

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
(a nonprofit organization)

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Dryades Young Men's Christian Association
New Orleans, Louisiana

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Dryades Young Men's Christian Association ("DYMCA"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however; we were not able to obtain sufficient appropriate audit evidence to provide a basis for an opinion.

Basis for Disclaimer of Opinion

DYMA could not provide sufficient competent evidence to determine the accuracy, rights & obligations, as well as the accuracy of DYMCA's financial statements for the year ended December 31, 2021. Specifically, the following limitations applies:

- We were unable to sufficiently reconcile the ending balance of the net assets of the year ended December 31, 2020 to the beginning balance of the current fiscal year ended December 31, 2021 and, accordingly unable to establish comprehensive balances for the material transaction classes. This was primarily due to the proposed adjusting journal entries that were issued to the DYMCA not being implemented at the conclusion of the financial statement audit for the year ended December 31, 2021.
- DYMCA was unable to locate a significant number of source documents which prohibited the auditor in obtaining sufficient appropriate audit evidence regarding potential material misstatements in the financial statements.

We were not able to obtain sufficient appropriate audit evidence about the accuracy, rights and obligations, as well as the accuracy assertions by other auditing procedures.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements referred to in the first paragraph.

Supplementary Information

Other information

We were engaged to audit the financial statements that collectively comprise DYMCA's basic financial statements. The schedule of compensation, benefits and other payments to the Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to the Chief Executive Officer schedule is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedure, including comparing and recording such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the schedule of compensation and other payments to the Chief Executive Officer in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2023, on our consideration of DYMCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering DYMCA's internal control over financial reporting and compliance.

Bruno & Tervalon, LLP

Bruno & Tervalon, LLP

New Orleans, Louisiana

March 24, 2023

Basic Financial Statements

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF FINANCIAL POSITION
December 31, 2021

ASSETS

Current assets:	
Cash	\$ 562,582
Restricted Cash	77,846
Accounts receivable, net	13,875
Other accounts receivable	63,244
Grants receivable	112,124
Prepaid and other assets	4,000
Investments	<u>25,419</u>
Total current assets	859,090
Noncurrent assets:	
Land and land improvements	773,071
Property and equipment, net	<u>16,096,816</u>
Total noncurrent assets	16,869,887
Total assets	<u>\$ 17,728,977</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable and other liabilities	\$ 23,528
Salaries, benefits and taxes payable	228,234
Accrued expenses	481,667
Lease payable	6,906
Tenant deposits	77,846
Notes payable, current portion	<u>380,472</u>
Total current liabilities	1,198,653
Total liabilities	<u>1,198,653</u>
Net assets:	
Without donor restrictions	\$ 16,340,354
With donor restrictions	<u>189,970</u>
Total net assets	<u>16,530,324</u>
Total liabilities and net assets	<u>\$ 17,728,977</u>

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

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<u>SUPPORT AND REVENUES</u>			
Local Sources:			
Minimum Foundation Program	\$ -	\$ 85,585	\$ 85,585
Total local sources	-	85,585	85,585
State Sources:			
Minimum Foundation Program		7,526,259	7,526,259
Grants	5,835	-	5,835
Total state sources	5,835	7,526,259	7,532,094
Federal grants	522,524	-	522,524
Net assets eased from donor restrictions	7,421,874	(7,421,874)	-
Program income, fees and other funding	119,588	-	119,588
Total revenues	8,069,821	189,970	8,259,791
Other revenues:			
Membership dues	160,640	-	160,640
Interest income	518	-	518
Rental income	395,131	-	395,131
Contributions and donations	1,441	-	1,441
Other	262,589	-	262,589
Total other revenues	820,319	-	820,319
Total support and other revenues	8,890,140	189,970	9,080,110
<u>EXPENSES</u>			
Charter school expenses	2,489,502	-	2,489,502
Program services	540,687	-	540,687
Supporting services	2,992,228	-	2,992,228
Total expenses	6,022,417	-	6,022,417
Changes in net assets	2,867,723	189,970	3,057,693
Net assets, beginning of year as restated	13,472,631	-	13,472,631
Net assets, end of year	\$ 16,340,354	\$ 189,970	\$ 16,530,324

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

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

Type of Expense	Charter School	YMCA		YMCA Subtotal	Total
		Program Services	Supporting Services		
Salaries and wages	\$ 1,080,206	\$ -	\$ 1,321,273	1,321,273	\$ 2,401,479
Employee benefits and payroll taxes	65,457	-	213,371	213,371	278,828
Professional fees and contract services	290,066	-	217,166	217,166	507,232
Professional services-legal settlement	-	460,000	-	460,000	460,000
Supplies	13,693	-	28,091	28,091	41,784
Instructional material and supplies	107,192	-	-	-	107,192
Telephone	7,811	-	8,383	8,383	16,194
Postage and printing	85	-	317	317	402
Utilities	78,801	-	41,780	41,780	120,581
Rent	182,970	-	-	-	182,970
Equipment rental	515	-	1,548	1,548	2,063
Repairs and maintenance	203,343	-	3,446	3,446	206,789
Technical maintenance and supplies	445	-	912	912	1,357
Transportation	179,646	-	-	-	179,646
Dues to National YMCA	-	-	27,428	27,428	27,428
Insurance	27,328	-	64,019	64,019	91,347
Other expenses	137,302	-	174,657	174,657	311,959
Advertising	323	-	900	900	1,223
Interest expense	-	80,687	-	80,687	80,687
Student activities	3,283	-	-	-	3,283
Bank charges	-	-	7,207	7,207	7,207
	<u>2,378,466</u>	<u>540,687</u>	<u>2,110,498</u>	<u>2,651,185</u>	<u>5,029,651</u>
Total expenses before depreciation					
Depreciation and amortization	<u>111,036</u>	<u>-</u>	<u>881,730</u>	<u>881,730</u>	<u>992,766</u>
Total	<u>\$ 2,489,502</u>	<u>\$ 540,687</u>	<u>\$ 2,992,228</u>	<u>\$ 3,532,915</u>	<u>\$ 6,022,417</u>

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

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2021

Cash Flows from Operating Activities:

Change in net assets	\$ 3,057,693
Restatement of beginning balance	3,331,863
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	992,765
Changes in operating assets and liabilities:	
Increase in accounts receivable	(8,979)
Increase in other accounts receivable	(63,244)
Increase in grants receivable	(84,840)
Increase in prepaid and other assets	(2,000)
Increase in capital leases	111,290
Decrease in cash drawn in excess of available balance	(55,653)
Decrease in accounts payable and other liabilities	(874,428)
Increase in accrued expenses	298,412
Increase in lease payable	6,906
Decrease in reserve for unemployment taxes and other payables	(596,089)
Decrease in deferred revenue	<u>(256,512)</u>

Net cash provided by operating activities 5,857,184

Cash Flows from Investing Activities:

Purchase of property and equipment	(6,040,393)
Proceeds from sale of investments	<u>22,965</u>

Net cash used in investing activities (6,017,428)

Cash Flows from Financing Activities:

Payments on lease obligations	(94,807)
Proceeds from notes payable	442,158
Payments on notes payable	<u>(226,502)</u>

Net cash provided by financing activities 120,849

Net increase in cash (39,395)

Cash, beginning of year 679,823

Cash, end of year \$ 640,428

Supplemental cash flow information:

Interest paid	<u>\$ 80,934</u>
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The accompanying notes are an integral part of these financial statements.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

Note 1 — Background and General Data

Background

Dryades Young Men's Christian Association (DYMCA) is non-profit corporation organized under the laws of the State of Louisiana. DYMCA is primarily engaged in providing community services that consist of youth development, counseling, crime reduction and physical education activities. DYMCA also administers job training, and day care programs through grants received from the State of Louisiana and the United Way of Greater New Orleans. DYMCA also operates a charter school which is funded by the State of Louisiana. Several of these grants originate at the federal level and as such are deemed federal pass-through grants.

General Data

At December 31, 2021, DYMCA administered the following active programs and grants:

- General
- School of Commerce
- Youth Development and Outreach
- Day Care Program
- Endowment Fund
- James M. Singleton Charter School
- LA-4 Starting Points Pre-Kindergarten Program (Federal and State)
- Special Funds (Title I, Title II, IDEA Part B and IDEA Preschool)
- Total Community Action (Head Start)
- Wellness Center

The following is a brief description of each program, grant administered by DYMCA:

General

Included in general are the following:

- Program Income Fees;
- Special Events-Self Support;
- Public Contributions and Donation; and
- Private Grants

The resources of the General Fund are used to fund the operations of DYMCA that are not directly covered by specific programs or grants administered by DYMCA.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021

School of Commerce

The School of Commerce is funded by the State Department of Labor and provides job training for entry into the labor force, and counseling and placement into unsubsidized employment.

Funding from the State of Louisiana is provided on behalf of the students in the form of tuition payments to DYMCA.

Youth Development and Outreach

Development to the teaching staff to meet the requirements that all schools have "highly qualified" teachers, defined as a teacher with full certifications, a bachelor's, and demonstrated competence in subject knowledge and teaching skills as defined by each state.

Day Care Program

The Daycare Program is funded through United Way of Greater New Orleans, the State of Louisiana, General and Private donations. This program provides service to children one (1) To five (5) years old. The Day Care Program provides child care that supports and strengthens families and nurtures the healthy, successful growth and development of each child in spirit, mind, and body.

James M. Singleton Charter School

James M. Singleton Charter School is an independent charter school funded by the State of Louisiana Board of Elementary and Secondary Education (BESE) and the State of Louisiana Department of Education. It provides a framework for educational experimentation through the creation of 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 and of academic learning results;
- Account better and more thoroughly for educational results; and
- Create new professional opportunities for teachers and other school employees.

LA-4 Starting Points Pre-Kindergarten Program 9 (Federal and State)

LA-4 Starting Points Pre-Kindergarten Program is funded through the State Department of Education for children age 4 years old. The Program promotes student achievement and growth through a variety of activities which are designed to prepare participants for the next level of Education.

DRYADES YOUNG MEN’S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021

Special Funds (Title I, Title II, IDEA Part B and IDEA Preschool)

Title I

Title I is funded through the State Department of Education to ensure that all children have a fair, equal and sufficient opportunity to obtain a high-quality education and reach, at a minimum, proficiency on challenging state academic achievement standards and state academic assessment. The program also aims to close the achievement gap between high and low performing children, especially between disadvantaged and their more advantaged peers.

Title II

Title II is also funded through the State Department of Education to provide professional development to the teaching staff to meet the requirements that all schools have “highly qualified” teachers, defined as a teacher with full certification, a bachelor’s degree, and demonstrated competence in subject knowledge and teaching skills as defined by each state.

IDEA Part B

IDEA Part B is funded through the State Department of Education to provide education to students with disabilities, Funding is contingent on compliance with six (6) main principles.

IDEA Preschool

IDEA Preschool is funded through the State Department of Education to provide various services to children from three (3) through five (5) years of age.

Total Community Action (Head Start Program)

DYMCA’s Head Start Program is funded through Total Community Action to provide “Head Start” services to children 3 and 4 years old that are eligible to receive those services.

Wellness Center

The Dryades Wellness Center is funded through the General Program and membership fees. The program is aimed at the development of the mind and promotion of healthy lifestyles.

Note 2 – Summary of Significant Accounting Policies

Principles of Accounting

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

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021

Promise to Give

Contributions are recognized when the donor makes a promise to give to DYMCA that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions expire in the year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

DYMCA uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At December 31, 2021, the total allowance for doubtful accounts was \$0.

Use of Estimates

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

Advertising Costs

Advertising costs are charged to operations when incurred. DYMCA had no direct response advertising costs during the year ended December 31, 2021; however, the total non-direct response advertising for the year ended December 31, 2021 was \$1,223.

Funding

DYMCA receives its primary funding through support from the United Way of Greater New Orleans, grants from the State of Louisiana and the City of New Orleans, program fees, membership dues, and special events.

Contributed Services

Contributions of donated services that require specialized skills, and provided by individual possessing those skills and would typically be purchased if not provided by donation are recorded at their fair values in the period received.

During the year ended December 31, 2021 the value of contributed services meeting the requirements for recognition in DYMCA's financial statements was \$-0-.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021

Property and Equipment

DYMCA follows the practice of capitalizing all property and equipment expenditures over 2,500 and are stated at cost, if purchased. Donated items received are recorded at the fair value at the time of receipt. Depreciation is computed under the straight-line method for all depreciable assets over their respective estimated useful lives. DYMCA depreciates property and equipment using the following estimated useful lives:

<u>Items</u>	<u>Estimated Useful Lives</u>
Building	20-40
Building improvements	7-15
Furniture and equipment	5-10

Land is recorded at cost or estimated cost.

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among animal services and supporting services benefitted. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and related benefits	Time and Effort
Occupancy	Square Footage
Professional services	Full Time Equivalent
Printing	Full Time Equivalent
Information technologies	Full Time Equivalent
Depreciation	Square Footage
Other	Time and Effort

Statement of Cash Flows

For purposes of the statement of cash flows, DYMCA considers all investments with original maturities of three months or less to be cash equivalents. DYMCA held no cash equivalents at December 31, 2021.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021

Leasehold Improvements

Leasehold improvements are capitalized at cost and amortized over the shorter of the lease term or useful life. Amortization for leasehold improvements for the year ended December 31, 2021, has been recorded in the accompanying financial statements.

Financial Statement Presentation

The financial statements of DYMCA have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provision of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations"(the "Guide") update 2016-14. (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of DYMCA and changes therein are classified as follows:

Net assets without donor restriction

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of DYMCA. DYMCA's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions

Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporarily in nature; those restrictions will be met by actions of DYMCA or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

At December 31, 2021, DYMCA's net assets without donor restrictions reports the results of revenues generated by providing services, receiving unrestricted contributions, grants, interest from investments, disposition of real property, less expenses incurred in providing program and supporting related services. In addition, DYMCA presents a statement of cash flows in the accompanying financial statements.

Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021

Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

Fair Value of Financial Instruments

The estimated fair value of all significant financial statement amounts has been determined by DYMCA using available market information and appropriate valuation methodologies. DYMCA considers the carrying amounts of cash, investments, accounts receivable, prepaid assets, grants receivable, promises to give due in less than one year, accounts payable, accrued liabilities, notes payable to approximate fair value.

Budgetary Data

DYMCA's Board approves all budgetary data in connection with grant award applications.

Totals Memorandum Only Year ended December 31, 2021

The total column on the statements in the supplementary information section of this report is captioned "Totals (Memorandum Only)" to indicate that it is presented only to facilitate financial analysis. Such data is not comparable to a consolidation.

Investment

DYMCA has elected to adopt ASC Section 958-320 (Not-for-Profit Entities, Investments Debt and Equity Securities). Under the ASC Section 958-320, investments in marketable securities with readily determinable fair values and all debt securities are reported at their fair values.

Inter Program Transactions

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

Leases

DYMCA has elected early adoption of Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), which requires leases to recognize a right of use asset and a lease liability on the statement of financial position for all leases with a term longer than 12 months.

Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of activities.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021

Note 3 – Cash

At December 31, 2021, the carrying amount of DYMCA's cash deposits was \$640,428 and the cumulative collected bank balances was \$626,560. The cumulative collected bank balances are secured from risk by \$250,000 of federal deposit insurance per financial institution, with the remaining balance collateralized by a \$1,000,000 letter of credit issued by the Federal Home Loan Bank of Dallas and pledged to DYMCA. DYMCA has no deposit policy for custodial credit risk.

Under certain state laws, deposits of public funds must be secured by federal deposit insurance or the pledge of securities or other instruments by the fiscal agent's bank. The market value of such pledged securities or other instruments and deposit insurance must equal or exceed the amount on deposit with the fiscal agent.

Note 4 – Accounts receivable, net

The following is a summary of accounts receivable as of December 31, 2021:

Total Community Action	\$	8,364
Agenda for Children		<u>5,511</u>
Subtotal		13,875
Allowance for doubtful accounts		<u>-</u>
Account receivable, net	\$	<u><u>13,875</u></u>

There is no allowance for doubtful accounts due to management's decision that all of the accounts receivable are collectible.

Note 5 – Other accounts Receivable

Gulf Coast Bank	\$	<u>63,244</u>
Other accounts receivable	\$	<u><u>63,244</u></u>

Note 6 – Grants receivable

At December 31, 2021, grants receivable consisted of the following:

State of Louisiana	\$	<u>112,124</u>
Grants receivable	\$	<u><u>112,124</u></u>

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021

Note 7 – Liquidity:

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

Cash	\$ 562,582
Investment, at cost	25,419
Accounts receivable	13,875
Other accounts receivable	63,244
Grants receivable	<u>112,124</u>
	<u>\$ 777,244</u>

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

Note 8 - Prepaid and Other Assets:

At December 31, 2021 prepaid and other assets consisted of the following:

Security deposits	<u>\$ 4,000</u>
Total	<u>\$ 4,000</u>

Note 9 – Investment

At December 31, 2021, DYMCA held a certificate of deposit with original maturity date greater than three months. The investment is stated at estimated fair market value.

	<u>Cost</u>	<u>Estimated Fair Market Value</u>
Certificate of deposit level 1	<u>\$ 25,419</u>	<u>\$ 25,419</u>

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021

Note 10 – Fair Value of Financial Instruments

FASB Accounting Standards Codification Topic 820, “Fair Value Measurements” (Topic 820), requires disclosures that stratify balance sheet amounts measured at fair value based on the inputs used to derive fair value measurements. DYMCA reports fair value measures of its assets and liabilities using a three- level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximized the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability’s measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

- Level 1. Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.
- Level 2. Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets in markets that are not active;
 - Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
 - Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3. Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value if observable inputs are not available.

ASC Topic 820 requires DYMCA to maximize the use of observable market inputs, minimize the use of unobservable marker inputs, and disclose in the form of an outlined hierarchy, the details of such fair value measurements. The recorded values of cash and cash equivalents approximate their fair values based on their short-market nature. All fair value measurements are considered Level 1 measurements as of December 31, 2021.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021

Note 11 – Property and Equipment, Net

At December 31, 2021 property and equipment consisted of the following:

	Balance <u>1/1/2021</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>12/31/2021</u>
Land and land improvements	\$ 773,071	\$ -	\$ -	\$ 773,071
Building and improvements	16,330,915	6,040,393	-	22,371,308
Furniture and equipment	1,340,147	-	-	1,340,147
Leasehold improvements	176,877	-	-	176,877
Subtotal	<u>18,789,806</u>	<u>6,040,393</u>	-	<u>24,661,403</u>
Accumulated depreciation				
Depreciation	<u>(6,798,750)</u>	<u>(992,766)</u>	-	<u>(7,791,516)</u>
Property and equipment, net	<u>\$11,991,056</u>	<u>\$ 5,047,627</u>	<u>\$ -</u>	<u>\$ 16,869,887</u>

Note 12 – Accounts Payable and Other Liabilities

At December 31, 2021, accounts payable and other liabilities consisted of the following:

Vendors	<u>\$ 23,528</u>
Total	<u>\$ 23,528</u>

Note 13 – Salaries, Benefits and Taxes Payable

At December 31, 2021, salaries, benefits and taxes payable consisted of the following:

Salaries payable	\$ 101,070
Taxes, related benefits, and withholdings payable	<u>127,164</u>
Total	<u>\$ 228,234</u>

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021

Note 14 – Accrued expenses

At December 31, 2021, accrued expenses were as follows:

Legal settlement - W. Scotsman vs Dryades YMCA	\$ 460,000
Cash payroll	<u>21,667</u>
Total	<u>\$ 481,667</u>

Note 15 – Lease Obligations

The right of use asset balance is written-off with amortization expense of \$168,796 for the year ended December 31, 2021. There is also no lease liability as of December 31, 2021.

Note 16 – Notes Payable

At December 31, 2021, notes payable consisted of the following:

CLMG Corporation	\$ 166,995
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These 2 loans were in default at December 31, 2021. A modification agreement was approved in year 2022. This included a payment of \$11k applied to the loan balances.

These loans bear interest at 10.75%

Gulf Coast Bank, bearing interest at 4.96%	<u>213,477</u>
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Total notes payable	\$ <u>380,472</u>
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The Gulf Coast Bank instrument is a promissory note secured by Myrtle building. We anticipate the balance of principal to be paid by the December 31, 2023.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021

Note 17 - Litigation

At December 31, 2021 and through April 23, 2023, DYMCA's legal counsel has advised of pending settlement of a case for which they indicated a probable loss contingency of \$460,000.

Further, in matters pertaining to other litigation, it is legal counsel's opinion that a possible claim or assessment may arise at some time but they are unable to determine such claim, assessment or amount.

Note 18 – In-Kind

At December 31, 2021, in-kind contributions represent donated facilities, services and food items to DYMCA.

Note 19- Pension Plan

DYMCA participates in the YMCA Retirement Fund Retirement Plan (Retirement Plan), a defined contribution, money purchase, church plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended (the Code), and The YMCA Retirement Fund Tax-Deferred Savings Plan, a retirement income account plan as defined in section 403(b)(9) of the Code.

The Retirement Plan is subject to the Employee Retirement Income Security Act of 1974 pursuant to section 401(d) of the Code. Both Plans are sponsored by The Young Men's Christian Association Retirement Fund (Fund). The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York (1921) organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs throughout the United States.

The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and their eligible employees. As a defined contribution plan, the Retirement Plan and Tax-Deferred Savings Plan have no unfunded benefit obligations.

In accordance with DYMCA's agreement, contributions for the YMCA Retirement Fund Retirement Plan are a percentage of the participating employees' salary. These amounts are paid by the DYMCA. Total contributions charged to retirement costs and paid were \$66,469 for the year ended December 31, 2021.

Contributions to The YMCA Retirement Fund Tax-Deferred Savings Plan are withheld from employees' salaries and remitted to The YMCA Retirement Fund. There is no matching employer contribution to this plan.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021

Note 20 – Concentration of Risk

DYMCA receives primarily all of its revenues from the State of Louisiana, Total Community Action, Inc., and the United Way of Greater New Orleans. If the amount of revenues received should fall below contract levels, DYMCA's operating results could be adversely affected.

Note 21 – Income Taxes

DYMCA is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements. Should DYMCA's tax-exempt status be challenged in the future, DYMCA's tax returns for 2021, 2020 and 2019 are open for examination by the Internal Revenue Service.

Note 22 – Contingencies and Commitments

DYMCA is a recipient of direct and pass-through grants from the State of Louisiana, Total Community Action, Inc., and the United Way of Greater New Orleans, as applicable. These grants are governed by various guidelines, regulations and contractual agreements. The administration of the programs and activities funded by these grants is under the control and administration of DYMCA and is subject to audit and/or review by the applicable funding sources. Any grants or award funds found to be not properly spent in accordance with the terms, conditions and regulations of the funding sources may be subject to recapture.

Note 23 – Risk Management

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

Note 24 – Net Assets with Donor Restrictions

Restricted grants receivable-State of Louisiana	\$ 112,124
Restricted for tenant deposits	<u>77,846</u>
Total net assets with donor restrictions	<u>\$ 189,970</u>

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021

Note 25 – Per diem to Board of Directors

During the year ended December 31, 2021, no per diem was paid to the Board of Directors in their capacity as directors.

Note 26 – Prior period adjustments

Beginning net assets as of December 31, 2021 were restated for a prior period adjustment. Net assets increased by \$3,331,863 resulting from end of the year corrections. These adjustments primarily arise from correction of certain balance sheet and income statement items. These items relate to errors as restated below:

Decrease in revenues	\$ 1,051,545
Increase in expenses	<u>2,280,318</u>
Subtotal adjustments	3,331,863
Net assets before adjustments	<u>10,140,768</u>
Net assets restated	<u><u>\$ 13,472,631</u></u>

Note 27 – Subsequent Events

DYMCA is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition or disclosure in the financial statements.

DYMCA performed such as evaluation through March 24, 2023, the date which the financial statements were available to be issued, and noted no subsequent events or transactions that occurred after the statement of financial position date that require recognition or disclosure.

**DRYADES YOUNG MEN'S ASSOCIATION
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO EXECUTIVE OFFICER**

For the Year Ended December 31, 2021

Agency Head: Douglas Evans

<u>Item</u>	<u>Amount</u>
Salary	\$ 19,231
Benefits - Social security	1,192
Benefits - Medicare	<u>279</u>
Total	<u>\$ 20,702</u>

**DRYADES YOUNG MEN'S ASSOCIATION
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO EXECUTIVE OFFICER**

For the Year Ended December 31, 2021

Agency Head: April 1 to December 31, 2021

Sam Odums

<u>Item</u>	<u>Amount</u>
Salary	\$ -
Benefits - Social security	-
Benefits - Medicare	-
Total	<u>\$ -</u>

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

To the Board of Director of
Dryades Young Men's Christian Association
New Orleans, Louisiana

We have audited Dryades Young Men's Christian Association ("DYMCA"), in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of DYMCA (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 24, 2023.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2021-002, 2021-003, 2021-004, 2021-005, 2021-006, 2021-007, 2021-008, 2021-009, and 2021-010 to be material weaknesses.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether DYMCA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2021-001.

DYMCA's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on DYMCA's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. DYMCA's response was not subjected to the other 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 and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Bruno & Tervalon, LLP

Bruno & Tervalon, LLP
New Orleans, LA

March 24, 2023

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended December 31, 2021

I Summary of Auditors' Results

a. Financial Statement

1. The independent auditors' report expresses a disclaimer on the financial statements of the Dryades YMCA.
2. There were nine control deficiencies disclosed during the audit of the financial statements and reported in the *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*. The deficiencies are reported as material weaknesses.
3. There was one instance of noncompliance that is reported in the *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*.

b. Management Letter

1. Management letter was not issued in connection with the audit for the year ended December 31, 2021.

DRYADES YOUNG MEN'S CHRISTAIN ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
For the Year Ended December 31, 2021

II Findings – Financial Statement Audit

2021-001 Late Submission of Audit Report to LLA

Noncompliance

Fiscal Year Finding Originated: 2020

Condition:

The report was not submitted to the legislative auditor's office on a timely basis.

Criteria:

LSA-R.S.24.513 States that, "all engagements must be completed and transmitted to the legislative auditor within six months of the close of the auditee fiscal year."

Cause:

A lack of knowledge of good accounting practices and reconciliation of bank, accounts receivables, accrued expenses and payable accounts.

Effect:

The Organization was not in compliance with the State Law governing audit engagement completion.

Recommendation:

The Organization should remain in compliance with the State Law governing audit engagement completion. The audit engagement should be sought through the methods prescribed by the Louisiana Legislative Auditor. A firm should be selected, and approval of the Louisiana Legislative Auditor sought early enough to allow the audit to begin as soon after the close of the fiscal year as is practicable.

Management's Response:

See letter of responses attached.

2021-002 Inadequate Controls over Financial Reporting

Material Weakness

Fiscal Year Finding Originated: 2020

DRYADES YOUNG MEN'S CHRISTAIN ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended December 31, 2021

Condition:

Financial statements are not prepared monthly by the Organization. Monthly budget-to-actual comparison schedules are not prepared and presented to the management for discussion.

Criteria:

Adequate internal controls in relation to financial reporting require that specific procedures be in place to ensure that transactions are properly supported and recorded on a timely basis. In addition, controls should be in place to ensure the appropriate oversight of funds and monthly transactions from those charged with governance. Monthly financial statements should be provided to the management for review. The financial activity and comparison to budgeted amounts is necessary for the proper stewardship of the Organization. Management is responsible for establishing internal control policies and procedures that provide for proper accounting, reasonable assurance that assets are safeguarded against loss resulting from unauthorized use, and that transactions are executed in accordance with management's authorization.

Cause:

The Organization did not maintain an adequate control environment due to lack of monitoring and oversight by those charged with governance. Monthly financial statements were not prepared for management during the audit period due to the accounting records not being current. An internal control system was not designed and/or implemented to ensure that adequate controls were in place in all areas to prevent, detect, and correct noncompliance in a timely manner. Management of the Organization was not seeking advice and reviewing transactions on a regular basis to ensure that financial related matters were in compliance.

Effect:

The lack of adequate internal controls relating to general ledger maintenance significantly increases the risk that material error and irregularities could exist and not be detected. The lack of oversight significantly increases the risk of the misappropriation of assets. Lack of complete accounting records necessary to prepare financial statements. Management of the Organization does not have financial information necessary to plan and operate the Organization effectively. Without complete financial information on a timely basis, including budget-to actual comparisons, the management cannot effectively exercise its fiduciary responsibilities of monitoring and managing the Organization's fiscal affairs.

Recommendation:

The organization should review its existing controls over financial reporting and adopt and implement policy and procedures that will ensure the safeguarding of the Organization's assets, reporting accurate financial data and that personnel comply with policies, procedures and regulations.

DRYADES YOUNG MEN'S CHRISTAIN ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended December 31, 2021

In addition, the organization should complete its review of the draft "Accounting Policy and Procedures Manual," maintain the general ledger on a timely basis including posting transactions, completing account reconciliations, and preparing monthly financial statements. The organization should develop a written accounting policy manual which includes month-end procedures along with formal approvals and other control procedures.

Management's Response:

See letter of responses attached.

2021-003 Inadequate Design of internal Controls over Financial Statement Preparation

Material Weakness

Fiscal Year Finding Originated: 2020

Condition:

The Organization's staff responsible for preparation of the financial statements and related footnote disclosure in accordance with generally accepted accounting principles (GAAP) lacks the resources and/or knowledge necessary to internally complete the reporting requirements.

Although management of the Organization does not actually prepare and draft the financial statements, related notes, and supplementary information, they should have the capability and experience to oversee the process. They provided all of the information to be included and they should understand the presentation.

Criteria:

Effective for financial statements ending on or after December 15, 2006, Statements on Auditing Standards 112 expands management's responsibility to ensure the propriety and completeness of the financial statements and related footnotes.

Management of the Organization should have suitable skill, knowledge, or experience to prepare financial statements, the related notes, and the supplementary information in accordance with accounting principles generally accepted in the United States of America. Internal controls should be adopted and implemented to prevent, detect or correct a misstatement in the financial statements, related notes, or supplementary information.

DRYADES YOUNG MEN'S CHRISTAIN ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended December 31, 2021

Cause:

The conditions are due to economic limitations. Management has not hired a person that has adequate education, background, and training to prepare financial statements in accordance with accounting principles generally accepted in the United States of America.

Effect:

The Organization is unable to meet the required standards to ensure completeness of the financial statements and related footnotes.

Misstatements in the financial statements, related notes, or supplementary information may occur and not be detected within a timely period. The amounts by which not implementing GASB Statement No. 45 would affect the liabilities and net assets of the governmental activities are not known.

Recommendation:

The organization should select accounting management that has the necessary skills, knowledge, and experience to prepare financial reports and ensure internal controls are being followed to minimize misstatements in the financial statements.

Management's Response:

See letter of responses attached.

2021-004 Material Adjustments to the Financial Statements

Condition: During the performance of audit procedures, audit adjustments were proposed to correct misstatements that, individually and in the aggregate, were material to Dryades YMCA's financial statements.

Criteria: Internal control is a process - effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of the entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

A deficiency in internal control is defined as condition where 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. It defines a material weakness as a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements may not be prevented, or detected and corrected, on a timely basis.

DRYADES YOUNG MEN'S CHRISTAIN ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended December 31, 2021

Cause:

The conditions are due to economic limitations. Management has not hired a person that has adequate education, background, and training to prepare financial statements in accordance with accounting principles generally accepted in the United States of America.

Effect:

The Organization is unable to meet the required standards to ensure completeness of the financial statements and related footnotes.

Misstatements in the financial statements, related notes, or supplementary information may occur and not be detected within a timely period. The amounts by which not implementing GASB Statement No. 45 would affect the liabilities and net assets of the governmental activities are not known.

Recommendation:

The organization should review its existing controls over financial reporting and adopt and implement policy and procedures that will ensure the safeguarding of the Organization's assets, reporting accurate financial data and that personnel comply with policies, procedures and regulations. In addition, the organization should complete its review of the draft "Accounting Policy and Procedures Manual," maintain the general ledger on a timely basis including posting transactions, completing account reconciliations, and preparing monthly financial statements. The organization should develop a written accounting policy manual which includes month-end procedures along with formal approvals and other control procedures.

Management's Response:

See letter of responses attached.

2021-005 Inadequate Design of Internal Controls over Expenditure

Material Weakness

Fiscal Year Finding Originated: 2021

Condition:

During the performance of audit procedures and control testing the organization had issues providing supporting documentation for some of the expenditures. Management did have many instances of breakdown in some of the segregation of duties. The Organization's staff are responsible for maintaining controls related to expenditures with policies and procedures that management implements. Management

DRYADES YOUNG MEN'S CHRISTAIN ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended December 31, 2021

lacks sufficient effective design and controls to prevent a material misstatement from occurring within the financial statements.

Criteria:

Management of the Organization should have implemented controls to prevent or detect material misstatement to prevent, detect or correct a misstatement in the financial statements, related notes, or supplementary information.

Cause:

The Organization was unable to provide supporting documentation for many of the expenditures. The Organization that did not have adequate process and controls in place to ensure supporting documentation would be available.

Effect:

The Organization was unable to provide supporting documentation for many of the expenditures. Management has had many instances when controls were overridden by management. Management has not implemented controls to prevent or detect material misstatements from being materially misstated.

Recommendation:

The organization should review its existing controls over financial reporting and adopt and implement policy and procedures that will ensure the safeguarding of the Organization's assets, reporting accurate financial data and that personnel comply with policies, procedures and regulations. In addition, the organization should complete its review of the draft "Accounting Policy and Procedures Manual," maintain the general ledger on a timely basis including posting transactions, completing account reconciliations, including supporting documentation of expenditures. The organization should update the written accounting policy manual which includes month-end procedures along with formal approvals and other control procedures.

Management's Response:

See letter of responses attached.

DRYADES YOUNG MEN'S CHRISTAIN ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
For the Year Ended December 31, 2021

2021-006 Inadequate Design of Internal Controls over Revenue

Material Weakness

Fiscal Year Finding Originated: 2021

Condition:

During the performance of audit procedures and control testing the organization had issues providing supporting documentation for some of the receivable and revenue. Management did have many instances of breakdown in some of the segregation of duties. The Organization's staff are responsible for maintaining controls related to revenue with policies and procedures that management implements. Management lacks sufficient effective design and controls to prevent a material misstatement from occurring within the financial statements.

Criteria:

Management of the Organization should have implemented controls to prevent or detect material misstatement to prevent, detect or correct a misstatement in the financial statements, related notes, or supplementary information.

Cause:

The Organization did not have adequate processes and controls in place to ensure that supporting documentation was maintained for revenue amounts included in the reports.

Effect:

The Organization could not provide supporting documentation maintained for revenue amounts included in the reports.

Recommendation:

The organization should review its existing controls over financial reporting and adopt and implement policy and procedures that will ensure the safeguarding of the Organization's assets, reporting accurate financial data and that personnel comply with policies, procedures and regulations. In addition, the organization should complete its review of the draft "Accounting Policy and Procedures Manual," maintain the general ledger on a timely basis including posting transactions, completing account reconciliations, including supporting documentation of revenues. The organization should update the written accounting policy manual which includes month-end procedures along with formal approvals and other control procedures.

DRYADES YOUNG MEN'S CHRISTAIN ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended December 31, 2021

Management's Response:

See letter of responses attached.

2021-007 Inadequate Design of Internal Controls

Material Weakness

Fiscal Year Finding Originated: 2021

Condition:

During the performance of audit procedures and control testing the organization did not have polices in the following areas: Ethics, Debt Service, Information Technology, and Sexual Harassment. The Organization's staff are responsible for maintaining controls related to compliance with policies and procedures that management implements. Management lacks sufficient effective design and controls to prevent a material misstatement from occurring within the financial statements.

Criteria:

Management of the Organization should have implemented controls to prevent or detect material misstatement to prevent, detect or correct a misstatement in the financial statements, related notes, or supplementary information.

Cause:

The Organization did not have updated polices in place related to Ethics, Debt Service, Information Technology, and Sexual Harassment in the Accounting Manual.

Effect:

The Organization has not updated its policies and procedures in many years. documentation for many of the Management has had many instances when controls were overridden by management.

Recommendation:

The organization should review its existing policies and procedures over financial reporting and adopt and implement policy and procedures that will ensure the safeguarding of the Organization's assets, reporting accurate financial data and that personnel comply with policies, procedures and regulations. In addition, the organization should complete its review of the draft "Accounting Policy and Procedures Manual," maintain the general ledger on a timely basis including posting transactions, completing account reconciliations, including supporting documentation of revenues. The organization should update the written accounting policy manual which includes.

DRYADES YOUNG MEN'S CHRISTAIN ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
For the Year Ended December 31, 2021

Management's Response:

See letter of responses attached.

2021-008 Inadequate Design of Internal Controls over payroll

Material Weakness

Fiscal Year Finding Originated: 2021

Condition:

During the performance of audit procedures and control testing the organization could not provide support in following areas in payroll: timesheets, approved accrued leave, daily attendance sheets, termination payments and representation that employer and employee taxes were paid. The Organization's staff are responsible for maintaining controls related to compliance with payroll that Management lacks sufficient effective design and controls to prevent a material misstatement from occurring within the financial statements.

Criteria:

Management of the Organization should have implemented controls to prevent or detect material misstatement in the financial statements, related notes, or supplementary information.

Cause:

Management was unable to provide sufficient documentation to payroll activity for prior employees. Management did not have adequate controls in place to prevent or detect material misstatement relating to payroll reporting.

Effect:

The Organization could not obtain supporting documentation to provide to the external auditor for testing related to payroll. Management has had many instances when controls were overridden by management.

Recommendation:

The organization should review its existing policies and procedures over financial payroll and adopt and implement policy and procedures that will ensure the safeguarding of the Organization's assets, reporting accurate financial data and that personnel comply with policies, procedures, and regulations. In addition, the organization should complete its review of the draft "Accounting Policy and Procedures Manual," maintain the general ledger on a timely basis including posting transactions, completing account

DRYADES YOUNG MEN'S CHRISTAIN ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended December 31, 2021

reconciliations, including supporting documentation of revenues. The organization should update the written accounting policy manual which includes.

Management's Response:

See letter of responses attached.

2021-009 Inadequate Design of Internal Controls over Travel Expenses, Reimbursement, and Approvals

Material Weakness

Fiscal Year Finding Originated: 2021

Condition:

During the performance of audit procedures and control testing the organization could not provide support in for the travel expenses, reimbursement, and approvals. The Organization's staff are responsible for maintaining controls related to travel expense and reimbursement. Management lacks sufficient effective design and controls to prevent a material misstatement from occurring within the financial statements.

Criteria:

Management of the Organization should have implemented controls to prevent or detect material misstatement to prevent, detect or correct a misstatement in the financial statements, related notes, or supplementary information.

Cause:

The Organization could not obtain all the travel expenses, reimbursements, and approvals. Management did not have adequate controls in place to prevent or detect material misstatements.

Effect:

The Organization could not obtain supporting documentation to provide to the external auditor to support the balances on the financials. Management has had many instances when controls were overridden by management.

DRYADES YOUNG MEN'S CHRISTAIN ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended December 31, 2021

Recommendation:

The organization should review its existing policies and procedures for travel expenses, reimbursements and approvals and adopt and implement policy and procedures that will ensure the safeguarding of the Organization's assets, reporting accurate financial data and that personnel comply with policies, procedures, and regulations. In addition, the organization should complete its review of the draft "Accounting Policy and Procedures Manual," maintain the general ledger on a timely basis including posting transactions, completing account reconciliations, including supporting documentation of revenues. The organization should update the written accounting policy manual which includes.

Management's Response:

See letter of responses attached.

2021-010 Inadequate Design of Internal Controls over contracts

Material Weakness

Fiscal Year Finding Originated: 2021

Condition:

During the performance of audit procedures and control testing the organization could not provide supporting for the contracts. The Organization's staff are responsible for maintaining controls related to contracts that Management lacks sufficient effective design and controls to prevent a material misstatement from occurring within the financial statements.

Criteria:

Management of the Organization should have implemented controls to prevent or detect material misstatement to prevent, detect or correct a misstatement in the financial statements, related notes, or supplementary information.

Cause:

Management was unable to provide documentation on contracts and agreements requested. Adequate controls are not in place to prevent or detect material misstatements.

DRYADES YOUNG MEN'S CHRISTAIN ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
For the Year Ended December 31, 2021

Effect:

The Organization could not obtain supporting documentation to provide to the external auditor to support the balances on the financials. Management has had many instances when controls were overridden by management.

Recommendation:

The organization should review its existing policies and procedures for contracts and implement policy and procedures that will ensure the safeguarding of the Organization's assets, reporting accurate financial data and that personnel comply with policies, procedures, and regulations. In addition, the organization should complete its review of the draft "Accounting Policy and Procedures Manual," maintain the general ledger on a timely basis including posting transactions, completing account reconciliations, including supporting documentation of revenues. The organization should update the written accounting policy manual which includes.

Management's Response:

See letter of responses attached.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

Schedule of Findings and Responses For the Year Ended December 31, 2021

Section III. Summary of Prior Year Findings

2021-001 Preparation of financial statements.

The organization recorded a significant amount of material adjustments after year-end 2020 to several major accounts to ensure that the financial statements were presented in accordance with United States generally accepted accounting principles.

2021-002 Support documentation for transactions not provided.

The absence of source documents limits the auditor to substantively test the basis and fundamental nature of these significant transactions, and accordingly presents a limitation on the completeness and accuracy of the financial statements used by management in making informed judgements.

2021-003 Controls over cash management and budget constraints.

Continuing negative impact on net assets from the recurring operating losses. Management should develop a formal plan that includes both short and long-term spending to ensure it can operate within available funding levels.

2021-004 Timely Submission of Audit Report to the Legislative Auditor

DYMCA is non-compliant with the Legislative Auditors' requirement to submit the audit to the Legislative Auditor by the required due date.

The current status of findings 2021-001, 2021-002, 2021-003, and 2021-004 are as follows:

2021-001 - There are still a significant amount of material adjustments to several major accounts that are unresolved.

2021-002 – Support documentation have not been resolved to test significant transactions.

2021-003 – Management have not developed a formal plan that includes short and long-term spending to ensure they can operate within available funding levels.

2021-004 DYMCA are currently non-compliant with the Legislative Auditors' requirement to submit the audit to the Legislative Auditor by the required due date.



Annual Financial Audit Finding Responses FY 2021

Finding	Management Response
2021-001 Late Submission of Audit Report to LLA	<p>Management will utilize the methods prescribed by the Louisiana Legislative Auditor so that we allow enough time to submit the financial report to them by the required due date. Within 3 months of the end of the fiscal year, management will procure a qualified CPA firm to perform the annual financial audit.</p> <p>Effective September 2022, management has contracted with an experienced accounting firm to ensure the implementation of good accounting practices including monthly reconciliations of banks, monthly accounts receivables reconciliations and monthly accrued expenses/payable accounts reconciliations.</p> <p>Effective April 2023, the board of directors will include at least one member with CPA credentials to ensure appropriate board oversight of existing controls over financial reporting and the implementation of adequate financial policies and procedures. The board's finance committee will meet monthly to review the financial statements for the prior month.</p>

<p>2021-002 Inadequate Controls over Financial Reporting</p>	<p>Effective September 2022, management has contracted with an experienced accounting firm to ensure the implementation of good accounting practices and has implemented new policies relating to controls over financial reporting. Those policies will be reviewed and updated periodically by management and the board of directors. Additionally, management will work with the contracted accounting firm to implement month-end procedures to ensure that the general ledger is maintained on a timely basis and to ensure timely posting of transactions, monthly completion of account reconciliations, and preparation of monthly financial statements.</p> <p>Effective April 2023, the board of directors will include at least one member with CPA credentials to ensure appropriate board oversight of existing controls over financial reporting and the implementation of adequate financial policies and procedures. The board's finance committee will meet monthly to review the financial statements for the prior month.</p>
<p>2021-003 Inadequate Design of internal Controls over Financial Statement Preparation</p>	<p>Effective September 2022, management has contracted with an experienced accounting firm to ensure the implementation of good accounting practices and has implemented new policies relating to controls over financial reporting. Additionally, management will work with the contracted accounting firm to implement month-end procedures to ensure that the general ledger is maintained on a timely basis and to ensure timely posting of transactions, monthly completion of account reconciliations, and preparation of monthly financial statements.</p> <p>Effective April 2023, the board of directors will include at least one member with CPA credentials to ensure appropriate board oversight of existing controls over financial reporting and the implementation of adequate financial policies and procedures. The board's finance committee will meet monthly to review the financial statements for the prior month.</p>
<p>2021-004 Material Adjustments to the Financial Statements</p>	<p>Effective September 2022, management has contracted with an experienced accounting firm to ensure the implementation of good accounting practices and has implemented new policies relating to controls over financial reporting. Additionally, management will work with the contracted accounting firm to implement month-end procedures to ensure that the general ledger is maintained on a timely basis and to ensure timely posting of transactions, monthly completion of account reconciliations, and preparation of monthly financial statements.</p> <p>Effective April 2023, the board of directors will include at least one member with CPA credentials to ensure appropriate board oversight of existing controls over financial reporting and the implementation of adequate financial policies and procedures. The board's finance committee will meet monthly to review the financial statements for</p>

	the prior month.
2021-005 Inadequate Design of Internal Controls over Expenditure	<p>Effective September 2022, management has contracted with an experienced accounting firm to ensure the implementation of good accounting practices and has implemented new policies relating to controls over financial reporting. Additionally, management will work with the contracted accounting firm to implement month-end procedures to ensure that the general ledger is maintained on a timely basis and to ensure timely posting of transactions, monthly completion of account reconciliations, and preparation of monthly financial statements.</p> <p>Effective April 2023, the board of directors will include at least one member with CPA credentials to ensure appropriate board oversight of existing controls over financial reporting and the implementation of adequate financial policies and procedures. The board’s finance committee will meet monthly to review the financial statements for the prior month.</p>
2021-006 Inadequate Design of Internal Controls over Revenue	<p>Effective September 2022, management has contracted with an experienced accounting firm to ensure the implementation of good accounting practices and has implemented new policies relating to controls over financial reporting. Additionally, management will work with the contracted accounting firm to implement month-end procedures to ensure that the general ledger is maintained on a timely basis and to ensure timely posting of transactions, monthly completion of account reconciliations, and preparation of monthly financial statements.</p> <p>Effective April 2023, the board of directors will include at least one member with CPA credentials to ensure appropriate board oversight of existing controls over financial reporting and the implementation of adequate financial policies and procedures. The board’s finance committee will meet monthly to review the financial statements for the prior month.</p>



Jun 16, 2023

Management Responses to Additional Audit Findings FY 2021

Finding	Management Response
<p>The independent auditors' report expresses a disclaimer on the financial statements of the Dryades YMCA.</p>	<p>Effective September 2022, management has contracted with an experienced accounting firm to ensure the implementation of good accounting practices and has implemented new policies relating to controls over financial reporting. Additionally, management will work with the contracted accounting firm to implement month-end procedures to ensure that the general ledger is maintained on a timely basis and to ensure timely posting of transactions, monthly completion of account reconciliations, and preparation of monthly financial statements. Prior to September 2022, the agency did not have an experienced accountant or firm managing its account function for at least one year.</p> <p>Effective April 2023, the board of directors will include at least one member with CPA credentials to ensure appropriate board oversight of existing controls over financial reporting and the implementation of adequate financial policies and procedures. The board's finance committee will meet monthly to review the financial statements for the prior month. Prior to April 2023, the board did not have a member that possessed CPA credentials or a bachelor's degree or advanced degree in accounting.</p>

<p>There were nine control deficiencies disclosed during the audit of the financial statements and reported in the 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. The deficiencies are reported as material weaknesses.</p>	<p>Effective September 2022, management has contracted with an experienced accounting firm to ensure the implementation of good accounting practices and has implemented new policies relating to controls over financial reporting. Additionally, management will work with the contracted accounting firm to implement month-end procedures to ensure that the general ledger is maintained on a timely basis and to ensure timely posting of transactions, monthly completion of account reconciliations, and preparation of monthly financial statements. Prior to September 2022, the agency did not have an experienced accountant or firm managing its account function for at least one year.</p> <p>Effective April 2023, the board of directors will include at least one member with CPA credentials to ensure appropriate board oversight of existing controls over financial reporting and the implementation of adequate financial policies and procedures. The board's finance committee will meet monthly to review the financial statements for the prior month. Prior to April 2023, the board did not have a member that possessed CPA credentials or a bachelor's degree or advanced degree in accounting.</p>
<p>There was one instance of noncompliance that is reported in the 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.</p>	<p>Effective September 2022, management has contracted with an experienced accounting firm to ensure the implementation of good accounting practices and has implemented new policies relating to controls over financial reporting. Additionally, management will work with the contracted accounting firm to implement month-end procedures to ensure that the general ledger is maintained on a timely basis and to ensure timely posting of transactions, monthly completion of account reconciliations, and preparation of monthly financial statements. Prior to September 2022, the agency did not have an experienced accountant or firm managing its account function for at least one year.</p> <p>Effective April 2023, the board of directors will include at least one member with CPA credentials to ensure appropriate board oversight of existing controls over financial reporting and the implementation of adequate financial policies and procedures. The board's finance committee will meet monthly to review the financial statements for the prior month. Prior to April 2023, the board did not have a member that possessed CPA credentials or a bachelor's degree or advanced degree in accounting.</p>

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Dryades YMCA
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Dryades YMCA and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Non-Profit's management is responsible for those C/C areas identified in the SAUPs. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

- 1) Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
We performed the above procedures and noted no exceptions.
 - b. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
We performed the above procedures and noted no exceptions.
 - c. ***Disbursements***, including processing, reviewing, and approving.
We performed the above procedures and noted no exceptions.
 - d. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation.)
We performed the above procedures and noted no exceptions.

- e. **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

We performed the above procedures and noted no exceptions.

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

We performed the above procedures and noted no exceptions.

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

We performed the above procedures and noted no exceptions.

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

We performed the above procedures and noted no exceptions.

- i. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations and, (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

We performed the procedures above and noted the following exceptions.

There were no ethics polices or procedures in the accounting manual.

Management Response:

See management response letter

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

We performed the above procedures and noted the following exceptions:

There were no debt service polices or procedures in the accounting manual.

Management Response:

See management response letter

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

We performed the above procedures and noted the following exceptions:

There were no information technology disaster recovery/ business continuity policies or procedures in the accounting manual.

Management Response:

See management response letter

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

We performed the above procedures and noted the following exceptions:

There were no sexual harassment policies or procedures in the accounting manual.

Management Response:

See management response letter

Board or Finance Committee

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

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

We performed the procedure above and noted no exceptions.

- b. For those entities reporting on the governmental accounting model, observe whether the minutes reference or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

We performed the procedure above and noted no exceptions.

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

We performed the above procedures and noted no exceptions.

Bank Reconciliations

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

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

We performed the procedures above and no exceptions noted.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

Collections

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

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

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

We performed the above procedures and noted no exceptions.

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

We performed the above procedures and noted no exceptions.

- c. Each employee responsible for collecting cash is not responsible for posting collection entries to general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposits.

We performed the above procedures and noted no exceptions.

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

We performed the above procedures and noted no exceptions.

6) Obtain from management a copy of the bond or insurance policy for theft covering all employees

who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

We performed the above procedures and noted the following exceptions management

could not provide evidence that employees who have access to cash had a bond or insurance for theft.

Management Response:

See management response letter

- 7) Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

- h. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

-
- 8) Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9) For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

We performed the procedure above and noted no exceptions.

- k. At least two employees are involved in processing and approving payments to vendors.

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

- 10) For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

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

We performed the procedure above and noted the following exceptions 5 disbursements did not have supporting documentation.

Management Response:

See management response letter

- o. Observe whether the disbursement documentation included evidence (e.g., initial/ date, electronic logging) of segregation of duties tested under #9, as applicable.

We performed the procedure above and noted the following exceptions 5 of disbursements

Did not have evidence of proper segregation of duties.

Management Response:

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

We performed the procedure above and noted no exceptions.

- 12) Using the listing prepared by management randomly select 5 cards (or all cards if less than 5 that

were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- p. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g. original receipts for credit/debit card purchases exception reports for excessive fuel card usage) was reviewed and approved, in writing by someone other than the authorized card holder. (Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)

We performed the procedure above and no exceptions noted.

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

We performed the procedures above and no exceptions noted.

- 13) Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

We performed the procedure above and no exceptions noted.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- 14) Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- r. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration.

We performed the above procedures and noted the following exceptions:

Client could not provide the information needed.

Management Response:

See management response letter.

- s. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identified precisely what was purchased.

We performed the above procedures and noted the following exceptions:

Client could not provide the information needed.

Management Response:

See management response letter.

- t. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the name of those individuals participating and other documentation required by written policy (procedure #1h).

We performed the above procedures and noted the following exceptions:

Client could not provide the information needed.

Management Response:

See management response letter.

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

We performed the procedures above and noted the following exceptions:

Client could not provide information needed.

Management Response:

See management response letter.

Contracts

15) Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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

We performed the procedures above and no exceptions noted.

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

We performed the procedures above and no exceptions noted.

- x. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

We performed the procedure above and noted the following exceptions:

Client couldn't provide information needed.

Management Response:

See management response letter.

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

We performed the procedure above and noted the following exceptions:

Client couldn't provide information needed.

Management Response:

See management response letter.

Payroll and Personnel

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

17) Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- z. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

We performed the procedure above and noted the following exceptions:

Client couldn't provide information needed.

Management Response:

See management response letter.

- aa. Observe whether supervisors approved the attendance and leave of the selected employees/officials.

We performed the procedure above and noted the following exceptions:

Client couldn't provide information needed.

Management Response:

See management response letter

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

We performed the procedure above and noted the following exceptions:

Client couldn't provide information needed.

Management Response:

See management response letter.

- 18) Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

We performed the procedure above and noted the following exceptions:

Client couldn't provide information needed.

Management Response:

See management response letter.

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

We performed the procedure above and noted the following exceptions:

Client couldn't provide information needed.

Management Response:

See management response letter.

Ethics

- 20) Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- cc. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

We performed the procedures above and noted the following exceptions:

The Non-Profit has no documentation that demonstrates each employee has completed one hour of ethics training during the fiscal period.

Management Response:

See management response letter.

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

We performed the procedures above and noted the following exceptions:

The Non-Profit has no documentation of officials being notified of changes to ethics policy during the period.

Management Response:

See management response letter

Debt Service

- 21) Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

We performed the procedure above and noted the following exceptions:

Client couldn't provide information needed.

Management Response:

See management response letter

- 22) Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

We performed the procedure above and noted the following exceptions:

Client couldn't provide information needed.

Management Response:

See management response letter

Fraud Notice

- 23) Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

We performed the procedure above and noted the following exceptions:

Client couldn't provide information needed.

Management Response:

See management response letter

24)

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

We performed the procedure above and noted the following exceptions:

Client couldn't provide information needed.

Management Response:

See management response letter.

Information Technology Disaster Recovery/Business Continuity

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

- ee. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure above and noted the following exceptions:

Client couldn't provide information needed.

Management Response:

See management response letter.

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

We performed the procedure above and noted the following exceptions:

Client couldn't provide information needed.

Management Response:

See management response letter.

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

We performed the procedure above and noted the following exceptions:

Client couldn't provide information needed.

Management Response:

See management response letter.

Sexual Harassment

- 27) Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

We performed the procedure above and noted the following exceptions:

Client couldn't provide information needed.

Management Response:

See management response letter.

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

We performed the procedures above and noted the following exceptions:

The Non-Profit did no sexual harassment training.

Management Response:

See management response letter

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

We performed the procedures and noted management did not produce the supporting documentation.

Management Response:

See management response letter

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

None

- b. Number of sexual harassment complaints received by the agency;

None

- c. Number of complaints which resulted in a finding that sexual harassment occurred;

None

- d. Amount of time it took to resolve each complaint.

None

We were engaged by Dryades YMCA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

Bruno & Tervalon, LLP

New Orleans, LA

May 25, 2023



May 31, 2023

Bruno & Tervalon LLP
Certified Public Accountants
4298 Elysian Fields Avenue
New Orleans, LA 70122

Dear Sirs:

Attached, please find Management's responses to the 2021 SAUP Findings.

Thanks.

Signed:

James Fulton
Dryades YMCA Outsourced CFO
J.J. Fulton Companies



**STATE AGREED-UPON PROCEDURES
Corrective Action Plan (CAP)
FY 2021**

Procedure	Finding	Management Response
Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations and, (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.	There were no ethics policies or procedures in the accounting manual.	Management will work with staff to draft and implement ethics policies & procedures.
Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements	There were no debt service policies or procedures in the accounting manual.	Management will work with staff to draft and implement debt service policies & procedures.

<p>Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available systems and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.</p>	<p>There were no information technology disaster recovery/ business continuity policies or procedures in the accounting manual.</p>	<p>Management will work with staff to draft and implement information technology disaster recovery/ business continuity policies or procedures.</p>
<p>Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting</p>	<p>There were no sexual harassment policies or procedures in the accounting manual.</p>	<p>Management will work with staff to draft and implement sexual harassment policies or procedures.</p>
<p>Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.</p>	<p>We performed the above procedures and noted the following exceptions management could not provide evidence that employees who have access to cash had a bond or insurance for theft.</p>	<p>Management will work with staff to ensure that employees who have access to cash have a bond or insurance for theft.</p>
<p>For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:</p> <p>Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.</p>	<p>We performed the procedure above and noted the following exceptions 5 disbursements did not have supporting documentation.</p>	<p>Management will work with staff to ensure implement financial policies or procedures that will ensure that disbursements:</p> <ul style="list-style-type: none"> ● match the related original itemized invoice and supporting documentation, and ● indicate deliverables included on the invoice are received by the entity.

<p>Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:</p> <p>If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration.</p>	<p>Client could not provide the information needed.</p>	<p>There were no travel or travel-related expense reimbursements for the 2021 audit year.</p>
<p>If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identified precisely what was purchased.</p>	<p>Client could not provide the information needed.</p>	<p>Management will work with staff to ensure financial policies or procedures are implemented that will ensure that reimbursements are supported by an original itemized receipt that identifies precisely what was purchased.</p>
<p>Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the name of those individuals participating and other documentation required by written policy (procedure #1h).</p>	<p>Client could not provide the information needed.</p>	<p>There were no meal-related expense reimbursements for the 2021 audit year.</p>

<p>Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p>	<p>Client could not provide the information needed.</p>	<p>Management will work with staff to ensure financial policies or procedures are implemented that will ensure each reimbursement is reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p>
<p>If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).</p>	<p>Client couldn't provide the information needed.</p>	<p>Management will work with staff to ensure financial policies or procedures are implemented that will ensure amended contract documentation contains original contract terms provided for such an amendment and that amendments are made in compliance with the contract terms.</p>
<p>Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.</p>	<p>Client couldn't provide information needed.</p>	<p>Management will work with staff to ensure financial policies or procedures are implemented that will ensure that all vendor contract documentation contains the supporting invoice, agree to the invoice to the contract terms, and the invoice and related payment agreed to the terms and conditions of the contract.</p>
<p>Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)</p>	<p>Client couldn't provide information needed.</p>	<p>Management will work with staff to ensure financial policies or procedures are implemented that will ensure that all employee daily attendance records contain the required documentation.</p>

<p>Observe whether supervisors approved the attendance and leave of the selected employees/officials.</p>	<p>Client couldn't provide information needed.</p>	<p>Management will work with staff to ensure financial policies or procedures are implemented that will ensure that supervisors approve the attendance and leave of all employees.</p>
<p>Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.</p>	<p>Client couldn't provide information needed.</p>	<p>Management will work with staff to ensure financial policies or procedures are implemented that will ensure that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.</p>
<p>Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.</p>	<p>Client couldn't provide information needed.</p>	<p>Management will work with staff to ensure financial policies or procedures are implemented that will ensure personnel files of all terminated employees contain documentation:</p> <ul style="list-style-type: none"> ● Related to the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. ● Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

<p>Obtain management’s representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers’ compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.</p>	<p>Client couldn’t provide information needed.</p>	<p>Management will work with staff to ensure that documentation is on file that reconciles payments for employer and employee portions of third-party payroll expenses and ensures associated forms are filed, by required deadlines.</p>
<p>Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:</p> <p>Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.</p>	<p>The Non-Profit has no documentation that demonstrates each employee has completed one hour of ethics training during the fiscal period.</p>	<p>Management will work with staff to ensure financial policies or procedures are implemented that will ensure each employee has completed one hour of ethics training during the fiscal period.</p>
<p>Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.</p>	<p>The Non-Profit has no documentation of officials being notified of changes to ethics policy during the period.</p>	<p>Management will work with staff to ensure financial policies or procedures are implemented that will ensure employees are notified of changes to ethics policy during the period.</p>
<p>Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.</p>	<p>Client couldn’t provide information needed.</p>	<p>Management will work with staff to ensure financial policies or procedures are implemented that will ensure that bonds/notes contain the appropriate documentation.</p>

<p>Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).</p>	<p>Client couldn't provide information needed.</p>	<p>Management will work with staff to ensure financial policies or procedures are implemented that will ensure that the appropriate documentation is on file for all bonds/notes outstanding at the end of the fiscal year.</p>
<p>Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.</p>	<p>Client couldn't provide information needed.</p>	<p>Management is not aware of any instances of misappropriations of public funds and assets during the fiscal period.</p>
<p>Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.</p>	<p>Client couldn't provide information needed.</p>	<p>Management will work with staff to ensure financial policies or procedures are implemented that will ensure that posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.</p>
<p>Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.</p>	<p>Client couldn't provide information needed.</p>	<p>Management will work with staff to ensure that critical data is backed up weekly and documentation is filed weekly to verify that critical data is backed up weekly.</p>

<p>Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 month</p>	<p>Client couldn't provide information needed.</p>	<p>Management will work with staff to ensure that critical data back ups are tested/verified weekly and documentation is filed weekly to verify those tests.</p>
<p>Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.</p>	<p>Client couldn't provide information needed.</p>	<p>Management will work with staff to ensure that:</p> <ul style="list-style-type: none"> ● Computers currently in use are inventoried monthly and all computers have current and active antivirus software installed; and ● The operating system and accounting system software in use are supported by reputable vendors.
<p>Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.</p>	<p>Client couldn't provide information needed.</p>	<p>Management will work with staff to ensure that all staff receive at least one hour of sexual harassment training each fiscal year.</p>
<p>Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).</p>	<p>The Non-Profit did no sexual harassment training.</p>	<p>Management will work with staff to ensure financial policies or procedures are implemented that will ensure that the sexual harassment policy and complaint procedures are posted on the website.</p>