

**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, 2021

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT.....	1
STATEMENT OF FINANCIAL POSITION JUNE 30, 2021.....	4
STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021	5
STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2021	6
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2021	7
NOTES TO THE FINANCIAL STATEMENTS	8
SUPPLEMENTARY INFORMATION:	
Independent Auditors' Report on Supplementary Information	26
Schedule I - Schedule of Expenditures of Federal Awards for the Year ended June 30, 2021	28
Schedule II - Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer for the Year Ended June 30, 2021	29

TABLE OF CONTENTS, CONTINUED

	<u>PAGE</u>
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	30
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2021	
Section I - Summary of Auditors' Results	33
Section II - Financial Statement Findings and Responses	35
Section III - Federal Award Findings and Questioned Costs	39
Section IV - Status of Prior Year's Finding and Response	39
EXIT CONFERENCE	40

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, 2021, 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.

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.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

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

Auditors' Responsibility, Continued

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.

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, 2021, 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.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

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

Emphasis of a Matter

As further described in NOTE 27, the charter held by Dryades Young Men's Christian Association Sponsor Organization for the management of JMSCS has been terminated effective at the end of the 2021-2022 school year. The accompanying financial statements do not include any adjustments, if any, that might result from the outcome of the referenced termination. Our opinion is not modified with respect to that matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 31, 2022, 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

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

March 31, 2022

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021**

ASSETS

CURRENT ASSETS:

Cash (NOTE 2)	\$ 690,034
Investment (NOTE 20)	46,452
Grants receivable (NOTE 4)	229,785
Amounts due from sponsor organization (NOTE 28)	677,792
Prepaid items (NOTE 16)	<u>23,097</u>
Total current assets	<u>1,667,160</u>

NON-CURRENT ASSETS:

Property and equipment, net (NOTES 3 and 23)	<u>260,691</u>
Total non-current assets	<u>260,691</u>
Total assets	<u>\$1,927,851</u>

LIABILITIES

CURRENT LIABILITIES:

Amounts and other payables (NOTE 14)	\$ 491,378
Accrued expenses payable	83,353
Salaries and other payables (NOTE 8)	64,539
Capital lease payable - current portion (NOTES 3 and 23)	20,535
Reserve for unemployment and other benefits (NOTE 13)	<u>591,741</u>

Total current liabilities 1,251,546

Total liabilities 1,251,546

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

NET ASSETS

NET ASSETS:

Without donor restrictions	<u>676,305</u>
Total net assets	<u>676,305</u>
Total liabilities and net assets	<u>\$1,927,851</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 ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Without Donor Restrictions</u>
OPERATING ACTIVITIES:	
State of Louisiana (NOTE 25)	\$3,637,617
Contributions (NOTE 26)	112,927
In-kind (NOTE 18)	<u>21,621</u>
Total operating activities	<u>3,772,165</u>
Expenses:	
Program services	3,420,757
Supporting services	<u>299,095</u>
Total operating expenses	<u>3,719,852</u>
Change in net assets from operating activities	<u>52,313</u>
NON-OPERATING ACTIVITIES:	
Interest income	688
Other income	76,143
Band and student activity	15,545
Proceeds from insurance claim	<u>60,715</u>
Total non-operating activities	<u>153,091</u>
Change in net assets from non-operating activities	<u>153,091</u>
Change in net assets from operating and non-operating activities	<u>205,404</u>
Net assets, beginning of year	<u>470,901</u>
Net assets, end of year	<u>\$ 676,305</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, 2021**

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>
	<u>Instructional</u>	<u>Management and General</u>
Expenses:		
Salaries	\$1,839,111	\$122,566
Employee benefits	187,853	12,941
Payroll taxes	85,443	59,920
Professional fees and contract services	93,211	80,863
Supplies	903	5,613
Instructional material and supplies	267,022	-0-
Telephone	24,196	-0-
Postage and shipping	2,214	-0-
Professional development	27,016	-0-
Utilities	68,393	12,069
Rent	270,846	-0-
Security system and services	742	-0-
Repairs and maintenance	28,744	5,072
Technical maintenance and supplies	57,391	-0-
Insurance	61,852	-0-
Food cost	7,680	-0-
Printing	578	51
In-kind expense (NOTE 18)	21,621	-0-
Student activities	4,092	-0-
Depreciation and amortization	52,890	-0-
Transportation	192,080	-0-
Bank charges	4,696	-0-
Interest expense	2,762	-0-
Other expense	27,128	-0-
Administrative and management fees	92,179	-0-
Advertisement	<u>114</u>	<u>-0-</u>
Total	<u>\$3,420,757</u>	<u>\$299,095</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, 2021**

Cash Flow Provided by Operating Activities:

Change in net assets	\$ 205,404
Depreciation and amortization	52,890

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

Increase in grants receivable	(202,501)
Decrease in amounts receivable	4,754
Increase in amounts and other payables	35,312
Decrease in salaries, and other payables	(21,209)
Increase in prepaid items	(15,431)
Decrease in reserve for unemployment and other benefits	(6,488)
Decrease in amounts due from sponsor organization	462,989
Increase in accrued expenses payable	<u>83,353</u>

Net cash provided by operating activities	<u>599,073</u>
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Cash Flow Used by Investing Activities:

Proceeds from investment	427
Purchase of fixed assets	<u>(241,332)</u>

Net cash used by investing activities	<u>(240,905)</u>
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Cash Flow Used by Financing Activities:

Principal payments on note payable	(854)
Repayment on capital lease obligations	<u>(38,385)</u>

Cash used by financing activities	<u>(39,239)</u>
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Net increase in cash	318,929
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Cash, beginning of year	<u>371,105</u>
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Cash, end of year	\$ <u>690,034</u>
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Interest expense paid during the year ended June 30, 2021	\$ <u>2,762</u>
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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**

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 was previously renewed through 2023, was terminated by NOLA Public Schools at an October 6, 2021 board meeting. The accompanying financial statements do not include the impact, if any, of the terminated charter agreement effective for the 2021-2022 School year. See NOTE 27 for additional discussion

General

As of June 30, 2021, 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**

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**

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, 2021, 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.

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

NOTE 1 - Summary of Significant Accounting Policies, Continued:

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.

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:

- o 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.
- o For donor restrictions that are temporary in nature; those restrictions will be met by actions of JMSCS or by the passage of time.
- o Donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Further, contributions are accounted for under ASC 958-605 Not-for-Profit Entities-Revenue Recognition amended by ASU 2018-08.

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.

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.

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

NOTE 1 - Summary of Significant Accounting Policies, Continued:

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.

Budgetary Data

JMSCS formally adopts a budget. The budgetary data are submitted to the State of Louisiana and Orleans Parish School Board 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 financial statements level.

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

NOTE 1 - Summary of Significant Accounting Policies, Continued:

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, 2022. At June 30, 2021, JMSCS has implemented the referenced guidance on its financial statements.

NOTE 2 - Cash:

At June 30, 2021, cash consisted of demand and time deposits with a carrying and market value of \$690,034.

A detail of cash at June 30, 2021 is as follows:

<u>Description</u>	<u>Carrying Value</u>	<u>Market Value</u>
Cash in banks	\$690,002	\$690,002
Savings	<u>32</u>	<u>32</u>
Total	<u>\$690,034</u>	<u>\$690,034</u>

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

NOTE 2 - Cash, Continued:

At June 30, 2021 we were unable to independently obtain a third party confirmation of security pledged for cash held by JMSCS's banker in excess of the \$250,000 FDIC coverage amount. See audit finding reference number 2021-002 .

NOTE 3 - Property and Equipment, Net:

At June 30, 2021, property and equipment, net consisted of the following:

	Balance July 1, 2020	Additions	Balance June 30, 2021
Furniture and equipment	\$ 626,880	\$ 1,332	\$ 628,212
Property held under capital lease	85,254	-0-	85,254
Modular Building	<u>-0-</u>	<u>240,000</u>	<u>240,000</u>
Sub-total	712,134	241,332	953,466
Less: accumulated depreciation and amortization	<u>(639,885)</u>	<u>(52,890)</u>	<u>(692,775)</u>
Total	<u>\$ 72,249</u>	<u>\$188,442</u>	<u>\$ 260,691</u>

Accumulated depreciation and amortization includes cumulative amortization totaling \$45,036 at June 30, 2021.

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

NOTE 3 - Property and Equipment, Net, Continued:

The future minimum lease payments under the capital lease is \$20,535 and expires on October 10, 2022.

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, 2021, grants receivable of \$229,785 consisted of various amounts billed but not yet paid by the State of Louisiana, Department of Education.

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, 2019 are subject to examination.

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

NOTE 6 - Retirement Plan:

JMSCS had through the year ended June 30, 2021, 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, 2021. Pension costs are funded on a current basis. **JMSCS's** total pension costs for 2021 was \$46,748.

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, 2021 and March 28, 2022 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**. See NOTE 24 for additional discussion on litigation.

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.

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

NOTE 8 - Salaries and Other Payables:

At June 30, 2021, salaries and other payables consisted of the following:

Salaries and other withholding payable	\$55,874
Payroll taxes payable	6,636
Retirement payable	<u>2,029</u>
Total	<u>\$64,539</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.

NOTE 11 - Operating Leases:

JMSCS has a month to month operating lease for office and classroom space.

Rental expense for the year ended June 30, 2021 was \$270,846.

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

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, 2021, \$391,741 represents a reserve for such future costs. The remaining balance of \$200,000 represents a reserve for other employee benefits for a total of \$591,741.

NOTE 14 - Amounts and Other Payables:

At June 30, 2021, amounts and other payables consisted of the following:

Amounts payable - vendors	\$139,280
Amounts payable - City of New Orleans	<u>352,098</u>
Total	<u>\$491,378</u>

NOTE 15 - Per Diem to Board of Directors:

During the year ended June 30, 2021, no board member received per diem in his or her capacity as director.

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

NOTE 16 - Prepaid Items:

At June 30, 2021, prepaid items consisted of the following:

Security deposit	\$ 2,000
Prepaid insurance	<u>21,097</u>
	<u>\$23,097</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 March 31, 2022 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, 2021 was \$21,621 in donated food commodities.

NOTE 19 - Related Party:

JMSCS leases office space on a month to month basis with its sponsor organization. For the year ended June 30, 2021, total payments to the sponsor organization consisting of lease payments was \$270,846.

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

NOTE 20 - Investment:

At June 30, 2021, investment consisted of a certificate of deposit with a carrying and market value of \$46,452 earning interest of .5%.

Further, at June 30, 2021, the investment is collateralized to a loan originated by the Sponsor Organization Dryades Young Men's Christian Association on real estate property it owns.

NOTE 21 - COVID-19 Pandemic:

On January 30, 2020, the World Health Organization declared the Corona Virus "COVID-19" as a global health emergency. On March 13, 2020, the President of the United States of America declared a national emergency. At March 17, 2021 management of JMSCS continues to assess the impact of COVID-19 on its overall operations. On March 16, 2022 the various executive orders mandated by the Governor for the State of Louisiana and the Mayor for the City of New Orleans expired.

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	\$ 690,034
Investment	46,452
Grants receivable	<u>229,785</u>
	966,271
Less: current payable	<u>(659,805)</u>
Net financial assets available at June 30, 2021	<u>\$ 306,466</u>

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

NOTE 22 - Liquidity, Continued:

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, 2021, capital lease payable represent the balance due for one (1) lease expiring on October 10, 2022. 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>\$20,535</u>	<u>\$ -0-</u>	<u>\$ 20,535</u>

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

NOTE 24 - Litigation and Other Matters:

At June 30, 2021 and March 28, 2022, JMSCS is represented by counsel in various legal matters. Further the New Orleans Police Department during 2021 initiated an investigation into fraud allegations relating to third party employee background verifications. Also, the District Attorney for the Parish of New Orleans initiated an investigation into alleged interfund transactions. It is our understanding that Counsel as of June 30, 2021 and March 28, 2022 is unable to provide an assessment of the outcome of the referenced legal matters.

NOTE 25 - State of Louisiana:

A detail of pass-through program grants to JMSCS as subgrantee of the State of Louisiana for the year ended June 30, 2021 follows:

<u>Program</u>	<u>Amount</u>
Minimum Foundation grants	\$1,154,936
Local revenue	2,067,112
Title I Grants	195,126
Title II Grants	40,942
IDEA Part B	22,358
Education Stabilization Grant	<u>157,143</u>
	<u>\$3,637,617</u>

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

NOTE 26 - Contributions:

A detail of contributions for the year ended June 30, 2021 follows:

New Orleans Schools	\$ 20,000
Baptist Community Ministries	10,400
New Orleans College Preparatory	74,527
Other	<u>8,000</u>
	<u>\$112,927</u>

NOTE 27 - Termination of Charter Agreement:

At a board meeting on October 6, 2021, NOLA Public Schools terminated the Charter for JMSCS expiring in 2023 and held by its Sponsor Organization Dryades Young Men's Christian Association (DYMCA). The termination effective for the 2021-2022 school year is the principal condition giving rise to the inability for JMSCS to continue as a charter school. Also, the inability of JMSCS to continue as a charter school will include the termination of all employees and operating obligations. It is management's opinion that JMSCS will no longer exist as a charter school beyond the effective date and will undergo a "close-out" phase. JMSCS will remain a program of its Sponsor Organization the DYMCA. Further, it is management's opinion, that JMSCS will continue to meet its financial obligations and general expenses through its funding from NOLA Public Schools and other sources through the termination date.

NOTE 28 - Amounts Due From Sponsor Organization:

At June 30, 2021, the amounts due from the Sponsor Organization DYMCA is eliminated in the preparation of the consolidated financial statements for DYMCA.

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 (JMCS)**, **Sponsor Organization Dryades Young Men's Christian Association** as of and for the year ended June 30, 2021, and have issued our report dated March 31, 2022 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 page 28 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 Schedule II on page 29, 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 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

March 31, 2022

SCHEDULE I

**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, 2021**

<u>Program Grantor /Title</u>	<u>Assistance Listing Number</u>	<u>Expenditures</u>
<u>PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF EDUCATION</u>		
Pass-Through as Subgrantee of the State of Louisiana		
Department of Education:		
Title I - Grants to Local Educational Agencies	84.010A	\$195,126
Title II – Supporting Effective Instruction State Grants	84.367A	40,942
IDEA Part B – Special Education	84.027	22,358
ESSERF – Education Stabilization Grant	84.425D	<u>157,143</u>
Total U. S. Department of Education		<u>415,569</u>
<u>PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF AGRICULTURE</u>		
Pass-Through as Subgrantee of the State of Louisiana		
Department of Agriculture:		
National School Lunch Program	10.555	<u>21,621</u>
Total U.S. Department of Agriculture		<u>21,621</u>
Total all programs		<u>\$437,190</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.

NOTE: OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Grants (*Uniform Guidance*) established the Single audit threshold at \$750,000.

See Independent Auditors' Report on Supplementary Information.

SCHEDULE II

**JAMES M. SINGLETON CHARTER SCHOOL
SPONSOR ORGANIZATION
DRADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2021**

NAME: Ms. Erika Mann (July 1, 2020
through June 30, 2021)

Compensation	\$120,000
Social security taxes	7,440
Medicare taxes	1,740
Health insurance	<u>9,818</u>
	<u>\$ 138,998</u>

See Independent Auditors' Report on Supplementary Information.

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

To the Board of Directors
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, 2021, 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 March 31, 2022.

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. We did identify a certain deficiency in internal control over financial reporting described in the accompanying Summary Schedule of Findings and Responses as item 2021-001 that we consider to be a significant deficiency.

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.

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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*. See accompanying Summary Schedule of Findings and Responses for noncompliance finding described as item 2021-002.

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)

Response to Finding

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

Purpose of this Report

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

March 31, 2022

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021**

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

N/A - Not Applicable

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2021**

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 FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2021**

Section II - Financial Statement Findings and Responses

Reference Number

2021-001

Criteria

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

Condition

During the course of the audit, management proposed several audit adjustments to fairly state the financial statements as of and for the year ended June 30, 2021.

It is our understanding through discussion with management that a transition to a new fee accountant created challenges resulting in the referenced condition.

Context

Total revenues and expenses for the year ended June 30, 2021 were \$3,875,206 and \$3,719,852. Also, total assets, liabilities, and net assets were \$1,927,851, \$1,251,546, and \$676,305.

Effect or Potential Effect

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

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2021**

Section II - Financial Statement Findings and Responses, Continued

Reference Number, Continued

2021-001

Cause

Transition to a new fee accountant coupled with the absence of institutional knowledge.

Recommendation

Management should revisit with the level of oversight afforded in the financial reporting processes to ensure its completeness in executed transactions. Such level of oversight is critical specifically during transitions of key personnel.

Management's Response and Planned Corrective Action

Management has hired a new fee accountant and expects with the current capacity to resolve the referenced condition.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2021**

Section II - Financial Statement Findings and Responses, Continued

Reference Number

2021-002

Criteria

Pursuant to Revised Statute 49:321 public funds in excess of \$250,000 Federal Deposit Insurance Corporation (FDIC) coverage amount, must be collateralized by the financial institution in which the funds are deposited.

Condition

JMSCS at June 30, 2021 had a collected bank balance on deposit with a banker of \$511,122 of which \$261,122 was undercollateralized in excess of the current \$250,000 FDIC limit without the benefit of a collateral agreement.

Context

Total funding from the State of Louisiana was \$3,637,617 for the year ended June 30, 2021.

Effect

Uncollateralized deposits in excess of FDIC insurance coverage represents a credit risk/potential loss and noncompliance with requirements to collateralize all public funds on deposit in excess of \$250,000.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2021**

Section II - Financial Statement Findings and Responses, Continued

Reference Number, Continued

2021-002

Cause

Inability of JMSCS to secure with its banker, and provide evidence of adequate and continuous collateralization of its funds.

Recommendation

We recommend that management evaluate the risks associated with the continued under collateralization of JMSCS's of funds. The evaluation should be aimed at options available to resolve the continued uncollateralization.

Management's Response and Corrective Action Plan

Management will meet immediately with its banker to address the referenced condition.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2021**

Section III - Federal Award Findings and Questioned Costs

No federal award findings and questioned costs were reported for the year ended June 30, 2021.

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

No prior year findings and responses were reported for the year ended June 30, 2021.

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

EXIT CONFERENCE

JUNE 30, 2021

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**

Ms. Erika Mann	-- Head of School
Ms. Keyan LaFrance	-- Executive Administrator to the Head of School

**BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS**

Mr. Paul K. Andoh, Sr., CPA, MBA, CGFM, CGMA	-- Partner
Ms. Jamia Steptore	-- Staff Accountant

**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, 2021, 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 March 31, 2022. This letter does not affect our report dated March 31, 2022, on the financial statements of JMSCS.

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

***CURRENT YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
2021***

Reference Number
OM 2021-001

Criteria

Management of JMCS 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 cycle revealed three (3) instances of ten (10) check deposits tested, where funds were untimely deposited outside of the three (3) days requirement.

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 to ensure compliance with Board approved policy regarding the timely deposit of funds collected.

Management's Response and Planned Corrective Action

Management will enhance its oversight to ensure the timely deposits of all check collections in the future.

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

***CURRENT YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2021***

Reference Number

OM 2021-002

Criteria

Management is responsible for the establishment of effective and efficient processes and procedures for all financial transactions or economic events.

Condition

For a sample of twenty-five (25) JMSCS's personnel files tested for internal control attributes, we noted the following conditions:

- o In one (1) instance, we noted a variance in the recomputed gross payroll of \$9 per pay date (using the executed contract) versus amounts reflected on the payroll register and paid.
- o In two (2) instances, JMSCS's payroll service provider was unable to provide documented evidence for required tax and immigration forms (W-4, L-4, and I-9).

Cause

Lack of adequate oversight over the payroll processing.

Effect or Potential Effect

Potential for incorrect payments of payroll amounts.

Recommendation

Management should revisit with its oversight level involving its payroll processing.

Management's Response and Planned Corrective Action

Management will continue to provide the necessary oversight to the payroll service provider to ensure completeness and retention of all required documents

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

***PRIOR YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2021***

Reference Number
OM 2021-003

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

In all twenty-five (25) journal entries tested, we noted no documented evidence to support approval beyond the level of supervisor.

Also, for five (5) of the sampled population, management was unable to provide the necessary supporting documentation.

Further in an instance, we noted where the supporting documentation provided to support a recorded journal entry, revealed a variance of \$675.

Cause

Inadequate oversight over monthly processing of financial statements and events.

Effect or Potential Effect

Potential for misappropriation of assets.

Recommendation

Management should implement a procedure requiring supervisory review and documented approval of all journal entries prior to posting.

Management's Response and Planned Corrective Action

Management has hired a new fee accountant and will ensure compliance with the referenced procedure.

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

***CURRENT YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2021***

Reference Number

OM 2021-004

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 expense cycle revealed the following conditions:

- o In four (4) instances of forty (40) transactions tested, management was unable to locate the associated supporting documentation.
- o In two (2) instances, we noted where JMSCS's banker processed checks requiring two authorized signatures with only one.

Cause

The level of oversight afforded to staff.

Effect or Potential Effect

Noncompliance with established board policy.

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

***CURRENT YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2021***

Reference Number, Continued
OM 2021-004

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 complete. Further, all check payments should be reviewed for the required dual signatures prior to payment.

Management's Response and Planned Correction Action

Management will enhance oversight over authorized dual check signing requirements in compliance with Board policy.

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

***PRIOR YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2020***

Reference Number

OM 2020-001

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 cycle revealed the following conditions:

- o In five (5) of ten (10) instances, we were unable to review evidence to support date of receipt to facilitate our test of the timely deposit of funds.
- o In five (5) instances of ten (10) deposits tested, we were unable to trace to a prepared receipt and subsequent recordation in the cash receipts register.
- o Further, for the referenced deposits, we were unable to review the associated validated deposit slips.

Cause

The level of oversight afforded to staff.

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

***PRIOR YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2020***

Reference Number, Continued

OM 2020-001

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.

Current Status

Partially resolved. See current year's other matters report reference number OM 2021-001.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
(CONTINUED)
PRIOR YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2020**

Reference Number
OM 2020-002

Criteria

Management is responsible for the establishment of effective and efficient processes and procedures for all financial transactions or economic events.

Condition

For a sample of twenty-five (25) JMSCS's personnel files tested for internal control attributes, we noted the following conditions:

- o In two (2) instances, we noted a variance in the payroll using the executed contract amount versus amount reflected on the payroll register and paid.
- o In six (6) instances, JMSCS was unable to provide documented evidence to support supervisory review and approval of employee payroll disbursement.
- o In one (1) instance, JMSCS was unable to locate an employee's time card to support payroll disbursement.
- o In another instance, JMSCS was unable to locate employee's approved leave request to support payroll disbursement.

Cause

Lack of adequate oversight over the payroll processing.

Effect or Potential Effect

Potential for incorrect payments of payroll amounts.

Recommendation

Management should revisit with its oversight level involving its payroll processes.

Current Status

Partially resolved. See current year's other matters report reference number OM 2021-002.

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

***PRIOR YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2020***

Reference Number

OM 2020-003

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

In all seven (7) journal entries tested, we noted no documented evidence to support approval beyond the level of supervisor.

Cause

Inadequate oversight over monthly processing of financial statements and events.

Effect or Potential Effect

Potential for misappropriation of assets.

Recommendation

Management should implement a procedure requiring supervisory approval of all journal entries prior to posting.

Current Status

Unresolved. See current year's other matters report reference number OM 2021-003.

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

***PRIOR YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2020***

Reference Number

OM 2020-004

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 expense cycle revealed the following conditions:

- o In five (5) instances of twenty-five (25) transactions tested, the supporting invoices were not stamped "paid" or cancelled to prevent further use.
- o Further in one (1) instance, we noted no documented evidence to support the mathematical verification of the related invoice.

Cause

The level of oversight afforded to staff.

Effect or Potential Effect

Noncompliance with established board policy.

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

***PRIOR YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2020***

Reference Number, Continued
OM 2020-004

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.

Current Status

Partially resolved.

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

***CURRENT YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2020***

Reference Number

OM 2020-005

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.

Current Status

Resolved.

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

***PRIOR YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2020***

Reference Number

OM 2020-006

Criteria

Management is responsible for the establishment of effective and efficient processes and procedures for all financial transactions or economic events to include the designation of all authorized individuals for contracts, bank accounts, etc.

Condition

A third party confirmation from Dryades YMCA sponsor organization for JMSCS's financial institution listing authorized check signers, included that of a former employee and board member.

It is our understanding through discussion with management that the bank account has been closed.

Cause

Oversight resulting from a practice of periodic review for completeness.

Effect or Potential Effect

Potential for misappropriation of funds.

Recommendation

Management should periodically (annually and/or upon separation) verify the completeness of its authorized check signers.

Current Status

Resolved.

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

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

March 31, 2022

**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, 2021

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES	1
 SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA):	
Schedule 1 - General Fund Instructional and Support Expenditures For the Year Ended June 30, 2021	8
Schedule 2 - Class Size Characteristics As of October 2, 2020	9

**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 procedure 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 2, 2020 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

The results of our procedure performed on class characteristics revealed a variance on the number of classes listed on the LEA State Summary report of 169 classes versus 170 as listed on the SISR 21 report. Further, we noted a misclassification of two (2) class activity as regular activity.

Management's Response

Management will enhance its reporting oversight to ensure completeness in submitted external reports.

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

2. Procedure

We obtained the October 2, 2020 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-two (22) individuals (maximum teacher population on October 2, 2020), 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

The results of the procedure performed on education levels and experience revealed variances for twenty-two (22) teachers compensation as reported on the PEP report dated June 30, 2021 to the payroll register reported compensation for the year ended June 30, 2021.

**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

The variances were due to the failure of JMSCS to update the PEP report from the October 2, 2020 submission to the June 30, 2021 reporting. Management has instituted revised procedures to address the referenced finding.

Public School Staff Data: Average Salaries (No Schedule)

4. Procedure

We obtained the June 30, 2021 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-two (22) individuals (using the maximum teacher population on June 30, 2021), 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, 2021.

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

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

4. Procedure, Continued

Finding

Based on the results of our procedure performed on the sampled teachers, we noted variances between the data as reported in the PEP report in comparison to individual personnel file as follows:

- In one (1) instance, we noted no documents on file to support the level of education and experience;
- In three (3) instances, the education level as reported on the PEP report did not agree to the data in the individual's personnel file
- For twelve (12) teachers, we noted variances between the years of experience as reported in the PEP report data versus the respective individual personnel files.

Management's Response

Management will review all personnel files to ensure completeness and alignment in future reporting.

**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

March 31, 2022

**SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)**

SCHEDULE I

JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2021

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom teacher salaries	\$ 924,608
Other instructional staff activities	208,058
Employee benefits	264,520
Purchased professional and technical supplies	-0-
Instructional materials and supplies	<u>45,739</u>

Total teacher and student interaction activities 1,442,925

Other instructional activities -0-

Pupil Support Activities:

Less: Equipment for pupils support act 78,117

Net pupil support activities 78,117

Instructional Staff Services:

Less: Equipment for Instructional Staff Services -0-

Net Instructional Staff Services -0-

School Administration:

Less: Equipment for School Administration 382,427

Net School Administration 382,427

Total General Fund Instructional Expenditures \$1,903,469

Total General Fund Equipment Expenditures \$ -0-

See Accompanying Independent Accountants' Report on Applying Agreed-Upon Procedures.

James M. Singleton Charter School
 Class Size Characteristics
 As of October 2, 2020

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	75.0%	111	10.8%	16	14.2%	21		
Elementary Activity Classes	71.4%	15	19.0%	4	9.6%	2		
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.