

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION**

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

**FOR THE YEAR ENDED JUNE 30, 2019**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
**James M. Singleton Charter School,  
Sponsor Organization  
Dryades Young Men's Christian Association**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **James M. Singleton Charter School (JMSCS), Sponsor Organization Dryades Young Men's Christian Association** which comprise the statement of financial position as of June 30, 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 the 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.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors  
**James M. Singleton Charter School,**  
**Sponsor Organization**  
**Dryades Young Men's Christian Association**

**Auditors' Responsibility**

Our responsibility is to express an opinion on the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to **JMSCS'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 **JMSCS'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.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors  
**James M. Singleton Charter School,**  
**Sponsor Organization**  
**Dryades Young Men's Christian Association**

**Opinion**

In our opinion, the financial statements previously referred to present fairly, in all material respects, the financial position of **JMSCS** as of June 30, 2019, and the changes in its net assets, statements of functional expenses and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 20, 2019, on our consideration of **JMSCS's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering **JMSCS's** internal control over financial reporting and compliance.



**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

December 20, 2019

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2019**

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**ASSETS**

**CURRENT ASSETS:**

Cash (NOTE 2)	\$ 103,701
Investment (NOTE 20)	100,175
Grants receivable (NOTE 4)	110,724
Amounts receivable	16,859
Amounts due from sponsor organization, and other programs, net	922,430
Prepaid items (NOTE 16)	<u>27,198</u>

Total current assets 1,281,087

**NON-CURRENT ASSETS:**

Property and equipment, net (NOTES 3 and 23)	<u>76,919</u>
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Total non-current assets 76,919

Total assets \$1,358,006

**LIABILITIES**

**CURRENT LIABILITIES:**

Amounts and other payables (NOTE 14)	\$ 392,582
Salaries and other payables (NOTE 8)	87,973
Capital lease payable - current portion (NOTES 3 and 23)	29,325
Reserve for unemployment and other benefits (NOTE 13)	590,560
Note payable (NOTE 21)	<u>4,647</u>

Total current liabilities 1,105,087

**NON-CURRENT LIABILITIES:**

Capital lease payable (NOTES 3 and 23)	<u>21,617</u>
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Total non-current liabilities 21,617

Total liabilities \$1,126,704

CONTINGENCIES AND COMMITMENTS  
(NOTES 5, 6, 7 and 11)

**NET ASSETS**

**NET ASSETS:**

With donor restrictions	25,032
Without donor restrictions	<u>206,270</u>

Total net assets 231,302

Total liabilities and net assets \$1,358,006

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

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

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	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>Total</u>
<b>OPERATING ACTIVITIES:</b>			
State of Louisiana	\$ -0-	\$4,582,837	\$4,582,837
Grants with donor restrictions	25,032	-0-	25,032
Grants without donor restrictions	-0-	13,161	13,161
In-kind (NOTE 18)	<u>-0-</u>	<u>51,790</u>	<u>51,790</u>
 Total operating activities	 <u>25,032</u>	 <u>4,647,788</u>	 <u>4,672,820</u>
 Expenses:			
Program services	-0-	4,160,074	4,160,074
Supporting services	<u>-0-</u>	<u>367,301</u>	<u>367,301</u>
 Total operating expenses	 <u>-0-</u>	 <u>4,527,375</u>	 <u>4,527,375</u>
 Change in net assets from operating activities	 <u>25,032</u>	 <u>120,413</u>	 <u>145,445</u>
 <b>NON -OPERATING ACTIVITIES:</b>			
Interest income	-0-	155	155
Other income	-0-	9,858	9,858
Gain on disposition of assets	-0-	2,288	2,288
Support from other programs	<u>-0-</u>	<u>2,255</u>	<u>2,255</u>
 Change in net assets from non-operating activities	 <u>-0-</u>	 <u>14,556</u>	 <u>14,556</u>
 Change in net assets from operating and non-operating activities	 <u>25,032</u>	 <u>134,969</u>	 <u>160,001</u>
 Net assets, beginning of year	 <u>-0-</u>	 <u>71,301</u>	 <u>71,301</u>
 Net assets, end of year	 <u>\$25,032</u>	 <u>\$ 206,270</u>	 <u>\$ 231,302</u>

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

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2019**

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	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>
	<u>Instructional</u>	<u>Management and General</u>
Expenses:		
Salaries	\$1,699,951	\$ 230,545
Employee benefits	253,412	12,014
Payroll taxes	129,165	13,548
Professional fees and contract services	364,619	18,042
Supplies	50,191	9,373
Instructional material and supplies	71,116	-0-
Telephone	63,370	17,274
Postage and shipping	1,217	-0-
Professional development	1,176	-0-
Utilities	165,258	40,929
Rent	424,182	-0-
Security system and services	106,104	-0-
Repairs and maintenance	51,094	12,773
Technical maintenance and supplies	43,221	-0-
Equipment rental	1,802	-0-
Insurance	97,893	11,223
Food cost	13,316	-0-
Printing	9,849	-0-
In-kind expense (NOTE 18)	51,790	-0-
Student activities	8,383	-0-
Depreciation and amortization	67,703	-0-
Transportation	357,400	-0-
Bank charges	3	1,580
Interest expense	6,046	-0-
Other expense	39,607	-0-
Administrative and management fees	<u>82,206</u>	<u>-0-</u>
Total	<u>\$4,160,074</u>	<u>\$367,301</u>

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

**JAMES M. SINGLETON CHARTER SCHOOL,  
 SPONSOR ORGANIZATION  
 DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2019**

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Cash Flow Used by Operating Activities:

Change in net assets \$ 160,001

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

Gain on disposition of assets	(2,288)
Depreciation and amortization	67,703
Increase in grants receivable	(54,792)
Increase in amounts and other payables	44,488
Decrease in salaries, and other payables	(45,186)
Decrease in amounts receivable	18,516
Increase in prepaid items	(6,654)
Decrease in reserve for unemployment and other benefits	(44,256)
Increase in amounts due from sponsor organization and other programs	(273,170)
Decrease in bank overdraft	<u>(1,417)</u>

Net cash used by operating activities (137,055)

Cash Flow Provided by Investing Activities:

Proceeds from investment	100
Purchase of assets	<u>(50,243)</u>

Cash used by investing activities (50,143)

Cash Flow Used by Financing Activities:

Issuance of note payable	3,571
Repayment on capital lease obligations	<u>(1,854)</u>

Cash provided by financing activities 1,717

Net decrease in cash (185,481)

Cash, beginning of year 289,182

Cash, end of year \$ 103,701

Interest expense paid during the year ended June 30, 2019 \$ 6,046

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

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 1 - Summary of Significant Accounting Policies:

Background

**James M. Singleton Charter School (JMSCS), Sponsor Organization Dryades Young Men's Christian Association** is an independent public school sponsored by Dryades Young Men's Christian Association (the Association), a non-profit corporation organized under the laws of the State of Louisiana.

**JMSCS** operates under a charter agreement approved by the Board of Elementary and Secondary Education. The charter agreement, which is renewed through 2023.

General

As of June 30, 2019, **JMSCS** administered an independent public school funded by the State of Louisiana to provide a framework for 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.

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

Principles of Accounting

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

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.

Funding

**JMSCS** receives its major funding from the State of Louisiana's Minimum Foundation Program (Local and State) as well as other direct funding from the State of Louisiana.

Property and Equipment

**JMSCS** follows the practice of capitalizing at cost, all property and equipment acquisitions over \$2,000. Donations are capitalized at the fair value at time of donation. Depreciation is computed under the straight-line method for all depreciable assets over their respective estimated useful lives.

**JMSCS** depreciates property and equipment over a five-year period.

Amortization is recorded at rates designed to amortize cost over estimated useful lives.

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

Property and Equipment, Continued

Property and equipment acquired under grants, vest subject to use, management and disposition requirements.

Capital leases and related liabilities are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among instructional and management and general in the accompanying statement of functional expenses.

Statement of Cash Flows

For purposes of the statement of cash flows, **JMSCS** considers all investments with original maturities of three months or less to be cash equivalents. At June 30, 2019, **JMSCS** had no cash equivalents.

Use of Restricted Resources

It is the practice of **JMSCS** to use restricted resources based on donor restrictions and consistent with its mission. See page 11 for additional discussion with regards to presentation of donor and/or without donor restrictions.

Financial Statement Presentation

Under Financial Accounting Standards Board's Accounting Standards Codification (FASB ASC) Section 958-605, *Not-For-Profit Entities, Revenue Recognition*, **JMSCS** must recognize contributions received as revenue, including unconditional promises to give, in the period received at their fair value. At the same time, contributions made, including unconditional promises to give, must be recognized as expenses in the period made at their fair value.

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

Financial Statement Presentation, Continued

JMSCS's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 958 and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit Guide for Not-for-Profit Organizations" (the Guide) update No. 2016-14. ASC 958-205 was effective January 1, 2018. Under provisions of the Guide net assets of JMSCS are classified to present the following based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of JMSCS are classified as follows:

- Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of JMSCS's. JMSCS's board may designate assets without restrictions for specific operational purposes from time to time. Some donor restrictions are temporary in nature; those restrictions will be met by actions of JMSCS or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.
- Net assets with donor restrictions include grants and contributions for which donor-imposed time and/or purpose restrictions have not been met.

Functional Allocation of Expenses

The costs of providing JMSCS's various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs and supporting services benefitted. Such allocations are determined by management on an equitable basis.

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

The expenses that are allocated include the following:

<u>Expenses</u>	<u>Method of Allocation</u>
Salaries and related benefits	Time and effort
Occupancy	Square footage
Professional fees	Full time equivalent
Depreciation	Square footage
Other	Time and effort

Measure of Operations

The statement 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 JMSCS's ongoing activities. Non-operating activities are limited to resources that generate return from investments, financing costs, and other activities considered to be a more unusual or nonrecurring nature.

Fair Value of Financial Instruments

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

JMSCS considers the carrying amounts of cash, amounts and grants receivable, prepaid items, investment, amounts payable and other liabilities, and capital lease payable to be at fair market.

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

Budgetary Data

JMSCS formally adopts a budget. The budgetary data are submitted to the State of Louisiana for approval. For the LA-4 Federal and State programs, the budget is restricted to approved line items and total budgeted amounts.

Interprogram Activities

All interprogram transactions, except quasi external transactions, advances and reimbursements are reported as transfers. Nonrecurring and permanent transfers of equity are reported as residual equity transfers. All other interprogram transfers are reported as operating transfers and recognized at the time the underlying event occurs. Interprogram activities are netted at the combined financial statements level.

Total Memorandum Only

The total column on the accompanying combining financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) Standards Update -ASU 2016-02, Leases. ASU 2016-02 requires a lessee to recognize a lease asset representing its right to use the underlying asset for the lease terms, and a lease liability for the payments to be made to lessor, on its balance sheet for all operating leases greater than twelve (12) months. ASU 2016-02 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The implementation effective date has been delayed until January 1, 2021. JMSCS has not assessed the potential impact of this guidance on its financial statements.

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

New Accounting Pronouncements, Continued

In August 2016, the FASB issued ASU 2016-14, Presentation of Financial Statements Not-for-Profit Entities (Topic 958). ASU 2016-14 changes how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. ASU 2016-14 requires amended presentation and disclosures to help not-for-profits provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. These include qualitative and quantitative requirements in the following areas: (1) net asset classes; (2) investment return; (3) expenses; (4) liquidity and availability of resources; and (5) presentation of operating cash flows. ASU 2016-14 will be effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Application to interim financial statements is permitted but not required in the initial year of application. Early application of the amendments is permitted. JMSCS has implemented the requirements of ASU 2016-14 in the accompanying financial statements.

NOTE 2 - Cash:

At June 30, 2019, cash consisted of demand and time deposits with a carrying and market value of \$103,701.

A detail of cash at June 30, 2019 is as follows:

<u>Description</u>	<u>Interest Rate</u>	<u>Carrying Value</u>	<u>Market Value</u>
Cash in banks	Varying rates	\$103,654	\$103,654
Savings	Varying rates	<u>47</u>	<u>47</u>
Total		<u>\$103,701</u>	<u>\$103,701</u>

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 2 - Cash, Continued:

Further at June 30, 2019, cash and investment held by JMSCS's banker are secured with a deposit of \$1,000,000 at the Federal Home Loan Bank of Dallas in excess of the \$250,000 FDIC coverage amount.

NOTE 3 - Property and Equipment, Net:

At June 30, 2019, property and equipment, net consisted of the following:

	Balance July 1, <u>2018</u>	<u>Additions</u>	<u>Retirement</u>	Balance June 30, <u>2019</u>
Furniture and equipment	\$ 766,883	\$ -0-	\$(147,953)	\$ 618,930
Property held under capital lease	<u>158,333</u>	<u>50,243</u>	<u>(67,175)</u>	<u>141,401</u>
Sub-total	925,216	50,243	(215,128)	760,331
Less: accumulated depreciation and amortization	<u>(828,971)</u>	<u>(67,703)</u>	<u>213,262</u>	<u>(683,412)</u>
Total	<u>\$ 96,245</u>	<u>\$(17,460)</u>	<u>\$ (1,866)</u>	<u>\$ 76,919</u>

Accumulated depreciation and amortization includes cumulative amortization totaling \$92,194 at June 30, 2019.

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 3 - Property and Equipment, Net, Continued:

The future minimum lease payments under the capital leases in excess of one year as of June 30, 2019, are as follows:

<u>Year Ended</u>	<u>Amount</u>
2020	\$29,325
2021	18,274
2022	<u>6,091</u>
	53,690
Less: unamortized discount	<u>(2,748)</u>
Net present value of minimum lease payments	<u>\$50,942</u>

Interest rate on the capital leases is 5.75% and is imputed based on JMSCS's estimated incremental borrowing rates at inception of the leases.

Also see NOTE 23 for additional discussion.

NOTE 4 - Grants Receivable:

At June 30, 2019, grants receivable of \$110,724 consisted of various amounts billed but not yet paid by the State of Louisiana, Department of Education.

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 5 - Income Taxes:

The Association, which is the sponsor organization for **JMSCS**, is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

**JMSCS** files through its sponsor organization Dryades Young Men's Christian Association an exempt tax return. Should that status be challenged in the future, its tax returns for the three (3) years ended December 31, 2018 are subject to examination.

NOTE 6 - Retirement Plan:

**JMSCS** had through the year ended June 30, 2019, one defined contribution retirement plan for its instructional and non-instructional employees. **JMSCS** contributed for each eligible employee having two or more years of service, 12% of his or her respective gross salary during the year ended June 30, 2019. Pension costs are funded on a current basis. **JMSCS's** total pension costs for 2019 was \$51,348.

Also, on June 18, 2014, the Legislative Auditor for the State of Louisiana issued its investigative report on **JMSCS's** Teachers Retirement System of Louisiana retirement plan. Currently, management is in continuous discussion with the State of Louisiana regarding the content of the referenced report.

It is legal counsel's opinion at June 30, 2019 and December 20, 2019 that a possible claim or assessment may arise at some point, but counsel does not believe, at this time that any such possibility would result in an unfavorable outcome for **JMSCS**.

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 7 - Contingencies and Commitments:

JMSCS is a recipient of funding from the State of Louisiana's Minimum Foundation Program to include other grants received through the State of Louisiana. The funding is governed by various guidelines, regulations and contractual agreements. The administration of the program and activities funded is under the control and administration of JMSCS and is subject to audit and/or review by the applicable funding source. Any 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 8 - Salaries and Other Payables:

At June 30, 2019, salaries and other payables consisted of the following:

Salaries, and other withholding payable	\$12,841
Payroll taxes payable	54,475
Retirement payable	<u>20,657</u>
Total	<u>\$87,973</u>

NOTE 9 - Risk Management:

JMSCS is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets for which JMSCS 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 10 - Concentration of Revenue Source:

JMSCS receives primarily all of its support from the State of Louisiana. If the amount of revenue received should fall below award budgeted levels, JMSCS's operating results could be adversely affected.

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 11 - Operating Leases:

JMSCS signed operating leases for equipment, office and classroom space. The lease for the equipment expires in 2019. Under the referenced lease agreement, JMSCS was obligated to a monthly rental pricing amount of \$1,325. Further, the agreement includes a final return charge of \$5,180.13.

Rental expense for the year ended June 30, 2019 was \$424,182.

NOTE 12 - Concentration of Credit Risk:

Financial instruments which potentially subject JMSCS to concentrations of credit risk consist principally of cash and investment.

NOTE 13 - Reserve for Unemployment and Other Benefits:

Under an agreement with the State Department of Labor, JMSCS pays for unemployment benefits on an actual basis (at the point of billing). At June 30, 2019, \$390,560 represents a reserve for such future costs. The remaining balance of \$200,000 represents a reserve for other employee benefits for a total of \$590,560.

NOTE 14 - Amounts and Other Payables:

At June 30, 2019, amounts and other payables consisted of the following:

Amounts payable - vendors	\$ 63,200
Amounts payable - City of New Orleans	<u>329,382</u>
Total	<u>\$392,582</u>

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 15 - Per Diem to Board of Directors:

During the year ended June 30, 2019, no board member received per diem in his or her capacity as director.

NOTE 16 - Prepaid Items:

At June 30, 2019, prepaid items consisted of the following:

Security deposit	\$ 2,000
Prepaid insurance	<u>25,198</u>
	<u>\$27,198</u>

NOTE 17 - Subsequent Events:

JMSCS is required to evaluate events or transactions that may occur after the Statement of Financial Position date for potential recognition and/or disclosure in the accompanying financial statements. JMSCS performed such an evaluation through December 20, 2019, the date on which the accompanying financial statements were available to be issued, and noted no subsequent events or transactions that occurred requiring recognition and/or disclosure.

NOTE 18 - In-kind:

Included in the Statement of Activities for the year ended June 30, 2019 was \$51,790 in donated food commodities.

NOTE 19 - Related Party:

JMSCS leases office space expiring on June 30, 2020 under operating leases with its sponsor organization in the amount of \$30,503 per month, or \$366,036 annually. For the year ended June 30, 2019, total payments to the sponsor organization consisting of lease payments was \$366,036.

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 20 - Investment:

At June 30, 2019, investment consisted of a certificate of deposit with a carrying and market value of \$100,175 earning interest of .5%. The certificate matures on September 29, 2020.

Further, at June 30, 2019, the investment is collateralized to a loan originated by the Sponsor Organization Dryades Young Men's Christian Association on real estate property it owns.

Pursuant to the requirements of ASC 820, the investment for **JMSCS** at June 30, 2019, is classified as Level 2. Levels 2 (quoted prices in active markets for similar assets and liabilities, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument), and Level 3 (unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities), are two of the three levels of input used to measure fair value by **JMSCS** on a recurring basis.

The other assets and liabilities described in NOTE 1, are measured using Level 3 inputs.

See NOTE 2 for additional discussion.

NOTE 21 - Note Payable:

On December 10, 2018, **JMSCS** executed an agreement to finance its insurance premium at an annual rate of 5.48%. The agreement requires installment payments of \$2,873.40 payable monthly for a period of ten (10) months.

The outstanding principal balance at June 30, 2019 was \$4,647.

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 22 - Liquidity:

JMSCS's financial assets available within one year of the statement of financial position date for general expenses are as follows:

Cash	\$103,701
Investment	100,175
Grants receivable	<u>110,724</u>
	<u>\$314,600</u>

JMSCS's financial assets have been reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statement of financial position.

As part of JMSCS'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, JMSCS invests cash in excess of projected requirements in investments.

NOTE 23 - Capital Lease Payable:

At June 30, 2019, capital lease payable represent the balance due for two (2) leases expiring on November 1, 2019 and November 1, 2022, respectively. See NOTE 3 for additional discussion.

A breakout of the current and noncurrent portions is as follows:

<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
<u>\$29,325</u>	<u>\$21,617</u>	<u>\$50,942</u>

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 23 - Capital Lease Payable, Continued:

Further, a summary of the principal balance over the next years follow:

<u>Year Ended</u> <u>June 30, ____</u>	<u>Amount</u>
2020	\$29,325
2021	18,274
2022	3,343
Thereafter	<u>-0-</u>
	<u>\$50,942</u>

**SUPPLEMENTARY INFORMATION**

**INDEPENDENT AUDITORS' REPORT  
ON  
SUPPLEMENTARY INFORMATION**

To the Board of Directors  
**James M. Singleton Charter School,  
Sponsor Organization  
Dryades Young Men's Christian Association**

Report on Schedule of Expenditures of Federal Awards

We have audited the financial statements of **James M. Singleton Charter School (JMSCS), Sponsor Organization Dryades Young Men's Christian Association** as of and for the year ended June 30, 2019, and have issued our report dated December 20, 2019 which contained an unmodified opinion on the financial statements taken as a whole. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.

The accompanying Schedule of Expenditures of Federal Awards (Schedule I) on pages 26 and 27 is presented for purposes of additional analysis and is not a required part of the financial statements. Schedule I is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information in Schedule I 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, Schedule I is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

*Other Information*

Also, the supplementary information (Exhibits I, II, and III) and Schedule II on pages 28 through 34, which is prepared in accordance with accounting principles generally accepted in the United States of America, and is not a required part of the financial statements has been subjected to auditing procedures applied in the audit of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information (Exhibits I, II, and III) and Schedule II is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

December 20, 2019

**JAMES M. SINGLETON CHARTER SCHOOL  
 SPONSOR ORGANIZATION  
 DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2019**

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<u>Program Grantor /Title</u>	<u>CDFA NUMBER</u>	<u>Expenditures</u>
<b><u>PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>		
Pass Through as Subgrantee of the State of Louisiana		
Department of Education:		
LA-4 Starting Points Pre Kindergarten Program (TANF)	93.558	\$ <u>99,802</u>
Total U.S. Department of Health and Human Services		<u>99,802</u>
<b><u>PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF EDUCATION</u></b>		
Pass Through as Subgrantee of the State of Louisiana		
Department of Education:		
Title I - Grants to Local Educational Agencies	84.010	172,929
Title II - Improving Teacher Quality State Grants	84.367	28,597
IDEA Part B - Handicapped	84.027	82,738
IDEA Pre-School	84.027	<u>1,444</u>
Total U. S. Department of Education		<u>285,708</u>

See Independent Auditors' Report on Supplementary Information.

**JAMES M. SINGLETON CHARTER SCHOOL  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2019**

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<u>Program Grantor /Title</u>	<u>CDFA NUMBER</u>	<u>Expenditures</u>
<b><u>PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF AGRICULTURE</u></b>		
Pass Through as Subgrantee of the State of Louisiana Department of Agriculture: National School Lunch Program	10.555	\$ <u>51,790</u>
Total U.S. Department of Agriculture		<u>51,790</u>
Total all programs		<u>\$437,300</u>

NOTE: The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of JMSCS and is presented on an accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of *the Uniform Guidance*.

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

See Independent Auditors' Report on Supplementary Information.

**SCHEDULE II**

**JAMES M. SINGLETON CHARTER SCHOOL  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER  
PAYMENTS TO CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED JUNE 30, 2019**

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**NAMES:** Mr. Douglas Evans (March 16, 2018  
through June 30, 2019)

NONE.

See Independent Auditors' Report on Supplementary Information.

**JAMES M. SINGLETON CHARTER SCHOOL  
 SPONSOR ORGANIZATION  
 DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
 COMBINING STATEMENT OF FINANCIAL POSITION  
 JUNE 30, 2019**

STATE OF LOUISIANA  
 DEPARTMENT OF EDUCATION

	<u>Charter School</u>	<u>LA-4 State</u>	<u>LA-4 Federal</u>	<u>Special Funds</u>	<u>Totals (Memorandum Only)</u>
<b>Current Assets:</b>					
Cash	\$ 101,190	\$ 1,424	\$ -0-	\$ 1,087	\$ 103,701
Investment	100,175	-0-	-0-	-0-	100,175
Grants receivable	53,452	-0-	20,644	36,628	110,724
Amounts receivable	16,615	244	-0-	-0-	16,859
Inter program due from	2,711,224	1,113,305	776,863	104,110	4,705,502
Prepaid items	<u>27,198</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>27,198</u>
Total current assets	<u>3,009,854</u>	<u>1,114,973</u>	<u>797,507</u>	<u>141,825</u>	<u>5,064,159</u>
<b>Non-current Assets:</b>					
Property and equipment, net	27,712	-0-	-0-	-0-	27,712
Capital assets under lease, net	<u>49,207</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>49,207</u>
Total non-current assets	<u>76,919</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>76,919</u>
Total assets	<u>\$3,086,773</u>	<u>\$1,114,973</u>	<u>\$797,507</u>	<u>\$141,825</u>	<u>\$5,141,078</u>

See Independent Auditors' Report on Supplementary Information

**JAMES M. SINGLETON CHARTER SCHOOL  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
COMBINING STATEMENT OF FINANCIAL POSITION, CONTINUED  
JUNE 30, 2019**

	STATE OF LOUISIANA DEPARTMENT OF EDUCATION				Totals (Memorandum) Only
	<u>Charter School</u>	<u>LA-4 State</u>	<u>LA-4 Federal</u>	<u>Special Funds</u>	
<b>Current Liabilities:</b>					
Amounts and other payables	\$ 62,552	\$ -0-	\$ -0-	\$ 648	\$ 63,200
Amounts payable-City of New Orleans	329,382	-0-	-0-	-0-	329,382
Inter program due to	1,823,298	1,114,908	790,450	54,416	3,783,072
Salaries and other payables	87,973	-0-	-0-	-0-	87,973
Capital lease payable	29,325	-0-	-0-	-0-	29,325
Reserve for unemployment and other benefits	583,438	65	7,057	-0-	590,560
Note payable	<u>4,647</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>4,647</u>
<b>Total current liabilities</b>	<u>2,920,615</u>	<u>1,114,973</u>	<u>797,507</u>	<u>55,064</u>	<u>4,888,159</u>
<b>Non-current Liabilities:</b>					
Capital lease payable	<u>21,617</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>21,617</u>
<b>Total non-current liabilities</b>	<u>21,617</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>21,617</u>
<b>Total liabilities</b>	<u>2,942,232</u>	<u>1,114,973</u>	<u>797,507</u>	<u>55,064</u>	<u>4,909,776</u>
<b>Net Assets:</b>					
With donor restrictions	25,032	-0-	-0-	-0-	25,032
Without donor restrictions	<u>119,509</u>	<u>-0-</u>	<u>-0-</u>	<u>86,761</u>	<u>206,270</u>
<b>Total net assets</b>	<u>144,541</u>	<u>-0-</u>	<u>-0-</u>	<u>86,761</u>	<u>231,302</u>
<b>Total liabilities and and net assets</b>	<u>\$3,086,773</u>	<u>\$1,114,973</u>	<u>\$797,507</u>	<u>\$141,825</u>	<u>\$5,141,078</u>

See Independent Auditors' Report on Supplementary Information.

**JAMES M. SINGLETON CHARTER SCHOOL  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
COMBINING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

	STATE OF LOUISIANA DEPARTMENT OF EDUCATION						Totals (Memorandum Only)
	<u>Charter School</u>	<u>LA-4 State</u>	<u>LA-4 Federal</u>	<u>Special Funds</u>	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	
<b>Operating Activities:</b>							
State of Louisiana	\$4,119,623	\$77,704	\$ 99,802	\$285,708	\$ -0-	\$4,582,837	\$4,582,837
Grants with donor restrictions	25,032	-0-	-0-	-0-	25,032	-0-	25,032
Grants without donor restrictions	13,161	-0-	-0-	-0-	-0-	13,161	13,161
In-kind	<u>51,790</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>51,790</u>	<u>51,790</u>
<b>Total operating activities</b>	<u>4,209,606</u>	<u>77,704</u>	<u>99,802</u>	<u>285,708</u>	<u>25,032</u>	<u>4,647,788</u>	<u>4,672,820</u>
<b>Expenses:</b>							
Program services	3,694,605	94,629	102,441	285,708	-0-	4,177,383	4,177,383
Supporting services	<u>367,301</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>367,301</u>	<u>367,301</u>
<b>Total expenses</b>	<u>4,061,906</u>	<u>94,629</u>	<u>102,441</u>	<u>285,708</u>	<u>-0-</u>	<u>4,544,684</u>	<u>4,544,684</u>
<b>Change in net assets from operating activities</b>	<u>147,700</u>	<u>(16,925)</u>	<u>(2,639)</u>	<u>-0-</u>	<u>25,032</u>	<u>103,104</u>	<u>128,136</u>

See Independent Auditors' Report on Supplementary Information.

**JAMES M. SINGLETON CHARTER SCHOOL  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
COMBINING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

	STATE OF LOUISIANA DEPARTMENT OF EDUCATION						
	<u>Charter School</u>	<u>LA-4 State</u>	<u>LA-4 Federal</u>	<u>Special Funds</u>	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>Totals (Memorandum Only)</u>
<b>Non-operating Activities:</b>							
Support from other programs	\$ -0-	\$ 16,925	\$ 2,639	\$ -0-	\$ -0-	\$ 19,564	\$ 19,564
Interest income	155	-0-	-0-	-0-	-0-	155	155
Gain on disposition of assets	2,288	-0-	-0-	-0-	-0-	2,288	2,288
Other income	<u>9,858</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>9,858</u>	<u>9,858</u>
Change in net assets from non-operating activities	<u>12,301</u>	<u>16,925</u>	<u>2,639</u>	<u>-0-</u>	<u>-0-</u>	<u>31,865</u>	<u>31,865</u>
Change in net assets from operating and non-operating activities	<u>160,001</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>25,032</u>	<u>134,969</u>	<u>160,001</u>
Net assets (deficit), beginning of year	<u>(15,460)</u>	<u>-0-</u>	<u>-0-</u>	<u>86,761</u>	<u>-0-</u>	<u>71,301</u>	<u>71,301</u>
Net assets, end of year	<u>\$ 144,541</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 86,761</u>	<u>\$ 25,032</u>	<u>\$ 206,270</u>	<u>\$ 231,302</u>

See Independent Auditors' Report on Supplementary Information.

**JAMES M. SINGLETON CHARTER SCHOOL  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
COMBINING STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2019**

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	<u>CHARTER SCHOOL</u>	
	<u>Program</u> <u>Services</u>	<u>Supporting</u> <u>Services</u>
Expenses:		
Salaries	\$1,349,352	\$230,545
Employee benefits	204,873	12,014
Payroll taxes	102,344	13,548
Professional fees and contract services	321,417	18,042
Supplies	50,191	9,373
Instructional materials and supplies	71,116	-0-
Telephone	63,370	17,274
Postage and shipping	1,217	-0-
Professional development	1,176	-0-
Utilities	165,258	40,929
Rent	424,182	-0-
Security system and services	106,104	-0-
Repairs and maintenance	51,094	12,773
Technical maintenance and supplies	43,221	-0-
Insurance	97,893	11,223
Equipment rental	1,802	-0-
Food cost	13,316	-0-
Printing	9,849	-0-
In-kind	51,790	-0-
Student activities	8,383	-0-
Depreciation and amortization	67,703	-0-
Transportation	354,445	-0-
Bank charges	-0-	1,580
Interest expense	6,046	-0-
Other expense	38,379	-0-
Support to other programs	17,309	-0-
Management fees	<u>72,775</u>	<u>-0-</u>
Total	<u>\$3,694,605</u>	<u>\$367,301</u>

See Independent Auditors' Report on Supplementary Information.

JAMES M. SINGLETON CHARTER SCHOOL  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
COMBINING STATEMENT OF FUNCTIONAL EXPENSES, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2019

	STATE OF LOUISIANA - DEPARTMENT OF EDUCATION							
	LA-4 State		LA-4 Federal		Special Funds		Totals (Memorandum Only)	
	Program Services	Supporting Services	Program Services	Supporting Services	Program Services	Supporting Services	Program Services	Supporting Services
Expenses:								
Salaries	\$77,701	\$ -0-	\$ 83,897	\$ -0-	\$189,001	\$ -0-	\$1,699,951	\$230,545
Employee benefits	10,981	-0-	12,126	-0-	25,432	-0-	253,412	12,014
Payroll taxes	5,944	-0-	6,418	-0-	14,459	-0-	129,165	13,548
Professional fees and contract services	-0-	-0-	-0-	-0-	43,202	-0-	364,619	18,042
Supplies	-0-	-0-	-0-	-0-	-0-	-0-	50,191	9,373
Instructional materials and supplies	-0-	-0-	-0-	-0-	-0-	-0-	71,116	-0-
Telephone	-0-	-0-	-0-	-0-	-0-	-0-	63,370	17,274
Postage and shipping	-0-	-0-	-0-	-0-	-0-	-0-	1,217	-0-
Professional development	-0-	-0-	-0-	-0-	-0-	-0-	1,176	-0-
Utilities	-0-	-0-	-0-	-0-	-0-	-0-	165,258	40,929
Rent	-0-	-0-	-0-	-0-	-0-	-0-	424,182	-0-
Security system and services	-0-	-0-	-0-	-0-	-0-	-0-	106,104	-0-
Repairs and maintenance	-0-	-0-	-0-	-0-	-0-	-0-	51,094	12,773
Technical maintenance and supplies	-0-	-0-	-0-	-0-	-0-	-0-	43,221	-0-
Insurance	-0-	-0-	-0-	-0-	-0-	-0-	97,893	11,223
Equipment rental	-0-	-0-	-0-	-0-	-0-	-0-	1,802	-0-
Food Cost	-0-	-0-	-0-	-0-	-0-	-0-	13,316	-0-
Printing	-0-	-0-	-0-	-0-	-0-	-0-	9,849	-0-
In-kind	-0-	-0-	-0-	-0-	-0-	-0-	51,790	-0-
Student activities	-0-	-0-	-0-	-0-	-0-	-0-	8,383	-0-
Depreciation and amortization	-0-	-0-	-0-	-0-	-0-	-0-	67,703	-0-
Transportation	-0-	-0-	-0-	-0-	2,955	-0-	357,400	-0-
Bank charges	3	-0-	-0-	-0-	-0-	-0-	3	1,580
Interest expense	-0-	-0-	-0-	-0-	-0-	-0-	6,046	-0-
Other expenses	-0-	-0-	-0-	-0-	1,228	-0-	39,607	-0-
Support to other programs	-0-	-0-	-0-	-0-	-0-	-0-	17,309	-0-
Administrative and management fees	-0-	-0-	-0-	-0-	9,431	-0-	82,206	-0-
Total	\$94,629	\$ -0-	\$102,441	\$ -0-	\$285,708	\$ -0-	\$4,177,383	\$367,301

See Independent Auditors' Report on Supplementary Information.



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 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  
**James M. Singleton Charter School,  
Sponsor Organization  
Dryades Young Men's Christian Association**

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 **James M. Singleton Charter School (JMSCS), Sponsor Organization Dryades Young Men's Christian Association** which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report dated December 20, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered **JMSCS'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 **JMSCS's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **JMSCS'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 of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of JMSCS'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.

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)

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of JMSCS's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering JMSCS'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

December 20, 2019

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
SUMMARY SCHEDULE OF FINDING AND RESPONSE  
FOR THE YEAR ENDED JUNE 30, 2019**

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**Section I - Summary of Auditors' Results**

***Financial Statements***

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

***Federal Awards***

Internal Control Over Major Programs:	
• Material weakness(es) identified?	<b>N/A</b>
• Significant deficiency (ies) identified?	<b>N/A</b>
Type of auditors' report issued on compliance for major programs:	<b>N/A</b>
Any audit findings disclosed that are required to be reported in accordance with the requirements of <i>the Uniform Guidance</i> ?	<b>N/A</b>

N/A - Not Applicable

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2019**

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**Section I - Summary of Auditors' Results, Continued**

*Federal Awards, Continued*

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

N/A - Not Applicable

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION  
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2019**

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**Section II - Financial Statement Finding and Response**

No financial statement findings and responses were reported for the year ended June 30, 2019.

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

No federal award findings and questioned costs were reported for the year ended June 30, 2019.

**Section IV - Status of Prior Year's Finding and Response**

No prior year findings and responses were reported for the year ended June 30, 2019.

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION**

EXIT CONFERENCE

JUNE 30, 2019

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The financial statements and all related reports were discussed at a meeting with management of **James M. Singleton Charter School** noting their agreement in all material respects.

Those that participated in the discussion are as follows:

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION**

Mr. Douglas Evans	-- Chief Executive Officer
Mrs. Catrina Reed	-- Chief Financial Officer (Through August 2, 2019)

**BRUNO & TERVALON LLP  
CERTIFIED PUBLIC ACCOUNTANTS**

Mr. Paul K. Andoh, Sr., CPA, MBA, CGFM, CGMA	-- Partner
Mr. Clyde Hunter, CPA	-- Senior Accountant
Mr Mark Woods, Jr.	-- Accountant
Ms. Suki Xia	-- 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  
**James M. Singleton Charter School,  
Sponsor Organization  
Dryades Young Men's Christian Association**

In planning and performing our audit of the financial statements of **James M. Singleton Charter School (JMSCS), Sponsor Organization Dryades Young Men's Christian Association** as of and for the year ended June 30, 2019, we considered JMSCS's internal control over financial reporting as a basis for determining 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 JMSCS's internal control. Accordingly, we do not express an opinion on the effectiveness of JMSCS's internal control.

However, during our audit, we became aware of other matters that provide an opportunity for JMSCS to strengthen its internal control and operating efficiency. Also, we reviewed the status of prior year's other matters noting their respective current status. We previously reported on JMSCS's internal control in our report dated December 20, 2019. This letter does not affect our report dated December 20, 2019, on the financial statements of JMSCS.

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

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**(CONTINUED)**

***CURRENT YEARS' REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL  
2019***

**Reference Number**

OM 2019-001

**Criteria**

Management of JMSCS is responsible for the establishment of effective and efficient processes and procedures for all financial transactions or economic events to ensure the complete and accurate preparation of its financial statements pursuant to board policy.

**Condition**

Our review of internal control attributes over the revenue and expense cycles revealed the following conditions:

- One (1) instance of twenty-five (25) transactions tested, the supporting documents in the form of an application did not agree to the check amount for \$76.
- In three (3) instances of ten (10) deposits tested, funds collected were not deposited within three (3) days upon receipt pursuant to board policy.
- For the reference deposits, we noted two (2) instances where the deposit slip did not agree to supporting documents provided to us.
- There was one (1) disbursement transaction totaling \$86.32, outstanding for more than one hundred and eighty (180) days.

**Cause**

The level of oversight afforded to staff.

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

---

**(CONTINUED)**

***CURRENT YEARS' REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL, CONTINUED  
2019***

**Reference Number, Continued**

OM 2019-001

**Effect or Potential Effect**

Noncompliance with established board policy.

**Recommendation**

Management should continue to revisit and enhance the level of oversight with its monthly general ledger processing system, plan and require that all monthly transactions are recorded in the general ledger system on a timely basis. Periodic analysis should be performed timely with all resulting adjustments, if any, posted immediately.

**Management's Response and Planned Corrective Action**

Management has implemented additional safe guards to ensure deposits are made in a timely manner. Management has implemented steps in the daily financial operations in which each day a log is completed to denote if any cash has been received and this must be approved by the supervisor or their designee daily to ensure all cash transactions are submitted to the bank institutions in accordance with Board approved policies and procedures. The supervisor or their designee must verify that the receipts are in numerical order and total the deposit slip prior to the funds being deposited. Management will also perform quarterly reviews on all banks statements for stale dated checks to ensure they are voided in the system and stop payments are issued. Management will also perform quarterly reviews on all vendor payment files to ensure the appropriation documentation is attached to support payments.

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

---

**(CONTINUED)**

***CURRENT YEARS' REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL, CONTINUED  
2019***

**Reference Number**

OM 2019-002

**Criteria**

Management is responsible for the establishment of effective and efficient processes and procedures for all processes and procedures for all financial transactions or economic events to include the timely filing of complete and accurate tax returns.

**Condition**

Our review of Internal Revenue Service (IRS) form 941 filed for the year ended June 30, 2019, revealed the following conditions:

- We were unable to reconcile the IRS form 941 provided to us to the reported payroll cost on JMSCS's general ledger.
- We noted the following variances between the filed Form 941's and the general ledger: Quarter one was \$136,366.21 greater than general ledger, Quarter two was \$162,979.35 greater than general ledger, Quarter three was \$169,992.47 less than general ledger and Quarter Four was \$136,361.84 greater than the general ledger resulting in the Form 941's being a net \$265,714.93 greater than the general ledger.

Further, we were unable to ascertain based on forms provided to us to include an amended return for Quarter 4, the complete execution and timely filing of all returns.

**Cause**

Lack of adequate oversight over the payroll processing service provider to include monthly reconciliations.

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

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**(CONTINUED)**

***CURRENT YEARS' REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL, CONTINUED  
2019***

**Reference Number, Continued**

OM 2019-002

**Effect or Potential Effect**

Potential for penalties and interest from incorrect and/or timeliness in filed returns.

**Recommendation**

Management should revisit with its oversight processes involving third party service providers.

**Management's Response and Planned Corrective Action**

Management will coordinate with the payroll company to resolve the issue regarding the improper reporting for 2018. Management has reached out to the payroll company to determine if there is any outstanding liability for 2018 and was there a corrected report filed since JMCS does not have any current outstanding liability to any tax agencies.

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

---

**(CONTINUED)**

***CURRENT YEARS' REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL, CONTINUED  
2019***

**Reference Number**

OM 2019-003

**Criteria**

Management of JMSCS is responsible for the establishment of effective and efficient processes and procedures for all financial transactions or economic events to ensure the complete and accurate preparation of its financial statements pursuant to board policy.

**Condition**

At June 30, 2019, JMSCS has recorded \$52,502 as a payable to a vendor. However, we are unable to ascertain the validity of the obligation.

**Cause**

Untimely resolution of completeness in recorded economic events.

**Effect or Potential Effect**

Potential for overstated financial obligations.

**Recommendation**

Management should continue its research of the obligated amount to determine its continued validity and existence.

**Management's Response and Planned Corrective Action**

Management will continue to research this liability for accuracy and will coordinate with the payroll company to cross reference all documentation for any errors in it an effort to resolve this liability from the accounting records.

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

---

**(CONTINUED)**

***STATUS OF PRIOR YEARS' REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL  
2018***

**Reference Numbers**

OM 2018-001 and OM 2017-001

**Criteria**

Management of JMSCS is responsible for the establishment of effective and efficient processes and procedures for all financial transactions or economic events to ensure the complete and accurate preparation of its financial statements pursuant to board policy.

**Condition**

Our review of JMSCS's internal control processes over the revenue and expense cycles for the test month of October 2017 (month judgementally selected for testing) revealed the following conditions:

- In two (2) instances of ten (10) deposits tested, the collected funds were not deposited within three (3) days upon receipt pursuant to board policy.
- One (1) of four (4) employee payroll transactions tested revealed an instance where an employee was paid \$11.37 more than the executed contract amount for the October 13, 2017 pay period.
- Two (2) disbursement transactions of twenty-five (25) selected for testing lacked documented evidence of cancellation of the associated invoices to prevent further use.
- One (1) check disbursed lacked an authorized second check signer. The check cleared the bank without the required second signature.
- In one (1) of four (4) students selected for special needs services testing, we noted the lack of documented evidence to support the provision of required services.

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

---

**(CONTINUED)**

***STATUS OF PRIOR YEARS' REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL  
2018***

**Reference Numbers, Continued**

OM 2018-001 and OM 2017-001

**Cause**

The level of oversight afforded to staff.

**Effect or Potential Effect**

Noncompliance with established board policy.

**Recommendation**

Management should continue to revisit and enhance the level of oversight with its monthly general ledger processing system, plan and require that all monthly transactions are executed and documented pursuant to established Board policy.

**Current Status**

Partially resolved. See current year's other matters report reference number OM 2019-001.

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

---

(CONTINUED)

***STATUS OF PRIOR YEARS' REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL  
2018***

**Reference Number**

OM 2017-002

**Criteria**

Management is responsible for the management of JMSCS's financial resources to minimize the potential for operating losses.

**Condition**

For the years ended June 30, 2017, 2016, and June 30, 2015, JMSCS incurred operating losses of \$550,509, \$4,929, and \$168,256, respectively, due primarily to the continued decline in the level of funding from the State of Louisiana.

**Cause**

The continued decline in the level of student enrollment.

**Effect or Potential Effect**

Potential negative impact on cash flow needs for operating expenses.

**Recommendation**

Management should continue to explore other sources of revenues and contain costs associated with the management of the operations of JMSCS.

**Current Status**

Resolved.

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

---

**(CONTINUED)**

***STATUS OF PRIOR YEARS' REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL, CONTINUED  
2018***

**Reference Number**

OM 2017-003

**Criteria**

Management of JMSCS is responsible for the establishment of effective and efficient processes and procedures for all financial transactions or economic events to ensure the complete and accurate preparation of its financial statements pursuant to board policy.

**Condition**

The current purchase order numbering system does not provide for ease in accounting for completeness in all purchase orders executed.

**Cause**

Completeness in established purchase requisition order process.

**Effect or Potential Effect**

Potential for error and/or fraud within the current system.

**Recommendation**

Management should revisit with the current purchase order system with an aim to facilitate its complete accounting for all executed purchase orders.

**Current Status**

Resolved.

INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL

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(CONTINUED)

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JMSCS's response to the current and the status of prior year's other matters reported are described in this report under the caption "Management's Response and Planned Corrective Action" or "Current Status". We did not audit JMSCS's response and accordingly, we express no opinion on it.

This report is intended solely for the information of the Board of Directors, management of JMSCS, BESE, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor for the State of Louisiana as a public document.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

December 20, 2019

JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES

FOR THE YEAR ENDED JUNE 30, 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  
**James M. Singleton School, Sponsor Organization  
Dryades Young Men's Christian Association**

We have performed the procedures enumerated below, which were agreed to by **James M. Singleton School (JMSCS), Sponsor Organization Dryades Young Men's Christian Association** 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 June 30, 2019. **JMSCS'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 subsequent 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, related findings, and management's response to the SAUP are as follows:

**Written Policies and Procedure**

**1. Procedure**

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

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

**Finding**

JMSCS's written policies and procedures regarding budgeting do not specifically address budget monitoring. Based on review of the Board minutes, we noted that the Finance Committee and the Board of Directors review prepared monthly financial statements to include variances between revenues and expenses by program. Furthermore, the Finance Committee reviews budget to actual variance reports during its scheduled monthly meeting.

- 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**

JMSCS's purchasing policies and procedures do not specifically address how purchases are initiated, how vendors are added to the vendor list, and the preparation and approval process of purchase requisitions and purchase orders. JMSCS's current practice requires purchases to be initiated at the department level through various steps to a final step which requires the Chief Executive Officer's (CEO) approval. Also, new vendors are added to JMSCS's vendor list upon approval to perform and/or provide services by the CEO.

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

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

*Written Policies and Procedures, Continued*

**1. Procedure, Continued**

Finding

JMSCS's disbursement policies and procedures do not specifically address reviewing and approving disbursements. JMSCS's current practice requires review and approval by the CEO and a board member.

d) Receipts/collections, including receiving, recording, 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

JMSCS's payroll/personnel policies and procedures do not specifically address reviewing and approving leave and overtime worked. The current practice of JMSCS is for all employee timesheets to include sick and vacation time to be approved at a supervisory level prior to payroll processing.

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.

Finding

JMSCS's contracting policies and procedures do not specifically address the types of services requiring written contracts. It is our understanding that JMSCS's current practice requires that all ongoing services such as transportation, security, etc., require annual contracts within established dollar threshold. Other services are procured through use of the purchase order system.

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

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

**Written Policies and Procedures, Continued**

**1. Procedure, Continued**

Finding

No exceptions noted.

- h) 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

JMSCS is currently developing a disaster recovery and business continuity policy and procedures plan for Board action.

**Management's Response**

For subcategories 1a, b, c, e, f and h, management is currently reviewing existing policies in order to make recommendation(s), where necessary for board approval.

**Collections**

**2. Procedure**

We obtained a listing of JMSCS's deposit site for the year ended June 30, 2019 where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete.

Finding

No exceptions noted.

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

**Collections**

**3. Procedure**

From the listing provided by management, we selected JMSCS's only deposit site and:

For the deposit site selected, we obtained a listing of collection location(s) and management's representation that the listing is complete. We then selected the only collection location for JMSCS's deposit site. Further, we obtained and inspected written policies and procedures relating to employee job duties at 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**

JMSCS does not use cash drawers/registers.

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

**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 postings to each other and to the deposit.

**Finding**

No exceptions noted.

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

*Collections, Continued*

**3. Procedure, Continued**

- 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**

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.

**5. Procedure**

We randomly selected two (2) deposits dates for **JMSCS's** operating cash bank account. We obtained supporting documentation for the selected deposits and:

- a) Observed that receipts are sequentially pre-numbered.

Finding

No exceptions noted.

However, our review of cash receipts issued population, revealed that receipts are not used in a systematic and sequentially pre-numbered order.

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

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

**Collections, Continued**

**5. Procedure, Continued**

**Finding**

In two (2) instances, the deposit slip amount did not agree to the collection report.

Further, we noted an instance where a receipt was not issued for cash collection.

**Management's Response**

Management has implemented additional safe guards to ensure deposits are made in a timely manner. Management has implemented steps in the daily financial operations in which each day a log is completed to denote if any cash has been received and this must be approved by the supervisor or their designee daily to ensure all cash transactions are submitted to the bank institutions in accordance with Board approved policies and procedures. The supervisor or their designee must verify that the receipts are in numerical order and total the deposit slip prior to the funds being deposited.

c) 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 the one (1) business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

**Finding**

For the two (2) deposit dates selected, we noted in two (2) instances where cash collection was not timely deposited within **JMSCS's** three (3) day deposit window dictated by Board policy.

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

**Collections, Continued**

**5. Procedure, Continued**

**Management's Response**

Management has implemented additional safe guards to ensure deposits are made in a timely manner. Management has implemented steps in the daily financial operations in which each day a log is completed to denote if any cash has been received and this must be approved by the supervisor or their designee daily to ensure all cash transactions are submitted to the bank institutions in accordance with Board approved policies and procedures. The supervisor or their designee must verify the receipts are in numerical order and total the deposit slip prior to the funds being deposited.

e) Traced the actual deposit per the bank statement to the general ledger.

**Finding**

No exceptions noted.

**Payroll and Personnel**

**6. Procedure**

Obtained a listing of personnel employed during the year ended June 30, 2019, and management's representation that the listing is complete.

**Finding**

No exceptions noted.

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

**Payroll and Personnel, Continued**

**7. Procedure**

We randomly selected five (5) employees, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the respective personnel files.

**Finding**

No exceptions noted.

**8. Procedure**

We randomly selected one (1) pay period during the year ended June 30, 2019. For the five (5) employees selected under #7 above, we obtained attendance records and leave documentation for the pay period, and:

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

**Finding**

No exceptions noted.

- b) Observed that supervisors approved the attendance and leave of the selected employees.

**Finding**

No exceptions noted.

- c) Observed that any leave accrued or taken during the pay period is reflected in JMSCS's cumulative leave records

**Finding**

No exceptions noted.

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

*Payroll and Personnel, Continued*

**9. Procedure**

Obtained a listing of those employees that received termination payments during the year ended June 30, 2019 and management's representation that the list is complete.

Finding

No exceptions noted.

We randomly selected two (2) employees and obtained related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employees cumulative leave records, and agreed the pay rates to the employees authorized pay rates in the employee's personnel files.

Finding

No exceptions noted.

**10. Procedure**

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)

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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 control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

December 20, 2019

**JAMES M. SINGLETON CHARTER SCHOOL,  
SPONSOR ORGANIZATION  
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION**

**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING  
AGREED-UPON PROCEDURES  
ON PERFORMANCE AND STATISTICAL DATA**

**FOR THE YEAR ENDED JUNE 30, 2019**

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

To the Board of Directors  
**James M. Singleton Charter School,**  
**Sponsor Organization**  
**Dryades Young Men's Christian Association**  
New Orleans, Louisiana

We have performed the procedures enumerated below as required by State of Louisiana R.S. 24:514 and listed in the Louisiana Governmental Audit Guide.

The procedures were agreed to by management of **James M. Singleton Charter School (JMSCS), Sponsor Organization Dryades Young Men's Christian Association**, the Louisiana Department of Education, and the Legislative Auditor for the State of Louisiana, solely to assist users in evaluating management's assertions about the accompanying performance and statistical data and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin in compliance with Louisiana Revised Statute 24:514. **JMSCS's** management is responsible for the completeness of the performance and statistical data.

This agreed-upon engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable Standards of *Government Auditing Standards* issued by the Comptroller General of the United States of America. 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 AGREED-UPON PROCEDURES  
(CONTINUED)**

The procedures performed, our findings and management's response as applicable, related to the accompanying schedules (Schedules 1 and 2) are summarized as follows:

**General Fund Instructional and Support Expenditures  
(SCHEDULE 1)**

---

1. Procedure

We selected a random sample of twenty-five (25) transactions and reviewed supporting documentation to determine if the sampled expenditures are classified correctly and reported in the proper amounts for each of the following amounts reported on the Schedule:

- o Total General Fund Instructional Expenditures; and
- o Total General Fund Equipment Expenditures.

Finding

The results of the procedures performed on the selected instructional and support expenses, revealed that the twenty-five (25) sampled transactions were correctly classified and reported.

**Class Size Characteristics (SCHEDULE 2)**

2. Procedure

We obtained a list of classes by school, school type and class size as reported on the schedule. We then traced a random sample of ten (10) classes to the October 1, 2018 roll books for those classes and determined if the classes were properly classified on the schedule.

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

**Class Size Characteristics (SCHEDULE 2), Continued**

2. Procedure, Continued

Finding

In two (2) of the ten (10) teacher roll books reviewed from the ten (10) selected classes, we noted where the total roll book student count varied from the Class Size Characteristics by Site with LEA and State Summary reported total count.

Also, two (2) of the ten (10) teacher rollbooks referenced above lacked physical or electronic rollbooks to support student attendance reported on the Class Size Characteristics by Site with LEA and State Summary.

The total number of classes reported as 156 on the Lead Class Summary report varied from the 153 reported on the Class Size Characteristics by Site with LEA and State Summary report.

**Management's Response**

Management will continue to work closely with the data manager and staff to ensure all roll book information is being recorded properly. Management will implement quarterly roll book reviews with school administration, data manager and staff to ensure all errors are corrected in a timely manner. School administration and data manager will also work closely with the designated Louisiana Department of Education staff member to ensure accurate reporting of all class size characteristics in the LEAD Class Summary report issued from the State Agency.

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

*Education Levels/Experience of Public School Staff (No Schedule), Continued*

3. Procedure

We obtained the October 1, 2018 Profile of Education Personnel (PEP) data submitted to the Department of Education, including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing was complete. We then selected a sample of twenty-three (23) individuals (maximum teacher population on October 1, 2018), traced to each individual's personnel file, and observed that each individual's education level and experience were properly classified on the PEP data.

Finding

For five (5) of the total number of teachers of twenty-three (23) sampled, we noted variances between the years of experience as reported on the October 1, 2018, PEP report and the years of experience maintained in the respective teacher's file.

Also, two (2) of the referenced sample of teachers revealed expired educational certificates on file to support information reported on the October 1, 2018 PEP report. For one (1) of the teacher's, we noted an updated educational certificate but the June 30, 2019 PEP report was not updated to reflect such.

Further, in one (1) instance of the referenced sample of teachers, we noted a variance in the educational level as reported on the October 1, 2018 PEP report and the information maintained in the teacher's personnel file.

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

*Education Levels/Experience of Public School Staff (No Schedule), Continued*

3. Procedure, Continued

**Management's Response**

Management will increase the level of oversight regarding the October 1 and June 30, PEP submittal to ensure accuracy. Management, school administration and data manager will review all staff credentials and experience levels prior to October 1 deadline to ensure all staff experience and credentials are report accurately in the report prior to final submittal to the Louisiana Department of Education deadline.

*Public School Staff Data: Average Salaries (No Schedule)*

4. Procedure

We obtained the June 30, 2019 PEP data submitted to the Department of Education of all classroom teachers, including their base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data/listing was complete. We then selected a sample of twenty-five (25) individuals (using teacher population on June 30, 2019), traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data for the year ended June 30, 2019.

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

***Public School Staff Data: Average Salaries (No Schedule), Continued***

4. Procedure, Continued

Finding

For seventeen (17) of the twenty-three (23) teachers sampled, we noted variances between the total compensation as reported on the June 30, 2019 PEP report to the June 30, 2019 payroll report for JMSCS.

Further, for two (2) of the referenced sample of teachers, the respective compensation as reported on JMSCS's payroll register were not reflected on the June 30, 2019 PEP report.

**Management's Response**

Management will increase the level of all oversight regarding the end of year June 30, PEP submittal to ensure accuracy. Management, school administration and data manager, and the finance department will review the staff roster for the year to ensure all staff are properly reported on the end of year report and that all salary adjustments are completed for staff members who were no longer employed and who were hired after the start of the school year prior to final submittal to the Louisiana Department of Education deadline.

James M. Singleton Charter School  
 General Fund Instructional and Support Expenditures

For the Year Ended June 30, 2019

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$	782,339	
Other Instructional Staff Activities		567,012	
Employee Benefits		307,217	
Purchased Professional and Technical Serv		352,610	
Instructional Materials and Supplies		71,116	
Instructional Equipment		-	
Total Teacher and Student Interaction Activities	\$		2,080,294

Other Instructional Activities	1,139,095	1,139,095
--------------------------------	-----------	-----------

Pupil Support Activities

Less: Equipment for Pupil Support Activitie	-	
Net Pupil Support Activities		-

Instructional Staff Services

Less: Equipment for Instructional Staff Serv	-	
Net Instructional Staff Services		-

School Administration

Less: Equipment for School Administration	-	
Net School Administration		-

Total General Fund Instructional Expenditures

Total General Fund Equipment Expenditures	\$	3,219,389
-------------------------------------------	----	-----------

See accompanying independent accountants' report on applying agreed-upon procedures.

**Class Size Characteristics  
As of October 1, 2018**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	28%	31	57%	64	15%	17	0%	0
Elementary Activity Classes	32%	13	51%	21	15%	6	2%	1
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High								
High Activity Classes								
Combination								
Combination Activity Classes								

See accompanying independent accountants' report on applying agreed-upon procedures.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING 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. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

JMSCS's response to the findings in our agreed-upon procedures is described in this report under the caption "Management's Response". We did not perform any procedures on JMSCS's response and, accordingly, we express no opinion on it.

This report is intended solely for the use of management, Board of Directors, the Louisiana Department of Education, BESE, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditors as a public document.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

December 20, 2019