

YOUNG LEADERSHIP COUNCIL, INC.

FINANCIAL STATEMENTS

For the Years Ended December 31, 2017 and 2016



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Young Leadership Council, Inc.
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December 31, 2017

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Young Leadership Council, Inc.
New Orleans, Louisiana

We have reviewed the accompanying financial statements of Young Leadership Council, Inc. (YLC), a non-profit organization, which comprise the statements of financial position as of December 31, 2017, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The schedule of compensation, benefits and other payments to agency head or chief executive officer on page 19 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Report on 2016 Financial Statements and Supplementary Information

The 2016 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated June 22, 2017. We have not performed any auditing procedures on either the financial statements or on the supplementary information since that date.

Carri Riggs & Ingram, L.L.C.

September 25, 2018



Financial Statements

Young Leadership Council, Inc.
Statements of Financial Position

<i>As of December 31,</i>	2017 (Unaudited)	2016 (Audited)
Assets		
Current Assets		
Cash and cash equivalents	\$ 185,811	\$ 379,721
Accounts receivables	36,919	25,363
Investments - board designated	1,750,724	1,580,898
Deposits and other assets	6,681	5,260
Prepays	8,626	9,264
Total Current Assets	1,988,761	2,000,506
Property and equipment, net	454,127	469,108
Long-term accounts receivables	4,771	9,837
Total Assets	\$ 2,447,659	\$ 2,479,451
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 6,104	\$ 32,125
Deferred revenue and deferred dues	71,913	16,940
Current maturities of long-term debt	22,545	21,631
Total Current Liabilities	100,562	70,696
Long-term debt, net of current maturities	95,500	114,101
Total Liabilities	196,062	184,797
Net Assets		
Unrestricted		
Board designated	1,750,724	1,580,898
Undesignated	476,719	617,904
Total Unrestricted Net Assets	2,227,443	2,198,802
Temporarily restricted	9,154	80,852
Permanently restricted	15,000	15,000
Total Net Assets	2,251,597	2,294,654
Total Liabilities and Net Assets	\$ 2,447,659	\$ 2,479,451

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

Young Leadership Council, Inc.
Statement of Activities and Changes in Net Assets

<i>For the Year Ended December 31, 2017</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	(Unaudited) Total
Revenues and Other Support				
Contributions	\$ 24,808	\$ 27,319	\$ -	\$ 52,127
Grants - restricted	-	28,798	-	28,798
Membership dues	34,181	-	-	34,181
Special event - Awards Gala				
Contributions and sponsorships	\$ 142,465			
Less: cost of direct benefits to donors	<u>(80,877)</u>	61,588	-	61,588
Special event - Wednesday at the Square				
Special event revenues (tickets, sponsors, rental, food and beverage sales)	\$ 542,566			
Sponsorship and contributions	149,464			
Less: cost of direct benefits to donors	<u>(593,285)</u>	98,745	-	98,745
Interest income	494	-	-	494
Realized and unrealized gain on investments	273,961	-	-	273,961
Other income	7,428	-	-	7,428
Total Revenues and Other Support	501,205	56,117	-	557,322
Net assets released from restrictions - expended for intended use	127,815	(127,815)	-	-
Total Revenues, Other Support, and Net Assets Released From Restrictions	629,020	(71,698)	-	557,322
EXPENSES				
Program services	432,765	-	-	432,765
Supporting services	167,614	-	-	167,614
Total Expenses	600,379	-	-	600,379
CHANGES IN NET ASSETS	28,641	(71,698)	-	(43,057)
Net Assets, Beginning of Year	2,198,802	80,852	15,000	2,294,654
Net Assets, End of Year	\$ 2,227,443	\$ 9,154	\$ 15,000	\$ 2,251,597

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

Young Leadership Council, Inc.
Statement of Activities and Changes in Net Assets

<i>For the Year Ended December 31, 2016</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	(Audited) Total
Revenues and Other Support				
Contributions	\$ 38,833	\$ 71,977	\$ -	\$ 110,810
Grants - restricted	-	84,591	-	84,591
Membership dues	33,436	-	-	33,436
Special event - Awards Gala				
Contributions and sponsorships	\$ 171,600			
Less: cost of direct benefits to donors	<u>(105,416)</u>	66,184	-	66,184
Special event - Wednesday at the Square				
Special event revenues (tickets, sponsors, rental, food and beverage sales)	\$ 666,157			
Sponsorship and contributions	281,650			
Less: cost of direct benefits to donors	<u>(749,976)</u>	197,831	-	197,831
Interest income	663	-	-	663
Realized and unrealized gain on investments	110,827	-	-	110,827
Other income	13,388	-	-	13,388
Total Revenues and Other Support	461,162	156,568	-	617,730
Net assets released from restrictions - expended for intended use	122,775	(122,775)	-	-
Total Revenues, Other Support, and Net Assets Released From Restrictions	583,937	33,793	-	617,730
EXPENSES				
Program services	452,607	-	-	452,607
Supporting services	170,167	-	-	170,167
Total Expenses	622,774	-	-	622,774
CHANGES IN NET ASSETS	(38,837)	33,793	-	(5,044)
Net Assets, Beginning of Year	2,237,639	47,059	15,000	2,299,698
Net Assets, End of Year	\$ 2,198,802	\$ 80,852	\$ 15,000	\$ 2,294,654

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

Young Leadership Council, Inc.
Statement of Functional Expenses

<i>For the Year Ended December 31, 2017</i>	Supporting Services				(Unaudited) Total
	Program Services	General and Administrative	Fundraising	Total	
Compensation and related expenses					
Compensation	\$ 144,034	\$ 12,346	\$ 49,383	\$ 61,729	\$ 205,763
Employee health and retirement benefits	16,179	1,387	5,546	6,933	23,112
Payroll taxes	4,556	390	1,562	1,952	6,508
Professional development	3,559	305	1,219	1,524	5,083
Total compensation and related expenses	168,328	14,428	57,710	72,138	240,466
Other expenses					
Scholarship awards	68,220	-	-	-	68,220
Computer maintenance	20,531	-	-	-	20,531
Depreciation and amortization expense	10,189	5,263	-	5,263	15,452
Facility fees	2,686	1,079	-	1,079	3,765
Insurance	28,257	7,065	-	7,065	35,322
Interest expense	-	9,443	-	9,443	9,443
Investment fees	-	34,739	-	34,739	34,739
Marketing and advertising	6,085	-	-	-	6,085
Meetings	5,987	-	-	-	5,987
Miscellaneous expense	10,701	4,312	-	4,312	15,013
Occupancy	17,579	4,395	-	4,395	21,974
Professional and technical services	34,559	16,509	4,931	21,440	55,999
Special events costs	16,127	-	-	-	16,127
Sponsor fulfillment	2,430	-	-	-	2,430
Supplies and printing	41,086	7,740	-	7,740	48,826
Total other expenses	264,437	90,545	4,931	95,476	359,913
Total Expenses	\$ 432,765	\$ 104,973	\$ 62,641	\$ 167,614	\$ 600,379

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

Young Leadership Council, Inc.
Statement of Functional Expenses

<i>For the Year Ended December 31, 2016</i>	Supporting Services				(Audited) Total
	Program Services	General and Administrative	Fundraising	Total	
Compensation and related expenses					
Compensation	\$ 150,206	\$ 12,875	\$ 51,499	\$ 64,374	\$ 214,580
Employee health and retirement benefits	10,650	913	3,651	4,564	15,214
Payroll taxes	9,902	849	3,395	4,244	14,146
Professional development	3,120	267	1,069	1,336	4,456
Total compensation and related expenses	173,878	14,904	59,614	74,518	248,396
Other expenses					
Computer maintenance	30,161	-	-	-	30,161
Depreciation and amortization expense	9,918	5,110	-	5,110	15,028
Equipment rental	3,935	-	-	-	3,935
Facility fees	7,401	2,974	-	2,974	10,375
Insurance	27,303	6,826	-	6,826	34,129
Interest expense	-	9,988	-	9,988	9,988
Investment fees	-	25,664	-	25,664	25,664
Marketing and advertising	35,919	-	-	-	35,919
Meetings	8,955	-	-	-	8,955
Miscellaneous expense	20,044	7,935	143	8,078	28,122
Occupancy	17,038	4,260	-	4,260	21,298
Professional and technical services	46,569	22,296	6,595	28,891	75,460
Special events costs	30,088	-	-	-	30,088
Sponsor fulfillment	20,919	-	-	-	20,919
Supplies and printing	20,479	3,858	-	3,858	24,337
Total other expenses	278,729	88,911	6,738	95,649	374,378
Total Expenses	\$ 452,607	\$ 103,815	\$ 66,352	\$ 170,167	\$ 622,774

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

Young Leadership Council, Inc.
Statements of Cash Flows

<i>For the Years Ended December 31,</i>	2017 (Unaudited)	2016 (Audited)
Cash Flows from Operating Activities		
Changes in net assets	\$ (43,057)	\$ (5,044)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation and amortization	15,452	15,028
Realized and unrealized gain on investments, net of investment fees	(239,222)	(85,163)
Changes in operating assets and liabilities:		
Accounts receivables	(6,490)	749
Deposits and other assets	(1,421)	(2,995)
Prepays	638	(1,792)
Accounts payable	(26,021)	8,976
Deferred revenue and deferred dues	54,973	3,718
Net cash used in operating activities	(245,148)	(66,523)
Cash Flows from Investing Activities		
Proceeds from sales of investments	172,633	142,386
Purchases of investments	(103,237)	(122,908)
Net cash provided by investing activities	69,396	19,478
Cash Flows from Financing Activities		
Payments on long-term debt	(18,158)	(44,645)
Net cash used in financing activities	(18,158)	(44,645)
Net Change in Cash and Cash Equivalents	(193,910)	(91,690)
Cash and cash equivalents, beginning of year	379,721	471,411
Cash and cash equivalents, end of year	\$ 185,811	\$ 379,721
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest during period	\$ 9,443	\$ 9,988

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Young Leadership Council, Inc. (YLC) is a non-profit organization that encourages and develops community leadership throughout the metropolitan New Orleans area by organizing the efforts of membership through specific projects and programs targeted at key community needs or issues.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

Accounting standards require YLC to report information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted – include those resources that may be used for any purpose.

Temporarily Restricted – may be used only after the passage of a donor-stipulated period of time or for a donor-specified purpose. YLC had temporarily restricted net assets of \$9,154 and \$80,852 as of December 31, 2017 and 2016, respectively.

Permanently Restricted – must be maintained intact; however, the income derived from these net assets may be expended according to donor-specified terms. YLC had permanently restricted net assets of \$15,000 as of December 31, 2017 and 2016.

As permitted by accounting standards, YLC does not use fund accounting.

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 certain reported amounts of assets, liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purposes of the statements of cash flows, YLC considers all money market investments and certificates of deposit with an original maturity of three months or less to be cash and cash equivalents.

Accounts Receivables

Contributions are recognized when the donor makes a promise to give to YLC 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 fiscal 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.

YLC uses the direct write-off method to provide for uncollectible accounts. Management believes use of this method does not result in a material difference from the valuation method required by accounting principles generally accepted in the United States of America. During the year ended December 31, 2017 and 2016, management determined that accounts receivable totaling \$7,957 and \$34, respectively, would not be collectible and wrote-off the accounts.

Investments

Investments are recorded at fair market value based on market quotations and consist of equity securities as described in Note 5. Realized and unrealized gains and losses are included in the statements of activities.

YLC records investments in accordance with the provision of the Not-for Profit Entities – Investments – Debt and Equity Securities section of the Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 958. This statement establishes standards for the recognition of fair value of investments in certain equity and debt securities with gains and losses included in the statement of activities. Purchases and sales of investments are recorded on the trade date. The Trust records investments at fair value. The estimated fair value of its investments is based on quoted market prices, except for certain investments for which quoted market prices are not available. Where fair values are not determinable through market quotations, estimates are supplied by external investment managers which includes reviewing audited and unaudited financial information, holding discussions with external investment fund managers and general partners, and evaluating investment returns in light of current conditions.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are stated at cost. Purchased or donated items with a unit cost of \$1,000 or more and a useful life of more than three years are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of thirty nine (39) years for buildings, and seven (7) years for office furniture and equipment. Maintenance and repair costs are charged to expense as incurred. When property and equipment are sold or otherwise disposed of, their cost and related accumulated depreciation are removed from the accounts with related gains or losses recognized in the statements of activities and changes in net assets.

YLC periodically evaluates the carrying value of long-lived assets to be held and used when events and circumstances warrant such a review. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flow from such asset is separately identifiable and is less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair market value of the long-lived asset. Fair market value is determined by independent market appraisals or by using the anticipated cash flows discounted at a rate commensurate with the risk involved. Losses on long-lived assets to be disposed of are determined in a similar manner except that fair market values are reduced for the cost to dispose. There were no impairments of long-lived assets recognized for the years ended December 31, 2017 or 2016.

Deferred Revenue and Deferred Dues

Membership dues are collected throughout the year and recognized in revenue in the year for which the dues apply.

Revenue Recognition

YLC recognizes revenue in line with the accrual basis of accounting. Revenues are reported on the statement of activities when they are earned.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets, and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on actual amounts, or management's best estimate.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Services

YLC offers a number of community service opportunities for young professionals in the categories of arts and culture, community service, economic development, leadership development, building projects, and youth enrichment.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

In-Kind Contributions

YLC pays for some services requiring specialized expertise. However, many individuals and corporations volunteer their time and resources in performing a variety of tasks that assist YLC with its projects and its administrative, membership and fundraising functions. YLC recognizes contributed services and resources, if significant in amount, that creates or enhances non-financial assets or that require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contribution. In addition, a substantial number of volunteers have contributed significant amounts of their time in carrying out YLC's program services. However, these volunteer services do not always meet all of the applicable requirements of financial accounting standards necessary to be recorded in the financial statements. There were no in-kind contributions recorded during the years ended December 31, 2017 or 2016.

Income Taxes

YLC is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Management has evaluated its tax positions and has determined that there are no uncertain tax positions that require adjustments to or disclosure in the financial statements.

Accrued Compensated Absences

YLC allows full-time employees to receive compensated absences. Employees are eligible to carry-over to the following year up to five days of unused compensated absences. There was no liability recorded for compensated absences for the years ended December 31, 2017, and 2016.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

During 2016, the Company implemented ASU 2015-03, *Interest – Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs*, which required that debt issuance costs related to a recognized debt liability, be presented in the balance sheet as a direct reduction from the carrying amount of that debt liability, consistent with debt discounts. See Note 7 for additional disclosures about the Company’s borrowings.

In August 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. Under this ASU, net assets will be presented in two classes: net assets with donor restrictions and net assets without donor restrictions. Underwater endowments will be included in net assets with donor restrictions and new or enhanced disclosures regarding the composition of net assets will be required. Disclosures regarding liquidity and availability of resources for general operating expenditures within one year of the date of the statement of financial position must also be presented. The ASU requires expenses to be presented by both nature and function, and investment return will be presented net of investment expenses.

Adoption of these ASUs will impact the presentation and disclosures of YLC’s financial statements. YLC has not elected to early adopt this standard.

NOTE 2 – CONCENTRATION OF CREDIT RISK

Deposits held in FDIC member banks in non-interest-bearing transaction accounts are aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total insured up to \$250,000. As of December 31, 2016, YLC’s cash balance exceeded the FDIC insurance coverage by \$128,238. As of December 31, 2017, YLC’s cash balance did not exceed the FDIC insurance coverage. YLC has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk.

NOTE 3 – FUNDRAISING EVENTS

YLC hosts special fundraising events, including Wednesday at the Square and the Young Leadership Council Role Model Awards Gala, each year. Proceeds from these events are recorded as fundraising revenue in the period received or in the period a pledge is received by YLC. Expenses for these events are recorded as fundraising expenses, cost of goods sold, or cost of direct benefits to donors as appropriate in the period that the expenses are incurred.

NOTE 4 – ACCOUNTS RECEIVABLES

Accounts receivables as of December 31, 2017 consisted of \$36,919 due within one year and \$4,771 due in 1-5 years due to the Legacy Campaign. Accounts receivables as of December 31, 2016 consisted of \$25,363 due within one year and \$9,837 due in 1-5 years due to the Legacy Campaign.

NOTE 5 – INVESTMENTS – BOARD DESIGNATED

ASC 820-10, *Fair Value Measurement and Disclosures*, adopts a hierarchy approach for ranking the quality and reliability of the information used to determine fair values in one of three categories to increase consistency and comparability in fair value measurements and disclosures. The highest priority (Tier 1) is given to quoted prices in active markets for identical assets. Tier 2 assets are valued based on inputs other than quoted prices that are “observable.” For example, quoted prices for similar securities or quoted prices in inactive markets would both be observable. In Tier 3, the inputs used for valuation are not observable or transparent and assumptions have to be made about how market participants would price the underlying assets. Investments are classified based on the lowest level of input that is significant to the fair value measurement. ASC 820-10 adopts a hierarchy approach for ranking the quality and reliability of the information used to determine fair values in one of three categories to increase consistency and comparability in fair value measurements and disclosures.

The following tables summarize the valuation of YLC’s investments and financial instruments according to the aforementioned descriptions as of December 31:

2017	Tier 1 (Quoted prices in active markets)	Tier 2 (Significant Observable inputs)	Tier 3 (Significant Unobservable inputs)	Total
Cash	\$ 35,500	\$ -	\$ -	\$ 35,500
Common stocks	1,277,470	-	-	1,277,470
Mutual funds	416,634	-	-	416,634
Greater New Orleans Foundation	-	21,120	-	21,120
Total Investments	\$ 1,729,604	\$ 21,120	\$ -	\$ 1,750,724

NOTE 5 – INVESTMENTS – BOARD DESIGNATED (CONTINUED)

2016	Tier 1 (Quoted prices in active markets)	Tier 2 (Significant Observable inputs)	Tier 3 (Significant Unobservable inputs)	Total
Cash	\$ 29,211	\$ -	\$ -	\$ 29,211
Common stocks	1,146,742	-	-	1,146,742
Mutual funds	384,821	-	-	384,821
Greater New Orleans Foundation	-	20,124	-	20,124
Total Investments	\$ 1,560,774	\$ 20,124	\$ -	\$ 1,580,898

Investment fees reported on the statements of functional expenses were \$34,739 and \$25,664, respectively, for the years ended December 31, 2017 and 2016.

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment as of December 31 is summarized as follows:

	2017	2016
Land	\$ 92,500	\$ 92,500
Buildings	478,839	478,839
Office furniture and equipment	3,500	3,500
	574,839	574,839
Less: accumulated depreciation	(120,712)	(105,731)
Total	\$ 454,127	\$ 469,108

Depreciation and amortization expense for the years ended December 31, 2017 and 2016 totaled \$15,452 and \$15,028, respectively.

NOTE 7 – LONG-TERM DEBT

Long-term debt as of December 31 is summarized as follows:

	2017	2016
Note payable to Whitney Bank; maturing January 25, 2021; with fixed interest at 4.5%	118,045	136,203
Total long-term debt	118,045	136,203
Less: unamortized debt issuance costs	-	(471)
Total debt, net of debt issuance costs	118,045	135,732
Current portion due	(22,545)	(21,631)
Total long-term debt, net of current maturities	\$ 95,500	\$ 114,101

YLC has a mortgage loan payable to a financial institution. This note is collateralized by the land and building used by YLC for its operations. Effective January 25, 2016, YLC entered into an agreement to refinance its existing mortgage loan payable that was set to mature on February 21, 2017. The term of the loan was extended through January 2021 with an interest rate of 4.5%. The scheduled monthly principal and interest payments are \$2,283 with a final payment of \$43,618 due upon maturity. Interest expense for the years ended December 31, 2017 and 2016 was \$9,443 and \$9,988, respectively.

The following principal amounts on the mortgage loan are due over the remaining years:

Year ending December 31,	Amount
2018	\$ 22,545
2019	23,581
2020	24,664
2021	47,255
	\$ 118,045

NOTE 8 – RESTRICTIONS ON NET ASSETS

Unrestricted net assets are funds or contributions received with no restrictions as to use by the donor. However, the Board of Directors has designated certain amounts of unrestricted net assets for specific use or purpose. Temporarily restricted net assets represent unspent funds received by YLC for which the donor has imposed specific uses for their donation. Permanently restricted net assets represent donor-imposed restricted funds contributed to YLC to be kept in perpetuity. The investment income from these permanently restricted funds has been recorded as temporarily restricted for use as directed by the donor.

NOTE 8 – RESTRICTIONS ON NET ASSETS (CONTINUED)

Specific restrictions on net assets are as follows:

	2017	2016
Unrestricted net assets		
Board designated	\$ 1,750,724	\$ 1,580,898
Undesignated	496,719	617,904
Total unrestricted net assets	2,247,443	2,198,802
Net assets temporarily restricted for:		
CAP Scholarship	-	69,737
Where Ya' Rack?	-	6,005
Kicks	5,413	1,094
Inspire STEM	3,741	4,016
Total temporarily restricted net assets	9,154	80,852
Permanently restricted for YLC Fund	15,000	15,000
Total net assets	\$ 2,271,597	\$ 2,294,654

The Board designated endowment (the Endowment) was established to ensure the long-term financial health of YLC. No funds shall be distributed until the average market value of the Endowment for the previous twelve quarters (with September 30 of the year immediately preceding the budget year being the most recent quarter) exceeds \$1,000,000. Thereafter, with a majority vote of the Board of Directors, up to 4% of the average market value of the Endowment's assets for the previous twelve quarters may be transferred to unrestricted net assets. Distributions of any amount can be made with the unanimous vote of the Executive Committee and the approval of 2/3 of the members of the Board of Directors and three of the five previous past presidents.

NOTE 9 – RETIREMENT PLAN

YLC sponsors a 403(b)(7) plan covering all full time eligible employees. YLC's contributions to the retirement plan are at the discretion of the Board of Directors. Employer contributions to the retirement plan are 0.5% for each 1% employees contribute up to a 4% contribution by employer. Retirement expenses were \$2,994 and \$2,188, respectively, for the years ended December 31, 2017 and 2016.

NOTE 10 – CONTINGENCIES

YLC invests in various investment securities, which are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect account balances and the amounts reported in the statements of financial position.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 25, 2018, the date that the financial statements were available to be issued, and determined that no events occurred that would require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in the financial statements.



**Supplementary
Information**

Young Leadership Council, Inc.

Schedule of Compensation, Benefits and Other Payments to Agency Head

For the Year Ended December 31,

2017

Agency Head Name: Stephanie Powell, Executive Director

PURPOSE	AMOUNT
Salary	\$ -
Benefits-health insurance	-
Benefits-retirement	-
Deferred compensation	-
Workers comp	-
Benefits-life insurance	-
Benefits-long term disability	-
Benefits-Fica and Medicare	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Unvouchered expenses	-
Meetings and conventions	-
Other	-
Total*	\$ -

* Schedule only includes public funds. No compensation, benefits or other payments are made to the Organization's agency head utilizing public funds.

See independent auditors' report.

Young Leadership Council, Inc.
Schedule Of Current Year Findings And Responses
For The Year Ended December 31, 2017

Part 1 – Financial Statement Findings

No findings noted for the year ended December 31, 2017.

Part 2 – Compliance

2017-001 – Failure to Comply with Louisiana Audit Law

Criteria: YLC is required to comply with Louisiana Revised Statute 24:513, which requires reviewed financial statements to be completed within six months of the close of the entity's fiscal year.

Condition: The annual reviewed financial statements for the fiscal year ended December 31, 2017 were not completed within six months of the close of YLC's fiscal year.

Effect: YLC is not in compliance with LA RS 24:513.

Cause: Information was not received from third parties with sufficient time to allow the completion of the review by the required filing deadline.

Accountants' recommendation: YLC should ensure the financial statement review is completed within six months of the close of YLC's fiscal year.

Planned Corrective Action: Ensure timely completion of the annual required financial statement review.

Status: In progress.



**Young Leadership Council, Inc.
Summary Schedule Of Prior Year Findings And Responses
For The Year Ended December 31, 2016**

Part 1 – Financial Statement Findings

No findings noted for the year ended December 31, 2016.

Part 2 – Compliance

No findings noted for the year ended December 31, 2016.