

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

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

FOR THE YEAR ENDED JUNE 30, 2020

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of **James M. Singleton Charter School (JMSCS), Sponsor Organization Dryades Young Men's Christian Association** which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to **JMSCS's** preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **JMSCS's** internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

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

Opinion

In our opinion, the financial statements previously referred to present fairly, in all material respects, the financial position of **JMSCS** as of June 30, 2020, and the changes in its net assets, statements of functional expenses and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 17, 2021, on our consideration of **JMSCS's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering **JMSCS's** internal control over financial reporting and compliance.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

March 17, 2021

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020**

ASSETS

CURRENT ASSETS:	
Cash (NOTE 2)	\$ 371,105
Investment (NOTE 20)	46,025
Grants receivable (NOTE 4)	27,284
Amounts receivable	4,754
Amounts due from sponsor organization, and other programs, net	1,140,781
Prepaid items (NOTE 16)	<u>7,666</u>
Total current assets	<u>1,597,615</u>
NON-CURRENT ASSETS:	
Property and equipment, net (NOTES 3 and 23)	<u>72,249</u>
Total non-current assets	<u>72,249</u>
Total assets	<u><u>\$1,669,864</u></u>

LIABILITIES

CURRENT LIABILITIES:	
Amounts and other payables (NOTE 14)	\$ 456,066
Salaries and other payables (NOTE 8)	85,748
Capital lease payable - current portion (NOTES 3 and 23)	35,768
Reserve for unemployment and other benefits (NOTE 13)	<u>598,229</u>
Total current liabilities	<u>1,175,811</u>
NON-CURRENT LIABILITIES:	
Capital lease payable (NOTES 3 and 23)	<u>23,152</u>
Total non-current liabilities	<u>23,152</u>
Total liabilities	<u>1,198,963</u>

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

NET ASSETS

NET ASSETS:	
With donor restrictions	-0-
Without donor restrictions	<u>470,901</u>
Total net assets	<u>470,901</u>
Total liabilities and net assets	<u><u>\$1,669,864</u></u>

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

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>Total</u>
OPERATING ACTIVITIES:			
State of Louisiana	\$ -0-	\$4,349,073	\$4,349,073
Contributions with donor restrictions	-0-	-0-	-0-
Contributions without donor restrictions	-0-	5,552	5,552
In-kind (NOTE 18)	-0-	43,241	43,241
Net assets released from restrictions	<u>(25,032)</u>	<u>25,032</u>	<u>-0-</u>
 Total operating activities	 <u>(25,032)</u>	 <u>4,422,898</u>	 <u>4,397,866</u>
 Expenses:			
Program services	-0-	4,273,202	4,273,202
Supporting services	<u>-0-</u>	<u>243,145</u>	<u>243,145</u>
 Total operating expenses	 <u>-0-</u>	 <u>4,516,347</u>	 <u>4,516,347</u>
 Change in net assets from operating activities	 <u>(25,032)</u>	 <u>(93,449)</u>	 <u>(118,481)</u>
 NON-OPERATING ACTIVITIES:			
Interest income	-0-	98	98
Other income	-0-	32,978	32,978
Support from other programs	<u>-0-</u>	<u>325,004</u>	<u>325,004</u>
 Change in net assets from non-operating activities	 <u>-0-</u>	 <u>358,080</u>	 <u>358,080</u>
 Change in net assets from operating and non-operating activities	 <u>(25,032)</u>	 <u>264,631</u>	 <u>239,599</u>
 Net assets, beginning of year	 <u>25,032</u>	 <u>206,270</u>	 <u>231,302</u>
 Net assets, end of year	 <u>\$ -0-</u>	 <u>\$ 470,901</u>	 <u>\$ 470,901</u>

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

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>
	<u>Instructional</u>	<u>Management and General</u>
Expenses:		
Salaries	\$1,977,706	\$157,185
Employee benefits	249,304	9,187
Payroll taxes	147,277	11,088
Professional fees and contract services	320,758	28,400
Supplies	25,348	4,472
Instructional material and supplies	103,985	-0-
Telephone	34,128	6,023
Postage and shipping	522	-0-
Professional development	45,984	-0-
Utilities	117,777	20,784
Rent	414,577	-0-
Security system and services	87,580	-0-
Repairs and maintenance	34,036	6,006
Technical maintenance and supplies	15,558	-0-
Equipment rental	489	-0-
Insurance	68,376	-0-
Food cost	7,334	-0-
Printing	6,539	-0-
In-kind expense (NOTE 18)	43,241	-0-
Student activities	7,031	-0-
Depreciation and amortization	48,231	-0-
Transportation	339,380	-0-
Bank charges	1,438	-0-
Interest expense	4,137	-0-
Other expense	39,276	-0-
Administrative and management fees	133,102	-0-
Advertisement	<u>88</u>	<u>-0-</u>
Total	<u>\$4,273,202</u>	<u>\$243,145</u>

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

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

Cash Flow Provided by Operating Activities:

Change in net assets	\$ 239,599
Depreciation and amortization	48,231
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease in grants receivable	83,440
Decrease in amounts receivable	12,105
Increase in amounts and other payables	63,484
Decrease in salaries, and other payables	(2,225)
Decrease in prepaid items	19,532
Increase in reserve for unemployment and other benefits	7,669
Increase in amounts due from sponsor organization and other programs	<u>(218,351)</u>
Net cash provided by operating activities	<u>253,484</u>

Cash Flow Provided by Investing Activities:

Proceeds from investment	54,150
Purchase of assets	<u>(42,961)</u>
Net cash provided by investing activities	<u>11,189</u>

Cash Flow Provided by Financing Activities:

Principal payments on notes payable	(4,365)
Proceeds from finance lease	35,011
Repayment on capital lease obligations	<u>(27,916)</u>
Net cash provided by financing activities	<u>2,730</u>

 Net increase in cash 267,403

Cash, beginning of year 103,702

Cash, end of year \$ 371,105

Interest expense paid during the year ended June 30, 2020 \$ 4,137

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

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

NOTE 1 - Summary of Significant Accounting Policies:

Background

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

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

General

As of June 30, 2020, **JMSCS** administered an independent public school funded by the State of Louisiana to provide a framework for experimentation through the creation of a mechanism to accomplish the following objectives:

- Improve pupil learning and, in general, the public school system;
- Increase learning opportunities and access to quality education for pupils;
- Encourage the use of different and innovative teaching methods and a variety of governance, management, and administrative structures;
- Require appropriate assessment and measurement of academic learning results;
- Account better and more thoroughly for educational results; and
- Create new professional opportunities for teachers and other school employees.

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

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Principles of Accounting

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

Use of Estimates

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

Funding

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

Property and Equipment

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

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

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

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

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Property and Equipment, Continued

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

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

Functional Allocation of Expenses

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

Statement of Cash Flows

For purposes of the statement of cash flows, **JMSCS** considers all investments with original maturities of three months or less to be cash equivalents. At June 30, 2020, **JMSCS** had no cash equivalents.

Use of Restricted Resources

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

Financial Statement Presentation

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

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

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Financial Statement Presentation, Continued

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

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

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

Functional Allocation of Expenses

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

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

NOTE 1 - Summary of Significant Accounting Policies, Continued:

The expenses that are allocated include the following:

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

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to JMSCS's ongoing activities. Non-operating activities are limited to resources that generate return from investments, financing costs, and other activities considered to be a more unusual or nonrecurring nature.

Fair Value of Financial Instruments

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

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

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

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Budgetary Data

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

Interprogram Activities

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

Total Memorandum Only

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

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

NOTE 1 - Summary of Significant Accounting Policies, Continued:

New Accounting Pronouncements

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

NOTE 2 - Cash:

At June 30, 2020, cash consisted of demand and time deposits with a carrying and market value of \$371,105.

A detail of cash at June 30, 2020 is as follows:

<u>Description</u>	<u>Carrying Value</u>	<u>Market Value</u>
Cash in banks	\$371,073	\$371,073
Savings	<u>32</u>	<u>32</u>
Total	<u>\$371,105</u>	<u>\$371,105</u>

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

NOTE 2 - Cash, Continued:

Further at June 30, 2020 cash and investment held by JMSCS's banker are secured with a deposit of \$1,000,000 at the Federal Home Loan Bank of Dallas in excess of the \$250,000 FDIC coverage amount.

NOTE 3 - Property and Equipment, Net:

At June 30, 2020, property and equipment, net consisted of the following:

	Balance July 1, <u>2019</u>	<u>Additions</u>	<u>Retirement</u>	Balance June 30, <u>2020</u>
Furniture and equipment	\$ 618,930	\$ 7,950	\$ -0-	\$ 626,880
Property held under capital lease	<u>141,401</u>	<u>35,011</u>	<u>(91,158)</u>	<u>85,254</u>
Sub-total	760,331	42,961	(91,158)	712,134
Less: accumulated depreciation and amortization	<u>(683,412)</u>	<u>(48,231)</u>	<u>91,758</u>	<u>(639,885)</u>
Total	\$ <u>76,919</u>	\$ <u>(5,270)</u>	\$ <u>600</u>	\$ <u>72,249</u>

Accumulated depreciation and amortization includes cumulative amortization totaling \$27,913 at June 30, 2020.

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

NOTE 3 - Property and Equipment, Net, Continued:

The future minimum lease payments under the capital leases in excess of one year as of June 30, 2020, are as follows:

<u>Year Ended</u>	<u>Amount</u>
2021	\$38,681
2022	18,764
2023	<u>3,168</u>
	60,613
Less: unamortized discount	<u>(1,693)</u>
Net present value of minimum lease payments	<u>\$58,920</u>

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

Also see NOTE 23 for additional discussion.

NOTE 4 - Grants Receivable:

At June 30, 2020, grants receivable of \$27,284 consisted of various amounts billed but not yet paid by the State of Louisiana, Department of Education.

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

NOTE 5 - Income Taxes:

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

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

NOTE 6 - Retirement Plan:

JMSCS had through the year ended June 30, 2020, one defined contribution retirement plan for its instructional and non-instructional employees. JMCS contributed for each eligible employee having two or more years of service, 12% of his or her respective gross salary during the year ended June 30, 2020. Pension costs are funded on a current basis. JMCS's total pension costs for 2020 was \$32,204.

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

It is legal counsel's opinion at June 30, 2020 and March 17, 2021 that a possible claim or assessment may arise at some point, but counsel does not believe, at this time that any such possibility would result in an unfavorable outcome for JMCS. See NOTE 24 for additional discussion.

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

NOTE 7 - Contingencies and Commitments:

JMSCS is a recipient of funding from the State of Louisiana's Minimum Foundation Program to include other grants received through the State of Louisiana. The funding is governed by various guidelines, regulations and contractual agreements. The administration of the program and activities funded is under the control and administration of JMSCS and is subject to audit and/or review by the applicable funding source. Any funds found to be not properly spent in accordance with the terms, conditions and regulations of the funding sources may be subject to recapture.

NOTE 8 - Salaries and Other Payables:

At June 30, 2020, salaries and other payables consisted of the following:

Salaries and other withholding payable	\$23,001
Payroll taxes payable	60,718
Retirement payable	<u>2,029</u>
Total	<u>\$85,748</u>

NOTE 9 - Risk Management:

JMSCS is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets for which JMSCS carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 10 - Concentration of Revenue Source:

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

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

NOTE 11 - Operating Leases:

JMSCS has a month to month operating lease for office and classroom space. Rental expense for the year ended June 30, 2020 was \$414,577.

NOTE 12 - Concentration of Credit Risk:

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

NOTE 13 - Reserve for Unemployment and Other Benefits:

Under an agreement with the State Department of Labor, JMSCS pays for unemployment benefits on an actual basis (at the point of billing). At June 30, 2020, \$398,229 represents a reserve for such future costs. The remaining balance of \$200,000 represents a reserve for other employee benefits for a total of \$598,229.

NOTE 14 - Amounts and Other Payables:

At June 30, 2020, amounts and other payables consisted of the following:

Amounts payable - vendors	\$103,968
Amounts payable - City of New Orleans	<u>352,098</u>
Total	<u>\$456,066</u>

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

NOTE 15 - Per Diem to Board of Directors:

During the year ended June 30, 2020, no board member received per diem in his or her capacity as director.

NOTE 16 - Prepaid Items:

At June 30, 2020, prepaid items consisted of the following:

Security deposit	\$2,000
Prepaid insurance	<u>5,666</u>
	<u>\$7,666</u>

NOTE 17 - Subsequent Events:

JMSCS is required to evaluate events or transactions that may occur after the Statement of Financial Position date for potential recognition and/or disclosure in the accompanying financial statements. **JMSCS** performed such an evaluation through March 17, 2021 the date on which the accompanying financial statements were available to be issued, and noted no subsequent events or transactions that occurred requiring recognition and/or disclosure.

NOTE 18 - In-kind:

Included in the Statement of Activities for the year ended June 30, 2020 was \$43,241 in donated food commodities.

NOTE 19 - Related Party:

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

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

NOTE 20 - Investment:

At June 30, 2020, investment consisted of a certificate of deposit with a carrying and market value of \$46,025 earning interest of .5%.

Further, at June 30, 2020, the investment is collateralized to a loan originated by the Sponsor Organization Dryades Young Men's Christian Association on real estate property it owns.

NOTE 21 - COVID-19 Pandemic:

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

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

NOTE 22 - Liquidity:

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

Cash	\$ 371,105
Investment	46,025
Grants receivable	<u>27,284</u>
	444,414
Less: current payable	<u>(817,582)</u>
Deficit	<u>\$(373,168)</u>

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

As part of **JMSCS's** liquidity management, it has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due. In addition, **JMSCS** invests cash in excess of projected requirements in investments.

Currently, management is exploring ways to enhance revenues as well contain cost in an effort to improve liquidity.

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

NOTE 23 - Capital Lease Payable:

At June 30, 2020, capital lease payable represent the balance due for two (2) leases expiring on November 1, 2019 and November 1, 2022, respectively. See NOTE 3 for additional discussion.

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

<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
<u>\$35,768</u>	<u>\$23,152</u>	<u>\$58,920</u>

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

<u>Year Ended</u> <u>June 30, ___</u>	<u>Amount</u>
2021	\$35,768
2022	20,014
2023	3,138
Thereafter	<u>-0-</u>
	<u>\$58,920</u>

NOTE 24 - Litigation:

At June 30, 2020 and March 17, 2021, JMSCS is represented by counsel in various legal matters. It is our understanding that Counsel as of June 30, 2020 and March 17, 2021 is unable to provide an assessment of the outcome of the referenced legal matters.

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' REPORT
ON
SUPPLEMENTARY INFORMATION**

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

Report on Schedule of Expenditures of Federal Awards

We have audited the financial statements of **James M. Singleton Charter School (JMSCS), Sponsor Organization Dryades Young Men's Christian Association** as of and for the year ended June 30, 2020, and have issued our report dated March 17, 2021 which contained an unmodified opinion on the financial statements taken as a whole. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.

The accompanying Schedule of Expenditures of Federal Awards (Schedule I) on page 26 is presented for purposes of additional analysis and is not a required part of the financial statements. Schedule I is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information in Schedule I has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedule I is fairly stated in all material respects in relation to the financial statements taken as a whole.

**INDEPENDENT AUDITORS' REPORT
ON
SUPPLEMENTARY INFORMATION**

(CONTINUED)

Other Information

Also, the supplementary information (Exhibits I, II, and III) and Schedule II on pages 27 through 33, which is prepared in accordance with accounting principles generally accepted in the United States of America, and is not a required part of the financial statements has been subjected to auditing procedures applied in the audit of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information (Exhibits I, II, and III) and Schedule II is fairly stated in all material respects in relation to the financial statements taken as a whole.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

March 17, 2021

**JAMES M. SINGLETON CHARTER SCHOOL
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

<u>Program Grantor /Title</u>	<u>CDFA NUMBER</u>	<u>Expenditures</u>
<u>PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF EDUCATION</u>		
Pass-Through as Subgrantee of the State of Louisiana		
Department of Education:		
Title I - Grants to Local Educational Agencies	84.010	\$323,253
Title II - Improving Teacher Quality State Grants	84.367	27,000
IDEA Part B - Handicapped	84.027	79,442
Driver student services	XX.XXX	8,430
Title IV	84.424	<u>10,966</u>
Total U. S. Department of Education		<u>449,091</u>
<u>PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF AGRICULTURE</u>		
Pass-Through as Subgrantee of the State of Louisiana		
Department of Agriculture:		
National School Lunch Program	10.555	<u>43,241</u>
Total U.S. Department of Agriculture		<u>43,241</u>
Total all programs		<u>\$492,332</u>

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

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

See Independent Auditors' Report on Supplementary Information.

SCHEDULE II

**JAMES M. SINGLETON CHARTER SCHOOL
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2020**

NAMES: Mr. Douglas Evans (July 1, 2019
through June 30, 2020)

NONE.

See Independent Auditors' Report on Supplementary Information.

**JAMES M. SINGLETON CHARTER SCHOOL
 SPONSOR ORGANIZATION
 DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
 COMBINING STATEMENT OF FINANCIAL POSITION
 JUNE 30, 2020**

STATE OF LOUISIANA
 DEPARTMENT OF EDUCATION

	<u>Charter School</u>	<u>LA-4 State</u>	<u>LA-4 Federal</u>	<u>Special Funds</u>	<u>Totals (Memorandum Only)</u>
Current Assets:					
Cash	\$ 368,790	\$ 1,228	\$ -0-	\$ 1,087	\$ 371,105
Investment	46,025	-0-	-0-	-0-	46,025
Grants receivable	-0-	-0-	-0-	27,284	27,284
Amounts receivable	4,052	702	-0-	-0-	4,754
Inter program due from	3,647,337	1,289,744	797,580	378,867	6,113,528
Prepaid items	<u>7,666</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>7,666</u>
Total current assets	<u>4,073,870</u>	<u>1,291,674</u>	<u>797,580</u>	<u>407,238</u>	<u>6,570,362</u>
Non-current Assets:					
Property and equipment, net	23,661	-0-	-0-	-0-	23,661
Capital assets under lease, net	<u>48,588</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>48,588</u>
Total non-current assets	<u>72,249</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>72,249</u>
Total assets	<u>\$4,146,119</u>	<u>\$1,291,674</u>	<u>\$797,580</u>	<u>\$407,238</u>	<u>\$6,642,611</u>

See Independent Auditors' Report on Supplementary Information

JAMES M. SINGLETON CHARTER SCHOOL
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FINANCIAL POSITION, CONTINUED
JUNE 30, 2020

	STATE OF LOUISIANA DEPARTMENT OF EDUCATION				Totals (Memorandum Only)
	<u>Charter School</u>	<u>LA-4 State</u>	<u>LA-4 Federal</u>	<u>Special Funds</u>	<u>Only</u>
Current Liabilities:					
Amounts and other payables	\$ 103,248	\$ -0-	\$ 73	\$ 647	\$ 103,968
Amounts payable-City of New Orleans	352,098	-0-	-0-	-0-	352,098
Inter program due to	2,599,779	1,237,431	790,450	345,087	4,972,747
Salaries and other payables	85,748	-0-	-0-	-0-	85,748
Capital lease payable	35,768	-0-	-0-	-0-	35,768
Reserve for unemployment and other benefits	<u>591,108</u>	<u>64</u>	<u>7,057</u>	<u>-0-</u>	<u>598,229</u>
Total current liabilities	<u>3,767,749</u>	<u>1,237,495</u>	<u>797,580</u>	<u>345,734</u>	<u>6,148,558</u>
Non-current Liabilities:					
Capital lease payable	<u>23,152</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>23,152</u>
Total non-current liabilities	<u>23,152</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>23,152</u>
Total liabilities	<u>3,790,901</u>	<u>1,237,495</u>	<u>797,580</u>	<u>345,734</u>	<u>6,171,710</u>
Net Assets:					
With donor restrictions	-0-	-0-	-0-	-0-	-0-
Without donor restrictions	<u>355,218</u>	<u>54,179</u>	<u>-0-</u>	<u>61,504</u>	<u>470,901</u>
Total net assets	<u>355,218</u>	<u>54,179</u>	<u>-0-</u>	<u>61,504</u>	<u>470,901</u>
Total liabilities and and net assets	<u>\$4,146,119</u>	<u>\$1,291,674</u>	<u>\$797,580</u>	<u>\$407,238</u>	<u>\$6,642,611</u>

See Independent Auditors' Report on Supplementary Information.

**JAMES M. SINGLETON CHARTER SCHOOL
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	STATE OF LOUISIANA DEPARTMENT OF EDUCATION						Totals (Memorandum Only)
	<u>Charter School</u>	<u>LA-4 State</u>	<u>LA-4 Federal</u>	<u>Special Funds</u>	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	
Operating Activities:							
State of Louisiana	\$3,743,805	\$156,177	\$ -0-	\$449,091	\$ -0-	\$4,349,073	\$4,349,073
Contributions with donor restrictions	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Contributions without donor restrictions	5,552	-0-	-0-	-0-	-0-	5,552	5,552
In-kind	43,241	-0-	-0-	-0-	-0-	43,241	43,241
Net assets released from restrictions:							
Expiration of fulfillment of purpose	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(25,032)</u>	<u>25,032</u>	<u>-0-</u>
Total operating activities	<u>3,792,598</u>	<u>156,177</u>	<u>-0-</u>	<u>449,091</u>	<u>(25,032)</u>	<u>4,422,898</u>	<u>4,397,866</u>
Expenses:							
Program services	3,694,401	101,998	-0-	476,803	-0-	4,273,202	4,273,202
Supporting services	<u>243,145</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>243,145</u>	<u>243,145</u>
Total expenses	<u>3,937,546</u>	<u>101,998</u>	<u>-0-</u>	<u>476,803</u>	<u>-0-</u>	<u>4,516,347</u>	<u>4,516,347</u>
Change in net assets from operating activities	<u>(144,948)</u>	<u>54,179</u>	<u>-0-</u>	<u>(27,712)</u>	<u>(25,032)</u>	<u>(93,449)</u>	<u>(118,481)</u>

See Independent Auditors' Report on Supplementary Information.

**JAMES M. SINGLETON CHARTER SCHOOL
 SPONSOR ORGANIZATION
 DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
 COMBINING STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2020**

	STATE OF LOUISIANA DEPARTMENT OF EDUCATION						
	<u>Charter School</u>	<u>LA-4 State</u>	<u>LA-4 Federal</u>	<u>Special Funds</u>	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>Totals (Memorandum Only)</u>
Non-operating Activities:							
Support from other programs	\$ 325,004	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$325,004	\$ 325,004
Interest income	98	-0-	-0-	-0-	-0-	98	98
Other income	<u>30,523</u>	<u>-0-</u>	<u>-0-</u>	<u>2,455</u>	<u>-0-</u>	<u>32,978</u>	<u>32,978</u>
Change in net assets from non-operating activities	<u>355,625</u>	<u>-0-</u>	<u>-0-</u>	<u>2,455</u>	<u>-0-</u>	<u>358,080</u>	<u>358,080</u>
Change in net assets from operating and non-operating activities	<u>210,677</u>	<u>54,179</u>	<u>-0-</u>	<u>(25,257)</u>	<u>(25,032)</u>	<u>264,631</u>	<u>239,599</u>
Net assets (deficit), beginning of year	<u>144,541</u>	<u>-0-</u>	<u>-0-</u>	<u>86,761</u>	<u>25,032</u>	<u>206,270</u>	<u>231,302</u>
Net assets, end of year	<u>\$ 355,218</u>	<u>\$54,179</u>	<u>\$ -0-</u>	<u>\$ 61,504</u>	<u>\$ -0-</u>	<u>\$470,901</u>	<u>\$ 470,901</u>

See Independent Auditors' Report on Supplementary Information.

**JAMES M. SINGLETON CHARTER SCHOOL
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>CHARTER SCHOOL</u>	
	<u>Program</u>	<u>Supporting</u>
	<u>Services</u>	<u>Services</u>
Expenses:		
Salaries	\$1,601,799	\$157,185
Employee benefits	208,989	9,187
Payroll taxes	120,881	11,088
Professional fees and contract services	305,761	28,400
Supplies	25,348	4,472
Instructional materials and supplies	88,048	-0-
Telephone	34,128	6,023
Postage and shipping	522	-0-
Professional development	350	-0-
Utilities	117,777	20,784
Rent	414,577	-0-
Security system and services	87,580	-0-
Repairs and maintenance	34,036	6,006
Technical maintenance and supplies	15,558	-0-
Insurance	68,376	-0-
Equipment rental	489	-0-
Food cost	7,334	-0-
Printing	6,539	-0-
In-kind	43,241	-0-
Student activities	7,031	-0-
Depreciation and amortization	48,231	-0-
Transportation	291,230	-0-
Bank charges	1,384	-0-
Interest expense	4,137	-0-
Other expense	37,910	-0-
Support to other programs	-0-	-0-
Management fees	123,057	-0-
Advertisement	<u>88</u>	<u>-0-</u>
Total	<u>\$3,694,401</u>	<u>\$243,145</u>

See Independent Auditors' Report on Supplementary Information.

JAMES M. SINGLETON CHARTER SCHOOL
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020

	STATE OF LOUISIANA - DEPARTMENT OF EDUCATION							
	LA-4 State		LA-4 Federal		Special Funds		Totals (Memorandum Only)	
	Program Services	Supporting Services	Program Services	Supporting Services	Program Services	Supporting Services	Program Services	Supporting Services
Expenses:								
Salaries	\$ 78,701	\$ -0-	\$ -0-	\$ -0-	\$297,206	\$ -0-	\$1,977,706	\$157,185
Employee benefits	17,502	-0-	-0-	-0-	22,813	-0-	249,304	9,187
Payroll taxes	5,603	-0-	-0-	-0-	20,793	-0-	147,277	11,088
Professional fees and contract services	-0-	-0-	-0-	-0-	14,997	-0-	320,758	28,400
Supplies	-0-	-0-	-0-	-0-	-0-	-0-	25,348	4,472
Instructional materials and supplies	-0-	-0-	-0-	-0-	15,937	-0-	103,985	-0-
Telephone	-0-	-0-	-0-	-0-	-0-	-0-	34,128	6,023
Postage and shipping	-0-	-0-	-0-	-0-	-0-	-0-	522	-0-
Professional development	-0-	-0-	-0-	-0-	45,634	-0-	45,984	-0-
Utilities	-0-	-0-	-0-	-0-	-0-	-0-	117,777	20,784
Rent	-0-	-0-	-0-	-0-	-0-	-0-	414,577	-0-
Security system and services	-0-	-0-	-0-	-0-	-0-	-0-	87,580	-0-
Repairs and maintenance	-0-	-0-	-0-	-0-	-0-	-0-	34,036	6,006
Technical maintenance and supplies	-0-	-0-	-0-	-0-	-0-	-0-	15,558	-0-
Insurance	-0-	-0-	-0-	-0-	-0-	-0-	68,376	-0-
Equipment rental	-0-	-0-	-0-	-0-	-0-	-0-	489	-0-
Food Cost	-0-	-0-	-0-	-0-	-0-	-0-	7,334	-0-
Printing	-0-	-0-	-0-	-0-	-0-	-0-	6,539	-0-
In-kind	-0-	-0-	-0-	-0-	-0-	-0-	43,241	-0-
Student activities	-0-	-0-	-0-	-0-	-0-	-0-	7,031	-0-
Depreciation and amortization	-0-	-0-	-0-	-0-	-0-	-0-	48,231	-0-
Transportation	-0-	-0-	-0-	-0-	48,150	-0-	339,380	-0-
Bank charges	54	-0-	-0-	-0-	-0-	-0-	1,438	-0-
Interest expense	-0-	-0-	-0-	-0-	-0-	-0-	4,137	-0-
Other expenses	138	-0-	-0-	-0-	1,228	-0-	39,276	-0-
Support to other programs	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Administrative and management fees	-0-	-0-	-0-	-0-	10,045	-0-	133,102	-0-
Advertisement	-0-	-0-	-0-	-0-	-0-	-0-	88	-0-
Total	<u>\$101,998</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$476,803</u>	<u>\$ -0-</u>	<u>\$4,273,202</u>	<u>\$243,145</u>

See Independent Auditors' Report on Supplementary Information.

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

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America the financial statements of **James M. Singleton Charter School (JMSCS), Sponsor Organization Dryades Young Men's Christian Association** which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report dated March 17, 2021.

Internal Control Over Financial Reporting

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

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

Internal Control Over Financial Reporting, Continued

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify a certain deficiency in internal control over financial reporting described in the accompanying Summary Schedule of Finding and Response as item 2020-001 that we consider to be a significant deficiency.

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

A material weakness is a deficiency, or a combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of JMSCS's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

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

Response to Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of JMSCS's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering JMSCS's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

March 17, 2021

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE
FOR THE YEAR ENDED JUNE 30, 2020**

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

N/A - Not Applicable

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020**

Section I - Summary of Auditors' Results, Continued

Federal Awards, Continued

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

N/A - Not Applicable

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020**

Section II - Financial Statement Finding and Response

Reference Number

2020-001

Criteria

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

Condition

During the course of the audit, management proposed several audit adjustments to fairly state the financial statements as of and for the year ended June 30, 2020.

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

Context

Total revenues and expenses for the year ended June 30, 2020 were \$4,755,946 and \$4,516,347. Also, total assets, liabilities, and net assets were \$1,669,864, \$1,198,963, and \$470,901.

Effect or Potential Effect

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

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020**

Section II - Financial Statement Finding and Response, Continued

Reference Number, Continued

2020-001

Cause

Level of technical capacity and oversight afforded in connection with the monthly processing of its financial transactions.

Recommendation

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

Management's Response and Planned Corrective Action

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

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020**

Section III - Federal Award Findings and Questioned Costs

No federal award findings and questioned costs were reported for the year ended June 30, 2020.

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

No prior year findings and responses were reported for the year ended June 30, 2020.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020**

Section V - NOLA Public Schools Oversight Review Report

On December 20, 2019 and November 12, 2020, respectively, NOLA Public Schools submitted to Dryades YMCA, outlining action items aligned with increasing oversight in the areas of organizational and financial effectiveness and a fiscal monitoring report. A current status of the referenced reports follows:

Number 1 - Condition

All members of the Dryades YMCA's Board shall attend the authorized Charter board training by January 20, 2020.

Current Status

Resolved.

All Dryades YMCA Board members have completed the required Board training.

Number 2 - Condition

The Dryades YMCA's Board shall be required to contract with a mutually agreed upon third party for charter board development for at least one year to commence no later than February 14, 2020.

Current Status

Resolved.

The Dryades YMCA procured a third party contract with Educational Board Partners as of June 11, 2020.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020**

Section V - NOLA Public Schools Oversight Review Report, Continued

Number 3 - Condition

The Dryades YMCA's board shall distinguish its operations of the charter school separate from the operations of the Dryades YMCA, such that the operation of JMSCS function is independent of the operations of the Dryades YMCA.

Current Status

Resolved.

The Dryades YMCA and JMSCS currently have separate operational systems in place which consists of separate financial accounting functions and vendor relationships. Further, the day to day operations of JMSCS is independent of the Dryades YMCA.

Number 4 - Condition

The Dryades YMCA's board shall present a plan to the district which illustrates a separation of management of charter school operations and Dryades YMCA operations by February 28, 2020.

Current Status

Resolved.

At the June 19, 2020 Dryades YMCA board meeting, the Board approved an amendment to its by-laws that enhanced oversight of the Education Committee; allowing them full oversight of the daily operations of JMSCS. A resolution was also passed to delineate authority to the Board Chair and School Leader to execute contracts on behalf of JMSCS.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020**

Section V - NOLA Public Schools Oversight Review Report, Continued

Number 5 - Condition

Segregate payroll and accounts payable functions of the charter school from Dryades YMCA.

Current Status

Resolved.

The Dryades YMCA and JMSCS maintain separate and independent general ledger to account for all payroll, accounts payable and all other accounting functions. The respective financial information is audited by external auditors as part of the respective fiscal and calendar year end audits submitted to the LLA.

Number 6 - Condition

Written agreement stipulating clear separation of operations between JMSCS and Dryades YMCA and what is included in said separation of operations which shall be submitted to NOLA Public Schools.

Current Status

Resolved.

The Dryades YMCA submitted a plan to NOLA Public Schools on June 4, 2020 detailing the written agreement that would be enacted between JMSCS and Dryades YMCA for the performance of certain services. To date the Dryades YMCA has not received an official response regarding the proposed agreement.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020**

Section V - NOLA Public Schools Oversight Review Report, Continued

Number 7 - Condition

Pursuant to written separation of operations between Dryades YMCA and JMSCS, furnish a final accounting by fund, grant eGMS reports and matching general ledger support, balance sheet reconciliations and all bank account reconciliations for the two (2) entities.

Current Status

Resolved.

The Dryades YMCA submitted the final accounting by fund, grant eGMS reports and matching general ledger support to NOLA Public Schools on July 30, 2020. In addition, the Dryades YMCA submitted the 2019 audit report to the LLA on January 30, 2021. Currently, the report has been published and is available at the LLA's website.

Number 8 - Condition

Submit JMSCS's Accounting and Procedures to the district for review within thirty (30) days.

Current Status

Resolved.

The Dryades YMCA submitted a copy of its Accounting and Procedures Manual to NOLA Public Schools on June 11, 2020.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020**

Section V - NOLA Public Schools Oversight Review Report, Continued

Number 9 - Condition

Maintain separate contracts for JMSCS and Dryades YMCA outsourced financial services (payroll processing, etc.).

Current Status

Resolved.

The Dryades YMCA is the sponsor organization of JMSCS and accordingly files all Internal Revenue Service required forms (941, W-2's, W-3's, 1099 returns) on a consolidated basis. The Dryades YMCA and JMSCS have separate company codes within the payroll processing system for separating purposes.

Number 10 - Condition

Produce JMSCS's attorney's conclusion on retirement funding to Dryades YMCA JMSCS employees pursuant to Louisiana Legislative Auditor (LLA) investigative audit within thirty (30) days.

Current Status

Resolved.

Dryades YMCA submitted a copy of the communication from its attorney, indicating there has been no response or action from TRSL since 2017.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020**

Section V - NOLA Public Schools Oversight Review Report, Continued

Number 11 - Condition

Produce conclusion to amount owed to Dryades YMCA by JMSCS within thirty (30) days. Dryades YMCA remits funds to JMSCS averaging approximately 170k per month. If Dryades YMCA will forgive these funds, documentation indicating the details of any waiving of repayment must be submitted within thirty (30) days.

Current Status

Resolved.

The Dryades YMCA performed a reconciliation of the interfund accounts between Dryades and JMSCS. This information was submitted to NOLA Public Schools on July 30, 2020. Since that date the Dryades YMCA Board of Directors passed a resolution at a special board meeting on September 2, 2020 to transfer a modular building valued at \$240,000 to JMSCS and further dissolved the remaining debt.

Number 12 - Condition

Provide student: teacher ratio data within thirty (30) days.

Current Status

Resolved.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020**

Section V - NOLA Public Schools Oversight Review Report, Continued

Number 13 - Condition

Formulate accounting methodology for overhead functions that are a result of JMSCS's location within the Dryades YMCA facility within thirty (30) days.

Current Status

Resolved.

Dryades YMCA submitted the accounting methodology for overhead functions on June 11, 2020.

Number 14 - Condition (Credit Cards)

- a) Eight (8) of nine (9) instances, credit card statement balance was not paid in full which resulted in \$786.59 in finance charges and \$105.00 in late charges.
- b) One (1) credit card statement with identifiable receipts were dated from a prior year.
- c) \$6,089.92 in credit card payments without identifiable receipts.
- d) \$114.37 in travel meals which may not be per diem complaint.
- e) \$74.21 in meal expense does not indicate business purpose.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020**

Section V - NOLA Public Schools Oversight Review Report, Continued

Number 14 - Condition (Credit Cards), Continued

Current Status

Resolved.

The Dryades YMCA has a credit card not JMSCS.

Due to Dryades YMCA cash flow issues, it was not always able to submit payments by the due date which caused the Dryades YMCA to incur some finance and late charges.

All credit card payments made are approved and supported by the required documentation for payment which consist of the associated receipts with the appropriate statement. Further, Dryades YMCA's policy dictates that all staff members be provided with a daily per diem during travel and must submit receipts upon return from business travel.

Number 15 - Condition (Payroll)

- a) \$524.41 in miscellaneous debit charges dated (02/04/2020) from JMSCS's payroll bank account could not be authenticated and/or supported.
- b) \$318.00 in miscellaneous debit charges dated (08/07/2020) from JMSCS's payroll bank account could not be authenticated and/or supported.
- c) JMSCS's payroll bank account reflected an overdraft on 06/30/2020 by \$407.83.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020**

Section V - NOLA Public Schools Oversight Review Report, Continued

Number 15 - Condition (Payroll), Continued

- d) CEO began receiving paychecks pursuant to receipt of COVID-19 CARES Act Paycheck Protection Program (PPP) funding. This payroll was not budgeted and/or approved by the board.

- e) Annualized Business Manager's salary is \$100,000 which is close to CEO's current annualized salary.

Current Status

Resolved.

The Dryades YMCA has learned that due to the credit card being issued by Hancock Whitney, the banking institution drafted the account without specific authorization for two payments. The Dryades YMCA will reimburse JMCS for the funds debited from the payroll account within the next thirty (30) days.

Also, Dryades YMCA applied for and received funds through the Payroll Protection Plan in April of 2020. Further, the CEO's salary was approved by the Board of Directors at the Dryades YMCA monthly board meeting on January 15, 2019.

It is the management of Dryades YMCA's position that the salary for its personnel are competitive within the non-profit market place with comparable entities of its size.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020**

Section V - NOLA Public Schools Oversight Review Report, Continued

Number 16 - Condition (Procurement)

- a) Payments to "Y" Not Check Background & Fingerprinting for \$260.00 was payable to a registered vendor of a related party.
- b) Current Business Manager was a contractor before being hired. From 03/04/2020 through 05/28/2020, identifiable charges of \$15,400.00 were paid to Business Manager equaling an annualized amount of \$92,640.00. No letter of good standing from the Louisiana Secretary of State is on file.

Current Status

Resolved.

The Dryades YMCA requires all staff members to complete a conflict of interest questionnaire at which time this information was disclosed.

Further, the Dryades YMCA entered into a contract with the current CFO prior to her return as employee to assist with the transition of her duties for \$1,000 a month, \$12,000 annually, which is under the Dryades YMCA threshold for seeking Board approval. Upon the resignation of the Accountant in December 2020, the Dryades YMCA requested that the referenced individual assume some additional duties until the Dryades YMCA could find a replacement.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020**

Section V - NOLA Public Schools Oversight Review Report, Continued

Number 17 - Condition (Treasury)

- a) Bank statements for four (4) of Dryades YMCA's bank accounts were addressed to CEO's home address.
- b) Two (2) checks payable to cash were signed by CEO on 09/10/2019 for \$6,900.00 and 06/19/2019 for \$3,488.98 totaling \$10,388.98 were without adequate support.
- c) Identified \$47,521.15 banking transactions without dual signatures.

Current Status

Resolved.

The bank statements are going to the address where the finance department was housed after Hurricane Katrina until 2016. The Dryades YMCA has made several written requests to Liberty Bank and Trust to rectify the situation. The Dryades YMCA will seek additional measures in order to correct the referenced matter.

Checks signed payable to cash by the CEO was to perform a bank transfer from the operating account to the payroll account to cover pending payroll expenses. The bank statements should reflect the "bank" check used, the deposit (payroll) and related transfer (operating).

The \$47,521.15 of banking transactions represent transfers from the operating account to the payroll account for bi-weekly payroll.

The respective bank statement should evidence the referenced transfers.

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

EXIT CONFERENCE

JUNE 30, 2020

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

Those that participated in the discussion are as follows:

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

Mr. Douglas Evans	-- Chief Executive Officer
Mrs. Catrina Reed	-- Consultant
Mr. Darren Mire	-- Chairperson
Ms. Erika Mann	-- School Leader
Ms. Linda Williams	-- Business Manager

**BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS**

Mr. Paul K. Andoh, Sr., CPA, MBA, CGFM, CGMA	-- Partner
Mr. Clyde Hunter, CPA	-- Senior Accountant
Ms. Suki Xia	-- Staff Accountant



Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

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

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

In planning and performing our audit of the financial statements of **James M. Singleton Charter School (JMSCS), Sponsor Organization Dryades Young Men's Christian Association** as of and for the year ended June 30, 2020, we considered **JMSCS's** internal control over financial reporting as a basis for determining our auditing procedures for the purpose of expressing an opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of **JMSCS's** internal control. Accordingly, we do not express an opinion on the effectiveness of **JMSCS's** internal control.

However, during our audit, we became aware of other matters that provide an opportunity for **JMSCS** to strengthen its internal control and operating efficiency. Also, we reviewed the status of prior year's other matters noting their respective current status. We previously reported on **JMSCS's** internal control in our report dated March 17, 2021. This letter does not affect our report dated March 17, 2021, on the financial statements of **JMSCS**.

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

(CONTINUED)

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

Reference Number

OM 2020-001

Criteria

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

Condition

Our review of internal control attributes over the revenue cycle revealed the following conditions:

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

Cause

The level of oversight afforded to staff.

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

(CONTINUED)

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

Reference Number, Continued

OM 2020-001

Effect or Potential Effect

Noncompliance with established board policy.

Recommendation

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

Management's Response and Planned Corrective Action

Management has embedded and increased its level of oversight with its monthly general ledger processing system by requiring that all monthly transactions be recorded in the general ledger system timely. Further, periodic analysis will be performed timely with all resulting adjustments, as needed, being posted immediately. Monthly bank reconciliation will be completed, signed by the Head of School and approved by the EAC finance sub-committee.

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

(CONTINUED)

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

Reference Number

OM 2020-002

Criteria

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

Condition

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

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

Cause

Lack of adequate oversight over the payroll processing.

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

(CONTINUED)

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

Reference Number, Continued

OM 2020-002

Effect or Potential Effect

Potential for incorrect payments of payroll amounts.

Recommendation

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

Management's Response and Planned Corrective Action

Management has re-visited with its oversight level involving its payroll processes and implemented changes effective immediately.

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

(CONTINUED)

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

Reference Number

OM 2020-003

Criteria

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

Condition

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

Cause

Inadequate oversight over monthly processing of financial statements and events.

Effect or Potential Effect

Potential for misappropriation of assets.

Recommendation

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

Management's Response and Planned Corrective Action

Management has implemented a procedure requiring supervisory approval of all journal entries prior to posting.

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

(CONTINUED)

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

Reference Number

OM 2020-004

Criteria

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

Condition

Our review of internal control attributes over the expense cycle revealed the following conditions:

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

Cause

The level of oversight afforded to staff.

Effect or Potential Effect

Noncompliance with established board policy.

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

(CONTINUED)

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

Reference Number, Continued

OM 2020-004

Recommendation

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

Management's Response and Planned Corrective Action

Management has embedded and increased its level of oversight with its monthly general ledger processing system by requiring that all monthly transactions be recorded in the general ledger system timely. Further, periodic analysis will be performed timely with all resulting adjustments, as needed, being posted immediately. Monthly bank reconciliation will be completed, signed by the Head of School and approved by the EAC finance sub-committee.

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

(CONTINUED)

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

Reference Number

OM 2020-005

Criteria

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

Condition

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

Cause

Untimely resolution of completeness in recorded economic events.

Effect or Potential Effect

Potential for overstated financial obligations.

Recommendation

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

Management's Response and Planned Corrective Action

After an internal investigation, it was determined and supported with accompanying documentation that no financial obligation is outstanding with the identified vendor.

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

(CONTINUED)

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

Reference Number

OM 2020-006

Criteria

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

Condition

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

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

Cause

Oversight resulting from a practice of periodic review for completeness.

Effect or Potential Effect

Potential for misappropriation of funds.

Recommendation

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

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

(CONTINUED)

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

Reference Number, Continued

OM 2020-006

Management's Response and Planned Corrective Action

JMSCS has no active accounts at Iberia Bank. The current authorized signers are the Head of School and EAC Chair.

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

(CONTINUED)

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

2019

Reference Number

OM 2019-001

Criteria

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

Condition

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

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

This condition is similar to prior year's other matter reference numbers OM 2018-001 and OM 2017-001.

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

(CONTINUED)

***STATUS OF PRIOR YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2019***

Reference Number, Continued

OM 2019-001

Cause

The level of oversight afforded to staff.

Effect or Potential Effect

Noncompliance with established board policy.

Recommendation

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

Current Status

Unresolved. See current years report on other matters reference numbers OM 2020-001 and OM 2020-004.

Management has enhanced the level of oversight with its monthly general ledger by requiring that all monthly transactions be recorded in the general ledger system in a timely manner. Periodic analysis will be performed timely with any resulting adjustments, as needed, posted immediately.

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

(CONTINUED)

***STATUS OF PRIOR YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2019***

Reference Number

OM 2019-002

Criteria

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

Condition

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

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

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

Cause

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

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

(CONTINUED)

***STATUS OF PRIOR YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2019***

Reference Number, Continued

OM 2019-002

Effect or Potential Effect

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

Recommendation

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

Current Status

Resolved.

Management has implemented internal oversight processes involving third party service providers.

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

(CONTINUED)

***STATUS OF PRIOR YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2019***

Reference Number

OM 2019-003

Criteria

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

Condition

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

Cause

Untimely resolution of completeness in recorded economic events.

Effect or Potential Effect

Potential for overstated financial obligations.

Recommendation

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

Current Status

Resolved.

After an internal investigation, it was determined and supported with accompanying documentation that no financial obligation is outstanding with the identified vendor.

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

(CONTINUED)

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

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

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

March 17, 2021

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

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

FOR THE YEAR ENDED JUNE 30, 2020

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

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

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

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

This agreed-upon engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable Standards of *Government Auditing Standards* issued by the Comptroller General of the United States of America. The sufficiency of these procedures is solely the responsibility of the specified users of the report.

Consequently, we make no representation regarding the sufficiency of the following procedures described either for the purpose for which this report has been requested or for any other purpose.

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

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

General Fund Instructional and Support Expenditures
(SCHEDULE 1)

1. Procedure

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

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

Finding

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

Class Size Characteristics (SCHEDULE 2)

2. Procedure

We obtained a list of classes by school, school type and class size as reported on the schedule. We then traced a random sample of ten (10) classes to the October 1, 2019 roll books for those classes and determined if the classes were properly classified on the schedule.

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

Class Size Characteristics (SCHEDULE 2), Continued

2. Procedure, Continued

Finding

No exceptions noted.

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

3. Procedure

We obtained the October 1, 2019 Profile of Education Personnel (PEP) data submitted to the Department of Education, including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing was complete. We then selected a sample of twenty-three (23) individuals (maximum teacher population on October 1, 2019), traced to each individual's personnel file, and observed that each individual's education level and experience were properly classified on the PEP data.

Finding

For thirteen (13) of the total number of teachers of twenty-three (23) sampled, we noted variances between the years of experience as reported on the October 1, 2019, PEP report and the years of experience maintained in the respective teacher's file.

Also, one (1) of the referenced sample of teachers revealed an instance where the teachers' educational credential (bachelor's degree) was not on file to facilitate our review.

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

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

3. Procedure, Continued

Management's Response

A copy of the teaching certificate is on file and was submitted. The personnel file of the teacher referenced did not have a copy of Bachelor's Degree, but a Bachelor's Degree is not a requirement to obtain a Louisiana Teacher Certificate. JMSCS did not handle Human Resource matters until December 2020.

Accordingly, in the future, our protocol involves the following action steps:

- Create an excel spreadsheet of all faculty and staff including educational level, years of experience, contract salary, etc.
- Add a column which indicates additional money/funds earned during the year.
- Place copies of teacher's salary contract, teacher's degree, teacher's certificate, and/or staff certification, and the teacher schedule inside the folder.

Public School Staff Data: Average Salaries (No Schedule)

4. Procedure

We obtained the June 30, 2020 PEP data submitted to the Department of Education of all classroom teachers, including their base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data/listing was complete. We then selected a sample of twenty-five (25) individuals (using teacher population on June 30, 2020), traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data for the year ended June 30, 2020.

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

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

4. Procedure, Continued

Finding

For thirteen (13) of the twenty-five (25) teachers sampled, we noted variances between the total compensation as reported on the June 30, 2020 PEP report to the June 30, 2020 average salaries report for JMSCS.

Management's Response

After contacting personnel with the Louisiana Department of Education (LDOE) corrections in PEP for 2019-20 are closed. It must be noted that the current school administration was not responsible for these actions during the 2019-20 school year.

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

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

March 17, 2021

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

SCHEDULE I

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2020**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom teacher salaries	\$1,034,188
Other instructional staff activities	567,611
Employee benefits	329,870
Purchased professional and technical supplies	428,818
Instructional materials and supplies	<u>88,048</u>

Total teacher and student interaction activities 2,448,535

Other instructional activities 905,117

Pupil Support Activities:

Less: Equipment for pupils support act -0-

Net pupil support activities -0-

Instructional Staff Services:

Less: Equipment for Instructional Staff Services -0-

Net Instructional Staff Services -0-

School Administration:

Less: Equipment for School Administration -0-

Net School Administration -0-

Total general Fund Instructional Expenditures \$3,353,652

Total General Fund Equipment Expenditures \$ -0-

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

Class Size Characteristics
As of October 1, 2019

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	52.7%	48	45.1%	41	2.2%	2	0%	0
Elementary Activity Classes	60.7%	17	28.6%	8	10.7%	3	0%	0
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High								
High Activity Classes								
Combination								
Combination Activity Classes								

See accompany independent accountants' report applying agreed-upon procedures.