

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

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2022

Sean M. Bruno
Certified Public Accountants, LLC

Table of Contents

	Page
Independent Auditors' Report	1
Basic Financial Statements	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8
Supplementary Information	
Schedule of Compensation, Benefits and Other Payments to Executive Director	22
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 <i>Government Auditing Standards</i>	23
Schedule of Findings and Responses	25
Schedule of Prior Findings	30

Sean M. Bruno
Certified Public Accountants, LLC

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

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

Opinion

I have audited the accompanying financial statements of **Dryades Young Men's Christian Association (DYMCA)** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **DYMCA** as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of **DYMCA** and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **DYMCA's** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, I:

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

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

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits and Other payments to the Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial

statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated October 25, 2024 on my consideration of **DYMCA's** internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of **DYMCA's** 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.



Sean M. Bruno
Certified Public Accountants, LLC

New Orleans, Louisiana
October 25, 2024

Basic Financial Statements

DRYADES YOUNG MEN'S CHRISTIAN ORGANIZATION
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022

ASSETS

Cash and cash equivalents (NOTES 3 and 8)	\$	194,274
Grants receivable		20,008
Other receivables (NOTE 5)		828,828
Prepaid expense		2,780
Property, plant and equipment net of accumulated depreciation of \$7,933,509 (NOTES 2 and 9)		<u>16,066,043</u>
 Total assets	 \$	 <u><u>17,111,933</u></u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	\$	71,563
Accrued expenses (NOTE 11)		404,313
Tenant deposits		135,846
Note payable (NOTE 12)		<u>324,969</u>
Total liabilities		<u>936,691</u>
 Net Assets (NOTE 2):		
Without Donor Restrictions (NOTE 2)		16,175,242
With Donor Restrictions (NOTE 2)		<u>-</u>
 Total net assets		 <u>16,175,242</u>
 Total liabilities and net assets	 \$	 <u><u>17,111,933</u></u>

The accompanying notes are an integral part of these financial statements

DRYADES YOUNG MEN'S CHRISTIAN ORGANIZATION
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Federal grants	\$ -	\$ 1,086,299	\$ 1,086,299
Other grants	-	149,734	149,734
Program income and fees	6,345	-	6,345
Membership dues (NOTE 8)	146,860	-	146,860
Rental income	509,708	-	509,708
Interest income	316	-	316
Contributions	12,441	121,321	133,762
Other revenues	547,755	-	547,755
Net assets released from purpose and time restrictions	1,547,324	(1,547,324)	-
Total revenue and support	2,770,749	(189,970)	2,580,779
 Expenses:			
Program services	1,650,821	-	1,650,821
Support services	1,085,581	-	1,085,581
Total expenses	2,736,402	-	2,736,402
Changes in net assets	34,347	(189,970)	(155,623)
 Net Assets:			
Beginning of the year	16,340,354	189,970	16,530,324
Prior period adjustments	(199,459)	-	(199,459)
Beginning net assets restated	16,140,895	189,970	16,330,865
 End of year	 \$ 16,175,242	 \$ -	 \$ 16,175,242

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

DRYADES YOUN MEN'S CHRISTIAN ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Program Services</u>	<u>Support Services</u>	<u>Total Expenses</u>
Salaries	\$ 267,633	\$ 329,124	\$ 596,757
Fringe benefits and taxes	41,161	134,175	175,336
Professional services	152,897	114,471	267,368
Supplies	4,335	8,893	13,228
Instructional materials and supplies	25,879	-	25,879
Telephone	7,346	7,884	15,230
Postage and shipping	51	189	240
Utilities	176,721	84,150	260,871
Repairs and maintenance	163,486	2,836	166,322
Technical maintenance and supplies	219	448	667
Dues	-	33,356	33,356
Equipment rental	1,574	4,729	6,303
Insurance	35,824	83,924	119,748
Student activities	9,045	-	9,045
Depreciation and amortization	733,461	183,365	916,826
Transportation	475	-	475
Bank fees	-	12,640	12,640
Interest expense	6,705	18,644	25,349
Other expenses	23,760	66,064	89,824
Advertisement	249	689	938
	<u>\$ 1,650,821</u>	<u>\$ 1,085,581</u>	<u>\$ 2,736,402</u>

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

DRYADES YOUNG MEN'S CHRISTIAN ORGANIZATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

Cash Flows from Operating Activities:

Change in net assets	\$ (155,623)
Prior period adjustment	(199,459)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation/amortization expense	916,826
Decrease in accounts receivable	13,875
Increase in other accounts receivable	(765,584)
Decrease in grants receivable	92,116
Decrease in prepaid expenses	1,220
Decrease in investments	25,419
Increase in accounts payable	48,035
Decrease in accrued expenses	(77,354)
Decrease in lease payable	(6,906)
Decrease in benefits, taxes, and other payables	<u>(170,234)</u>
Net cash used in operating activities	<u>(277,669)</u>

Cash Flows from Investing Activities:

Purchase of fixed assets	(132,982)
Sale of land	<u>20,000</u>
Net cash used in investing activities	<u>(112,982)</u>

Cash Flows from Financing Activities:

Payments on notes payables	<u>(55,503)</u>
Net cash used in financing activities	<u>(55,503)</u>

Net decrease in cash and cash equivalents	(446,154)
Cash - January 1, 2022	<u>640,428</u>
Cash - December 31, 2022	<u>\$ 194,274</u>

Supplemental cash flow information:

Interest paid	<u>\$ 25,349</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, 2022

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, 2022, 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

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2022

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**.

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.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2022

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.

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.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2022

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.

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, 2022, 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 direct response advertising costs and non-direct response advertising cost of \$248 and \$688 respectively for the year ended December 31, 2022.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2022

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, 2022, the **DYMCA** did not receive any contributed services.

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.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

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, 2022.

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, 2022, 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.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2022

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, 2022, **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, 2022

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, 2022

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, 2022

Note 3 – Cash

At December 31, 2022, the carrying amount of **DYMCA's** cash deposits was \$194,274 and the cumulative collected bank balances was \$194,274. The cumulative collected bank balances are secured from risk by \$250,000 of federal deposit insurance per financial institution.

Note 4 – Accounts receivable, net

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

ERC Tax Credit	\$817,831
Reimbursable Expense – JMSCS	<u>10,997</u>
Other accounts receivable	<u>\$828,828</u>

Note 6 – Grants receivable

At December 31, 2022, grants receivable consisted of the following:

Total Community Action	<u>\$20,008</u>
Grants receivable	<u>\$20,008</u>

Note 7 – Liquidity

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

Cash	\$ 194,274
Accounts receivable	10,997
Other accounts receivable	817,831
Grants receivable	<u>20,008</u>
	<u>\$1,043,110</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.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

Note 8 – 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, 2022

Note 9 – Property and Equipment, Net

At December 31, 2022 property and equipment consisted of the following:

	Balance 1/1/2021	Additions	Retirements	Balance 12/31/2022
Land and land improvements	\$773,071	\$	\$ (20,000)	\$753,071
Building and improvements	22,371,308			22,371,308
Furniture and equipment	1,340,147		(774,833)	565,314
Leasehold improvements	<u>176,877</u>	<u>132,982</u>	<u>-0-</u>	<u>309,859</u>
Subtotal	24,661,403	132,982	(794,833)	23,999,552
Accumulated depreciation				
Depreciation	<u>(7,791,516)</u>	<u>(916,826)</u>	<u>774,833</u>	<u>(7,933,509)</u>
Property and equipment, net	<u>\$16,869,887</u>	<u>\$(783,844)</u>	<u>\$ (20,000)</u>	<u>\$16,066,043</u>

Note 10 – Accounts Payable and Other Liabilities

At December 31, 2022, accounts payable and other liabilities consisted of the following:

Vendors	<u>\$18,478</u>
Total	<u>\$18,478</u>

Note 11 – Accrued expenses

At December 31, 2022, accrued expenses were as follows:

Legal settlement – W. Scotsman vs Dryades YMCA	\$400,000
Employee benefits	<u>4,313</u>
Total	<u>\$404,313</u>

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

Note 12 – Notes payable

At December 31, 2022, notes payable consisted of the following:

CLMG Corporation, bearing interest at 8.50%	\$ 79,864
CLMG Corporation, bearing interest at 8.50%	49,128
Gulf Coast Bank, bearing interest at 4.96%	<u>195,972</u>
Total notes payable	<u>\$324,969</u>

The Gulf Coast Bank instrument is a promissory note secured by Myrtle building. We anticipate the balance of principal to be paid by February 19, 2023.

Note 13 - Litigation

At December 31, 2022 and through October 25, 2024, **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 14 - 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.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2022

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 \$68,003 for the year ended December 31, 2022.

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.

Note 15 – 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 16 – 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 2022, 2021 and 2020 are open for examination by the Internal Revenue Service.

Note 17 – 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.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

Note 18 – 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 19 – Per diem to Board of Directors

During the year ended December 31, 2022, no per diem was paid to the Board of Directors in their capacity as directors.

Note 20 – Prior period adjustments

Beginning net assets as of December 31, 2022 were restated for a prior period adjustment. Net assets decreased by \$259,459 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:

Increase in revenues	\$ 659,382
Increase in expenses	(445,561)
Decrease in P P & E	(413,280)
Subtotal adjustments	(199,459)
Net assets before adjustments	<u>16,530,324</u>
Net assets restated	<u>\$16,330,865</u>

Note 21 – 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 October 25, 2024, 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, 2022

Agency Head:

Erika Mann

<u>Item</u>	<u>Amount</u>
Salary	\$ 112,365
Benefits – Social security	7,418
Benefits – Medicare	1,735
Retirement Contribution	<u>7,281</u>
Total	\$ <u>128,799</u>

Sean M. Bruno
Certified Public Accountants, LLC

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

**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

I have audited, 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 Dryades Young Men's Christian Association (**DYMCA**) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, 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 my report thereon dated October 25, 2024.

Report on Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **DYMCA's** internal control. Accordingly, I do not express an opinion on the effectiveness of **DYMCA's** internal control.

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I identified certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as item 2022-001 that I consider to be material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **DYMCA's** financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2022-002.

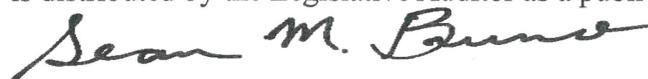
DYMCA's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on **DYMCA's** response to the findings identified in my audit and described in the accompanying schedule of findings and questioned costs. **DYMCA's** response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of my 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.



Sean M. Bruno
Certified Public Accountants, LLC

New Orleans, Louisiana
October 25, 2024

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended December 31, 2022

I. Summary of Auditors' Results

a. Financial Statement

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Dryades YMCA.
2. There were multiple 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, 2022.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended December 31, 2022

Section II - Financial Statement Findings and Responses

INTERNAL CONTROL OVER FINANCIAL REPORTING

Reference Number

2022-001 – Financial Management System

Criteria

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

Conditions and Context

- During the course of the audit, management proposed several audit adjustments to correct misstatements of the financial statements as of and or the year ended December 31, 2022. There were large adjustments to the net asset balance due to lack of documentation to support certain transactions. We consider these adjustments to be material weaknesses.
- During our test of manual journal entries, management was unable to provide support for five (5) of the thirty (30) journal entries selected for testing.
- During our test of internal control over cash disbursements, three (3) of the forty (40) transactions selected for testing were identified as prior year expenditures.
- During our test of internal control over cash receipts, management was unable to provide support for three (3) of the forty (40) cash receipt transactions selected for testing.

Cause

Management failed to exercise due diligence in certain aspects of monitoring the transaction activities of **DYMCA**. It appears that the turnover of contract accountant impacted the supervision, review and reconciliation of certain general ledger accounts.

Questioned Costs

For purposes of this condition, I have no questioned costs.

Effect

- Potential for misappropriation of assets
- Potential for materially misstated financial statements
- Not adhering to GAAP

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended December 31, 2022

Section II - Financial Statement Findings and Responses, Continued

INTERNAL CONTROL OVER FINANCIAL REPORTING, CONTINUED

Repeat Finding

Yes. See status of prior year's finding OM2021-001, OM2021-002, OM2021-003, OM2021-004.

Recommendation

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

Management's Response and Planned Corrective Action

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

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended December 31, 2022

Reference Number

2022-002 – Untimely Submission of Audit Report

Criteria:

Pursuant to the requirement of Louisiana Statute R.S 24:513 A.(5)(a)(i), annual financial reports shall be completed within six (6) months of the close of an entity's fiscal year. Pursuant to the requirement of Uniform Guidance 2 CFR Part 200.512(a), Single audits are required to be completed and the data collection form and reporting package submitted within the earlier of thirty (30) days after receipt of the auditor's report, or nine (9) months after the end of the audit period. If the due date falls on Saturday, Sunday, or a federal holiday, the reporting package is due the next business day.

Conditions and Contexts

The December 31, 2022 report was not submitted within the prescribed time frame.

Cause:

Management failed to ensure that the audit report was issued within the prescribed time frame.

Questioned Costs

For purposes of this condition, I have no questioned cost.

Effect:

DYMCA has not complied with the audit reporting requirement of Louisiana Statute R.S. 24:513 A(5)(a)(i) and the audit requirement of Uniform Guidance 2 CFR Part 200.512(a).

Repeat Finding

Yes.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended December 31, 2022

Reference Number

2022-002 – Untimely Submission of Audit Report, Continued

Recommendation

I recommend that the management of **DYMCA** take steps to ensure that the report is submitted within the prescribed deadlines.

Management's Response

DYMCA concurs with this finding. The delay was mainly due to not engaging an auditor in a timely manner. **DYMCA** will submit future audits in a timely manner.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended December 31, 2022

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.