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

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2001**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/16/02

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Member
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Society of Louisiana
Certified Public Accountants

Michael B. Bruno, CPA
Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of **James M. Singleton Charter Middle School, Sponsor Organization Dryades Young Men's Christian Association (JMSCMS)** as of June 30, 2001, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of JMSCMS's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JMSCMS as of June 30, 2001, and the changes in its net assets, statements of functional expenses and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
James M. Singleton Charter Middle School,
Sponsor Organization
Dryades Young Men's Christian Association
Page 2

In accordance with Government Auditing Standards, we have also issued a report dated December 18, 2001 on our consideration of JMSCMS's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

December 18, 2001

JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2001

ASSETS

Cash	\$ 31,867
Grants receivable (NOTE 4)	77,114
Due from other programs	16,988
Prepaid asset	500
Property and equipment, net (NOTE 3)	<u>135,584</u>
Total assets	<u>\$262,053</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 68,824
Salaries, taxes and other payables (NOTE 9)	17,082
Capital lease payable (NOTE 3)	5,438
Note payable (NOTE 5)	50,000
Due to other programs	<u>104,616</u>
Total liabilities	<u>245,960</u>

CONTINGENCIES AND COMMITMENTS
(NOTE 8)

Net assets

Unrestricted	<u>16,093</u>
Total net assets	<u>16,093</u>
Total liabilities and net assets	<u>\$262,053</u>

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

**JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2001**

	<u>UNRESTRICTED NET ASSETS</u>
<u>SUPPORT AND REVENUES</u>	
Support:	
Orleans Parish School Board	\$1,131,743
State of Louisiana-BESE	<u>50,000</u>
Total support	<u>1,181,743</u>
Revenues:	
Interest income	531
Other income	<u>4,564</u>
Total revenues	<u>5,095</u>
Total support and revenues	<u>1,186,838</u>
Expenses:	
Program services	1,023,298
Management and general	<u>141,180</u>
Total expenses	<u>1,164,478</u>
Change in net assets	22,360
Net assets, beginning of year	<u>(6,267)</u>
Net assets, end of year	<u>\$ 16,093</u>

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

**JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2001**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ 334,655	\$117,581	\$ 452,236
Employee benefits and payroll taxes	53,329	23,599	76,928
Professional fees and contract service	262,982	-0-	262,982
Supplies	7,516	-0-	7,516
Instructional material and supplies	71,293	-0-	71,293
Telephone	9,429	-0-	9,429
Postage and shipping	303	-0-	303
Professional development	7,334	-0-	7,334
Utilities	23,798	-0-	23,798
Rent	133,008	-0-	133,008
Printing	714	-0-	714
Repairs and maintenance	8,397	-0-	8,397
Transportation	500	-0-	500
Insurance	7,392	-0-	7,392
Other expense	4,764	-0-	4,764
Equipment expenses	5,551	-0-	5,551
Food cost	55,273	-0-	55,273
Student activities	18,313	-0-	18,313
Interest expense	4,922	-0-	4,922
Depreciation and amortization	<u>13,825</u>	<u>-0-</u>	<u>13,825</u>
Total	<u>\$1,023,298</u>	<u>\$141,180</u>	<u>\$1,164,478</u>

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

**JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2001**

Cash flow from Operating Activities:

Change in net assets	\$ 22,360
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	13,825
Provision for bad debt	960
Increase in amounts due from other programs	(16,988)
Decrease in grants receivable	9,407
Increase in prepaid and other assets	(500)
Increase in accounts payable and other liabilities	5,315
Increase in salaries, taxes and other payable	8,202
Increase in capital lease payable	5,438
Increase in amounts due to other programs	<u>7</u>
Net cash provided by operating activities	<u>48,026</u>
Cash flow from Investing Activities:	
Acquisition of property and equipment	(96,504)
Principal payments on capital lease	<u>(6,797)</u>
Net cash (used) in investing activities	<u>(103,301)</u>
Cash flow from Financing activities:	
Principal payments on capital lease	(1,702)
Proceeds from draw on line of credit	<u>50,000</u>
Net cash provided by financing activities	<u>48,298</u>
Net decrease in cash	(6,977)
Cash, beginning of year	<u>38,844</u>
Cash, end of year	<u>\$ 31,867</u>
Interest paid	<u>\$ 4,922</u>

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

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

NOTE 1 - Background and General Data:

Background

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

General

As of June 30,2001, **JMSCMS** administered an independent public school funded by the State of Louisiana Board of Elementary and Secondary Education (BESE) and the Orleans Parish School Board (OPSB) to provide a framework for experimentation through the creation of a mechanism to accomplish the following objectives:

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

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

NOTE 2 - Summary of Significant Accounting Policies:

Principles of Accounting

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

Use of Estimates

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

Funding

JMSCMS receives its primary funding through grants from the OPSB and BESE.

Property and Equipment

JMSCMS follows the practice of capitalizing all property and equipment acquisitions over \$300. Depreciation is computed under the straight-line method for all depreciable assets over their respective estimated useful lives. **JMSCMS** depreciates property and equipment over a five-year period.

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

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

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Functional Allocation of Expenses

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

Statement of Cashflows

For purposes of the statement of cash flows, **JMSCMS** considers all investments with original maturities of three months or less to be cash equivalents. At June 30, 2001, **JMSCMS** had no cash equivalents.

Financial Statement Presentation

Under SFAS No. 116, **JMSCMS** must recognize contributions received as revenue, including unconditional promises to give, in the period received at their fair value. At the same time, contributions made, including unconditional promises to give, must be recognized as expenses in the period made at their fair value. At June 30, 2001 **JMSCMS** received no contributions or promises.

Under SFAS No. 117, **JMSCMS** is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, **JMSCMS** is required to present a statement of cash flows. Revenues received and expenses incurred in conducting the activities of **JMSCMS** are included in this category.

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

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Fair Value of Financial Instruments

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

JMSCMS considers the carrying amounts of cash, grants receivable, prepaid assets, accounts payable, accrued and other liabilities and note payable to be at fair market.

Budgetary Data

JMSCMS formally adopts a budget. The budgetary data are submitted to the OPSB for approval.

NOTE 3 - Property and Equipment:

At June 30, 2001, property and equipment consisted of the following:

	Balance July 1, <u>2000</u>	<u>Additions</u>	Balance June 30, <u>2001</u>
Furniture and equipment	\$46,890	\$ 96,504	\$143,394
Capital asset under lease obligation	<u>-0-</u>	<u>6,797</u>	<u>6,797</u>
Sub-total	46,890	103,301	150,191
Less: accumulated depreciation and amortization	<u>(782)</u>	<u>(13,825)</u>	<u>(14,607)</u>
Total	<u>\$46,108</u>	<u>\$ 89,476</u>	<u>\$135,584</u>

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

NOTE 3 - Property and Equipment, Continued

The future minimum lease payments under the capital lease as of June 30, 2001 and for each of the next five years are:

<u>Year Ended</u>	
2002	\$ 1,702
2003	1,702
2004	1,702
2005	<u>1,703</u>
	6,809
Less amount representing interest	<u>(1,371)</u>
Net present value of minimum lease payment	<u>\$ 5,438</u>

Interest rate on the capital lease is 7.75% and is inputted based on JMSCMS's incremental borrowing rate at inception of the lease.

NOTE 4 - Grants Receivable:

At June 30, 2001, grants receivable consisted of the following:

Grants receivable:	
OPSB	\$27,114
BESE	<u>50,000</u>
	<u>\$77,114</u>

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

NOTE 5 - Note Payable:

At June 30, 2001, JMSCMS had a \$300,000 non-revolving line of credit with a bank. The line of credit is renewable annually. Current maturity date is August 30, 2002 with an interest rate of 1% above Chase prime, adjusted daily. At June 30, 2001, the amount drawn down and payable was \$50,000.

NOTE 6 - Income Taxes:

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

NOTE 7 - Retirement Plan:

JMSCMS participates in the defined contribution retirement plan for the Association for all employees with a year or more of service. JMSCMS contributes, for each eligible employee, 7% of their respective gross salary. Pension costs are funded on a current basis. JMSCMS's total pension costs for the year ended June 30, 2001, was \$9,970.

NOTE 8 - Contingencies and Commitments:

JMSCMS is a recipient of grants from the OPSB and BESE. These grants are governed by various guidelines, regulations and contractual agreements. The administration of the program and activities funded by these grants is under the control and administration of JMSCMS 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.

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

NOTE 9 - Salaries, Taxes and Other Payables:

At June 30, 2001, salaries, taxes and other payables consisted of the following:

Salaries payable	\$13,908
Payroll taxes payable	1,086
Other withholdings payable	<u>2,088</u>
Total	<u>\$17,082</u>

NOTE 10- Risk Management:

JMSCMS is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets for which **JMSCMS** 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 11 - Concentration of Credit Risk:

JMSCMS receives primarily all of its revenues from the OPSB and BESE. If the amount of revenues received should fall below award budgeted levels, **JMSCMS's** operating results could be adversely affected.



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

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

We have audited the financial statements of James M. Singleton Charter Middle School, Sponsor Organization Dryades Young Men's Christian Association (JMSCMS) as of and for the year ended June 30, 2001, and have issued our report thereon dated December 18, 2001. 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.

Compliance

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

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered JMSCMS's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relative low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting, which we have reported to management in a separate letter dated December 18, 2001.

This report is intended solely for the information and use of the Board of Directors, management, OPSB, BESI and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

December 18, 2001

**JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2001**

We have audited the financial statements of **James M. Singleton Charter Middle School, Sponsor Organization Dryades Young Men's Christian Association** as of and for the year ended June 30, 2001 and have issued our report thereon dated December 18, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits outlined in Government Auditing Standards, issued by the Controller General of the United States.

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Reportable condition (s) identified that are not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal Control Over Major Programs:

- Material weakness(es) identified? N/A*
- Reportable condition(s) identified that are not considered to be material weakness(es)? N/A*

* Not Applicable

**JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2001**

Section I - Summary of Auditors' Results, Continued

Federal Awards, Continued

Type of auditor's report issued on compliance for major programs:	N/A*
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	N/A*
Identification of Major Program:	NONE
Dollar threshold used to distinguish between type A and type B programs:	N/A*
Auditee qualified as low-risk auditee?	N/A*

**JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2001**

Section II - Financial Statement Findings

No financial statement findings were reported for the year ended June 30, 2001.

**JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2001**

Section III - Federal Award Findings and Questioned Costs

No federal award findings and questioned costs were reported for the year ended June 30, 2001.

JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2001

Section IV - Status of Prior Year's Findings

No prior year's findings were reported for the year ended June 30, 2001.

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

EXIT CONFERENCE

June 30, 2001

The financial statements and all related reports, were discussed at an exit conference attended by:

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

Mr. Douglas Evans	-	General Director
Ms. Cynthia Hubbard	-	Controller



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Waldo J. Morel, Jr., CPA

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

To Mr. Douglas Evans
General Director
**James M. Singleton Charter Middle School,
Sponsor Organization Dryades Young
Men's Christian Association**

In planning and performing our audit of the financial statements of **James M. Singleton Charter Middle School, Sponsor Organization Dryades Young Men's Christian Association (JMSCMS)** for the year ended June 30, 2001, we considered JMSCMS's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control.

As a part of our audit, we noted a matter that is an opportunity for strengthening internal control and operating efficiency. This letter does not affect our report dated December 18, 2001 on JMSCMS's internal control or its financial statements.

We will review the status of the comment during our next audit engagement. We have already discussed this comment and suggestion with you, and we will be pleased to discuss in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. The following summarizes our suggestion regarding this matter.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)

• **DISASTER RECOVERY PLAN**

Condition

Currently, JMSCMS performs the necessary "back-up" of its accounting data and stores such data to include all of its records on site.

Recommendation

We recommend that management evaluate its current disaster recovery plan. The evaluation process should include, at a minimum, consideration for an off-site storage of its "back-up" computerized accounting data.

Management's Response

Management has implemented plans to store all vital computerized financial data in a fire rated file cabinet on site and in a safe deposit vault off site. All information in house will be backed up daily and all information stored off site will be backed up bi-weekly effective immediately.

We wish to thank you and your staff for the support afforded us during our audit.

This report is intended solely for the information and use of the Board of Directors, management, the Legislative Auditor for the State of Louisiana, Orleans Parish School Board and the State of Louisiana Board of Elementary and Secondary Education and is not intended to be and should not be used by anyone other than these specified parties.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

December 18, 2001

**JAMES M. SINGLETON MIDDLE SCHOOL
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS**

DISASTER RECOVERY PLAN

Condition

Currently, **JMSCMS** performs the necessary "back-up" of its accounting data and stores such data to include all of its records on site.

Recommendation

We recommend that management evaluate its current disaster recovery plan. The evaluation process should include, at a minimum, consideration for an off-site storage of its "back-up" computerized accounting data.

Management's Response

Management has implemented plans to store all vital computerized financial data in a fire rated file cabinet on site and in a safe deposit vault off site. All information in house will be backed up daily and all information stored off site will be backed up bi-weekly effective immediately.