

Financial Report

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

December 31, 2022



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of Greater New Orleans, Louisiana*

December 31, 2022

TABLE OF CONTENTS

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

December 31, 2022 and 2021

	<u>Page Numbers</u>
Financial Section	
Independent Auditor's Report	1 - 3
Exhibits	
A - Statement of Financial Position	4
B - Statement of Activities	5
C - Statement of Functional Expenses	6 - 7
D - Statement of Cash Flows	8 - 9
E - Notes to Financial Statements	10 - 32
Supplementary Information	
Schedules	
1 - Schedule of Compensation, Benefits, and Other Payments To Agency Head or Chief Executive Officer	33
Special Reports of Certified Public Accountants	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	34 - 35
Schedule of Findings and Responses	36 - 37
Reports by Management	
Schedule of Prior Year Findings and Responses	38
Management's Corrective Action Plan	39
Statewide Agreed-Upon Procedures	
Independent Accountant's Report on Applying Agreed-Upon Procedures	40 - 41
2 - Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures	42 - 57

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of The Young Men's Christian Association of Greater New Orleans, Louisiana (the YMCA) (a non-profit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Young Men's Christian Association of Greater New Orleans, Louisiana as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Young Men's Christian Association of Greater New Orleans, Louisiana and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the YMCA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the YMCA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the YMCA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the YMCA's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 22, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2023, on our consideration of the YMCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the YMCA's internal control over financial reporting and compliance.



Certified Public Accountants.

New Orleans, Louisiana,
April 27, 2023.

STATEMENT OF FINANCIAL POSITION**The Young Men's Christian Association
of Greater New Orleans, Louisiana**

Metairie, Louisiana

December 31, 2022
(with comparative totals for 2021)**ASSETS**

	<u>2022</u>	<u>2021 (As Restated)</u>
Cash and cash equivalents	\$ 2,388,431	\$ 2,470,188
Unconditional promises to give	27,680	32,498
Grants receivable	75,269	73,056
Other receivables	40,613	32,429
Employee Retention Credit receivable	1,056,794	1,336,529
Prepaid expenses	293,571	148,555
Investments	613,271	637,813
Operating lease right-of-use asset, net	109,979	141,475
Finance lease right-of-use asset, net	60,507	121,015
Property and equipment, net	10,323,206	10,706,077
Total assets	<u>\$14,989,321</u>	<u>\$15,699,635</u>

LIABILITIES

Accounts payable and accrued expenses	\$ 276,592	\$ 261,128
Deferred revenue	35,000	35,000
Operating lease liability	109,979	141,475
Finance lease liability	60,992	124,288
Note payable, net	1,416,039	1,443,735
Total liabilities	<u>1,898,602</u>	<u>2,005,626</u>

NET ASSETS

Without donor restrictions:		
Undesignated	1,512,154	1,621,545
Invested in property and equipment and right-of-use assets	10,493,692	10,968,567
Total without donor restrictions	12,005,846	12,590,112
With donor restrictions	1,084,873	1,103,897
Total net assets	<u>13,090,719</u>	<u>13,694,009</u>
Total liabilities and net assets	<u>\$14,989,321</u>	<u>\$15,699,635</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES

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

For the year ended December 31, 2022
(with comparative totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Totals	2021 Totals
Revenues and Public Support				
Membership dues	\$ 2,177,681	\$ -	\$ 2,177,681	\$ 1,848,149
Program fees	1,315,828	-	1,315,828	1,117,044
Government grants and contracts	660,147	-	660,147	570,446
Foundation and private grants	418,571	291,575	710,146	1,019,256
Federated campaigns	34,077	25,000	59,077	66,793
Contributions of cash and other financial assets	219,671	55,004	274,675	269,151
Contributions of nonfinancial assets	58,696	-	58,696	28,909
Special events, net of direct benefit to costs (\$68,316 for 2022 and \$36,469 for 2021)	122,035	-	122,035	94,717
Interest income	30,072	-	30,072	5,161
Investment income (loss)	(66,978)	-	(66,978)	76,714
Loss on disposal of assets	(2,449)	-	(2,449)	(1,992)
Sales of supplies and services	55,990	-	55,990	57,073
Employee Retention Credit	-	-	-	1,436,367
Miscellaneous	87,988	-	87,988	715,039
	<u>5,111,329</u>	<u>371,579</u>	<u>5,482,908</u>	<u>7,302,827</u>
Total revenues and public support before net assets released from restrictions				
Net assets released from restrictions	390,603	(390,603)	-	-
Total revenues and public support	<u>5,501,932</u>	<u>(19,024)</u>	<u>5,482,908</u>	<u>7,302,827</u>
Expenses				
Program services	5,163,995	-	5,163,995	4,652,289
General and administrative	859,988	-	859,988	821,848
Fundraising	62,215	-	62,215	35,104
Total expenses	<u>6,086,198</u>	<u>-</u>	<u>6,086,198</u>	<u>5,509,241</u>
Changes in Net Assets	(584,266)	(19,024)	(603,290)	1,793,586
Net Assets				
Beginning of year	<u>12,590,112</u>	<u>1,103,897</u>	<u>13,694,009</u>	<u>11,900,423</u>
End of year	<u>\$12,005,846</u>	<u>\$1,084,873</u>	<u>\$13,090,719</u>	<u>\$13,694,009</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

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

For the year ended December 31, 2022
(with comparative totals for 2021)

	<u>Program Services</u>			
	<u>Youth Development</u>	<u>Healthy Living</u>	<u>Social Responsibility</u>	<u>Total Program Services</u>
Personnel costs				
Salaries and wages	\$ 864,490	\$ 1,398,615	\$ 357,896	\$ 2,621,001
Employee benefits	79,835	125,881	79,072	284,788
Payroll taxes	64,980	110,626	26,127	201,733
Total personnel costs	<u>1,009,305</u>	<u>1,635,122</u>	<u>463,095</u>	<u>3,107,522</u>
Non-personnel costs				
Amortization	24,165	27,121	9,180	60,466
Conference and meetings	21,199	11,156	2,825	35,180
Contract services	64,174	32,710	24,997	121,881
Depreciation	228,287	256,215	86,732	571,234
Equipment - maintenance	22,702	39,055	4,983	66,740
Interest and finance service fees	19,677	91,090	7,383	118,150
Insurance	50,444	49,139	23,075	122,658
Marketing	421	6,075	1,484	7,980
Membership dues	28,588	31,269	14,622	74,479
Miscellaneous	62	69	23	154
Occupancy	208,773	257,159	80,649	546,581
Postage	122	592	36	750
Special fundraising events expenses	-	-	-	-
Supplies	187,251	61,547	22,521	271,319
Telephone	8,622	9,543	3,181	21,346
Travel	22,322	6,405	8,828	37,555
Total non-personnel costs	<u>886,809</u>	<u>879,145</u>	<u>290,519</u>	<u>2,056,473</u>
	1,896,114	2,514,267	753,614	5,163,995
Less allocated to direct benefit to donor costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u><u>\$ 1,896,114</u></u>	<u><u>\$ 2,514,267</u></u>	<u><u>\$ 753,614</u></u>	<u><u>\$ 5,163,995</u></u>

See notes to financial statements.

Support Services				
Management and General	Fundraising	Total Support Services	2022 Totals	2021 Totals (As Restated)
\$ 448,203	\$ -	\$ 448,203	\$ 3,069,204	\$ 2,680,177
88,276	-	88,276	373,064	314,355
32,835	-	32,835	234,568	212,283
<u>569,314</u>	<u>-</u>	<u>569,314</u>	<u>3,676,836</u>	<u>3,206,815</u>
3,886	-	3,886	64,352	64,435
11,431	-	11,431	46,611	44,986
116,978	4,731	121,709	243,590	232,464
385	-	385	571,619	624,920
4,656	-	4,656	71,396	66,027
11,325	-	11,325	129,475	127,249
17,268	-	17,268	139,926	135,192
3,237	21,703	24,940	32,920	28,584
7,990	-	7,990	82,469	79,260
3,606	-	3,606	3,760	6,311
71,057	-	71,057	617,638	604,158
1,824	-	1,824	2,574	3,037
-	68,316	68,316	68,316	36,469
11,018	35,781	46,799	318,118	228,020
6,745	-	6,745	28,091	36,337
19,268	-	19,268	56,823	21,446
<u>290,674</u>	<u>130,531</u>	<u>421,205</u>	<u>2,477,678</u>	<u>2,338,895</u>
859,988	130,531	990,519	6,154,514	5,545,710
-	(68,316)	(68,316)	(68,316)	(36,469)
<u>\$ 859,988</u>	<u>\$ 62,215</u>	<u>\$ 922,203</u>	<u>\$ 6,086,198</u>	<u>\$ 5,509,241</u>

STATEMENT OF CASH FLOWS

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

For the year ended December 31, 2022
(with comparative totals for 2021)

	2022	2021
Cash Flows From Operating Activities		
Changes in net assets	\$ (603,290)	\$ 1,793,586
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Amortization	64,352	64,435
Depreciation	571,619	624,920
Loss on disposal of assets	2,449	1,992
Realized (gain) loss on investments	3,748	(38,059)
Unrealized (gain) loss on investments	77,028	(25,999)
Paycheck Protection Program loan forgiveness	-	(673,780)
(Increase) decrease in operating assets:		
Unconditional promises to give	4,818	7,469
Grants receivable	(2,213)	(21,786)
Other receivables	(8,184)	(8,363)
Employee Retention Credit receivable	279,735	(1,336,529)
Prepaid expenses	(145,016)	(11,038)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	1,032	(65,880)
Deferred revenue	-	(16,667)
Deferred loan refunds (costs)	6,150	(42,851)
	252,228	251,450
Net cash provided by operating activities		
Cash Flows From Investing Activities		
Purchases of investments	(610,495)	(311,426)
Proceeds from sales of investments	554,261	317,025
Purchases of property and equipment	(176,765)	(104,563)
	(232,999)	(98,964)
Net cash used in investing activities		

**Exhibit D
(Continued)**

	<u>2022</u>	<u>2021</u>
Cash Flows From Financing Activities		
Repayment of finance lease liability	(63,296)	(64,359)
Proceeds from (repayment of) notes payable	(37,690)	6,115
Proceeds from Paycheck Protection Program loan	-	673,780
	<u> </u>	<u> </u>
Net cash provided by (used in) financing activities	<u>(100,986)</u>	<u>615,536</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(81,757)	768,022
Cash and Cash Equivalents		
Beginning of year	<u>2,470,188</u>	<u>1,702,166</u>
End of year	<u><u>\$ 2,388,431</u></u>	<u><u>\$ 2,470,188</u></u>
Supplemental Disclosure of Noncash Investing and Financing Activities		
Property and equipment purchases included in accounts payable	<u><u>\$ 14,432</u></u>	<u><u>\$ -</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**The Young Men's Christian Association
of Greater New Orleans, Louisiana
Metairie, Louisiana**

December 31, 2022 and 2021

Note 1 - NATURE OF OPERATIONS**a. Description of Organization**

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

b. Program Activities

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

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

Note 1 - NATURE OF OPERATIONS (Continued)

b. Program Activities (Continued)

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

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

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization and Income Taxes

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

The Financial Accounting Standards Board (FASB) guidance requires tax effects from uncertain tax positions to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. As of December 31, 2022, management has determined that there are no material uncertain positions that require recognition in the financial statements. Additionally, no provision for income taxes is reflected in these financial statements. Interest and penalties would be recognized as tax expense; however, there is no interest and penalties recognized in the Statements of Activities. The tax years after December 31, 2019 are still open to audit for both federal and state purposes.

b. Basis of Accounting

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

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Basis of Presentation

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

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

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

d. Operating Activities

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

e. Use of Estimates

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

f. Cash and Cash Equivalents

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

g. Promises to Give

Contributions are recognized when the donor makes a promise to give to the YMCA that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. All promises to give are recognized as assets, net of an allowance for uncollectible amounts. The YMCA provides for estimated uncollectible promises to give based on prior years' experience and management's analysis of specific promises made. As of December 31, 2022 and 2021, management determined an allowance was not necessary.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Grants Receivables

Grants receivables are stated at the amount management expects to collect from outstanding balances. Management monitors outstanding balances and provides for uncollectible amounts on a specific account basis. Management believes all outstanding balances as of December 31, 2022 and 2021 are fully collectible.

i. Investments

Investments are reported at fair value or estimated fair value.

j. Right-of-Use Assets and Lease Liabilities

Right of use (ROU) assets represent the YMCA's right to use the underlying assets for the lease term and lease liabilities represent the net present value of the YMCA's obligation to make payments arising from these leases. The lease liabilities are based on the present value of fixed lease payments over the lease term using the YMCA's incremental borrowing rate on the lease commencement date. If the lease includes one or more options to extend the term of the lease, the renewal option is considered in the lease term if it is reasonably certain the YMCA will exercise the options. Operating lease expense is recognized on a straight-line basis over the term of the lease. Finance lease expense is recognized as amortization of the right to use asset and interest expense. As permitted by Accounting Standards Codification (ASC) 842, leases with an initial term of twelve months or less ("short-term leases") are not recorded on the accompanying statements of financial position.

k. Property and Equipment

Property and equipment consist of land, buildings, office furniture and equipment, and leasehold improvements, and is stated at cost or, if contributed, at fair market value at date of donation, net of accumulated depreciation. Contributions of property and equipment are recorded at estimated fair value. Repairs and maintenance are charged to expense as incurred; major renewals and betterments are capitalized. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the related assets. Buildings and building improvements are depreciated over 5 to 40 years, other depreciable property, and equipment from 2 to 10 years. Only major replacements and improvements with a cost in excess of \$1,000 are capitalized and included in property and equipment.

l. Deferred Revenue

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

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Contributions

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

n. Contributed Nonfinancial Assets

Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at the date of donation. The YMCA reports the donations in the net assets without donor restrictions category, unless explicit donor stipulations specify how the donated assets must be used.

The YMCA recognizes contributions of services received if such services: (a) create or enhance nonfinancial assets, (b) require specialized skills, (c) are provided by individuals possessing those skills, and (d) would typically need to be purchased if not contributed (see Note 15).

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

o. Government Grants and Contracts

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

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

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Government Grants and Contracts (Continued)

Government grants and contracts receivable are recorded in receivables. All other contributions are recorded in promises to give. The allowance for doubtful accounts is determined by the age of the balance, historical collection rates, and specific identification of uncollectible accounts. Uncollectible receivables are charged to the allowance. An expense is recorded at the time the allowance is adjusted. Government grants receivables totaled \$27,769 and \$28,056 as of December 31, 2022 and 2021, respectively, which are included in grants receivable on the Statements of Financial Position.

During 2019, the YMCA signed a cooperative endeavor agreement in the amount of \$700,000 with the State of Louisiana. As of December 31, 2022, this is an unexpended grant that has not been recognized pending fulfillment of conditions associated with the award.

On December 8, 2020, the YMCA signed a cooperative endeavor agreement in the amount of \$200,000 with the Plaquemines Parish Government for the period January 1, 2021 through December 31, 2021. As of December 31, 2021, this grant has been fully expended and recognized as 2021 revenue and expense on the Statement of Activities.

On January 1, 2022, the YMCA signed a cooperative endeavor agreement in the amount of \$200,000 with the Plaquemines Parish Government for the period January 1, 2022 through December 31, 2022. This grant has been fully expended and recognized as 2022 revenue and expense on the Statement of Activities.

On January 31, 2023, the YMCA signed a cooperative endeavor agreement in the amount of \$200,000 with the Plaquemines Parish Government for the period January 1, 2023 through December 31, 2023. This grant will be expended and recognized as revenue and expense on the Statement of Activities once the YMCA meets the conditions associated with the award.

p. Revenue Recognition

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

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Revenue Recognition (Continued)

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

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

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

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

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

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Revenue Recognition (Continued)

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

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

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

q. Functional Allocation of Expenses

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

r. Unamortized Deferred Finance Costs

Financing costs related to the loan are being amortized over the estimated life of the obligation. Financing and loan acquisition costs totaled \$36,701 and \$42,851 as of December 31, 2022 and 2021, respectively. Accumulated amortization totaled \$7,772 and \$3,928 as of December 31, 2022 and 2021, respectively (see Note 10).

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

s. Impairment of Long-Lived Assets

The carrying value of the YMCA's long-lived assets is reviewed to determine if facts or circumstances suggest that the assets may be impaired or that the remaining useful, depreciable life may need to be changed. The YMCA considers internal and external factors related to each asset, including future asset utilization and business climate. If these factors and the projected undiscounted cash flows of the asset over the remaining life indicate that the asset will not be recoverable, the carrying value will be adjusted down to the estimated fair value, if less than book value. As of December 31, 2022 and 2021, there are no impaired long-lived assets.

t. Recently Issued Accounting Standards

Leases

In February 2016, the FASB issued ASU No. 2016-02, "*Leases*". ASU No. 2016-02 requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the Statement of Financial Position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in the existing accounting guidance. As a result, the effect of leases in the Statement of Activities and the Statement of Cash Flows will be substantially unchanged from the existing lease accounting guidance. The ASU No. 2016-02 is effective for fiscal years beginning after December 31, 2021. The ASU was adopted during the year ended December 31, 2022, and retrospectively applied.

The key change upon adoption of the standard was the recognition of operating leases on the Statement of Financial Position, given that the recognition of lease expense on the Statement of Activities is similar to the YMCA's historical accounting. There was no cumulative effect adjustment to net assets as of January 1, 2021. The YMCA elected the practical expedients permitted under the transition guidance within the new standard, which, among other things, allowed the YMCA to carry forward the historical lease classification. Leases with original terms of one year or less were excluded.

The adoption of ASC 842 resulted in the recognition of an operating right-of-use asset of \$109,979 and \$141,475 for the years ended December 31, 2022 and 2021, respectively and an operating lease liability of \$109,979 and \$141,475 for the years ended December 31, 2022 and 2021, respectively.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

t. Recently Issued Accounting Standards (Continued)

Leases (Continued)

The impact of adopting the new guidance on the 2021 Statement of Financial Position is as follows:

	Amounts That Were Reported Under Former Guidance	Effects of Applying New Guidance	Amounts That Will Be Reported Under New Guidance
Assets			
Operating lease right-of-use asset, net	\$ -	\$ 141,475	\$ 141,475
Finance lease right-of-use asset, net	\$ -	\$ 121,015	\$ 121,015
Property and equipment, net	\$ 10,827,092	\$ (121,015)	\$ 10,706,077
Liabilities			
Operating lease liability	\$ -	\$ 141,475	\$ 141,475
Finance lease liability	\$ -	\$ 124,288	\$ 124,288
Capital lease obligations	\$ 124,288	\$ (124,288)	\$ -

In November 2021, the FASB issued ASU No. 2021-09, “*Lease Discount Rate for Leases That Are Not Public Business Entities*” (Topic 842) “*Discount Rate for Lessees That Are Not Public Business Entities*” (ASU No. 2021-09). This ASU currently provides lessees that are not public business entities with a practical expedient that allows them to elect, as an accounting policy, to use a risk-free rate as the discount rate for all leases. The amendments in this update allow those lessees to make the risk-free rate election by class of underlying asset, rather than at the entity-wide level. An entity that makes the risk-free rate election is required to disclose which asset classes it has elected to apply a risk-free rate. The amendments require that when the rate implicit in the lease is readily determinable for any individual lease, the lessee use that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of whether it has made the risk-free rate election. The ASU was adopted during the year ended December 31, 2022, and retrospectively applied.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

t. Recently Issued Accounting Standards (Continued)

Contributed Non-Financial Assets

In September 2020, the FASB issued ASU No. 2020-07, “*Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*” Topic (958). The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. The ASU was adopted during the year ended December 31, 2022 and retrospectively applied.

u. Reclassification

Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 financial statement presentation.

v. Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to December 31, 2022, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended December 31, 2022. Management has performed their analysis through April 27, 2023, the date the financial statements were available to be issued.

Note 3 - CONCENTRATION OF CREDIT RISK

The YMCA maintains cash balances at several local financial institutions where they are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. As of December 31, 2022, the YMCA had approximately \$1,793,000 of cash deposits in excess of the insured limits.

Note 4 - UNCONDITIONAL PROMISES TO GIVE

Promises of donors to make contributions to the YMCA are included in the financial statements as unconditional promises to give. Unconditional promises to give as of December 31, 2022 and 2021 totaled \$27,680 and \$32,498, respectively, substantially all of which are due within one year.

Note 5 - EMPLOYEE RETENTION CREDIT RECEIVABLE

During the year ended December 31, 2021, the YMCA applied for payments under the Employee Retention Credit (ERC). The ERC is a refundable credit against certain payroll taxes allowed to an eligible employer for qualifying wages that was established by the Coronavirus Aid, Relief and Economic Security (CARES) Act and further amended by the Consolidated Appropriations Act (CAA) and the American Rescue Plan (ARP). The YMCA met the ERC's eligibility requirements and considered the payments as a government grant. Accordingly, the YMCA recorded the expected payments of \$1,436,367 as its own line item on the Statement of Changes in Net Assets and as a receivable on the Statement of Financial Position for the year ended December 31, 2021. The YMCA received payments of \$279,735 and \$99,838 during the year ended December 31, 2022 and 2021, respectively.

As of December 31, 2021, the YMCA recorded in its financial statements \$1,436,367 due from filing Forms 941-X, "*Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund*", in order to receive amounts to which it believes it is entitled under the ERC, which is a refundable credit against certain payroll taxes allowed to an eligible employer for qualifying wages, that was established by the CARES Act and further amended by the CAA and the ARP. Laws and regulations concerning government programs, including the Employee Retention Credit, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the YMCA's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the YMCA.

Note 6 - INVESTMENTS

Investments as of December 31, 2022 and 2021 are comprised of the following:

		2022	
	Cost	Fair Market Value	Excess of Market Over Cost (Cost Over Market)
Equity securities	\$ 177,946	\$ 188,472	\$ 10,526
Mutual funds	428,489	424,799	(3,690)
Totals	\$ 606,435	\$ 613,271	\$ 6,836

Note 6 - INVESTMENTS (Continued)

		2021	
	<u>Cost</u>	<u>Fair Market Value</u>	<u>Excess of Market Over Cost</u>
Equity securities	\$ 148,197	\$ 168,782	\$ 20,585
Mutual funds	405,752	469,031	63,279
Totals	<u>\$ 553,949</u>	<u>\$ 637,813</u>	<u>\$ 83,864</u>
	<u>Cost</u>	<u>Market</u>	<u>Excess of Market Over Cost</u>
Balances as of December 31, 2022	<u>\$ 606,435</u>	<u>\$ 613,271</u>	\$ 6,836
Balances as of December 31, 2021	<u>\$ 553,949</u>	<u>\$ 637,813</u>	83,864
Unrealized depreciation			(77,028)
Net realized loss			(3,748)
Interest and dividend income			20,140
Less: management fees			<u>(6,342)</u>
Net investment loss - 2022			<u>\$ (66,978)</u>
	<u>Cost</u>	<u>Market</u>	<u>Excess of Market Over Cost</u>
Balances as of December 31, 2021	<u>\$ 553,949</u>	<u>\$ 637,813</u>	\$ 83,864
Balances as of December 31, 2020	<u>\$ 521,489</u>	<u>\$ 579,354</u>	57,865
Unrealized appreciation			25,999
Net realized gain			38,059
Interest and dividend income			19,105
Less: management fees			<u>(6,449)</u>
Net investment income - 2021			<u>\$ 76,714</u>

Note 7 - FAIR VALUE MEASUREMENTS

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

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

Note 7 - FAIR VALUE MEASUREMENTS (Continued)

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

Assets measured at fair value on a recurring basis as of December 31, 2022 and 2021 are comprised of and determined as follows:

Description	Total Assets Measured at Fair Value	2022		
		Based on		
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Equity securities	\$ 188,472	\$ 188,472	\$ -	\$ -
Mutual funds	424,799	424,799	-	-
	<u>\$ 613,271</u>	<u>\$ 613,271</u>	<u>\$ -</u>	<u>\$ -</u>
Description	Total Assets Measured at Fair Value	2021		
		Based on		
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Equity securities	\$ 168,782	\$ 168,782	\$ -	\$ -
Mutual funds	469,031	469,031	-	-
	<u>\$ 637,813</u>	<u>\$ 637,813</u>	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2022, there were no assets measured at fair value on a non-recurring basis.

Note 8 - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2022 and 2021 consists of the following:

	2022	2021
Land	\$ 1,978,929	\$ 1,978,929
Buildings	11,408,882	11,408,882
Furniture and equipment	2,236,211	2,362,870
Leasehold improvements	2,074,529	2,042,511
Construction in progress	314,296	287,145
	18,012,847	18,080,337
Less accumulated depreciation	(7,689,641)	(7,374,260)
Totals	\$ 10,323,206	\$ 10,706,077

Depreciation expense totaled \$571,619 and \$624,920 for the years ended December 31, 2022 and 2021, respectively.

Note 9 - LEASES

Operating Leases

The YMCA has certain operating leases for office and warehouse space and various office equipment used in operations. These leases are included in contract services, occupancy and equipment expenses in the accompanying Statements of Functional Expenses. Leases with original terms greater than one year are included in operating lease liabilities. These leases have monthly payments ranging from \$168 to \$2,601 with maturity dates through December 31, 2025.

Operating lease cost was \$40,822 for both the years ended December 31, 2022 and 2021.

The YMCA has recognized a right-of-use asset for operating leases, and a corresponding operating lease liability that represents the present value of their obligation to make payments of the lease term. The YMCA utilized its incremental borrowing rate.

Note 9 - LEASES (Continued)

Operating Leases (Continued)

Operating leases reported under FASB ASC 842 years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Operating lease costs	\$ 40,822	\$ 40,822
Operating lease right-of-use asset	\$ 109,979	\$ 141,475
Operating lease liability	\$ 109,979	\$ 141,475
Weighted-average information		
Weighted-average remaining lease term in years	3	4
Weighted-average discount rate	3.65%	3.65%

Future minimum lease payments under these non-cancellable operating leases as of December 31, 2022 are as follows:

	Year Ending December 31,
2023	\$ 40,822
2024	40,822
2025	40,822
Total lease payments	122,466
Less amounts representing interest	(12,487)
Operating lease liability	\$ 109,979

Finance Leases

During 2019, the YMCA entered into a financing lease agreement for certain gym equipment. Obligations under the financing lease have been recorded in the Statement of Financial Position at the present value of future minimum lease payments. The lease terms call for payments of \$5,691 per month through November 2023. The interest rate of the finance lease is 3.99%.

Note 9 - LEASES (Continued)

Finance Leases (Continued)

Finance leases reported under FASB ASC 842 years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Finance lease cost:		
Amortization of right-of-use assets	\$ 60,508	\$ 60,507
Interest on lease obligations	4,994	8,248
Total finance lease cost	\$ 65,502	\$ 68,755
Finance lease right-of-use asset	\$ 60,507	\$ 121,015
Finance lease liability	\$ 60,992	\$ 124,288
Weighted-average information		
Weighted-average remaining lease in years	0.92	1.92
Weighted-average discount rate	3.99%	3.99%

Future minimum payments under the finance lease obligations as of December 31, 2022 are as follows:

<u>Year Ending December 31,</u>	
2023	\$ 62,598
Less amount representing interest	(1,606)
Present value of net future payments	\$ 60,992

Note 10 - NOTE PAYABLE

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

Note 10 - NOTE PAYABLE (Continued)

The funding of the obligation is in three phases. The first phase totaled \$2,327,691 and was issued on December 1, 2010 (“Project Part I”). The second phase was for \$1,912,309 (“Project Part II”) and the final phase was for \$760,000 (“Project Part III”), these phases have not been drawn on as of December 31, 2022.

The obligations of Projects Part I, Part II, and Part III were refinanced on January 29, 2021 with another financial institution. The new note allows for further advances up to a maximum of \$2,500,000. For the period of January 29, 2021 through May 29, 2022, the note carried interest at the greater of 4.5% or the Prime Rate plus .50% and required monthly payments of interest only. Beginning April 2022, the note carries interest at 3.65% and requires monthly payments of principal and interest in the amount of \$14,692, with all unpaid principal and accrued interest due on January 29, 2031.

The outstanding balances under these obligations were \$1,444,968 and \$1,482,658 as of December 31, 2022 and 2021, respectively.

	2022	2021
Balance of obligation	\$ 1,444,968	\$ 1,482,658
Less unamortized deferred finance costs	(28,929)	(38,923)
Net obligation	\$ 1,416,039	\$ 1,443,735

Interest expense on the notes for the years ended December 31, 2022 and 2021 was \$57,779 and \$64,769, respectively.

The required principal payments under the note as of December 31, 2022 are as follows:

Year Ending December 31,	
2023	\$ 52,467
2024	54,296
2025	56,485
2026	58,611
2027	60,818
Thereafter	1,162,291
Total	\$ 1,444,968

Note 11 - PAYCHECK PROTECTION PROGRAM LOAN FORGIVENESS

On February 4, 2021, the YMCA received a \$673,780 loan from First Horizon under the Paycheck Protection Program (PPP) of the Small Business Administration (SBA). Interest on the loan is 1%. This loan was repaid by SBA (forgiven) in October 2021 and all expenditures paid from the loan proceeds were approved as eligible for loan forgiveness under the requirements of the PPP. This loan forgiveness is included in miscellaneous revenue on the 2021 Statement of Activities.

Note 12 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2022 and 2021 are restricted for the following purposes or periods:

	2022	2021
Net assets with donor restrictions:		
Restricted for:		
Capital expenditures	\$ 659,906	\$ 644,882
Specific programs	397,287	426,517
Subsequent periods	27,680	32,498
Totals	\$ 1,084,873	\$ 1,103,897

Note 13 - AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure within one year as of December 31, 2022:

Cash and cash equivalents	\$ 2,388,431
Unconditional promises to give	27,680
Grants receivable	75,269
Other receivables	40,613
Investments	613,271
Total financial assets	3,145,264
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	(1,084,873)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,060,391

Note 14 - GRANTS

The YMCA participates in a number of state and federally assisted grant programs. Federal and state grants are included in grants revenue for the years ended December 31, 2022 and 2021. The programs are subject to compliance audits. Such audits could result in requests for reimbursement by the grantor agency for expenditures disallowed under the terms and compliance requirements of the grants. The YMCA's management believes that the amount of disallowances, if any, which may arise from future audits, will not be material to the financial statements.

Note 15 - CONTRIBUTED NONFINANCIAL ASSETS

The YMCA recognized contributed nonfinancial assets on the statement of activities. Contributed nonfinancial assets for the years ended December 31, 2022 and 2021 is as follows:

	2022	2021
Support		
Program supplies	\$ 23,783	\$ 6,540
Services	21,972	18,831
Food and drink	6,935	3,538
Event space	6,006	-
Total support	\$ 58,696	\$ 28,909
Expenditures		
Program expenditures	\$ 23,783	\$ 6,540
Advertising	21,972	18,831
Food and drink	6,935	3,538
Event space	6,006	-
Total expenditures	\$ 58,696	\$ 28,909

The YMCA recognized contributed nonfinancial assets within revenue, including program supplies, services, food and drink, and event space. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed program supplies were utilized in the following programs: Aquatics, Car Seat Safety, East Jefferson YMCA's Santa Soiree, YES Corporate Classic, and West St. Tammany YMCA's golf tournament. The YMCA estimates the fair value based on the wholesale values that would be received for selling similar products in the United States.

Note 15 - CONTRIBUTED NONFINANCIAL ASSETS (Continued)

Contributed services recognized comprise of professional services from publishers to advertise programs offered by the YMCA and the YES Corporate Classic. Contributed services are valued and are reported at the estimated fair value in the financial statement based on current rates for similar advertising services.

Contributed food and drink were utilized in the following programs: East Jefferson YMCA's Santa Soiree, YES Corporate Classic, Belle Chasse YMCA's golf tournament, and West St. Tammany YMCA's golf tournament. The YMCA estimates the fair value based on the wholesale values that would be received for selling similar products in the United States.

Contributed event space recognized comprise of the venue for the East Jefferson YMCA's Santa Soiree. The YMCA estimated the fair value based on the vendor's rental rates for similar events.

Note 16 - NATIONAL YMCA ORGANIZATION

The YMCA is a member of the National YMCA Organization and is responsible for paying monthly dues to the National YMCA. Total expenses to the National YMCA were \$76,711 and \$74,238 for the years ended December 31, 2022 and 2021, respectively. Differences between estimated revenues and actual revenues resulted in an underpayment and overpayment of dues in 2022 and 2021, respectively. The balance due to the National YMCA as of December 31, 2022 was \$1,427. The balance due from the National YMCA as of December 31, 2021 was \$1,233.

Note 17 - RETIREMENT PLANS

The YMCA participates in a defined contribution, individual account, money purchase retirement plan which is administered by the National YMCA Retirement Fund. Effective January 25, 2021, the Board reduced the retirement plan contribution percentage to 8% as part of the 2021 budget plan. Effective September 1, 2021, the Board restored the retirement plan contribution percentage to its original rate of 12%. Employer contributions to the plan for the years ended December 31, 2022 and 2021 totaled \$174,588 and \$142,915, respectively.

Note 18 - COMMITMENTS AND CONTINGENCIES

The YMCA has entered into a contract for the architectural design of the Belle Chasse Gym Project totaling approximately \$257,800. As of December 31, 2022, the YMCA has incurred construction completed or in progress costs related to this architectural design contract totaling approximately \$142,700.

Note 18 - COMMITMENTS AND CONTINGENCIES (Continued)

The YMCA has been named in two lawsuits. Management, after consulting with legal counsel, does not expect that any liability which may arise out of this lawsuit would have a material effect on the YMCA's financial position, results of operations, or cash flows.

Note 19 - SPECIAL EVENTS

As part of its fundraising efforts, the YMCA holds periodic special events. Revenue for special events is recognized in the period in which the event is held. Gross receipts from special fundraising events consist of exchange transaction revenue and contribution revenue. Direct expenses associated with special events for the years ended December 31, 2022 and 2021 are netted against such revenue as follows:

	2022	2021
Contributions	\$ 98,049	\$ 80,673
Special events - revenue	92,302	50,513
Special events - gross	190,351	131,186
Less: cost of direct donor benefits	(68,316)	(36,469)
Special event revenue, net	\$ 122,035	\$ 94,717

Note 20 - SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest for the years ended December 31, 2022 and 2021 is as follows:

	2022	2021
Cash paid for interest	\$ 62,889	\$ 73,126

SUPPLEMENTARY INFORMATION

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

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

For the year ended December 31, 2022

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

Purpose:

Salary	\$ 161,433
Benefits - insurance	9,238
Benefits - retirement	19,372
Benefits - other	1,018
Car allowance	-
Vehicle provided by the YMCA	-
Per diem	-
Reimbursements	240
Travel	1,681
Registration fees	-
Conference travel	30
Continuing professional education fees	-
Housing	-
Unvouched expenses	-
Special meals	-
	<hr/>
	<u>\$ 193,012</u>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Young Men’s Christian Association of Greater New Orleans, Louisiana (the YMCA) (a non-profit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 27, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Bougeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
April 27, 2023.

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

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2022.

Section III - Federal Award Findings and Questioned Costs

Internal Control/Compliance

The YMCA did not expend more than \$750,000 in Federal awards during the year ended December 31, 2022 and, therefore, was exempt from the audit requirements under the *Uniform Guidance*.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

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

For the year ended December 31, 2022

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

Internal Control Over Financial Reporting

There were no findings noted during the audit for the year ended December 31, 2021 related to internal control over financial reporting material to the basic financial statements.

Compliance and Other Matters

There were no findings material to the financial statements noted during the audit for the year ended December 31, 2021 related to compliance and other matters.

Section II - Internal Control and Compliance Material to Federal Awards

The YMCA did not expend more than \$750,000 in Federal awards during the year ended December 31, 2021 and, therefore, was exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year December 31, 2021.

MANAGEMENT'S CORRECTIVE ACTION PLAN

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

For the year ended December 31, 2022

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

Internal Control Over Financial Reporting

There were no findings noted during the audit for the year ended December 31, 2022 related to internal control over financial reporting material to the basic financial statements.

Compliance and Other Matters

There were no findings material to the financial statements noted during the audit for the year ended December 31, 2022 related to compliance and other matters.

Section II - Internal Control and Compliance Material to Federal Awards

The YMCA did not expend more than \$750,000 in Federal awards during the year ended December 31, 2022 and, therefore, was exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended December 31, 2022.

STATEWIDE AGREED-UPON PROCEDURES

**INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures described in Schedule 2 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2022 through December 31, 2022 (the “fiscal period”). The Young Men’s Christian Association of Greater New Orleans, Louisiana’s (the YMCA) management is responsible for those C/C areas identified in the SAUPs.

The YMCA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA’s SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 2.

We were engaged by the YMCA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on these C/C 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.

We are required to be independent of the YMCA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C 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 LLA as a public document.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
April 27, 2023.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

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

For the year ended December 31, 2022

The required procedures and our findings are as follows:

1. Procedures Performed on the YMCA's Written Policies and Procedures:

A. Obtain and inspect the YMCA's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the YMCA's operations:

i. Budgeting, including preparing, adopting, monitoring, and amending the budget.

Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

ii. 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.

Performance: Obtained and read the written policy for purchasing and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

iii. Disbursements, including processing, reviewing, and approving.

Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

iv. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

Performance: Obtained and read the written policy for receipts/collections and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

1. Procedures Performed on the YMCA's Written Policies and Procedures: (Continued)

- v. Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Not applicable. The YMCA did not use public funds to pay for contracts initiated or renewed during the fiscal period.

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

Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- viii. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- ix. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42: 1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the YMCA's ethics policy.

Not applicable for not-for-profit entities.

- x. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Not applicable for not-for-profit entities.

1. Procedures Performed on the YMCA's Written Policies and Procedures: (Continued)

- xi. Information Technology 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.

Performance: Obtained and read the written policy for information technology disaster recovery/business continuity policy and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- xii. Prevention of Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Not applicable for not-for-profit entities.

2. Procedures Performed on the YMCA's Board:

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period and:

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

Performance: The YMCA's bylaws require that the board meets a minimum of 4 times per year. We obtained and read minutes from 6 board meetings during the year ended December 31, 2022. The frequency of and quorum representation of those meetings was appropriate.

Exceptions: There were no exceptions noted.

- ii. For those entities reporting on the not-for-profit accounting model, observe whether the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

Performance: The YMCA is reporting on the not-for-profit accounting model. We inspected the meeting minutes and confirmed that financial activity relating to public funds was discussed.

Exceptions: There were no exceptions noted.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Not applicable for not-for-profit entities.

2. Procedures Performed on the YMCA's Board: (Continued)

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to managements corrective action plan at each meeting until the findings are considered fully resolved.

Not applicable. The YMCA had no audit findings for the years ended December 31, 2022 and 2021.

3. Procedures Performed on the YMCA's Bank Reconciliations:

- A. Obtain a listing of the YMCA's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the YMCA's main operating account. Select the YMCA's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter that the listing is complete. We selected the main account and the other 2 accounts that maintain public funds and one month for bank reconciliations.

Exceptions: There were no exceptions noted.

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

Performance: Obtained monthly bank reconciliation for the selected months for the main operating bank account and the only 2 other accounts that included public funds. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.

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

Performance: Inspected the YMCA's documentation for the bank reconciliations for the 3 bank accounts selected and verified that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

Exceptions: There were no exceptions noted.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Performance: Obtained the YMCA's bank reconciliations for the 3 bank accounts selected and verified there were no reconciling items that have been outstanding for more than 12 months from the statement closing date.

Exceptions: There were no exceptions noted.

4. Procedures Performed on the YMCA's Collections (Excluding Electronic Funds Transfers):

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Performance: Obtained the listing of deposit sites from management and received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals, inquired of client as to all the requirements and observed that job duties are properly segregated.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals, inquired of client as to all the requirements and observed that job duties are properly segregated.

Exceptions: There were no exceptions noted.

- iii. 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.

Performance: Inspected policy manuals, inquired of client as to all the requirements and observed that job duties are properly segregated.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals, inquired of client as to all the requirements and observed that job duties are properly segregated.

Exceptions: There were no exceptions noted.

**4. Procedures Performed on the YMCA's Collections (Excluding Electronic Funds Transfers):
(Continued)**

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Performance: Obtained a copy of the insurance policy for theft covering all employees who have access to cash. Observed that the insurance policy for theft was enforced during the fiscal period.

Exceptions: There were no exceptions noted.

- D. Randomly select 2 deposit dates for each of the YMCA's 3 bank accounts selected for procedures #3 under "Procedures Performed on the YMCA's Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits were made on the same day). [*Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.*] Obtain supporting documentation for each of the 6 deposits selected and:

- i. Observe that receipts are sequentially pre-numbered.

Performance: Obtained supporting documentation for the selected deposits and observed that cash receipts were sequentially pre-numbered.

Exceptions: There were no exceptions noted.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

Performance: Traced deposit slip total to actual deposit per bank statement.

Exceptions: There were no exceptions noted.

- iv. Observe that the deposit was made within one 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 and any cash is stored securely in a locked safe or drawer).

Performance: Observed that the deposits tested were made within one business day of receipt.

Exceptions: There were no exceptions noted.

- v. Trace the actual deposit per the bank statement to the general ledger.

Performance: Traced the actual deposit per the bank statement to the general ledger.

Exceptions: There were no exceptions noted.

5. Procedures Performed on the YMCA's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):

- A. Obtain a listing of locations that process payments for the fiscal period, and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Performance: Obtained a listing of locations that process payments for the fiscal period from management and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

- B. For each location selected under #5.A. above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the YMCA has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated.

Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions along with written policies and procedures related to employee job duties.

Exceptions: There were no exceptions noted.

- i. At least 2 employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Performance: Obtained and read the written policy for purchasing. Observed at least 2 employees are involved.

Exceptions: There were no exceptions noted.

- ii. At least 2 employees are involved in processing and approving payments to vendors.

Performance: Obtained and read the written policy for purchasing. Observed at least 2 employees are involved.

Exceptions: There were no exceptions noted.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

Performance: Obtained a listing of employees involved in processing payments to vendors. Observed that the employee involved in processing payments can add/modify vendor files. Observed that another employee is responsible for periodically reviewing changes to vendor files.

Exceptions: There were no exceptions noted.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

Performance: Obtained a listing of employees involved with signing and mailing checks and verified they are not involved in the processing of payments.

Exceptions: There were no exceptions noted.

5. Procedures Performed on the YMCA's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Performance: Obtained a listing of employees/officials authorized to sign checks and verified they approve the electronic disbursement of funds.

Exceptions: There were no exceptions noted.

- C. For each location selected under #5.A. above, obtain the YMCA's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

Performance: Obtained the YMCA's non-payroll disbursement transaction population and management's representation in a separate letter that the population is complete.

Selected 5 disbursements from the sole location that processes payments for testing.

Exceptions: There were no exceptions noted.

- i. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the YMCA.

Performance: Observed the 5 disbursements matched the related original invoice/billing statements and obtained documentation that indicates deliverables included on the invoice were received by the YMCA.

Exceptions: There were no exceptions noted.

- ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5.B., as applicable.

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

- D. Using the YMCA's main operating account and the month selected for procedures #3 under "Procedures Performed on the YMCA's Bank Reconciliations" above, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was:

- i. Approved by only those persons authorized to disburse funds (e.g., sign checks) per the YMCA's policy.

Performance: Observed the 5 disbursements included evidence of approval by authorized person.

Exceptions: There were no exceptions noted.

5. Procedures Performed on the YMCA's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

- ii. Approved by the required number of authorized signers per the YMCA's policy.
Performance: Observed the 5 disbursements included evidence of approval by required number of authorized signers.
Exceptions: There were no exceptions noted.

6. Procedures Performed on the YMCA's Credit Cards, Debit Cards, Fuel Cards, P-Cards:

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintain possession of the cards and received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- i. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder.

Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There were no exceptions noted.

- ii. Observe that finance charges and/or late fees were not assessed on the selected statements.

Performance: Observed that there were no finance charges and/or late fees assessed on the selected statements.

Exceptions: There were no exceptions noted.

- C. Using the monthly statements or combined statements selected under #6.B. above, excluding fuel cards, select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing).

**6. Procedures Performed on the YMCA's Credit Cards, Debit Cards, Fuel Cards, P-Cards:
(Continued)**

- i. For each transaction, report whether the transaction is supported by:
 - ii. An original itemized receipt that identifies precisely what was purchased.
Performance: Observed that the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.
Exceptions: There were no exceptions noted.
 - iii. Written documentation of the business/public purpose.
Performance: Observed that the transactions from the monthly statements were supported with written documentation of the business/public purpose.
Exceptions: There were no exceptions noted.
 - iv. Documentation of the individuals participating in meals (for meal charges only).
Performance: Observed that only 8 transactions were for meal charges and were supported by documentation of the individuals participating in the meals.
Exceptions: There were no exceptions noted.

7. Procedures Performed on the YMCA's Travel and Travel-Related Expense Reimbursements:

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
Performance: Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period from management and received management's representation in a separate letter that the listing is complete. Obtained the related expense reimbursement form and supporting documentation for 5 reimbursements.
Exceptions: There were no exceptions noted.
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
Not applicable. The 5 reimbursements randomly selected were not reimbursed using a per diem.
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
Performance: Observed that reimbursements using actual cost were supported by an original itemized receipt that identified precisely what was purchased.
Exceptions: There were no exceptions noted.

7. Procedures Performed on the YMCA's Travel and Travel-Related Expense Reimbursements: (Continued)

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy.

Performance: Observed each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation included the names of those individuals participating) and other documentation required by written policy.

Exceptions: There were no exceptions noted.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Performance: Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person that received the reimbursement.

Exceptions: There were no exceptions noted.

8. Procedures Performed on the YMCA's Contracts:

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, and:

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

Not applicable. The YMCA did not use public funds to pay for contracts initiated or renewed during the fiscal period.

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

Not applicable. The YMCA did not use public funds to pay for contracts initiated or renewed during the fiscal period.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that the amendments were made in compliance with the contract terms.

Not applicable. The YMCA did not use public funds to pay for contracts initiated or renewed during the fiscal period.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Not applicable. The YMCA did not use public funds to pay for contracts initiated or renewed during the fiscal period.

9. Procedures Performed on the YMCA's Payroll and Personnel:

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, paid salaries, and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Obtained a listing of employees employed during the fiscal period from management and received management's representation in a separate letter that the listing is complete. Selected 5 employees, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

Exceptions: There were no exceptions noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #9.A. above, obtain attendance records and leave documentation for the pay period, and:

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

Performance: Randomly selected one pay period to test leave taken during that period.

Inspected all daily attendance and leave record for proper documentation.

Exceptions: There were no exceptions noted.

- ii. Observe that supervisors approve the attendance and leave of the selected employees/officials.

Performance: Observed that supervisors approved the attendance and leave of the selected employees/officials.

Exceptions: There were no exceptions noted.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the YMCA's cumulative leave records.

Performance: Observed that any leave accrued or taken during the pay period was reflected in the cumulative leave records.

Exceptions: There were no exceptions noted.

- iv. Observe that the rate paid to the employees agree to the authorized salary/pay rate found within the personnel file.

Performance: Agreed the pay rates to the authorized salary/pay rates maintained in employee files.

Exceptions: There were no exceptions noted.

9. Procedures Performed of the YMCA's Payroll and Personnel: (Continued)

- C. Obtain from management a list of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees/officials, obtain related documentation of the hours, and pay rates used in management's termination payment calculations, agree the hours to the employees'/officials' cumulative leave records, and agree the pay rates to the employees'/officials' authorized pay rates in the employees'/officials' personnel files.

Performance: Obtained a listing of those employees that received termination payments during the fiscal period from management, and received management's representation in a separate letter that the listing is complete. The hours used in management's termination payment calculations were agreed to cumulative leave records and the pay rates agree to authorize pay rates in the personnel files.

Exceptions: There were no exceptions noted.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Performance: Obtained management's representation that employer and employee portions of third-party payroll accounts have been paid, and any associated forms have been filed by the required deadlines.

Exceptions: There were no exceptions noted.

10. Procedures Performed on the YMCA's Ethics:

- A. Using the 5 randomly selected employees/officials from procedure #9.A. under "Procedures Performed on the YMCA's Payroll and Personnel" above, obtain ethics compliance documentation from management, and:

- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period as required by R.S. 42.1170.

Not applicable for not-for-profit entities.

- ii. Observe whether the YMCA maintains documentation which demonstrates each employee and official were notified of any changes to the YMCA's ethics policy during the fiscal period, as applicable.

Not applicable for not-for-profit entities.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Not applicable for not-for-profit entities.

11. Procedures Performed on the YMCA's Debt Service:

- C. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Not applicable for not-for-profit entities.

- D. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Not applicable for not-for-profit entities.

12. Procedures Performed on the YMCA's Fraud Notice:

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the YMCA reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the YMCA is domiciled as required by R.S. 24:523.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period, none were noted. We obtained management's representation in a separate letter.

Exceptions: There were no exceptions noted.

- B. Observe the YMCA has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Inquired of management of the existence of notice posted on the YMCA's premises and website concerning the reporting of misappropriate fraud, waste, or abuse of public funds.

Exceptions: The YMCA did not have the fraud notice posted at its facilities or on its website.

13. Procedures Performed on the YMCA's Information Technology Disaster Recovery/Business Continuity:

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- i. Obtain and inspect the YMCA's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

Performance: We performed the procedures and discussed the results with management.

13. Procedures Performed on the YMCA's Information Technology Disaster Recovery/Business Continuity: (Continued)

- ii. Obtain and inspect the YMCA's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Performance: We performed the procedures and discussed the results with management.

- iii. Obtain a listing of the YMCA's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Performance: We performed the procedures and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Performance: Observed evidence that the selected terminated employees have been removed or disabled from the network.

Exceptions: There were no exceptions noted.

14. Procedures Performed on the YMCA's Prevention of Sexual Harassment:

- A. Using the 5 randomly selected employees/officials from procedure #9A under "Procedures Performed on the YMCA's Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/ official completed at least one hour of sexual harassment training during the calendar year.

Not applicable for not-for-profit entities.

- B. Observe that the YMCA has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the YMCA's premises if the YMCA does not have a website).

Not applicable for not-for-profit entities.

- C. Obtain the YMCA's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;

Not applicable for not-for-profit entities.

14. Procedures Performed on the YMCA's Prevention of Sexual Harassment: (Continued)

- ii. Number of sexual harassment complaints received by the agency;
Not applicable for not-for-profit entities.
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
Not applicable for not-for-profit entities.
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action;
Not applicable for not-for-profit entities.
- v. The amount of time it took to resolve each complaint.
Not applicable for not-for-profit entities.

Management's Response to Exceptions:

- B.12. After discussion of this requirement, the YMCA posted the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds on its website as of March 10, 2023 and at all their locations as of March 16, 2023.