,751</u>
Grants receivable	\$ <u>197,114</u>

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

NOTE 6 - Liquidity:

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

Cash	\$158,525
Investment, at cost	46,025
Amounts receivable, net	4,896
Grants receivable	<u>197,114</u>
	<u>\$406,560</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.

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.

NOTE 7 - Prepaid and Other Assets:

At December 31, 2019 prepaid and other assets consisted of the following:

Prepaid insurance	\$66,190
Security deposits	<u>15,126</u>
Total	<u>\$81,316</u>

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

NOTE 8 - Investment:

At December 31, 2019, **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>\$46,025</u>	<u>\$46,025</u>

NOTE 9 - Property and Equipment, Net:

At December 31, 2019, property and equipment consisted of the following:

	<u>Balance January 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 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	1,305,371	34,776	-0-	1,340,147
Leasehold improvements	176,876	-0-	-0-	176,876
Right of use assets	<u>172,050</u>	<u>35,011</u>	<u>(95,771)</u>	<u>111,290</u>
Subtotal	17,718,298	69,787	(95,771)	17,692,314
Accumulated:				
Depreciation	(5,500,768)	(499,787)	-0-	(6,000,555)
Amortization	<u>(97,291)</u>	<u>(47,756)</u>	<u>95,771</u>	<u>(49,276)</u>
Property and equipment, net	<u>\$12,893,310</u>	<u>\$(477,756)</u>	<u>\$ -0-</u>	<u>\$12,415,554</u>

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

NOTE 10 - Accounts Payable and Other Liabilities:

At December 31, 2019, accounts payable and other liabilities consisted of the following:

Vendors	\$ 411,964
City of New Orleans	<u>591,061</u>
Total	<u>\$1,003,025</u>

NOTE 11 - Salaries, Benefits and Taxes Payable:

At December 31, 2019, salaries, benefits and taxes payable consisted of the following:

Salaries payable	\$ 74,112
Taxes, related benefits, and withholdings payable	<u>101,735</u>
Total	<u>\$175,847</u>

NOTE 12 - Lease Obligations:

DYMCA has four (4) thirty-six (36) month finance leases expiring on various dates in 2019 and 2022.

Future minimum lease payments at December 31, 2019 for each of the finance leases with remaining terms in excess of one year are as follows:

<u>Years Ending December 31,</u>	
2020	\$ 46,253
2021	39,134
2022	<u>16,788</u>
Total future minimum lease payments	102,175
Less: amount representing interest	<u>(7,368)</u>
Present value of minimum lease payments	<u>\$ 94,807</u>

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

NOTE 12 - Lease Obligations, Continued:

Amortization expense for property held under finance leases was \$47,756 for the year ended December 31, 2019.

NOTE 13 - Reserve for Unemployment Taxes and Other Payables:

At December 31, 2019, reserve for unemployment taxes and other payables consisted of the following:

Reserve for unemployment taxes	\$396,089
Reserve for benefits payable	<u>200,000</u>
Total	<u>\$596,089</u>

NOTE 14 - Notes Payable:

At December 31, 2019, 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. Subsequent to December 31, 2019, effective date February 27, 2020, **DYMCA** modified their loan agreement with the Finance Company. The note matures February 27, 2022, bearing an variable interest rate which is subject to change monthly to a maximum rate of 18% payable in monthly installments of \$684 (subject to change with any change in the interest rate), including interest and principal, and a balloon payment of the remaining balance. The note is secured by real estate.

\$ 56,966

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

NOTE 14 - Notes Payable, Continued:

Note payable to a bank, 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. \$ 91,494

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. 33,732

Note payable to finance company, maturing August 1, 2022, bearing interest of 7.20%, payable in 72 monthly installments of \$4,089, including interest and principal. The note is secured by a mobile office. 115,371

Note payable to finance company, maturing June 1, 2020 bearing interest of 5.85%. 27,888

Total notes payable 325,451

Less: current portion (145,458)

\$ 179,993

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

NOTE 14 - Notes Payable, Continued:

Loan principal payments over the remaining years are as follows:

Years Ended December 31,

2020	\$141,853
2021	60,821
2022	109,085
2023	7,762
Thereafter	<u>5,930</u>
Total	<u>\$325,451</u>

NOTE 15 - Litigation:

At December 31, 2019 and through January 22, 2021, **DYMCA's** legal counsel has advised of pending allegations for which they are unable to predict the outcome nor to estimate any potential loss contingency.

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, 2019, in-kind contributions represent donated facilities, services and food items to **DYMCA**.

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

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.

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 \$66,469 for the year ended December 31, 2019.

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, Total Community Action, Inc., 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.

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

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 2016, 2017 and 2018 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, Total Community Action, Inc., 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.

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, 2019, no per diem was paid to the Board of Directors in their capacity as directors.

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

NOTE 23 - Operating Loss:

For the year ended December 31, 2019, **DYMCA** incurred a continuing operating loss of \$900,829. Management and the Board continue to work on the developed and implemented 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 January 22, 2021, 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 position date that require recognition or disclosure.

NOTE 25 - Covid - 19 Pandemic:

On January 30, 2020, the World Health Organization declared the Corona Virus "COVID-19" as a global health emergency. On March 13, 2020, the President of the United States of America declared a national emergency. At January 22, 2021 management of **DYMCA** continues to assess the impact of COVID-19 on its overall operations as it navigates through initiatives guidelines and various executive orders mandated by the Governor for the State of Louisiana and the Mayor for the City of New Orleans.

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 year ended December 31, 2019 and have issued our report thereon dated January 22, 2021, 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

January 22, 2021

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

	CITY OF NEW ORLEANS					Restoration Project
	DEPARTMENT OF SOCIAL SERVICES	COMMUNITY DEVELOPMENT BLOCK GRANT				
	General	School of Commerce	Philip Street Renovation	Total Community Action	Early Learning Readiness	
ASSETS						
Current Assets:						
Cash	\$ -0-	\$ 310	\$ -0-	\$ -0-	\$ 3,132	\$ -0-
Amounts receivable, net	221	-0-	-0-	-0-	-0-	429
Grants receivable	-0-	-0-	-0-	17,751	-0-	-0-
Due from other programs	3,761,278	72,302	6,213	128,215	40,000	1,413,211
Prepaid and other assets	43,131	-0-	-0-	-0-	-0-	76
Investment	-0-	-0-	-0-	-0-	-0-	-0-
Total current assets	<u>3,804,630</u>	<u>72,612</u>	<u>6,213</u>	<u>145,966</u>	<u>43,132</u>	<u>1,413,716</u>
Noncurrent Assets:						
Land and land improvements	773,071	-0-	-0-	-0-	-0-	-0-
Property and equipment, net	11,553,310	-0-	-0-	-0-	-0-	-0-
Total noncurrent assets	<u>12,326,381</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets	<u>\$ 16,131,011</u>	<u>\$ 72,612</u>	<u>\$ 6,213</u>	<u>\$ 145,966</u>	<u>\$ 43,132</u>	<u>\$ 1,413,716</u>
LIABILITIES AND NET ASSETS						
Current Liabilities:						
Cash drawn in excess of available balance	\$ 10,142	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Accounts payable and other liabilities	379,431	-0-	-0-	-0-	440	-0-
Salaries, benefits and taxes payable	48,022	-0-	-0-	-0-	-0-	-0-
Due to other programs	4,447,793	719,995	-0-	115,271	42,085	1,079,358
Current portion of lease obligations	10,697	-0-	-0-	-0-	-0-	-0-
Deferred revenue	-0-	-0-	-0-	-0-	-0-	334,358
Reserve for unemployment taxes and other payables	-0-	-0-	-0-	-0-	-0-	-0-
Current portion of notes payable	117,599	-0-	-0-	-0-	-0-	-0-
Total current liabilities	<u>5,013,684</u>	<u>719,995</u>	<u>-0-</u>	<u>115,271</u>	<u>42,525</u>	<u>1,413,716</u>
Noncurrent Liabilities:						
Lease obligations, less current portion	15,512	-0-	-0-	-0-	-0-	-0-
Notes payable, less current portion	179,993	-0-	-0-	-0-	-0-	-0-
Total noncurrent liabilities	<u>195,505</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities	<u>5,209,189</u>	<u>719,995</u>	<u>-0-</u>	<u>115,271</u>	<u>42,525</u>	<u>1,413,716</u>
Net assets	<u>10,921,822</u>	<u>(647,383)</u>	<u>6,213</u>	<u>30,695</u>	<u>607</u>	<u>-0-</u>
Total liabilities and net assets	<u>\$ 16,131,011</u>	<u>\$ 72,612</u>	<u>\$ 6,213</u>	<u>\$ 145,966</u>	<u>\$ 43,132</u>	<u>\$ 1,413,716</u>

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

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-	\$ 1,866	\$ -0-	\$ 1,317	\$ 1,087	\$ 150,813	\$ 158,525
Amounts receivable, net	4,002	-0-	-0-	244	-0-	-0-	4,896
Grants receivable	-0-	17	-0-	-0-	101,374	77,972	197,114
Due from other programs	47,998	96,388	798,317	1,182,573	55,864	3,098,192	10,700,551
Prepaid and other assets	-0-	350	-0-	-0-	-0-	37,759	81,316
Investment	-0-	-0-	-0-	-0-	-0-	46,025	46,025
Total current assets	<u>52,000</u>	<u>98,621</u>	<u>798,317</u>	<u>1,184,134</u>	<u>158,325</u>	<u>3,410,761</u>	<u>11,188,427</u>
Noncurrent Assets:							
Land and land improvements	-0-	-0-	-0-	-0-	-0-	-0-	773,071
Property and equipment, net	-0-	-0-	-0-	-0-	-0-	89,173	11,642,483
Total noncurrent assets	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>89,173</u>	<u>12,415,554</u>
Total assets	<u>\$ 52,000</u>	<u>\$ 98,621</u>	<u>\$ 798,317</u>	<u>\$ 1,184,134</u>	<u>\$ 158,325</u>	<u>\$ 3,499,934</u>	<u>\$ 23,603,981</u>
LIABILITIES AND NET ASSETS							
Current Liabilities:							
Cash drawn in excess of available balance	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 10,142
Accounts payable and other liabilities	-0-	-0-	-0-	-0-	647	622,507	1,003,025
Salaries, benefits and taxes payable	-0-	-0-	-0-	64	-0-	127,761	175,847
Due to other programs	52,000	98,616	790,450	1,187,358	110,452	2,057,173	10,700,551
Current portion of lease obligation	-0-	-0-	-0-	-0-	-0-	30,770	41,467
Deferred revenue	-0-	-0-	-0-	-0-	-0-	-0-	334,358
Reserve for unemployment taxes and other payables	-0-	-0-	7,057	-0-	-0-	589,032	596,089
Current portion of notes payable	-0-	-0-	-0-	-0-	-0-	27,859	145,458
Total current liabilities	<u>52,000</u>	<u>98,616</u>	<u>797,507</u>	<u>1,187,422</u>	<u>111,099</u>	<u>3,455,102</u>	<u>13,006,937</u>
Noncurrent Liabilities:							
Lease obligations, less current portion	-0-	-0-	-0-	-0-	-0-	37,828	53,340
Notes payable, less current portion	-0-	-0-	-0-	-0-	-0-	-0-	179,993
Total noncurrent liabilities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>37,828</u>	<u>233,333</u>
Total liabilities	<u>52,000</u>	<u>98,616</u>	<u>797,507</u>	<u>1,187,422</u>	<u>111,099</u>	<u>3,492,930</u>	<u>13,240,270</u>
Net assets	<u>-0-</u>	<u>5</u>	<u>810</u>	<u>(3,288)</u>	<u>47,226</u>	<u>7,004</u>	<u>10,363,711</u>
Total liabilities and net assets	<u>\$ 52,000</u>	<u>\$ 98,621</u>	<u>\$ 798,317</u>	<u>\$ 1,184,134</u>	<u>\$ 158,325</u>	<u>\$ 3,499,934</u>	<u>\$ 23,603,981</u>

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

		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
<u>OPERATING ACTIVITIES</u>						
Support and Revenues:						
United Way Funding	\$ 43,771	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Grants - State of Louisiana	-0-	-0-	-0-	-0-	-0-	-0-
Grants - Federal pass-through - State of Louisiana	2,363	-0-	-0-	-0-	-0-	-0-
Grants - Federal pass-through - Others	-0-	-0-	-0-	212,269	-0-	-0-
Grants - Other	48,772	-0-	-0-	-0-	-0-	-0-
In-kind	-0-	-0-	173,760	63,135	-0-	-0-
Membership dues	179,545	-0-	-0-	-0-	-0-	-0-
Program income and fees	26,977	-0-	-0-	-0-	-0-	-0-
Net fundraiser revenue	50,153	-0-	-0-	-0-	-0-	-0-
Total support and revenues	351,581	-0-	173,760	275,404	-0-	-0-
<u>EXPENSES</u>						
Program services	461,091	5,238	173,760	240,637	-0-	-0-
Supporting services	1,119,426	-0-	-0-	-0-	-0-	-0-
Total expenses	1,580,517	5,238	173,760	240,637	-0-	-0-
Change in net assets from operating activities	(1,228,936)	(5,238)	-0-	34,767	-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, 2019

	STATE OF LOUISIANA		CITY OF NEW ORLEANS		Total Community Action	Early Learning Readiness	Restoration Project
	DEPARTMENT OF SOCIAL SERVICES		COMMUNITY DEVELOPMENT BLOCK GRANT				
	General	School of Commerce	Philip Street Renovation				
<u>NONOPERATING ACTIVITIES</u>							
Interest income	5	-0-	-0-	-0-	-0-	11	-0-
Rental income	419,494	-0-	-0-	-0-	-0-	-0-	-0-
Contributions and donations	27,600	-0-	-0-	-0-	-0-	-0-	-0-
Support from other programs	-0-	3,102	-0-	-0-	-0-	-0-	-0-
Other	38,257	-0-	-0-	-0-	-0-	-0-	-0-
Total nonoperating activities	485,356	3,102	-0-	-0-	-0-	11	-0-
Change in net assets from nonoperating activities	485,356	3,102	-0-	-0-	-0-	11	-0-
Change in net assets from operating and nonoperating activities	(743,580)	(2,136)	-0-	34,767	11	-0-	-0-
Net assets, beginning of year	11,665,402	(645,247)	6,213	(4,072)	596	-0-	-0-
Net assets, end of year	\$ 10,921,822	\$ (647,383)	\$ 6,213	\$ 30,695	\$ 607	\$ -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, 2019

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-	\$ 43,771
Grants - State of Louisiana	-0-	-0-	-0-	85,632	-0-	4,038,308	4,123,940
Grants - Federal pass-through - State of Louisiana	-0-	-0-	46,746	-0-	343,121	-0-	392,230
Grants - Federal pass-through - Others	-0-	-0-	-0-	-0-	-0-	-0-	212,269
Grants - Other	-0-	-0-	-0-	-0-	-0-	29,348	78,120
In-kind	-0-	-0-	-0-	-0-	-0-	51,790	288,685
Membership dues	-0-	-0-	-0-	-0-	-0-	-0-	179,545
Program income and fees	-0-	-0-	-0-	-0-	-0-	-0-	26,977
Net fundraiser revenue	-0-	-0-	-0-	-0-	-0-	-0-	50,153
Total support and revenues	-0-	-0-	46,746	85,632	343,121	4,119,446	5,395,690
<u>EXPENSES</u>							
Program services	-0-	-0-	49,332	96,389	331,476	3,867,524	5,225,447
Supporting services	-0-	-0-	-0-	-0-	49,156	421,965	1,590,547
Total expenses	-0-	-0-	49,332	96,389	380,632	4,289,489	6,815,994
Change in net assets from operating activities	-0-	-0-	(2,586)	(10,757)	(37,511)	(170,043)	(1,420,304)

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

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-	2	-0-	-0-	-0-	155	173
Rental income	-0-	-0-	-0-	-0-	-0-	-0-	419,494
Contributions and donations	-0-	-0-	-0-	-0-	-0-	2,630	30,230
Support from other programs	-0-	-0-	2,639	8,235	-0-	-0-	13,976
Other	-0-	-0-	-0-	-0-	-0-	17,345	55,602
Total nonoperating income	-0-	2	2,639	8,235	-0-	20,130	519,475
Change in net assets from nonoperating activities	-0-	2	2,639	8,235	-0-	20,130	519,475
Change in net assets from operating and nonoperating activities	-0-	2	53	(2,522)	(37,511)	(149,913)	(900,829)
Net assets, beginning of year	-0-	3	757	(766)	84,737	156,917	11,264,540
Net assets, end of year	\$ -0-	\$ 5	\$ 810	\$ (3,288)	\$ 47,226	\$ 7,004	\$ 10,363,711

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	PROGRAM SERVICES							
	General Youth			STATE OF LOUISIANA DEPARTMENT OF SOCIAL SERVICES	CITY OF NEW ORLEANS COMMUNITY DEVELOPMENT BLOCK GRANT	Total Community Action	Early Learning Readiness	Restoration Project
	Wellness Center	Development and Outreach	Infant Daycare	School of Commerce	Philip St. Renovation			
Salaries and wages	\$ 140,802	\$ 58,621	\$ 19,802	\$ -0-	\$ -0-	\$ 141,174	\$ -0-	\$ -0-
Employee benefits and payroll taxes	10,782	9,333	9,625	-0-	-0-	28,522	-0-	-0-
Professional fees and contract services	54,751	23,647	2,153	-0-	-0-	-0-	-0-	-0-
Supplies	7,152	3,843	3,774	-0-	-0-	-0-	-0-	-0-
Instructional material and supplies	-0-	-0-	-0-	-0-	-0-	1,952	-0-	-0-
Telephone	11,165	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Postage and printing	-0-	-0-	1,697	-0-	-0-	-0-	-0-	-0-
Professional development	207	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Utilities	16,889	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Occupancy	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Equipment rental	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Repairs and maintenance	1,097	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Conferences and conventions	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transportation and travel	-0-	900	150	-0-	-0-	-0-	-0-	-0-
Dues to National YMCA	38,384	5,758	5,758	-0-	-0-	-0-	-0-	-0-
Insurance	24,623	7,646	1,393	-0-	-0-	-0-	-0-	-0-
Other expenses	395	30	50	3,840	-0-	5,854	-0-	-0-
Food cost	-0-	-0-	459	-0-	-0-	-0-	-0-	-0-
Advertising	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Student activities	-0-	-0-	205	-0-	-0-	-0-	-0-	-0-
Administrative fee expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Settlement cost								
Support in-kind	-0-	-0-	-0-	-0-	173,760	63,135	-0-	-0-
Interest expense	-0-	-0-	-0-	117	-0-	-0-	-0-	-0-
Support to other programs	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total expenses before depreciation and amortization	306,247	109,778	45,066	3,957	173,760	240,637	-0-	-0-
Depreciation and amortization	-0-	-0-	-0-	1,281	-0-	-0-	-0-	-0-
Total expenses	\$ 306,247	\$ 109,778	\$ 45,066	\$ 5,238	\$ 173,760	\$ 240,637	\$ -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, 2019

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-	\$ 40,432	\$ 76,488	\$ 172,764	\$ 1,508,779	\$ 2,158,862
Employee benefits and payroll taxes	-0-	-0-	8,900	19,787	30,949	333,871	451,769
Professional fees and contract services	-0-	-0-	-0-	-0-	55,199	422,837	558,587
Supplies	-0-	-0-	-0-	-0-	-0-	38,078	52,847
Instructional material and supplies	-0-	-0-	-0-	-0-	8,400	112,706	123,058
Telephone	-0-	-0-	-0-	-0-	-0-	65,507	76,672
Postage and printing	-0-	-0-	-0-	-0-	-0-	8,109	9,806
Professional development	-0-	-0-	-0-	-0-	35,134	4,153	39,494
Utilities	-0-	-0-	-0-	-0-	-0-	174,037	190,926
Occupancy	-0-	-0-	-0-	-0-	-0-	428,885	428,885
Equipment rental	-0-	-0-	-0-	-0-	-0-	394	394
Repairs and maintenance	-0-	-0-	-0-	-0-	-0-	46,372	47,469
Conferences and conventions	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transportation and travel	-0-	-0-	-0-	-0-	18,450	384,812	404,312
Dues to National YMCA	-0-	-0-	-0-	-0-	-0-	-0-	49,900
Insurance	-0-	-0-	-0-	-0-	-0-	91,960	125,622
Other expenses	-0-	-0-	-0-	114	1,227	28,566	40,076
Food cost	-0-	-0-	-0-	-0-	-0-	10,846	11,305
Advertising	-0-	-0-	-0-	-0-	-0-	88	88
Student activities	-0-	-0-	-0-	-0-	-0-	15,177	15,382
Administrative fee expense	-0-	-0-	-0-	-0-	9,353	70,830	80,183
Settlement cost	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Support in-kind	-0-	-0-	-0-	-0-	-0-	51,790	288,685
Interest expense	-0-	-0-	-0-	-0-	-0-	6,109	6,226
Support to other programs	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total expenses before depreciation and amortization	-0-	-0-	49,332	96,389	331,476	3,803,906	5,160,548
Depreciation and amortization	-0-	-0-	-0-	-0-	-0-	63,618	64,899
Total	\$ -0-	\$ -0-	\$ 49,332	\$ 96,389	\$ 331,476	\$ 3,867,524	\$ 5,225,447

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

SUPPORTING SERVICES

	General	Singleton Charter School	Special Funds	Totals (Memorandum Only)
Salaries and wages	\$ 217,157	\$ 214,964	\$ 43,342	\$ 475,463
Employee benefits and payroll taxes	62,561	23,794	5,814	92,169
Professional fees and contract services	139,501	105,708	-0-	245,209
Supplies	18,100	26,608	-0-	44,708
Instructional material and supplies	-0-	-0-	-0-	-0-
Telephone	1,651	11,560	-0-	13,211
Postage and printing	2,118	-0-	-0-	2,118
Professional development	1,309	-0-	-0-	1,309
Utilities	3,979	30,712	-0-	34,691
Occupancy	4,164	-0-	-0-	4,164
Equipment rental	-0-	-0-	-0-	-0-
Repairs and maintenance	13,092	-0-	-0-	13,092
Conferences and conventions	-0-	-0-	-0-	-0-
Transportation and travel	-0-	-0-	-0-	-0-
Dues to National YMCA	34,424	-0-	-0-	34,424
Insurance	51,846	-0-	-0-	51,846
Other expenses	37,788	-0-	-0-	37,788
Food cost	5,348	-0-	-0-	5,348
Advertising	-0-	-0-	-0-	-0-
Student activities	-0-	-0-	-0-	-0-
Administrative fee expense	-0-	-0-	-0-	-0-
Settlement cost	20,000	-0-	-0-	20,000
Support in-kind	-0-	-0-	-0-	-0-
Interest expense	18,386	-0-	-0-	18,386
Support to other programs	5,357	8,619	-0-	13,976
Total expenses before depreciation and amortization	636,781	421,965	49,156	1,107,902
Depreciation and amortization	482,645	-0-	-0-	482,645
Total	\$ 1,119,426	\$ 421,965	\$ 49,156	\$ 1,590,547

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, 2019

<u>Program Grantor/Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<u>PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>		
Pass-Through as Subgrantee of the State of Louisiana Department of Education:		
LA-4 Starting Points Pre-Kindergarten Programs (TANF)	93.558A	\$ <u>46,747</u>
Subtotal		<u>46,747</u>
Pass-Through as a Subrecipient to Total Community Action, Inc.		
Subtotal	93.600B	<u>212,269</u>
Pass-Through as Subgrantee of the State of Louisiana Department of Social Services:		
Child and Adult Care Program (Project Independence)	93.596A	<u>2,363</u>
Subtotal		<u>2,363</u>
Total U.S. Department of Health		<u>261,379</u>
Pass-through as Subgrantee of the State of Louisiana Department of Education:		
Title I - Grant to Local Educational Agencies	84.010A	220,759
Title II - Improving Teacher Quality State Grant	84.367A	86,365
IDEA B - Handicapped	84.027A	30,747
Direct Student Services	xx.xxxx	<u>5,250</u>
Total U.S. Department of Education		<u>343,121</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, 2019

<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>51,790</u>
Total U.S. Department of Agriculture		<u>51,790</u>
Total all programs		<u>\$656,290</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, 2019**

Chief Executive Officer Name: Douglas Evans
1/1/2019 - 12/31/2019

PURPOSE	AMOUNT
Salary	<u>\$12,500</u>
Total	<u>\$12,500</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, 2019, 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 January 22, 2021.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control over financial reporting described in the accompanying Summary Schedule of Findings and Responses as items 2019-001 through 2019-004 that we consider to be significant deficiencies.

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)

DYMCA's Response to Findings

DYMCA's response to the internal control over financial reporting findings identified in our audit is described in the accompanying Summary Schedule of Findings and Responses under the caption "Management's Response and Planned Corrective Action" and/or "Current Status". DYMCA's response was not subject to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

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

January 22, 2021

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE
FOR THE YEAR ENDED DECEMBER 31, 2019

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?	Yes
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, 2019

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

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2019

Section II - Financial Statement Findings and Responses

Reference Number

2019-001

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 twenty-five (25) cash receipts, (cash, checks, etc.) transactions for internal control attributes, revealed the following condition:

- In seven (7) of the referenced transactions, we were unable to perform procedures to affirm the timeliness of funds deposited pursuant to Board policy. Further, we were unable to perform procedures to support that funds collected, were properly recorded in the respective receipt books pursuant to policy. Also, we were unable to verify the completeness of amounts recorded in the general ledger for the referenced transactions.

Context

Total revenues for the year ended December 31, 2019 were \$5,901,189.

Effect or Potential Effect

Potential for incomplete financial statements for management's use in making informed judgements.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2019

Section II - Financial Statement Findings and Responses, Continued

Reference Number, Continued

2019-001

Cause

Level of oversight at the respective supervisory levels.

Recommendation

Management should provide staff with additional training and enhance the level of oversight to ensure adherence with Board policy.

Management's Response and Planned Corrective Action

Management will provide additional training to all staff involved in the financial reporting process. Such training will include familiarization with all Board established policy and the required adherence. Further, management will enhance the level of oversight to eliminate the referenced condition.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2019

Section II - Financial Statement Findings and Responses, Continued

Reference Number

2019-002

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

Fifty (50) cash disbursement transactions tested for internal control attributes, revealed the following conditions:

- In one (1) instance, an invoice for \$3,339.20 was not cancelled to prevent the potential for further use. Further, we noted that the referenced invoice for the purchase of an equipment was incorrectly "coded" to the professional services account in the general ledger.
- In two (2) instances, management was unable to locate check numbers 30788 and 30882 and their related supporting documents.

Context

Total expenses for the year ended December 31, 2019 were \$6,802,018.

Effect or Potential Effect

Potential for misappropriation of assets.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2019

Section II - Financial Statement Findings and Responses, Continued

Reference Number, Continued

2019-002

Cause

A combination of records retention further impacted by the COVID pandemic, personnel changes and overall level of management oversight.

Recommendation

We recommend that management revisit with its record filing and retention procedures to ensure adherence by all personnel.

Management's Response and Planned Corrective Action

Management will revisit with the level of oversight afforded in the monthly financial reporting process to include adherence to its record retention policy.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2019

Section II - Financial Statement Findings and Responses, Continued

Reference Number

2019-003

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** monthly financial statements reporting processing procedures, to include selected transactions and general ledger accounts revealed the following conditions:

- Untimely reconciliation of fixed assets detail to the general ledger, specifically to include additions and retirements.
- No periodic reconciling of interfund transactions to include the timely resolution of out-of-balance conditions.
- The December 31, 2019 bank account reconciliation had one (1) check stale dated from May 2019 in the amount of \$29.40
- In all seven (7) of journal entries reviewed, we noted no evidence of review and/or approval beyond the level of the preparer.
- The medical insurance amount withheld from respective employees for the year ended December 31, 2019, was incorrect resulting in **DYMCA** bearing the cost to cover the employee's portion of medical insurance premium not correctly deducted from gross payroll.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2019

Section II - Financial Statement Findings and Responses, Continued

Reference Number

2019-003

Condition, Continued

- In three (3) instances, anticipated cash and associated revenues totaling \$3,100 for a planned Golf tournament fund raiser were incorrectly recorded as cash transactions.
- Credit card balance at December 31, 2019 for \$10,311.57 was not recorded on the general ledger prior to the effect of an audit adjustment. It appears that credit card transactions have been recorded based upon payment and not at the point of charge.
- Further, our review of selected credit card transactions revealed the following:
 - In nine (9) of eleven (11) credit card transactions reviewed, we noted no documented evidence to support review and/or approval by someone other than the authorized cardholder.
 - Two (2) of eleven (11) transactions, bore no written evidence documenting the business purpose.
- A review of selected general ledger accounts, revealed account balances contrary to the normal nature of the account balances.

Context

Total assets and liabilities at December 31, 2019 were \$12,903,430 and \$2,539,719. Revenues and expenses for the year ended December 31, 2019 were \$5,901,189 and \$6,802,018.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2019

Section II - Financial Statement Findings and Responses, Continued

Reference Number, Continued

2019-003

Effect or Potential Effect

Potential for incomplete prepared financial statements for use in making informed judgments.

Cause

Staff transition during the year to include level of oversight afforded to staff.

Recommendation

Management should revisit with its monthly financial statement reporting processes to ensure adherence to established board policy.

Management's Response and Planned Corrective Action

Management will revisit with the level of oversight afforded to include additional training to existing staff.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2019

Section II - Financial Statement Findings and Responses, Continued

Reference Number

2019-004

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

During the course of the audit, management proposed several audit adjustments to fairly state the financial statements as of and for the year ended December 31, 2019.

It is our understanding through discussion with management that a transition to a new Chief Financial Officer (who later resigned) in late May 2019 through the early part of 2020, created challenges resulting in the referenced condition.

Context

Total revenues and expenses for the year ended December 31, 2019 were \$5,901,189 and \$6,802,018. Also, total assets, liabilities, and net assets were \$12,903,430, \$2,539,719, and \$10,363,711.

Effect or Potential Effect

The potential for the misappropriation of assets to include incomplete financial statements for use by management and the Board.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2019

Section II - Financial Statement Findings and Responses, Continued

Reference Number, Continued

2019-004

Cause

Level of technical capacity and oversight afforded 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. Such level of oversight is critical specifically during transitions of key personnel.

Management's Response and Planned Corrective Action

Management will ensure that all future transitions incorporate an assessment and provision of the required level of technical capacity and oversight.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2019

Section III - Federal Award Findings and Questioned Costs

No federal award findings and questioned costs were reported for the year ended December 31, 2019.

Section IV Status of Prior Year's Findings and Responses

No prior year findings and responses were reported for the year ended December 31, 2019.

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

Mr. Douglas Evans	-- Chief Executive Officer
Ms. Catrina Reed, MBA	-- Controller
Ms. Barbara Keller	-- Chair of Board
Mr. Cedric Patin	-- Chair of Finance Committee

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Paul K. Andoh, Sr., CPA, MBA, CGFM, CGMA	-- Partner
Mr. Clyde Hunter, CPA	-- Senior 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. Akanji, 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, 2019 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 January 22, 2021. This letter does not affect our report dated January 22, 2021 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

2019

Our discussion of current year's other matters follows:

Reference Number

OM 2019-001

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, 2019, operating losses were \$900,829, \$295,241 (2018), and \$1,292,226 (2017).

This condition is similar to prior year's other matter reference number OM 2017-001.

Context

Total revenues and expenses for the year ended December 31, 2019 were \$5,901,189 and \$6,802,018, respectively.

Cause

Decrease in direct program and 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

2019

Reference Number, Continued

OM 2019-001

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

2019

Reference Number

OM 2019-002

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, 2019, the cumulative interfund activities were \$10,700,551.

This condition is similar to a prior year's other matter reference numbers OM 2017-003 and OM 2016-004.

Context

Total assets and liabilities at December 31, 2019 were \$12,903,430 and \$2,539,719, respectively.

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

2019

Reference Number, Continued

OM 2019-002

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 explore ways to improve its funding and cashflows.

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

Prior Year's Other Matters

2018

Our discussion of the status of prior 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)**

Prior 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.

Current Status

Unresolved. See current year's other matter reference number OM 2019-001.

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

Prior 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.

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

Prior Year's Other Matters, Continued

2018

Reference Number, Continued

OM 2018-002

Effect or Potential Effect

The potential for the misappropriation of assets.

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.

Current Status

Resolved.

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

Prior 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)**

Prior 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.

Current Status

Unresolved. See current year's other matter reference number OM 2019-002.

**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

January 22, 2021

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2019



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, 2019. **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 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 formal written policies and procedures that specifically address the preparation and approval process of purchase requisitions and purchase orders.

Management's Response

Management will formalize and revise, where applicable 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

No exceptions noted.

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

Finding

No exceptions 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

No exceptions noted.

- 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

No exceptions noted.

- 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 noted.

- i) Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Finding

DYMCA does not have formal written policies and procedures to address disaster recovery and business continuity.

Management's Response

Management will develop and formalize a policy to address disaster recovery and business continuity.

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

Cash Collections

2. Procedure

We obtained a listing of deposit sites for the year ended December 31, 2019 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

3. 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.

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

Cash Collections, Continued

3. Procedure, Continued

Finding

No exceptions noted.

- 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.

4. 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

5. Procedure

We randomly selected two deposit dates for each of the two (2) bank accounts with deposit transactions during the year ended December 31, 2019. We obtained supporting documentation for each of the four (4) selected deposits and:

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

Finding

No exceptions noted.

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

Finding

No exceptions noted.

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

Finding

No exceptions noted.

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

Finding

No exceptions noted to DYMCA's deposit policy of three (3) days.

- 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)

6. Procedure

We obtained a listing of the location that process payments for the year ended December 31, 2019 and management's representation that the listing is complete. We selected DYMCA's only location.

Finding

No exceptions noted.

7. Procedure

For the location selected under #6 above, we 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

7. 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

No exceptions noted.

- 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.

8. Procedure

For the location selected under #6, we obtained **DYMCA's** non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained 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

8. 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 #7 as applicable.

Finding

No exceptions noted.

Payroll and Personnel

9. Procedure

We obtained a listing of employees/elected officials employed during the year ended December 31, 2019 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.

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

Payroll and Personnel, Continued

10. Procedure

We randomly selected one (1) pay period during the year ended December 31, 2019. For the five (5) employees/officials selected under #9, we 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).

Finding

No exceptions noted.

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

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

No exceptions noted.

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

Payroll and Personnel, Continued

11. Procedure

We obtained a listing of those employees/officials that received termination payments during the year ended December 31, 2019 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' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Finding

No exceptions noted.

12. 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

January 22, 2021