

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

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

**AS OF AND
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of **Dryades Young Men's Christian Association (DYMCA)** which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

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

Auditors' Responsibility, Continued

Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements previously referred to present fairly, in all material respects, the financial position of **DYMCA** as of December 31, 2017 and 2016, and the changes in its net assets, functional expenses and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2018 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 and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **DYMCA's** internal control over financial reporting and compliance.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

June 22, 2018

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

	2017	2016
<u>ASSETS</u>		
Cash (NOTE 3)	\$ 65,262	\$ 924,215
Amounts receivable, net (NOTE 4)	48,233	14,912
Grants receivable (NOTE 5)	137,874	231,915
Prepaid and other assets (NOTE 6)	147,520	167,457
Cash surrender value of life insurance, net (NOTE 7)	49,000	57,948
Investments (NOTES 8 and 15)	102,282	106,196
Land and land improvements (NOTES 9 and 14)	773,071	773,071
Property and equipment, net (NOTES 9, 12 and 14)	12,627,068	13,116,127
 Total assets	 \$ 13,950,310	 \$ 15,391,841
 <u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Cash drawn in excess of available balance	\$ 290	\$ 11,664
Accounts payable and other liabilities (NOTE 10)	772,467	782,974
Salaries, benefits and taxes payable (NOTE 11)	90,261	98,104
Lease obligations (NOTE 12)	137,872	217,971
Deferred revenue	334,358	334,358
Reserve for unemployment taxes and other payables (NOTE 13)	594,137	584,614
Current portion of notes payable (NOTES 9 and 14)	105,838	265,063
Notes payable, less current portion (NOTES 9 and 14)	353,024	242,804
 Total liabilities:	 2,388,247	 2,537,552
 CONTINGENCIES AND COMMITMENTS (NOTE 20)		
Net assets:		
Unrestricted	11,559,781	12,852,007
Permanently restricted (NOTES 8 and 15)	2,282	2,282
 Total net assets	 11,562,063	 12,854,289
 Total liabilities and net assets	 \$ 13,950,310	 \$ 15,391,841

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, 2017

	<u>Unrestricted Net Assets</u>	<u>Permanently Restricted Net Assets</u>	<u>Total</u>
<u>SUPPORT AND REVENUES</u>			
Support:			
United Way funding	\$ 52,272	\$ -0-	\$ 52,272
Grants - State of Louisiana	3,485,775	-0-	3,485,775
Grants - Federal pass-through State of Louisiana	537,301	-0-	537,301
Grants - Federal pass through Others	154,986	-0-	154,986
Grants - other	164,874	-0-	164,874
In-kind (NOTE 16)	212,231	-0-	212,231
	<u>4,607,439</u>	<u>-0-</u>	<u>4,607,439</u>
Total support			
Revenues:			
Membership dues	152,175	-0-	152,175
Program income and fees	177,752	-0-	177,752
Interest income	2,596	-0-	2,596
Rental income	393,034	-0-	393,034
Contributions and donations	75,331	-0-	75,331
Support from other programs	55,877	-0-	55,877
Other	316,967	-0-	316,967
	<u>1,173,732</u>	<u>-0-</u>	<u>1,173,732</u>
Total revenues			
Total support and revenues	<u>5,781,171</u>	<u>-0-</u>	<u>5,781,171</u>
<u>EXPENSES</u>			
Program services	5,321,286	-0-	5,321,286
Supporting Services	1,752,111	-0-	1,752,111
	<u>7,073,397</u>	<u>-0-</u>	<u>7,073,397</u>
Total expenses			
Changes in net assets	(1,292,226)	-0-	(1,292,226)
Net assets, beginning of year	<u>12,852,007</u>	<u>2,282</u>	<u>12,854,289</u>
Net assets, end of year	<u>\$ 11,559,781</u>	<u>\$ 2,282</u>	<u>\$ 11,562,063</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, 2016

	<u>Unrestricted Net Assets</u>	<u>Permanently Restricted Net Assets</u>	<u>Total</u>
<u>SUPPORT AND REVENUES</u>			
Support:			
United Way funding	\$ 85,563	\$ -0-	\$ 85,563
Grants - State of Louisiana	4,088,133	-0-	4,088,133
Grants - Federal pass-through State of Louisiana	771,361	-0-	771,361
Grants - Federal pass through Others	168,950	-0-	168,950
Grants - other	68,761	-0-	68,761
In-kind (NOTE 16)	192,920	-0-	192,920
	<u>5,375,688</u>	<u>-0-</u>	<u>5,375,688</u>
Revenues:			
Membership dues	133,906	-0-	133,906
Program income and fees	127,509	-0-	127,509
Interest income	8,138	-0-	8,138
Rental income	400,636	-0-	400,636
Contributions and donations	35,623	-0-	35,623
Support from other programs	47,397	-0-	47,397
Other	136,176	-0-	136,176
	<u>889,385</u>	<u>-0-</u>	<u>889,385</u>
Total support and revenues	<u>6,265,073</u>	<u>-0-</u>	<u>6,265,073</u>
<u>EXPENSES</u>			
Program services	5,298,069	-0-	5,298,069
Supporting Services	1,873,367	-0-	1,873,367
	<u>7,171,436</u>	<u>-0-</u>	<u>7,171,436</u>
Changes in net assets	(906,363)	-0-	(906,363)
Net assets, beginning of year	<u>13,758,370</u>	<u>2,282</u>	<u>13,760,652</u>
Net assets, end of year	<u>\$ 12,852,007</u>	<u>\$ 2,282</u>	<u>\$ 12,854,289</u>

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, 2017

	Program Services	Supporting Services	Total
Salaries and wages	\$ 2,059,993	\$ 592,466	\$ 2,652,459
Employee benefits and payroll taxes	516,427	166,441	682,868
Professional fees and contract services	731,030	137,926	868,956
Supplies	82,203	25,516	107,719
Instructional material and supplies	44,170	-0-	44,170
Telephone	106,203	2,134	108,337
Postage and printing	16,120	10,117	26,237
Professional development	14,797	-0-	14,797
Utilities	260,093	-0-	260,093
Occupancy	459,751	-0-	459,751
Repairs and maintenance	82,057	12,848	94,905
Conferences and conventions	1,937	37,395	39,332
Transportation and travel	353,769	-0-	353,769
Dues to National YMCA	-0-	72,744	72,744
Insurance	144,289	49,803	194,092
Other expenses	71,028	29,525	100,553
Food cost	15,988	25,897	41,885
Advertising (NOTE 2)	2,695	1,882	4,577
Student activities	53,288	-0-	53,288
Administrative fee expense	14,937	-0-	14,937
Support-in-kind	212,231	-0-	212,231
Vehicle lease	-0-	14,670	14,670
Interest expense	7,047	27,667	34,714
Support to other programs	-0-	58,542	58,542
Total expenses before depreciation and amortization	5,250,053	1,265,573	6,515,626
Depreciation and amortization	73,002	486,538	559,540
Total	<u>\$ 5,323,055</u>	<u>\$ 1,752,111</u>	<u>\$ 7,075,166</u>

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, 2016

	Program Services	Supporting Services	Total
Salaries and wages	\$ 2,118,505	\$ 538,095	\$ 2,656,600
Employee benefits and payroll taxes	313,834	159,418	473,252
Professional fees and contract services	840,198	225,237	1,065,435
Supplies	73,359	17,539	90,898
Instructional material and supplies	55,370	30,328	85,698
Telephone	53,010	21,132	74,142
Postage and printing	40,041	19,967	60,008
Professional development	11,561	-0-	11,561
Utilities	178,551	68,707	247,258
Occupancy	495,323	-0-	495,323
Equipment rental	9,454	-0-	9,454
Repairs and maintenance	156,555	3,600	160,155
Conferences and conventions	5,547	36,492	42,039
Transportation and travel	365,210	220	365,430
Dues to National YMCA	-0-	67,978	67,978
Insurance	153,246	46,582	199,828
Other expenses	58,128	81,350	139,478
Food cost	26,938	22,918	49,856
Advertising (NOTE 2)	9,287	3,259	12,546
Student activities	33,795	-0-	33,795
Administrative fee expense	25,601	-0-	25,601
Support-in-kind	192,920	-0-	192,920
Interest expense	7,354	22,271	29,625
Support to other programs	11,522	35,875	47,397
Total expenses before depreciation and amortization	5,235,309	1,400,968	6,636,277
Depreciation and amortization	62,760	472,399	535,159
Total	<u>\$ 5,298,069</u>	<u>\$ 1,873,367</u>	<u>\$ 7,171,436</u>

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

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF CASH FLOWS
DECEMBER 31, 2017 AND 2016

	2017	2016
Cash Flows from Operating Activities:		
Change in net assets	\$ (1,292,226)	\$ (906,363)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	559,540	535,159
Decrease in amounts receivable	(33,321)	13,523
(Increase) decrease in grants receivable	94,041	243,260
(Increase) decrease in prepaid and other assets	19,937	(41,238)
Increase in cash surrender value of life insurance, net	8,948	-0-
Increase (decrease) in cash drawn in excess of available balance	(11,374)	11,664
Increase (decrease) in accounts payable and other liabilities	(10,507)	(51,729)
Increase (decrease) in salaries, benefits, and taxes payables	(7,843)	(128,579)
Increase in reserve for unemployment taxes	9,523	4,713
Net cash provided by (used in) operating activities	(663,282)	(319,590)
Cash Flows from Investing Activities:		
Purchase of property and equipment	(70,481)	(542,136)
Retirement of property and equipment	-	11,064
Purchase of investment	3,914	(1,398)
Net cash used in investing activities	(66,567)	(532,470)
Cash Flows from Financing Activities:		
Principal payments on finance leases	(80,099)	-0-
Proceeds from finance leases	-0-	170,941
Principal payments on notes payable	(91,380)	(216,250)
Proceeds from notes payable	42,375	315,700
Net cash provided by financing activities	(129,104)	270,391
Net increase (decrease) in cash	(858,953)	(581,669)
Cash, beginning of year	924,215	1,505,884
Cash, end of year	\$ 65,262	\$ 924,215
Supplemental cash flow information:		
Interest paid	\$ 34,714	\$ 29,625

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

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Background and General Data:

Background

Dryades Young Men's Christian Association (DYMCA) is a 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, 2017 and 2016, **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, Individuals with Disabilities Education Act (IDEA) B and IDEA Preschool)
- Total Community Action (Head Start)
- Wellness Center

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

General Data, Continued

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

o General

Included in general are the following:

- Program Income and Fees;
- Special Events - Self Support;
- Public Contributions and Donations; 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**.

o 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**.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

General Data, Continued

o Youth Development and Outreach

The Youth Development and Outreach Program is funded by resources from the General Fund, the United Way of Greater New Orleans and private donations and grants. The program provides tutorial services to youth ages Pre-K to 14 and work to reduce crime and loitering by youth in the district area through counseling and follow-up with youth and their families.

o 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. 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.

o Endowment Fund

This fund is established to account for the revenue and expenses related to a restricted donation (see NOTE 15).

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

General Data, Continued

o 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 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.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

General Data, Continued

o LA-4 Starting Points Pre-Kindergarten Program (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.

o Special Funds (Titles I, II, Individuals with Disabilities Education (IDEA) IDEA 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 bachelors degree, and demonstrated competence in subject knowledge and teaching skills as defined by each state.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued:

General Data, Continued

- o Special Funds (Titles I, II, Individuals with Disabilities Education (IDEA) IDEA B and IDEA Preschool), Continued

IDEA B

IDEA 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.

- o 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.

- o 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.

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

Promises 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 unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

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, 2017 and 2016, the total allowance for doubtful accounts was \$66,167 and \$66,167, respectively. See specific detail at NOTES 4 and 5.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

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 years ended December 31, 2017 and 2016; however, the total nondirect response advertising for the years ended December 31, 2017 and 2016 were \$4,577 and \$12,546, respectively.

Funding

DYMCA receives its primary funding through support from the United Way of Greater New Orleans, grants from the State of Louisiana, 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 individuals 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 years ended December 31, 2017 and 2016, 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

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Property and Equipment

DYMCA follows the practice of capitalizing all property and equipment expenditures over \$2,000. Donated items received are recorded at the fair value at 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>Asset</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 the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

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.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Leasehold Improvements

Leasehold improvements are capitalized at cost and amortized over the shorter of the lease term or useful life.

Financial Statement Presentation

As required by ASC Sections 958-205 and 605 (Not-for-Profit Entities, Revenue Recognition), **DYMCA** recognizes 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, are recognized as expenses in the period made at their fair value.

Also, **DYMCA** reports 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, **DYMCA** presents a statement of cash flows in the accompanying financial statements.

Fair Value of Financial Instruments

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

DYMCA considers the carrying amounts of cash, investment, cash surrender value of life insurance, amounts receivable, prepaid assets, grants receivable, promises to give due in less than one year, accounts payable, accrued liabilities and notes payable to approximate fair value.

Budgetary Data

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

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Totals Memorandum Only

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.

Interprogram Activities

All interprogram (due to/from) activities have been netted at the combined level in the accompanying statement of financial position.

Capital Leases

Leases meeting the criteria of a capital lease are recorded at inception at the present value of its future minimum lease payments. The assets are amortized over the lesser of their related lease term or estimated productive lives.

NOTE 3 - Cash:

At December 31, 2017 and 2016, the carrying amounts of **DYMCA's** cash deposits were \$65,262 and \$924,215, and the cumulative collected bank balances were \$164,364 and \$926,979, respectively. The cumulative collected bank balance is covered by federal depository insurance. Custodial credit risk is the risk that in the event of a failure by the financial institution, **DYMCA's** deposits may not be returned to it. **DYMCA** has no deposit policy for custodial credit risk.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - Cash, Continued:

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

NOTE 4 - Amounts Receivable, Net:

Following is a summary of amounts receivable at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Contributions and donations receivable	\$ 77,429	\$ 64,691
Other amounts receivable	<u>36,971</u>	<u>16,388</u>
Subtotal	114,400	81,079
Allowance for doubtful accounts	<u>(66,167)</u>	<u>(66,167)</u>
Amounts receivable, net	<u>\$ 48,233</u>	<u>\$ 14,912</u>

NOTE 5 - Grants Receivable:

At December 31, 2017 and 2016, grants receivable, consisted of the following:

	<u>2017</u>	<u>2016</u>
State of Louisiana	\$ 15,155	\$ 16,051
Federal pass-through - State	101,771	167,173
Federal pass-through - other	<u>20,948</u>	<u>48,691</u>
Grants receivable	<u>\$137,874</u>	<u>\$231,915</u>

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - Prepaid and Other Assets:

At December 31, 2017 and 2016, prepaid and other assets consisted of the following:

	<u>2017</u>	<u>2016</u>
Prepaid insurance	\$ 90,603	\$ 95,947
Security deposits	20,698	20,699
Right-of-use vehicle	<u>36,219</u>	<u>50,811</u>
Total	<u>\$147,520</u>	<u>\$167,457</u>

NOTE 7 - Cash Surrender Value of Life Insurance, Net:

DYMCA is the beneficiary of insurance policies on the lives of two (2) current and three (3) former employees of **DYMCA**. At December 31, 2017 and 2016, the net cash surrender value on these life insurance policies was \$49,000 and \$57,948, respectively.

An analysis of the net cash surrender value follows:

	<u>2017</u>	<u>2016</u>
Accumulated cash value	\$ 166,370	\$ 169,340
Less: loans payable	<u>(117,370)</u>	<u>(111,392)</u>
Cash surrender value, net	<u>\$ 49,000</u>	<u>\$ 57,948</u>

NOTE 8 - Investments:

At December 31, 2017 and 2016, **DYMCA** held a security and a certificate of deposit with original maturity date greater than three months. The investments are stated at the lower of cost or estimated fair market value. See page 23 for disclosure of investments stated at cost and estimated fair market value.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 8 - Investments, Continued:

	2017		2016	
	<u>Cost</u>	<u>Estimated Fair Market Value</u>	<u>Cost</u>	<u>Estimated Fair Market Value</u>
Government income fund	\$ <u>2,282</u>	\$ <u>6,390</u>	\$ <u>2,282</u>	\$ <u>6,390</u>
Subtotal	<u>2,282</u>	<u>6,390</u>	<u>2,282</u>	<u>6,390</u>
Certificate of deposit	<u>100,000</u>	<u>100,000</u>	<u>103,914</u>	<u>103,914</u>
Subtotal	<u>100,000</u>	<u>100,000</u>	<u>103,914</u>	<u>103,914</u>
Total	<u>\$102,282</u>	<u>\$106,390</u>	<u>\$106,196</u>	<u>\$110,304</u>

NOTE 9 - Property and Equipment, Net:

At December 31, 2017 and 2016, property and equipment consisted of the following:

	2017				Balance December 31
	<u>Balance January 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Other</u>	
Land and land improvements	\$ <u>773,071</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>773,071</u>
Building and building improvements	16,049,978	14,023	-0-	-0-	16,073,451
Furniture and equipment	1,257,219	47,008	-0-	-0-	1,304,227
Leasehold improvements	163,592	9,450	-0-	-0-	163,592
Property held under capital leases	<u>194,953</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>194,953</u>
Subtotal	17,665,742	70,481	-0-	-0-	17,736,223
Accumulated:					
Depreciation	(4,510,110)	(494,267)	-0-	-0-	(5,004,377)
Amortization	<u>(39,505)</u>	<u>(65,273)</u>	<u>-0-</u>	<u>-0-</u>	<u>(104,778)</u>
Property and equipment, net	<u>\$13,889,198</u>	<u>\$(489,059)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$13,400,139</u>

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 9 - Property and Equipment, Net, Continued:

	<u>2016</u>				<u>Balance December 31</u>
	<u>Balance January 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Other</u>	
Land and land improvements	\$ <u>773,071</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>773,071</u>
Building and building improvements	15,759,102	290,876	-0-	-0-	16,049,978
Furniture and equipment	1,759,900	80,319	-0-	-0-	1,257,219
Leasehold improvements	114,457	49,135	-0-	-0-	163,592
Property held under capital leases	<u>162,015</u>	<u>121,806</u>	<u>(98,824)</u>	<u>9,956</u>	<u>194,953</u>
Subtotal	17,212,474	542,136	(98,824)	9,956	17,665,742
Accumulated:					
Depreciation	(4,040,744)	(471,403)	-0-	2,037	(4,510,110)
Amortization	<u>(51,516)</u>	<u>(63,756)</u>	<u>75,767</u>	<u>-0-</u>	<u>(39,505)</u>
Property and equipment, net	<u>\$13,893,285</u>	<u>\$ 6,977</u>	<u>\$ (23,057)</u>	<u>\$12,503</u>	<u>\$13,889,198</u>

NOTE 10 - Accounts Payable and Other Liabilities:

At December 31, 2017 and 2016, accounts payable and other liabilities consisted of the following:

	<u>2017</u>	<u>2016</u>
Vendors	\$227,159	\$260,382
City of New Orleans	<u>545,308</u>	<u>522,592</u>
Total	<u>\$772,467</u>	<u>\$782,974</u>

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 11 - Salaries, Benefits and Taxes Payable:

At December 31, 2017 and 2016, salaries, benefits and taxes payable consisted of the following:

	<u>2017</u>	<u>2016</u>
Salaries payable	\$53,850	\$56,390
Taxes, related benefits, and withholdings payable	<u>36,411</u>	<u>41,714</u>
Total	<u>\$90,261</u>	<u>\$98,105</u>

NOTE 12 - Lease Obligations:

DYMCA has five (5) thirty-six (36) month finance leases expiring on various dates in 2018 and 2019 and one (1) thirty-five (35) month capital lease expiring in 2019.

Future minimum lease payments at December 31, 2017 for each of the finance leases with remaining terms in excess of one year are as follows:

Years Ending December 31,

2018	\$ 70,892
2019	<u>33,783</u>
Total future minimum lease payments	104,675
Less: amount representing interest	<u>(3,022)</u>
Present value of minimum lease payments	<u>\$101,653</u>

Amortization expense for property held under finance leases was \$65,273 and \$56,663, respectively, for the years ended December 31, 2017 and 2016.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 12 - Lease Obligations, Continued:

DYMCA signed an operating lease for a vehicle on December 29, 2016. The lease expires in December 2019 with the purchase option at the end of the lease term for \$43,360. Future minimum lease payment are as follows:

Year Ending December 31,

2018	18,615
2019	<u>17,604</u>
Total future minimum lease payments	<u>\$36,219</u>

NOTE 13 - Reserve for Unemployment Taxes and Other Payables:

At December 31, 2017 and 2016 reserve for unemployment taxes and other payables consisted of the following:

	<u>2017</u>	<u>2016</u>
Reserve for unemployment taxes	\$394,137	\$384,614
Reserve for benefits payable	<u>200,000</u>	<u>200,000</u>
Total	<u>\$594,137</u>	<u>\$584,614</u>

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 14 - Notes and Other Payables:

At December 31, 2017 and 2016, notes and other payables consist of the following:

	<u>2017</u>	<u>2016</u>
Note payable to finance company, maturing February 27, 2020, bearing interest of 3.35%, payable in 27 monthly installments of \$622, including interest and principal, and a balloon payment of \$55,897. The note is secured by real estate.	\$ 67,064	\$ 72,916
Note payable to finance company, maturing February 24, 2022, bearing interest of 5.5%, payable in 51 monthly installments of \$1,050, including interest and principal, and a balloon payment of \$73,791. The note is secured by real estate.	104,870	110,662
Note payable to bank, maturing December 22, 2021, bearing interest of 2.75%, payable in 84 monthly installments of \$1,671, including interest and principal. The note is secured by real estate.	49,453	57,378
Note payable to financing company, maturing August 2022, bearing interest of 7.20%, payable in 71 monthly installments of \$4,089, including interest and principal. The note is secured by a mobile office.	191,121	225,114
Note payable to financing company, maturing July 27, 2018, bearing interest of 5.75%.	3,980	9,187
Note payable to financing company, maturing March 1, 2017, bearing interest of 3.10%.	-0-	32,610
Note payable to financing company, maturing May 1, 2018, bearing interest of 3.10%.	<u>42,374</u>	<u>-0-</u>
Total notes payable	458,862	507,867
Less: current portion	<u>(105,838)</u>	<u>(265,063)</u>
	<u>\$ 353,024</u>	<u>\$ 242,804</u>

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 14 - Notes and Other Payables, Continued:

Loan principal payments over the remaining years are as follow:

<u>Years Ended December 31,</u>	
2018	\$105,838
2019	62,842
2020	117,521
2021	70,474
2022	102,187
Thereafter	<u>-0-</u>
Total	<u>\$458,862</u>

NOTE 15 - Permanently Restricted Net Assets:

At December 31, 2017 and 2016, permanently restricted net assets consisted of the following:

	2017		2016	
Permanently Restricted Net Assets:	<u>Cost</u>	<u>Approximate Market Value</u>	<u>Cost</u>	<u>Approximate Market Value</u>
Endowment Fund:				
Investment in Y-Mutual Insurance, Ltd.				
Endowment Trust Fund	<u>\$2,282</u>	<u>\$6,390</u>	<u>\$2,282</u>	<u>\$6,390</u>
Total permanently restricted net assets	<u>\$2,282</u>	<u>\$6,390</u>	<u>\$2,282</u>	<u>\$6,390</u>

NOTE 16 - In-kind:

At December 31, 2017 and 2016, in-kind contributions represent donated facilities, services and food items to **DYMCA**.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 17 - Pension Plan:

DYMCA offers a defined contribution retirement plan to all eligible employees. For each eligible non-instructional and instructional (after July 1, 2014) employee having two or more years of service, **DYMCA** contributes 12% of gross salary. Pension costs are funded on a current basis. **DYMCA's** total pension costs for 2017 and 2016 were \$214,523 and \$196,740, respectively.

NOTE 18 - Concentration of Risk:

DYMCA receives primarily all of its revenues from the State of Louisiana, the City of New Orleans 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 19 - 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 2014, 2015 and 2016 are open for examination by the Internal Revenue Service.

NOTE 20 - Contingencies and Commitments:

DYMCA is a recipient of direct and pass-through grants from the State of Louisiana, the City of New Orleans, 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

NOTE 21 - 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 22 - Per Diem to Board of Directors:

During the years ended December 31, 2017 and 2016 no per diem was paid to the Board of Directors in their capacity as directors.

NOTE 23 - Operating Loss:

For the years ended December 31, 2017 and 2016, **DYMCA** incurred a continuing operating loss of \$1,292,226 and \$906,363, respectively. Management and the Board have developed and implemented a plan to reverse the trend.

NOTE 24 - 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 June 22, 2018, 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 date requires recognition or disclosure.

NOTE 25 - Recent Accounting Pronouncements:

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-14 affecting ASC 958, *Not-for-Profit Entities*, which establishes standards for external financial reporting by not-for-profit organizations. The primary objective of this update is to make certain improvements to the current reporting practices of not-for-profit entities. The amendments in this update are effective for annual financial standards issued for fiscal years beginning after December 15, 2017 and for interim periods within fiscal years beginning after December 15, 2018.

DYMCA is currently assessing the impact of this new pronouncement on its financial statements.

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

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

Other Matters

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of **Dryades Young Men's Christian Association (DYMCA)** as of and for the years ended December 31, 2017 and 2016 and have issued our report thereon dated June 22, 2018, which contained an unmodified opinion on those financial statements as a whole. Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole.

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

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION
(CONTINUED)**

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

Other Matters, Continued

Supplementary Other Information

The supplementary information (Schedules I through VI and VIII) is the responsibility of management and was derived from and relates 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 procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information (Schedules I through VI and VIII) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

June 22, 2018

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

	CITY OF NEW ORLEANS		Total Community Action	Early Learning Readiness	Restoration - Temporarily Restricted	Endowment - Permanently Restricted
	DEPARTMENT OF SOCIAL SERVICES	COMMUNITY DEVELOPMENT BLOCK GRANT				
	General	School of Commerce	Philip Street Renovation			
<u>ASSETS</u>						
Cash	\$ 442	\$ -0-	\$ -0-	\$ -0-	\$ 8,939	\$ -0-
Amounts receivable, net	38,289	3,500	-0-	-0-	-0-	2,198
Grants receivable	-0-	-0-	-0-	20,931	-0-	-0-
Due from other programs	3,111,758	64,100	6,213	119,831	40,000	1,411,443
Prepaid and other assets	77,247	-0-	-0-	-0-	-0-	75
Cash surrender value of life insurance, net	49,000	-0-	-0-	-0-	-0-	-0-
Investments	-0-	-0-	-0-	-0-	-0-	2,282
Land and land improvements	773,071	-0-	-0-	-0-	-0-	-0-
Property and equipment, net	12,492,271	2,819	-0-	-0-	-0-	-0-
Total assets	16,542,078	70,419	6,213	140,762	48,939	1,413,716
<u>LIABILITIES AND NET ASSETS</u>						
Liabilities:						
Cash drawn in excess of available balance	-0-	290	-0-	-0-	-0-	-0-
Accounts payable and other liabilities	290,427	3,272	-0-	-0-	-0-	-0-
Salaries, benefits and taxes payable	44,543	-0-	-0-	-0-	-0-	-0-
Due to other programs	3,419,015	680,159	-0-	142,794	48,349	1,079,358
Lease obligations	54,866	2,717	-0-	-0-	-0-	-0-
Deferred revenue	-0-	-0-	-0-	-0-	-0-	334,358
Reserve for unemployment taxes and other payables	-0-	-0-	-0-	-0-	-0-	-0-
Current portion of notes and other payables	67,959	-0-	-0-	-0-	-0-	-0-
Notes and other payables, less current portion	353,024	-0-	-0-	-0-	-0-	-0-
Total liabilities	4,229,834	686,438	-0-	142,794	48,349	1,413,716
Net assets	\$ 12,312,244	\$ (616,019)	\$ 6,213	\$ (2,032)	\$ 590	\$ -
						\$ 2,282

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

STATE OF LOUISIANA

DEPARTMENT OF EDUCATION

	21st Century I	21st Century II	LA-4 Federal	LA-4 State	Special Funds	Singleton Charter School	Totals (Memorandum Only)
<u>ASSETS</u>							
Cash	\$ -0-	\$ 1,861	\$ -0-	\$ 31,632	\$ 1,339	\$ 21,049	\$ 65,262
Amounts receivable, net	4,002	-0-	-0-	244	-0-	-0-	48,233
Grants receivable	-0-	17	30,862	15,155	70,909	-0-	137,874
Due from other programs	50,008	96,693	615,257	790,404	79,961	1,788,277	8,173,945
Prepaid and other assets	-0-	-0-	-0-	-0-	-0-	70,198	147,520
Cash surrender value of life insurance, net	-0-	-0-	-0-	-0-	-0-	-0-	49,000
Investments	-0-	-0-	-0-	-0-	-0-	100,000	102,282
Land and land improvements	-0-	-0-	-0-	-0-	-0-	-0-	773,071
Property and equipment, net	-0-	-0-	-0-	-0-	-0-	131,978	12,627,068
Total assets	54,010	98,571	646,119	837,435	152,209	2,111,502	\$ 22,124,255
<u>LIABILITIES AND NET ASSETS</u>							
Liabilities:							
Cash drawn in excess of available balance	-0-	-0-	-0-	-0-	-0-	-0-	290
Accounts payable and other liabilities	2,010	-0-	-0-	1,605	5,739	469,414	772,467
Salaries, benefits and taxes payable	-0-	-0-	-0-	65	-0-	45,653	90,261
Due to other programs	52,000	98,571	639,062	835,869	60,331	1,118,437	8,173,945
Lease obligations	-0-	-0-	-0-	-0-	-0-	80,289	137,872
Deferred revenue	-0-	-0-	-0-	-0-	-0-	-0-	334,358
Reserve for unemployment taxes and other payables	-0-	-0-	7,057	-0-	-0-	587,080	594,137
Current portion of notes payable	-0-	-0-	-0-	-0-	-0-	37,879	105,838
Notes payable, less current portion	-0-	-0-	-0-	-0-	-0-	-0-	353,024
Total liabilities	54,010	98,571	646,119	837,539	66,070	2,338,752	10,562,192
Net assets	\$ -0-	\$ -0-	\$ -0-	\$ (104)	\$ 86,139	\$ (227,250)	\$ 11,562,063

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

	CITY OF NEW ORLEANS						Endowment - Permanently Restricted
	DEPARTMENT OF SOCIAL SERVICES		COMMUNITY DEVELOPMENT BLOCK GRANT		Total Community Action	Early Learning Readiness	
	General	School of Commerce	Philip Street Renovation				
ASSETS							
Cash	\$ 692	\$ 16,593	\$ -0-	\$ -0-	\$ 77,865	\$ 1,763	\$ -0-
Amounts receivable, net	10,237	-0-	-0-	-0-	-0-	429	-0-
Grants receivable	-0-	-0-	-0-	48,674	-0-	-0-	-0-
Due from other programs	2,936,038	46,070	6,213	96,041	40,000	1,411,443	-0-
Prepaid and other assets	93,127	-0-	-0-	-0-	-0-	81	-0-
Cash surrender value of life insurance, net	57,948	-0-	-0-	-0-	-0-	-0-	-0-
Investments	-0-	-0-	-0-	-0-	-0-	-0-	2,282
Land and land improvements	773,071	-0-	-0-	-0-	-0-	-0-	-0-
Property and equipment, net	12,908,328	4,356	-0-	-0-	-0-	-0-	-0-
Total assets	16,779,441	67,019	6,213	144,715	117,865	1,413,716	2,282
LIABILITIES AND NET ASSETS							
Liabilities:							
Cash drawn in excess of available balance	11,664	-0-	-0-	-0-	-0-	-0-	-0-
Accounts payable and other liabilities	317,436	3,715	-0-	-0-	1,571	-0-	-0-
Salaries, benefits and taxes payable	21,635	-0-	-0-	2,000	-0-	-0-	-0-
Due to other programs	2,981,559	596,531	-0-	143,003	104,629	1,079,358	-0-
Lease obligations	80,943	4,356	-0-	-0-	-0-	-0-	-0-
Deferred revenue	-0-	-0-	-0-	-0-	-0-	334,358	-0-
Reserve for unemployment taxes and other payables	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Current portion of notes and other payables	233,767	-0-	-0-	-0-	-0-	-0-	-0-
Notes and other payables, less current portion	238,824	-0-	-0-	-0-	-0-	-0-	-0-
Total liabilities	3,885,828	604,602	-0-	145,003	106,200	1,413,716	-0-
Net assets	\$ 12,893,613	\$ (537,583)	\$ 6,213	\$ (288)	\$ 11,665	\$ -0-	\$ 2,282

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

STATE OF LOUISIANA

DEPARTMENT OF EDUCATION

	21st Century I	21st Century II	LA-4 Federal	LA-4 State	Special Funds	Singleton Charter School	Totals (Memorandum Only)
ASSETS							
Cash	\$ -0-	\$ 8,853	\$ -0-	\$ 34,079	\$ 912	\$ 783,458	\$ 924,215
Amounts receivable, net	4,002	-0-	-0-	244	-0-	-0-	14,912
Grants receivable	-0-	17	34,381	16,051	132,792	-0-	231,915
Due from other programs	49,962	31,906	511,054	622,627	79,091	1,529,179	7,359,624
Prepaid and other assets	-0-	-0-	-0-	-0-	-0-	74,249	167,457
Cash surrender value of life insurance, net	-0-	-0-	-0-	-0-	-0-	-0-	57,948
Investments	-0-	-0-	-0-	-0-	-0-	103,914	106,196
Land and land improvements	-0-	-0-	-0-	-0-	-0-	-0-	773,071
Property and equipment, net	-0-	-0-	-0-	-0-	-0-	203,443	13,116,127
Total assets	53,964	40,776	545,435	673,001	212,795	2,694,243	\$ 22,751,465
LIABILITIES AND NET ASSETS							
Liabilities:							
Cash drawn in excess of available balance	-0-	-0-	-0-	-0-	-0-	-0-	11,664
Accounts payable and other liabilities	1,964	18,569	1,348	-0-	73,860	364,511	782,974
Salaries, benefits and taxes payable	-0-	-0-	7,057	58	-0-	67,354	98,104
Due to other programs	52,000	98,571	538,652	671,306	120,905	973,110	7,359,624
Capital lease obligation	-0-	-0-	-0-	-0-	-0-	132,672	217,971
Deferred revenue	-0-	-0-	-0-	-0-	-0-	-0-	334,358
Reserve for unemployment taxes and other payables	-0-	-0-	-0-	-0-	-0-	584,614	584,614
Current portion of notes and other payables	-0-	-0-	-0-	-0-	-0-	31,296	265,063
Notes and other payables, less current portion	-0-	-0-	-0-	-0-	-0-	3,980	242,804
Total liabilities	53,964	117,140	547,057	671,364	194,765	2,157,537	9,897,176
Net assets	\$ -0-	\$ (76,364)	\$ (1,622)	\$ 1,637	\$ 18,030	\$ 536,706	\$ 12,854,289

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

		STATE OF LOUISIANA <u>DEPARTMENT</u> OF SOCIAL SERVICES	CITY OF NEW ORLEANS <u>COMMUNITY</u> DEVELOPMENT BLOCK GRANT					
	General	School of Commerce	Philip Street Renovation	Total Community Action	Early Learning Readiness	Restoration - Temporarily Restricted	Endowment - Permanently Restricted	
Support:								
United Way Funding	\$ 52,272	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Grants - State of Louisiana	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Grants - Federal pass-through State of Louisiana	2,678	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Grants - Federal pass-through Others	-0-	-0-	-0-	154,986	-0-	-0-	-0-	-0-
Grants - other	139,224	-0-	-0-	-0-	-0-	-0-	-0-	-0-
In-kind	-0-	-0-	173,760	-0-	-0-	-0-	-0-	-0-
Net assets released from restrictions:								
Restrictions satisfied by payments/ disbursements	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total support	194,174	-0-	173,760	154,986	-0-	-0-	-0-	-0-

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	STATE OF LOUISIANA		CITY OF NEW ORLEANS		Total Community Action	Early Learning Readiness	Restoration - Temporarily Restricted	Endowment - Permanently Restricted
	General	DEPARTMENT OF SOCIAL SERVICES School of Commerce	COMMUNITY DEVELOPMENT BLOCK GRANT Philip Street Renovation					
Revenues:								
Membership dues	\$ 152,175	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Program income and fees	89,899	87,853	-0-	-0-	-0-	-0-	-0-	-0-
Interest income	11	-0-	-0-	-0-	55	-0-	-0-	-0-
Rental income	393,034	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Contributions and donations	70,079	3,500	-0-	-0-	-0-	-0-	-0-	-0-
Support from other programs	-0-	-0-	-0-	23,790	-0-	-0-	-0-	-0-
Other	180,550	-0-	-0-	2,000	590	-0-	-0-	-0-
Total revenues	885,748	91,353	-0-	25,790	645	-0-	-0-	-0-
Total support and revenues	1,079,922	91,353	173,760	180,776	645	-0-	-0-	-0-
Expenses:								
Program services	373,929	169,789	173,760	182,520	-0-	-0-	-0-	-0-
Supporting services	1,241,295	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total expenses	1,615,224	169,789	173,760	182,520	-0-	-0-	-0-	-0-
Changes in net assets	(535,302)	(78,436)	-0-	(1,744)	645	-0-	-0-	-0-
Operating transfers in (out)	(46,067)	-0-	-0-	-0-	(11,720)	-0-	-0-	-0-
Net assets, beginning of year, as restated	12,893,613	(537,583)	6,213	(288)	11,665	-0-	2,282	2,282
Net assets, end of year	\$ 12,312,244	\$ (616,019)	\$ 6,213	\$ (2,032)	590	\$ -0-	\$ 2,282	\$ 2,282

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

STATE OF LOUISIANA

DEPARTMENT OF EDUCATION

	21st Century I	21st Century II	LA-4 Federal	LA-4 State	Special Funds	Singleton Charter School	Totals (Memorandum Only)
Support:							
United Way Funding	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 52,272
United Way CFC	-0-	-0-	-0-	-0-	-0-	-0-	-0-
United Way designations	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Grants-City of New Orleans	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Grants - State of Louisiana	-0-	-0-	-0-	89,450	-0-	3,396,325	3,485,775
Grants - Federal pass-through State of Louisiana	-0-	-0-	89,713	-0-	444,910	-0-	537,301
Grants - Federal pass-through Others	-0-	-0-	-0-	-0-	-0-	-0-	154,986
Grants - other	-0-	-0-	-0-	-0-	-0-	25,650	164,874
In-kind	-0-	-0-	-0-	-0-	-0-	38,471	212,231
Net assets released from restrictions: Restrictions satisfied by payments/ disbursements	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total support	-0-	-0-	89,713	89,450	444,910	3,460,446	4,607,439

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

STATE OF LOUISIANA

DEPARTMENT OF EDUCATION

	21st Century I	21st Century II	LA-4 Federal	LA-4 State	Special Funds	Singleton Charter School	Totals (Memorandum Only)
Revenues:							
Membership dues	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 152,175
Program income and fees	-0-	-0-	-0-	-0-	-0-	-0-	177,752
Interest income	-0-	5	-0-	2	-0-	2,523	2,596
Rental income	-0-	-0-	-0-	-0-	-0-	-0-	393,034
Contributions and donations	-0-	-0-	-0-	-0-	-0-	1,752	75,331
Support from other programs	-0-	-0-	1,375	2,112	28,600	-0-	55,877
Other	-0-	18,572	1,649	-0-	75,591	38,015	316,967
Total revenues	-0-	18,577	3,024	2,114	104,191	42,290	1,173,732
Total support and revenues	-0-	18,577	92,737	91,564	549,101	3,502,736	5,781,171
Expenses:							
Program services	-0-	-0-	91,115	93,305	438,729	3,798,139	5,321,286
Supporting services	-0-	-0-	-0-	-0-	42,263	468,553	1,752,111
Total expenses	-0-	-0-	91,115	93,305	480,992	4,266,692	7,073,397
Changes in net assets	-0-	18,577	1,622	(1,741)	68,109	(763,956)	(1,292,226)
Operating transfers in (out)	-0-	57,787	-0-	-0-	-0-	-0-	-0-
Net assets, beginning of year, as restated	-0-	(76,364)	(1,622)	1,637	18,030	536,706	12,854,289
Net assets, end of year	\$ -0-	\$ -0-	\$ -0-	\$ (104)	\$ 86,139	\$ (227,250)	\$ 11,562,063

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	STATE OF LOUISIANA <u>DEPARTMENT</u> OF SOCIAL SERVICES	CITY OF NEW ORLEANS <u>COMMUNITY</u> DEVELOPMENT BLOCK GRANT					
	School of Commerce	Philip Street Renovation	Total Community Action	Early Learning Readiness	Restoration - Temporarily Restricted	Endowment - Permanently Restricted	
General							
Support:							
United Way Funding	\$ 85,563	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Grants - State of Louisiana	-	-0-	-0-	-0-	-0-	-0-	-0-
Grants - Federal pass-through State of Louisiana	1,659	-0-	-0-	-0-	-0-	-0-	-0-
Grants - Federal pass-through Others	-0-	-0-	-0-	168,950	-0-	-0-	-0-
Grants - other	47,757	-0-	-0-	-0-	-0-	-0-	-0-
In-kind	-0-	-0-	173,760	-0-	-0-	-0-	-0-
Net assets released from restrictions:							
Restrictions satisfied by payments/ disbursements	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total support	134,979	-0-	173,760	168,950	-	-0-	-0-

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	STATE OF LOUISIANA		CITY OF NEW ORLEANS		Total Community Action	Early Learning Readiness	Restoration - Temporarily Restricted	Endowment - Permanently Restricted
	General	DEPARTMENT OF SOCIAL SERVICES School of Commerce	COMMUNITY DEVELOPMENT BLOCK GRANT Philip Street Renovation					
Revenues:								
Membership dues	\$ 133,906	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Program income and fees	41,785	85,724	-0-	-0-	-0-	-0-	-0-	-0-
Interest income	10	-0-	-0-	-0-	119	-0-	-0-	-0-
Rental income	400,636	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Contributions and donations	29,903	5,500	-0-	-0-	-0-	-0-	-0-	-0-
Administrative fee income	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Support from other programs	-0-	-0-	-0-	33,479	-0-	-0-	-0-	-0-
Other	126,624	100	-0-	-0-	-0-	-0-	-0-	-0-
Total revenues	732,864	91,324	-0-	-33479-	119	-	-0-	-0-
Total support and revenues	867,843	91,324	173,760	202,429	119	-	-0-	-0-
Expenses:								
Program services	294,809	121,622	173,760	197,035	55,920	-0-	-0-	
Supporting services	1,136,118	-0-	-0-	-0-	-0-	-0-	-0-	
Total expenses	1,430,927	121,622	173,760	197,035	55,920	-	-0-	
Changes in net assets	(563,084)	(30,298)	-0-	5,394	(55,801)	-0-	-0-	
Net assets, beginning of year, as restated	13,456,697	(507,285)	6,213	(5,682)	67,466	-0-	2,282	
Net assets, end of year	\$ 12,893,613	\$ (537,583)	\$ 6,213	(288)	\$ 11,665	\$ -0-	\$ 2,282	

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

STATE OF LOUISIANA

DEPARTMENT OF EDUCATION

	21st Century I	21st Century II	LA-4 Federal	LA-4 State	Special Funds	Singleton Charter School	Totals (Memorandum Only)
Support:							
United Way Funding	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 85,563
Grants - State of Louisiana	-0-	-0-	-0-	47,500	-0-	4,040,633	4,088,133
Grants - Federal pass-through State of Louisiana	-0-	197,938	108,051	-0-	463,713	-0-	771,361
Grants - Federal pass-through Others	-0-	-0-	-0-	-0-	-0-	-0-	168,950
Grants - other	-0-	-0-	-0-	-0-	-0-	21,004	68,761
In-kind	-0-	-0-	-0-	-0-	-0-	19,160	192,920
Net assets released from restrictions:							
Restrictions satisfied by payments/ (disbursements)	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total support	-0-	197,938	108,051	47,500	463,713	4,080,797	5,375,688

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

STATE OF LOUISIANA

DEPARTMENT OF EDUCATION

	21st Century I	21st Century II	LA-4 Federal	LA-4 State	Special Funds	Singleton Charter School	Totals (Memorandum Only)
Revenues:							
Membership dues	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 133,906
Program income and fees	-0-	-0-	-0-	-0-	-0-	-0-	127,509
Interest income	-0-	35	-0-	2	-0-	7,972	8,138
Rental income	-0-	-0-	-0-	-0-	-0-	-0-	400,636
Contributions and donations	-0-	-0-	-0-	-0-	-0-	220	35,623
Support from other programs	-0-	875	8,499	470	4,074	-0-	47,397
Other	46	-0-	-0-	-0-	-0-	9,406	136,176
Total revenues	46	910	8,499	472	4,074	17,598	889,385
Total support and revenues	46	198,848	116,550	47,972	467,787	4,098,395	6,265,073
Expenses:							
Program services	-0-	195,270	116,523	47,947	388,239	3,706,944	5,298,069
Supporting services	-0-	-0-	-0-	-0-	85,095	652,154	1,873,367
Total expenses	-	195,270	116,523	47,947	473,334	4,359,098	7,171,436
Changes in net assets	46	3,578	27	25	(5,547)	(260,703)	(906,363)
Net assets, beginning of year, as restated	(46)	(79,942)	(1,649)	1,612	23,577	797,409	13,760,652
Net assets, end of year	\$ -	\$ (76,364)	(1,622)	1,637	\$ 18,030	\$ 536,706	\$ 12,854,289

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	PROGRAM SERVICES							
	General Youth			DEPARTMENT OF SOCIAL SERVICES	CITY OF NEW ORLEANS COMMUNITY DEVELOPMENT BLOCK GRANT	Total Community Action	Early Learning Readiness	Restoration - Temporarily Restricted
	Wellness Center	Development and Outreach	Infant Daycare	School of Commerce	Philip St. Renovation			
Salaries and wages	\$ 105,330	\$ 52,138	\$ -0-	\$ 83,101	\$ -0-	\$ 148,231	\$ -0-	\$ -0-
Employee benefits and payroll taxes	8,058	13,718	4,309	21,827	-0-	34,239	-0-	-0-
Professional fees and contract services	32,442	77,660	8,884	46,007	-0-	-0-	-0-	-0-
Supplies	16,998	1,886	4,632	-0-	-0-	-0-	-0-	-0-
Instructional material and supplies	-0-	-0-	-0-	2,466	-0-	-0-	-0-	-0-
Telephone	7,977	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Postage and printing	212	4,567	1,414	727	-0-	-0-	-0-	-0-
Professional development	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Utilities	15,897	-0-	3,022	-0-	-0-	-0-	-0-	-0-
Occupancy	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Equipment rental	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Repairs and maintenance	6,257	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Conference and conventions	-0-	-0-	170	1,767	-0-	-0-	-0-	-0-
Transportation and travel	-0-	-0-	4,595	-0-	-0-	-0-	-0-	-0-
Dues to National YMCA	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Insurance	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other expenses	5	558	250	12,217	-0-	50	-0-	1,769
Food cost	-0-	-0-	255	-0-	-0-	-0-	-0-	-0-
Advertising	445	2,250	-0-	-0-	-0-	-0-	-0-	-0-
Student activities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Administrative fee expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Support in-kind	-0-	-0-	-0-	-0-	173,760	-0-	-0-	-0-
Vehicle lease	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Interest expense	-0-	-0-	-0-	140	-0-	-0-	-0-	-0-
Support to other programs	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total expenses before depreciation and amortization	193,621	152,777	27,531	168,252	173,760	182,520	-0-	-1769-
Depreciation and amortization	-0-	-0-	-0-	1,537	-0-	-0-	-0-	-0-
Total expenses	<u>\$ 193,621</u>	<u>\$ 152,777</u>	<u>\$ 27,531</u>	<u>\$ 169,789</u>	<u>\$ 173,760</u>	<u>\$ 182,520</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

PROGRAM SERVICES

STATE OF LOUISIANA

DEPARTMENT OF EDUCATION

	21st Century I	21 Century II	LA-4 Federal	LA-4 State	Special Funds	Singleton Charter School	Totals (Memorandum Only)
Salaries and wages	\$ -0-	\$ -0-	\$ 69,773	\$ 71,320	\$ 345,155	\$ 1,184,945	\$ 2,059,993
Employee benefits and payroll taxes	-0-	-0-	15,442	20,110	69,987	328,737	516,427
Professional fees and contract services	-0-	-0-	-0-	-0-	-0-	566,037	731,030
Supplies	-0-	-0-	-0-	-0-	-0-	58,687	82,203
Instructional material and supplies	-0-	-0-	25	-0-	7,725	33,954	44,170
Telephone	-0-	-0-	-0-	-0-	-0-	98,226	106,203
Postage and printing	-0-	-0-	-0-	-0-	-0-	9,200	16,120
Professional development	-0-	-0-	-0-	-0-	-0-	14,797	14,797
Utilities	-0-	-0-	-0-	-0-	-0-	241,174	260,093
Occupancy	-0-	-0-	-0-	-0-	-0-	459,751	459,751
Equipment rental	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Repairs and maintenance	-0-	-0-	-0-	-0-	-0-	75,800	82,057
Conference and conventions	-0-	-0-	-0-	-0-	-0-	-0-	1,937
Transportation and travel	-0-	-0-	425	-0-	-0-	348,749	353,769
Dues to National YMCA	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Insurance	-0-	-0-	-0-	-0-	-0-	144,289	144,289
Other expenses	-0-	-0-	5,315	1,875	-0-	48,989	71,028
Food cost	-0-	-0-	135	-0-	-0-	15,598	15,988
Advertising	-0-	-0-	-0-	-0-	-0-	-0-	2,695
Student activities	-0-	-0-	-0-	-0-	925	52,363	53,288
Administrative fee expense	-0-	-0-	-0-	-0-	14,937	-0-	14,937
Support in-kind	-0-	-0-	-0-	-0-	-0-	38,471	212,231
Vehicle lease	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Interest expense	-0-	-0-	-0-	-0-	-0-	6,907	7,047
Support to other programs	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total expenses before depreciation and amortization	-0-	-0-	91,115	93,305	438,729	3,726,674	5,250,053
Depreciation and amortization	-0-	-0-	-0-	-0-	-0-	71,465	73,002
Total	\$ -0-	\$ -0-	\$ 91,115	\$ 93,305	\$ 438,729	\$ 3,798,139	\$ 5,323,055

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

SUPPORTING SERVICES

	General	Singleton Charter School	Special Funds	Totals (Memorandum Only)
Salaries and wages	\$ 224,319	\$ 334,003	\$ 34,144	\$ 592,466
Employee benefits and payroll taxes	58,473	100,204	7,764	166,441
Professional fees and contract services	137,926	-0-	-0-	137,926
Supplies	25,516	-0-	-0-	25,516
Instructional material and supplies	-0-	-0-	-0-	-0-
Telephone	2,134	-0-	-0-	2,134
Postage and printing	10,117	-0-	-0-	10,117
Professional development	-0-	-0-	-0-	-0-
Utilities	-0-	-0-	-0-	-0-
Occupancy	-0-	-0-	-0-	-0-
Equipment rental	-0-	-0-	-0-	-0-
Repairs and maintenance	12,848	-0-	-0-	12,848
Conference and conventions	37,395	-0-	-0-	37,395
Transportation and travel	-0-	-0-	-0-	-0-
Dues to National YMCA	72,744	-0-	-0-	72,744
Insurance	49,803	-0-	-0-	49,803
Other expenses	29,170	-	355	29,525
Food cost	25,897	-0-	-0-	25,897
Advertising	1,882	-0-	-0-	1,882
Student activities	-0-	-0-	-0-	-0-
Administrative fee expense	-0-	-0-	-0-	-0-
Support in-kind	-0-	-0-	-0-	-0-
Vehicle lease	14,670	-0-	-0-	14,670
Interest expense	27,667	-0-	-0-	27,667
Support to other programs	24,196	34,346	-0-	58,542
Total expenses before depreciation and amortization	754,757	468,553	42,263	1,265,573
Depreciation and amortization	486,538	-0-	-0-	486,538
Total	\$ 1,241,295	\$ 468,553	\$ 42,263	\$ 1,752,111

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	PROGRAM SERVICES							
	General Youth			CITY OF NEW ORLEANS		Total Community Action	Early Learning Readiness	Restoration - Temporarily Restricted
	Wellness Center	Development and Outreach	Infant Daycare	DEPARTMENT OF SOCIAL SERVICES	COMMUNITY DEVELOPMENT BLOCK GRANT			
				School of Commerce	Philip St. Renovation			
Salaries and wages	\$ 84,484	\$ 43,777	\$ 2,490	\$ 59,129	\$ -0-	\$ 160,537	\$ 40,423	\$ -0-
Employee benefits and payroll taxes	-0-	2,900	4,681	14,571	-0-	23,246	7,247	-0-
Professional fees and contract services	35,787	33,477	4,756	29,703	-0-	12,251	3,092	-0-
Supplies	15,624	5,440	3,536	2,897	-0-	-0-	2,927	-0-
Instructional material and supplies	-0-	-0-	-0-	4,767	-0-	-0-	-0-	-0-
Telephone	7,417	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Postage and printing	1,794	5,481	65	166	-0-	-0-	-0-	-0-
Professional development	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Utilities	15,288	-0-	2,947	-0-	-0-	-0-	-0-	-0-
Occupancy	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Equipment rental	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Repairs and maintenance	4,816	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Conference and conventions	225	2,030	734	2,558	-0-	-0-	-0-	-0-
Transportation and travel	-0-	130	787	-0-	-0-	-0-	-0-	-0-
Dues to National YMCA	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Insurance	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other expenses	1,270	1,875	841	7,831	-0-	1,001	-0-	-0-
Food cost	305	1,455	1,431	-0-	-0-	-0-	-0-	-0-
Advertising	1,230	7,736	-0-	-0-	-0-	-0-	-0-	-0-
Student activities	-0-	-0-	-0-	-0-	-0-	-0-	2,231	-0-
Administrative fee expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Support in-kind	-0-	-0-	-0-	-0-	173,760	-0-	-0-	-0-
Interest expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Support to other programs	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total expenses before depreciation and amortization	168,240	104,301	22,268	121,622	173,760	197,035	55,920	-0-
Depreciation and amortization	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total expenses	\$ 168,240	\$ 104,301	\$ 22,268	\$ 121,622	\$ 173,760	\$ 197,035	\$ 55,920	\$ -0-

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

PROGRAM SERVICES

STATE OF LOUISIANA

DEPARTMENT OF EDUCATION

	21st Century I	21 Century II	LA-4 Federal	LA-4 State	Special Funds	Singleton Charter School	Totals (Memorandum Only)
Salaries and wages	\$ -0-	\$ 26,632	\$ 90,459	\$ 40,572	\$ 283,347	\$ 1,286,655	\$ 2,118,505
Employee benefits and payroll taxes	-0-	3,277	8,143	5,072	39,576	205,121	313,834
Professional fees and contract services	-0-	107,625	16,953	1,880	26,106	568,568	840,198
Supplies	-0-	2,011	-0-	-0-	-0-	40,924	73,359
Instructional material and supplies	-0-	-0-	75	-0-	-0-	50,528	55,370
Telephone	-0-	-0-	-0-	-0-	-0-	45,593	53,010
Postage and printing	-0-	-0-	-0-	-0-	-0-	32,535	40,041
Professional development	-0-	-0-	-0-	-0-	6,443	5,118	11,561
Utilities	-0-	-0-	-0-	-0-	-0-	160,316	178,551
Occupancy	-0-	25,000	-0-	-0-	-0-	470,323	495,323
Equipment rental	-0-	-0-	-0-	-0-	-0-	9,454	-9454-
Repairs and maintenance	-0-	-0-	-0-	-0-	-0-	151,739	156,555
Conference and conventions	-0-	-0-	-0-	-0-	-0-	-0-	5,547
Transportation and travel	-0-	26,780	-0-	-0-	-0-	337,513	365,210
Dues to National YMCA	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Insurance	-0-	-0-	-0-	-0-	-0-	153,246	153,246
Other expenses	-0-	801	-0-	123	5,911	38,475	58,128
Food cost	-0-	-0-	125	300	555	22,767	26,938
Advertising	-0-	-0-	-0-	-0-	-0-	321	9,287
Student activities	-0-	3,144	768	-0-	700	26,952	33,795
Administrative fee expense	-0-	-0-	-0-	-0-	25,601	-0-	25,601
Support in-kind	-0-	-0-	-0-	-0-	-0-	19,160	192,920
Interest expense	-0-	-0-	-0-	-0-	-0-	7,354	7,354
Support to other programs	-0-	-0-	-0-	-0-	-0-	11,522	11,522
Total expenses before depreciation and amortization	-0-	195,270	116,523	47,947	388,239	3,644,184	5,235,309
Depreciation and amortization	-0-	-0-	-0-	-0-	-0-	62,760	62,760
Total	\$ -0-	\$ 195,270	\$ 116,523	\$ 47,947	\$ 388,239	\$ 3,706,944	\$ 5,298,069

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

SUPPORTING SERVICES

	General	Singleton Charter School	Special Funds	Totals (Memorandum Only)
Salaries and wages	\$ 135,395	\$ 336,545	\$ 66,155	\$ 538,095
Employee benefits and payroll taxes	57,629	87,909	13,880	159,418
Professional fees and contract services	98,263	121,914	5,060	225,237
Supplies	-0-	17,539	-0-	17,539
Instructional material and supplies	30,328	-0-	-0-	30,328
Telephone	1,592	19,540	-0-	21,132
Postage and printing	19,967	-0-	-0-	19,967
Professional development	-0-	-0-	-0-	-0-
Utilities	-0-	68,707	-0-	68,707
Occupancy	-0-	-0-	-0-	-0-
Equipment rental	-0-	-0-	-0-	-0-
Repairs and maintenance	3,600	-0-	-0-	3,600
Conference and conventions	36,492	-0-	-0-	36,492
Transportation and travel	220	-0-	-0-	220
Dues to National YMCA	67,978	-0-	-0-	67,978
Insurance	46,582	-0-	-0-	46,582
Other expenses	81,350	-0-	-0-	81,350
Food cost	22,918	-0-	-0-	22,918
Advertising	3,259	-0-	-0-	3,259
Student activities	-0-	-0-	-0-	-0-
Administrative fee expense	-0-	-0-	-0-	-0-
Support in-kind	-0-	-0-	-0-	-0-
Interest expense	22,271	-0-	-0-	22,271
Support to other programs	35,875	-0-	-0-	35,875
Total expenses before depreciation and amortization	663,719	652,154	85,095	1,400,968
Depreciation and amortization	472,399	-0-	-0-	472,399
Total	\$ 1,136,118	\$ 652,154	\$ 85,095	\$ 1,873,367

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Program Grantor/Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Pass-Through as Subgrantee of the State of Louisiana		
Department of Education:		
LA-4 Starting Points Pre-Kindergarten Programs (TANF)	93.558A	\$ 89,713
Child and Adult Care Program (TCA Headstart)	93.600B	<u>154,986</u>
Subtotal		<u>244,699</u>
Pass-Through as Subgrantee of the State of Louisiana		
Department of Social Services:		
Child and Adult Care Program (Project Independence)	93.596A	<u>2,678</u>
Subtotal		<u>2,678</u>
Total U.S. Department of Health		<u>2,678</u>
Pass-through subgrantee of the State of Louisiana		
Department of Education:		
Title I - Grant to Local Educational Agencies	84.010A	298,457
Title II - Improving Teacher Quality State Grant	84.367A	55,301
IDEA B - Handicapped	84.027A	<u>91,152</u>
Total U.S. Department of Education		<u>444,910</u>

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Program Grantor/Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<u>PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF AGRICULTURE</u>		
Pass-through subgrantee of the State of Louisiana Department of Education:		
National School Lunch Program	10.555	\$ <u>38,471</u>
Total U.S. Department of Agriculture		<u>38,471</u>
Total all programs		<u>\$730,758</u>

NOTE: Basis of Presentation; The accompanying Schedule of Expenditures of Federal Awards includes all Federal activity of **DYMCA** and is presented on a modified accrual basis of accounting. The information on this schedule is presented in accordance with other requirements of the Uniform Guidance.

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

See Independent Auditors' Report on Supplementary Information.

SCHEDULE VIII

**DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2017**

Chief Executive Officer Name: Gregory Phillips

PURPOSE	AMOUNT
Salary	\$175,530
Benefits - retirement	21,064
Travel	37,395
Telephone	1,176
Company vehicle	<u>14,670</u>
Total	<u>\$249,835</u>

See Independent Auditors' Report on Supplementary Information.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America, the financial statements of **Dryades Young Men's Christian Association (DYMCA)** which comprise the statements of financial position, as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cashflows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 22, 2018.

Internal Control Over Financial Reporting

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

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

Internal Control Over Financial Reporting, Continued

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

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

Purpose of this Report

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

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

June 22, 2018

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE
FOR THE YEAR ENDED DECEMBER 31, 2017

Section I - Summary of Auditors' Results

Financial Statements

Type of Auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? N/A
- Significant deficiency(ies) identified? N/A

Type of 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 *the Uniform Guidance*? N/A

N/A - Not applicable

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2017

Section I - Summary of Auditors' Results, Continued

Federal Awards, Continued

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

Section II - Financial Statement Findings and Questioned Costs

No financial statements findings and questioned costs were reported for the year ended December 31, 2017.

Section III - Federal Award Finding and Questioned Costs

No federal award findings and questioned costs were reported for the year ended December 31, 2017.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2017

Section IV - Status of Prior Year's Findings and Questioned Costs

Reference Number

2016-001

Federal Award Program

All programs (see Schedule of Expenditures of Federal Awards).

Criteria

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

Condition

Our review of the November 2016 bank statement revealed a withdrawal for cash of \$50,000 on November 29, 2016. Further, our discussions with management and review of the bank statements for subsequent months, revealed that the \$50,000 cash withdrawn was not deposited until January 20, 2017. It is our understanding that the funds were used to open a new bank account. Management was unable to provide us with a copy of the cashier's check to open the new account.

Questioned Costs

None.

Context

Total cash balance at December 31, 2016 was \$924,215.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2016

Section IV - Status of Prior Year's Findings and Questioned Costs, Continued

Reference Number, Continued

2016-001

Effect or Potential Effect

Potential for misappropriation of assets.

Cause

Weakness in the current system of internal control over access to cash.

Recommendation

The current policy and practice which allows for the withdrawal of cash, should be revised to ensure the following:

- (i) Dual signature on all transactions that involve the cashing of cash on **DYMCA's** behalf with one (1) of the signatures being the Board Chairman, and;
- (ii) Prior written Board approval on all cash transactions on **DYMCA's** behalf in the event such transaction is necessary.

Current Status

Resolved.

Board adopted a policy change to address the referenced condition.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

EXIT CONFERENCE

The financial statements and all related reports and schedules were discussed at an exit conference. Those that participated in the conference as well as previous discussions are as follows:

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

Ms. Catrina Reed, MBA – Controller

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Paul K. Andoh, Sr., CPA, MBA, CGFM, CGMA – Partner
Mrs. Sherina Claver, CPA – Manager
Mr. Clyde Hunter, CPA – Staff Accountant

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2017



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

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

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

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

We have performed the procedures enumerated below, which were agreed to by **Dryades Young Men's Christian Association (DYMCA)** and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2017 through December 31, 2017. **DYMCA's** management is responsible for those compliance and control areas identified in the SAUP.

This agreed-upon procedures engagement was performed 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 the report. Consequently, we make no representation regarding the sufficiency of the following procedures described either for the purpose for which this report has been requested or for any other purpose.

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

The procedures and related findings to the SAUP are as follows:

Written Policies and Procedures

1. Procedure

We obtained **DYMCA's** written policies and procedures to determine whether the policies and procedures address each of the following financial/business functions, as applicable:

- a) Budgeting including preparing, adopting, monitoring, and amending the budget.

Finding

No exceptions were noted.

- 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.

Finding

DYMCA does not have written policies and procedures that specifically address how purchases are initiated, how vendors are added to the vendor list, or the preparation and approval process of purchase requisitions and purchase order.

Management's Response

Management will review current policies and make the necessary adjustments to include policies that address vendors are added to the vendor list and how purchases are initiated. Management will also formalize and adjust the current policy for preparation and approval of purchase requisitions and purchase orders.

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

Written Policies and Procedures, Continued

- c) Disbursements including processing, reviewing, and approving.

Finding

DYMCA does not have written policies and procedures that specifically address reviewing and approving disbursements.

Management's Response

Management has a formal policy in place for disbursements. Management will review the current policy to ensure all elements of statewide procedures are being met and will make the necessary adjustments to ensure future compliance.

- d) Receipts including receiving, recording, and preparing deposits.

Finding

No exceptions were noted.

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

Finding

No exceptions noted.

- 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.

Finding

DYMCA does not have written policies and procedures that address types of services requiring written contracts.

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

Written Policies and Procedures, Continued

Management's Response

Management has written policies in place to address the process for contracts that require written contracts. Management will review the existing policies and make the necessary changes to ensure compliance with statewide procedures.

- g) Credit cards including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

Finding

DYMCA does not have written policies and procedures that specifically address how cards are to be controlled or allowable business uses.

Management's Response

Management amended the current financial policies in 2017 to include procedures to address credit usage and formal procedures for review and approval of expenditures.

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

Finding

No exceptions were noted.

- 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) requirement that all employees, including elected officials, annually attest through signature verification that they have read DYMCA's ethics policy.

Finding

This procedures is not applicable to DYMCA.

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

Written Policies and Procedures, Continued

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

Finding

This procedures is not applicable to DYMCA.

Board or Finance Committee

2. Procedure

We obtained and reviewed Board minutes for the fiscal period to determine whether:

- a) the Board met (with a quorum) at least monthly, or on a frequency in accordance with the Board's enabling legislation, charter, or other equivalent document.

Finding

No exceptions were noted.

- b) the Board minutes referenced or included monthly budget-to-actual comparisons on DYMCA's funds, and if the budget-to-actual comparisons showed that management was deficit spending during the fiscal period, there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Finding

We noted the monthly Finance Committee minutes made reference to budget-to-actual comparisons. We also noted that while there was deficit spending during the period, there was no discussion of it in the minutes, nor is there a formal/written plan to eliminate the deficit.

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

Board or Finance Committee, Continued

Management's Response

Management and Board will work together to develop a formal plan to address the Agency deficit and review the plan periodical for updates.

- c) The minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Finding

No exceptions were noted.

Bank Reconciliations

3. Procedure

We obtained a listing of client bank accounts from management and management's representation that the listing is complete.

Finding

No exceptions were noted.

4. Procedure

From the listing provided by management, we selected DYMCA's only bank account and obtained bank statements and reconciliations for all months in the fiscal period to determine whether:

- a) Bank reconciliations have been prepared;

Finding

No exceptions were noted.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation.

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

Bank Reconciliations, Continued

Finding

No exceptions were noted.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Finding

No exceptions were noted.

Cash Collections

5. Procedure

We obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Finding

No exceptions were noted.

6. Procedure

From the listing provided by management, we selected DYMCA's only cash collection location and:

- a) Obtained existing written documentation (e.g. insurance policy, policy manual, job description) to determine whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

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

Cash Collections, Continued

Finding

We noted that all employees are covered by DYMCA's crime policy. DYMCA does not have written policies documenting the segregation of duties for cash receipts. It is our understanding that cash is collected by the accountant/secretary and deposited in the bank by the accounts payable clerk or CFO. The transactions are recorded by the staff accountant, and the bank accounts are reconciled by the senior accountant. DYMCA does not have cash registers, therefore this is not applicable.

Management's Response

Management will review the current policies and procedures to ensure proper segregation of duties for cash receipts and make the necessary adjustments to ensure compliance.

- b) Obtained existing written documentation (e.g. sequentially numbered receipts system report, reconciliation worksheets, policy) to determine whether DYMCA has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Finding

Cash collections are reconciled monthly to the general ledger by the staff accountant, who has no cash collections responsibility.

- c) Selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - 1) Using DYMCA's collection documentation, deposit slips, and bank statements, traced daily collections to the deposit date on the corresponding bank statement to determine whether the deposits were made within one day of collection.

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

Cash Collections, Continued

Finding

In twenty (20) of twenty-five (25) instances, cash receipts were not deposited within three (3) days of collection. It is DYMCA's policy to deposit funds within three (3) days.

Management's Response

Management has hired additional staff to ensure agency in compliance with the agency's deposit policy.

- 2) Using sequentially numbered receipts system reports, or other related collection documentation, verify that the daily cash collections are completely supported by documentation and report any exceptions.

Finding

No exceptions were noted.

7. Procedure

We obtained existing written documentation (e.g. policy manual, written procedure) to determine whether **DYMCA** has a process specifically defined (identified as such by **DYMCA**) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

Finding

DYMCA's monthly financial reporting practice includes the reconciliation of its bank account and revenues and related receivables. For its cost reimbursement programs the charged expenses are reconciled monthly to the recorded revenue.

Management's Response

Management will review the current policy to ensure the policies in place address completeness of all collections and the Agency and the functions are performed by a person other than the one responsible for the collections.

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

Disbursements – General (excluding credit, debit, fuel and P-cards)

8. Procedure

We obtained DYMCA's check register for the year ended December 31, 2017. We obtained management's representation that its check register population was complete.

Finding

No exceptions were noted.

9. Procedure

Using the disbursement population from #8, we randomly selected 25 disbursements, excluding credit card/debit card/fuel card/P-card purchases or payments. We obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction to determine whether:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Finding

We noted one (1) of twenty-five (25) disbursements where the transaction was not initiated using a requisition/purchase order system.

Management's Response

Management does not require a purchase order for items that are under a monthly contract since this is a reoccurring charge that had board approval. Management will review this process and consider additional measures for contract services to include purchase orders.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

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

Disbursements – General (excluding credit card, debit, fuel and P-cards, Continued)

Finding

We noted one (1) of twenty-five (25) disbursements where the transaction was not initiated using a requisition/purchase order system to warrant approval.

Management's Response

Management does not require a purchase order for items that are under a monthly contract since this is a reoccurring change that had board approval. Management will review this process and consider additional measures for contract services to include purchase orders.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

Finding

We noted one (1) of twenty-five (25) cash disbursements where the transaction was not initiated using a requisition/purchase order system.

Management's Response

Management does not require a purchase order for items that are under a monthly contract since this is a reoccurring change that had board approval. Management will review this process and consider additional measures for contract services to include purchase orders.

10. Procedure

We reviewed **DYMCA's** documentation (e.g. electronic system control documentation, policy manual, written procedure) to determine whether the person responsible for processing payments is prohibited from adding vendors to **DYMCA's** purchasing/disbursement system.

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

Disbursements – General (excluding credit card, debit, fuel and P-cards, Continued)

Finding

DYMCA does not have a policy manual or written procedures which would allow us to determine whether the person responsible for processing payments is prohibited from adding vendors to DYMCA's purchasing/disbursement system. However, it is our understanding through discussion with the CFO that payment processing is performed by the accounts payable clerk and vendors are added to the purchasing/disbursement system by the staff accountant.

Management's Response

Management will review the current policies and procedures to ensure segregation of duties as it relates to new vendor setup and vendor payments are not performed by the same person.

11. Procedure

We reviewed DYMCA's documentation (e.g. electronic system control documentation, policy manual, written procedure) to determine whether the persons with signatory authority or who makes the final authorization for disbursements have no responsibility for initiating or recording purchases.

Finding

No exceptions were noted.

12. Procedure

We inquired of management and observed the supply of unused checks to determine whether unused checks are maintained in a locked location, with access restricted to those persons that do not have signatory authority.

Finding

No exceptions were noted.

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

Disbursements – General (excluding credit card, debit, fuel and P-cards, Continued)

13. Procedure

We inquired of the individual with a signature stamp whether his or her signature is maintained under his or her control or is used only with his or her knowledge and consent. We also inquired whether signed checks are likewise maintained under the control of the signer or authorized user until mailed.

Finding

Not applicable.

Credit Cards

14. Procedure

We obtained from management a listing of all active credit cards, including the card numbers and the names of the persons who maintained possession of the cards and we obtained management's representation that the listing is complete.

Finding

No exceptions were noted.

15. Procedure

Using the listing prepared by management, we selected the only two (2) credit cards maintained and used during the fiscal period, and obtained the monthly statements. We selected the monthly statement with the largest dollar activity for the card to determine whether:

- a) there is evidence that the monthly statement and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder.

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

Credit Cards, Continued

Finding

The monthly statement reviewed did not contain written evidence that it was reviewed and approved by someone other than the authorized card holder. However, it is our understanding that the statement is reviewed by the CFO.

Management's Response

Management has added additional procedures to the existing policy that will ensure that all statements are reviewed by someone other than the card holder.

- b) finance charges and/or late fees were assessed on the selected statements.

Finding

No finance charges were assessed on the selected statement.

16. Procedure

Using the monthly statements selected under #15 above, we obtained supporting documentation for all transactions for the selected card.

- a) We reviewed each transaction to determine whether the transaction is supported by:
 - 1) An original itemized receipt (i.e., identifies precisely what was purchased)

Finding

Five (5) of thirty-one (31) credit card transactions, were not supported by an original itemized receipt.

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

Credit Cards, Continued

Management's Response

It is the policy of management that all receipts submitted should be the original. Management will review the current policy to include that the itemized receipt must be included and not just the original receipt with the total of the purchase.

- 2) Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Finding

All thirty-one (31) credit card transactions were not supported by documentation of the business or public purpose.

Management's Response

Management will review all transactions to ensure that the business purpose is clearly listed on all transactions.

- 3) Other documentation that may be required by written policy (e.g. purchase order, written authorization).

Finding

No exceptions noted.

- b) For each transaction, we reviewed the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) for compliance with DYMCA's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes).

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

Credit Cards, Continued

Finding

This procedure is not applicable to DYMCA.

- c) For each transaction, we compared DYMCA's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed).

Finding

We noted one (1) of the thirty-one (31) transactions where the transaction involving alcohol purchase lacked evidence to support its charge to DYMCA not for a legally allowable purpose.

Management's Response

Management will implement additional procedures for credit card purchase review to ensure all purchases are allowable.

Travel and Expense Reimbursement

17. Procedure

We obtained the check register for the year ended December 31, 2017 and filtered for travel reimbursements. We obtained management's representation that the check register population is complete.

Finding

No exceptions were noted.

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

Travel and Expense Reimbursement, Continued

18. Procedure

We obtained DYMCA's written policies related to travel and expense reimbursements and compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) to determine whether there are any amounts that exceed GSA rates.

Finding

No exceptions were noted.

19. Procedure

Using the proceeding transactions from #17, we selected the only individual who incurred travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of the selected person, including the supporting documentation, and chose the largest travel expense for the selected person to review in detail. For the travel expense selected:

- a) We compared expense documentation to written policies to determine whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging).

Finding

No exceptions were noted.

- b) We determined whether each expense is supported by:
 - 1) An original itemized receipt that identifies precisely what was purchased.

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

Finding

No exceptions were noted.

- 2) Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

Finding

One (1) of three (3) reimbursements was not supported by documentation of the business purpose. Specifically, only two (2) of seven (7) charges included in the employee's reimbursement were supported by documentation of the business purpose.

Management's Response

Management will review all transactions to ensure that the business purpose is clearly listed on all transactions.

- 3) Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

Finding

The three (3) reimbursements were not supported by the request for reimbursement form as required by DYMCA's expense reimbursement policy.

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

Travel and Expense Reimbursement, Continued

Management's Response

Management implemented a cost reimbursement form during 2017 however the months that were selected were prior to the cost reimbursement document being implemented as a requirement.

- c) We compared DYMCA's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value.

Finding

No exceptions were noted.

- d) We determined whether each expense and related documentation were reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Finding

No exceptions were noted.

Contracts

20. Procedure

We obtained a listing of all contracts in effect during the fiscal period and obtained the check register for the year ended December 31, 2017 and filtered for contract payments. We obtained management's representation that the check register population is complete.

Finding

No exceptions were noted.

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

Contracts, Continued

21. Procedure

Using the listing above, we selected five (5) contract vendors that were paid the most money during the fiscal period, and excluding purchases on state contract and payments to the practitioner. We obtained the related contracts and paid invoices and:

- a) We determined whether there is a formal/written contract that supports the services arrangement and the amount paid.

Finding

No exceptions were noted.

- b) We compared each contract's detail to the Louisiana Public Bid Law or Procurement Code to determine whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- 1) If yes, we obtained and compared supporting contract documentation to legal requirements to determine whether **DYMCA** complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).

Finding

This procedure is not applicable to **DYMCA.**

- 2) If no, we obtained supporting contract documentation to determine whether **DYMCA** solicited quotes as a best practice.

Finding

None of the five (5) contracts reviewed included documentation that **DYMCA solicited quotes as a best practice.**

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

Contracts, Continued

Management's Response

Management will continue to strive for the application of best practices.

- c) We determined whether the contract was amended, and if so, we determined whether the original contract terms contemplated or provided for such an amendment.

Finding

No exceptions were noted.

- d) We selected the largest payment from each of the five contracts, obtained the supporting invoice, and compared the invoice to the contract terms, to determine whether the invoice and related payment complied with the terms and conditions of the contract.

Finding

No exceptions were noted.

- e) We obtained and reviewed contract documentation and board minutes to determine whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Finding

No exceptions noted.

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

Payroll and Personnel

22. Procedure

We obtained a listing of employees with their related salaries. We randomly selected five (5) employees, obtained their personnel files, and:

- a) Reviewed compensation paid to each employee during the fiscal period to determine whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Finding

No exceptions were noted.

- b) Reviewed changes made to hourly pay rates/salaries during the fiscal period to determine whether those changes were approved in writing and in accordance with written policy.

Finding

No exceptions were noted.

23. Procedure

We obtained attendance and leave records and randomly selected one pay period in which leave was taken by at least one employee. Within that pay period, we randomly selected all five (5) employees on payroll to determine whether:

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

Finding

DYMCA changed payroll processors subsequent to year end and management was unable to access employee electronic time cards to provide to us at the time of our testing. Therefore we were unable to determine whether daily attendance and leave was documented for the employees tested.

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

Payroll and Personnel, Continued

Management's Response

Management provided auditors with copies of all approved timesheets and the leave request report that tracks days taken by staff members. The report that denotes approval by each department supervisor could not be produced since we no longer have access to the old payroll system but the payroll timesheet can only be processed for payment approval by the department supervisor. All leave request must be approved by the supervisor before it's transmitted to the payroll report.

- b) there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees.

Finding

DYMCA changed payroll processors subsequent to year end and management was unable to access employee time cards to provide to us at the time of our testing. Therefore we were unable to determine whether daily attendance and leave was approved.

Management's Response

Management provided auditors with copies off all approved timesheets and the leave request report that tracks all days taken by staff members. The report that denotes approval by each department supervisor could not be produced since we no longer have access to the old payroll system but the payroll timesheets can only be processed for payment pending approval by the department supervisor. All leave request must be approved by the supervisor before its's transmitted to the payroll report.

- c) there is written documentation that **DYMCA** maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees that earn leave.

Finding

No exceptions noted.

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

Payroll and Personnel, Continued

24. Procedure

We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. We selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the employee. We reviewed the termination payments to determine whether they were made in strict accordance with policy and/or contract and approved by management.

Finding

No exceptions were noted.

25. Procedure

We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period to determine whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

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

Payroll and Personnel, Continued

Finding

No exceptions were noted with regard to timely submission of payroll taxes. However, we noted retirement contributions for eleven (11) of twenty-six (26) pay periods were not remitted within 7 days as required by the U.S. Department of Labor's safe harbor rules for small plans.

Management's Response

Management will continue to work towards an enhanced cashflows projection to facilitate the timely remittance of all retirement benefits.

Ethics

26. Procedure

Using the five (5) randomly selected employees from procedure #22 under "Payroll and Personnel" caption, we obtained ethics compliance documentation from management to determine whether **DYMCA** maintained documentation to demonstrate that required ethics training was completed. We also reviewed the employee files for the employees selected to determine whether there was a signed verification of having read the ethics policy included in the file.

Finding

This procedures is not applicable to **DYMCA.**

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

Ethics, Continued

27. Procedure

We inquired of management whether any alleged ethics violations were reported to **DYMCA** during the fiscal period and, if applicable, reviewed documentation demonstrating that management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with **DYMCA's** ethics policy.

Finding

It is our understanding through discussion with management that no alleged ethics violations were reported to **DYMCA during the fiscal period.**

Debt Service

28. Procedure

If debt was issued during the fiscal period, we obtained supporting documentation from **DYMCA** to determine whether State Bond Commission approval was obtained.

Finding

This procedure is not applicable to **DYMCA.**

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

Debt Service, Continued

29. Procedure

If **DYMCA** had outstanding debt during the fiscal period, we obtained supporting documentation from **DYMCA** and report whether **DYMCA** made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Finding

This procedure is not applicable to DYMCA.

30. Procedure

If **DYMCA** had tax millages relating to debt service, we obtained supporting documentation to determine whether millage collections exceeded debt service payments by more than 10% during the fiscal period.

Finding

This procedure is not applicable to DYMCA.

Other

31. Procedure

We inquired of management whether **DYMCA** had any misappropriations of public funds or assets. If so, we obtained and reviewed supporting documentation to determine whether **DYMCA** reported the misappropriation to the Louisiana Legislative Auditor and the District Attorney of Orleans Parish.

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

Other, Continued

Finding

It is our understanding through discussion with management that no misappropriations of public funds or assets were reported during the period.

32. Procedure

We observed DYMCA's premises and website to determine whether DYMCA posted the notice required by R.S. 24:523.1.

Finding

No exceptions were noted.

33. Procedure

If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Finding

No exceptions were noted.

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

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions, respectively, on those compliance and control areas identified in the SAUP. 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.

The purpose of this report is solely to describe the scope of testing performed on those compliance and control areas identified in the SAUP, 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 Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

June 22, 2018



Member

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Certified Public Accountants
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Certified Public Accountants

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

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

Management of **Dryades Young Men's Christian Association (DYMCA)** is responsible for establishing and maintaining effective internal control. In planning and performing our audit of the financial statements of **DYMCA** as of and for the year ended December 31, 2017 in accordance with auditing standards generally accepted in the United States of America, we considered **DYMCA's** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of **DYMCA's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **DYMCA's** internal control.

During our audit, we became aware of other matters that provide an opportunity for **DYMCA** to strengthen its internal control and operating efficiency. Also, we reviewed with management the status of prior year's other matters. We previously reported on **DYMCA's** internal control in our report dated June 22, 2018. This letter does not affect our report dated June 22, 2018 on internal control and the financial statements of **DYMCA**.

We will review the status of these other matters during our next engagement. We have already discussed these other matters with **DYMCA's** personnel, and we will be pleased to discuss these other matters in further detail at your convenience.

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

Current Year's Other Matters

2017

Our discussion of current year's other matters follows:

Reference Number

OM 2017-001

Criteria

The Board and management are charged with the maintenance of budgetary control of the finances of **DYMCA**.

Condition

DYMCA continues to experience operating losses resulting from the decline in its level of program funding with the General Fund supporting **DYMCA**'s program objectives. For the three (3) years ended December 31, 2017, operating losses were \$1,292,226 (2017), \$906,363 (2016), and \$245,256, (2015).

Context

Total revenues and expenses for the year ended December 31, 2017 were \$5,781,171 and \$7,073,397, respectively.

Cause

Decrease in cost reimbursement funding from State and Federal Awards.

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

Current Year's Other Matters, Continued

2017

Reference Number, Continued

OM 2017-001

Effect or Potential Effect

Continuing negative impact on net assets from the operating losses.

Recommendation

We recommend that management continue in its efforts to re-evaluate and implement cost containment measures aimed at reversing the trend. Further, management should explore avenues for revenue enhancement.

Management's Response and Planned Corrective Action

Management continues to seek additional revenue streams to cover program cost and have also increased annual campaign levels in an effort to gain additional donations to support program and agency expenses. Management has also assessed minimal cost to program to assist with program expenses.

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

Current Year's Other Matters, Continued

2017

Reference Number

OM 2017-002

Criteria

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

Condition

Our review of **DYMCA's** financial reporting processes revealed the following conditions:

- Incomplete and untimely reconciliation of general ledger subsidiary accounts to their related control accounts.
- Several credit card transactions were without the benefit of adequate documentation to support the business purpose, nature of travel event, meal purchases, etc.

Context

Total revenues and expenses for the year ended December 31, 2017 were \$5,781,171 and \$7,073,397.

Effect or Potential Effect

The potential for the misappropriation of assets.

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

Current Year's Other Matters, Continued

2017

Reference Number, Continued

OM 2017-002

Cause

Level of oversight in connection with the monthly processing of its financial transactions.

Recommendation

Management should revisit with the level of oversight afforded in the financial reporting processes to ensure its completeness in executed transactions.

Management's Response and Planned Corrective Action

Management will provide additional training to new finance department staff members to ensure duplicate entries are not being posted to the general ledger. Management will also provide additional oversight in reviewing these accounts on a quarterly basis to ensure corrections are being made timely.

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

Current Year's Other Matters, Continued

2017

Reference Number

OM 2017-003

Criteria

Development of cash management strategy.

Condition

DYMCA manages various programs where funding is on a cost reimbursement basis. As such, short-term interfund transactions appear inevitable. At December 31, 2017, the cumulative interfund activities were \$8,173,945.

This condition is similar to a prior year's other matter reference number OM 2015-002.

Context

Total assets at December 31, 2017 was \$13,950,310.

Cause

Nature and level of funding.

Effect or Potential Effect

Impact on cash resources.

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

Current Year's Other Matters, Continued

2017

Reference Number, Continued

OM 2017-003

Recommendation

Management should initiate an analysis of its interfund activities aimed at the liquidation of amounts due to and/or from transactions, where possible.

Management's Response and Planned Corrective Action

Management continues to strategies on ways to improve its funding and cashflows.

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

Prior Year's Other Matters

2016

Our discussion of status of prior year's other matters follows:

Reference Number
OM 2016-001

Criteria

The Board and management are charged with the maintenance of budgetary control of the finances of DYMCA.

Condition

DYMCA continues to experience operating losses resulting from the decline in its level of program funding with the General Fund supporting DYMCA's program objectives. For the three (3) years ended December 31, 2016, operating losses were \$906,363 (2016), \$245,256, (2015) and \$683,715 (2014).

This condition is similar to prior year's other matter reference number OM 2014-001.

Context

Total revenues and expenses for the year ended December 31, 2016 were \$6,265,073 and \$7,171,436.

Cause

Decrease in cost reimbursement funding from State and Federal Awards.

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

Prior Year's Other Matters, Continued

2016

Reference Number, Continued

OM 2016-001

Effect or Potential Effect

Continuing negative impact on net assets from the operating losses.

Recommendation

We recommend that management continue in its efforts to re-evaluate and implement cost containment measures aimed at reversing the trend. Further, management should explore avenues for revenue enhancement.

Current Status

Management will continue to seek additional revenue streams to cover program cost and have also increased annual campaign levels in an effort to gain additional donations to support program and agency expenses.

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

Prior Year's Other Matters, Continued

2016

Reference Number

OM 2016-002

Criteria

Maintenance of an internal control system designed to ensure completeness of recorded financial transactions.

Condition

Our review of internal control processes over forty (40) cash receipts and disbursements transactions sampled for the month of June 2016 (month judgementally selected for testing), revealed the following conditions:

- In two (2) instances of nine (9) deposits tested, funds collected were not deposited within the policy window of three (3) days upon receipt.
- For four (4) of the referenced deposits, management could not locate the supporting documents. It is our understanding that the documents have been misfiled based on previous use.
- In one (1) of thirty-one (31) disbursements tested, we noted where the transaction was charged to an incorrect general ledger account based on type of expenses incurred.
- Further, in two (2) of the thirty-one (31) cash disbursement transactions, we noted where the invoices paid on, lacked evidence of documented mathematical verification.

This condition is similar to a prior year's other matter reference number OM 2015-001.

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

Prior Year's Other Matters, Continued

2016

Reference Number, Continued

OM 2016-002

Context

Total revenues and expenses for the year ended December 31, 2016 were \$6,265,073 and \$7,171,436.

Effect or Potential Effect

Potential for misappropriation of funds.

Cause

Level of oversight afforded to the financial reporting processes.

Recommendation

Management should ensure through oversight, the timely deposit of all collected funds, and complete recordation of transactions to the appropriate general ledger account.

Further, management should ensure through its record retention policy and practice, the filing of all documents to provide an audit trail on its executed financial transactions.

Current Status

Resolved.

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

Prior Year's Other Matters, Continued

2016

Reference Number

OM 2016-003

Criteria

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

Condition

Our review of the monthly financial reporting closing process for the month of June 2016 (month judgementally selected for testing) revealed the following conditions:

- For one (1) of eight (8) journal entries sampled, we noted where the transaction was recorded to an incorrect general ledger account.
- One (1) bank account reconciliation had a reconciled bank balance which did not agree to the reconciled book balance.

Context

Total cash balance at December 31,2016 was \$924,215.

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

Prior Year's Other Matters, Continued

2016

Reference Number, Continued

OM 2016-003

Effect or Potential Effect

The potential effect of the referenced condition includes incomplete financial statements from which management and the board will rely on to make informed decisions.

Cause

Level of oversight.

Recommendation

Management of **DYMCA** should continue the assessment of its operations aimed at the redesign, and documentation of required processes and procedures to ensure the implementation of an effective and efficient design and operation of its internal control over financial reporting.

Current Status

Resolved.

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

Prior Year's Other Matters, Continued

2016

Reference Number

OM 2016-004

Criteria

Development of cash management strategy.

Condition

DYMCA manages various programs where funding is on a cost reimbursement basis. As such, short-term interfund transactions appear inevitable. At December 31, 2016, the cumulative interfund activities were \$7,359,624.

This condition is similar to a prior year's other matter reference number OM 2015-002.

Context

Total assets at December 31, 2016 was \$15,391,841.

Effect or Potential Effect

Impact on cash resources.

Cause

Nature and level of funding.

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

Current Year's Other Matters, Continued

2016

Reference Number, Continued

OM 2016-004

Recommendation

Management should initiate an analysis of its interfund activities aimed at the liquidation of amounts due to and/or from transactions, where possible.

Current Status

Management will continue to analyze all inter fund activities and attempt to liquidate due to and or due froms where possible.

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

DYMCA's response to the other matters identified in our report is described under the caption "Management's Response and Planned Corrective Action" and/or "Current Status". We did not audit DYMCA's response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors, DYMCA's management, and is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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New Orleans, Louisiana

June 22, 2018