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DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

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Release Date 10/12/98

FINANCIAL AND COMPLIANCE AUDIT

TOGETHER WITH

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED DECEMBER 31, 1998

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Dryades Young Men's Christian Association

We have audited the accompanying statement of financial position of **Dryades Young Men's Christian Association (the Association)** as of December 31, 1998, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of **the Association's** management. Our responsibility is to express an opinion on these financial statements based on our audit.

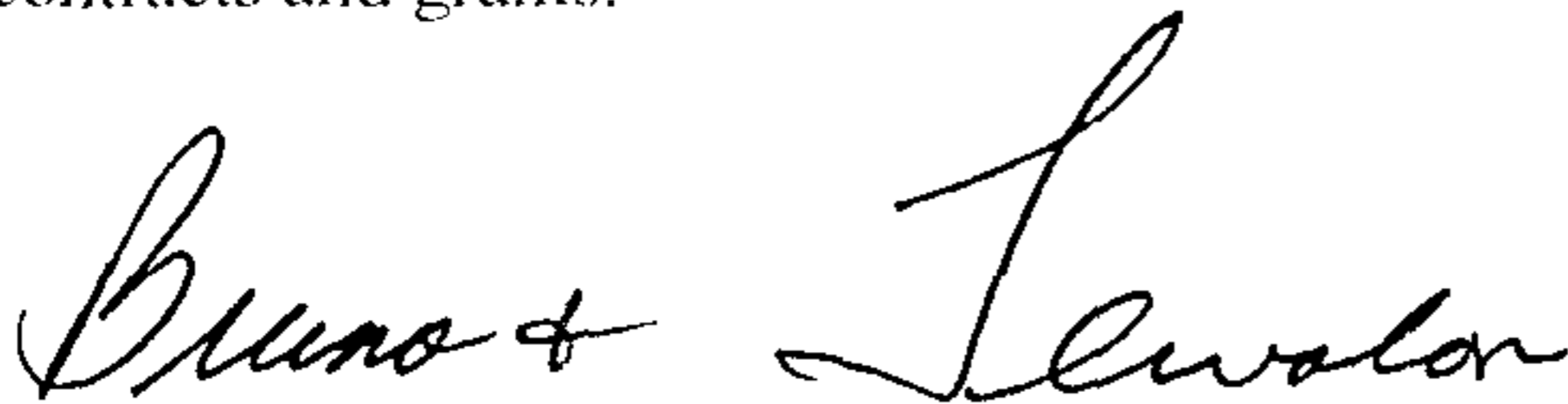
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **the Association** as of December 31, 1998, and the changes in its net assets and cash flows for the year then ended in conformity with generally accepted accounting principles.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
Dryades Young Men's Christian Association
Page 2

In accordance with *Government Auditing Standards*, we have also issued a report dated June 23, 1999 on our consideration of the Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 23, 1999

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and cash equivalents (NOTE 2)	\$ 81,287	\$103,928
Grants receivable (NOTE 16)	250,256	99,372
Amounts receivable, net of allowance for doubtful accounts (NOTE 4)	10,403	27,002
United Way funding (NOTE 9)	269,001	320,034
Prepaid and other assets	20,784	35,159
Cash surrender value of life insurance (NOTE 11)	14,769	8,227
Investments (NOTE 9)	6,914	6,837
Land (NOTE 13)	65,829	70,704
Property and equipment, net of accumulated depreciation (NOTES 1 and 13)	<u>278,347</u>	<u>307,931</u>
Total assets	<u>\$997,590</u>	<u>\$979,194</u>

LIABILITIES AND NET ASSETS

Liabilities

Bank overdrafts	\$ 569	\$ -0-
Accounts payable and other liabilities	196,953	211,576
Salaries, taxes and other payables (NOTE 15)	23,807	20,035
Due to funding source	25,187	-0-
Deferred revenue (NOTE 16)	36,817	65,687
Unearned grant - Due from City of New Orleans	1,985	75,000
Due to National YMCA	13,643	-0-
Notes payable (NOTE 6)	<u>15,040</u>	<u>18,224</u>
Total liabilities	<u>314,001</u>	<u>390,522</u>

CONTINGENCIES AND COMMITMENTS
(NOTES 12 and 14)

Net assets:

Unrestricted	407,674	261,801
Temporarily restricted (NOTE 9)	269,001	320,034
Permanently restricted (NOTE 9)	<u>6,914</u>	<u>6,837</u>

Total net assets 683,589 588,672

Total liabilities and net assets \$997,590 \$979,194

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

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1997

		<u>UNRESTRICTED NET ASSETS</u>	<u>TEMPORARILY RESTRICTED NET ASSETS</u>	<u>PERMANENTLY RESTRICTED NET ASSETS</u>	<u>1998</u>	<u>1997</u>
<u>SUPPORT AND REVENUE</u>						
Support:						
Grants - City of New Orleans	\$	357,859	-0-	-0-	\$ 357,859	\$ 195,970
Grants - State of Louisiana		353,230	-0-	-0-	353,230	232,497
Volunteers of America		-0-	-0-	-0-	-0-	4,999
In-kind (NOTE 10)		90,377	-0-	-0-	90,377	89,008
United Way Allocation - current year (NOTE 9)		203,125	-0-	-0-	203,125	203,307
United Way Designations		6,630	-0-	-0-	6,630	6,789
CFC Designations		6,211	-0-	-0-	6,211	7,563
Net assets released from restriction:						
Expiration of time						
restriction - United Way - current year		-0-	(320,034)	-0-	(320,034)	(219,585)
United Way funding for the next period		<u>-0-</u>	<u>269,001</u>	<u>-0-</u>	<u>269,001</u>	<u>320,034</u>
Total support		<u>1,017,432</u>	<u>(51,033)</u>	<u>-0-</u>	<u>966,399</u>	<u>840,582</u>

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

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1997

	<u>UNRESTRICTED</u>	<u>TEMPORARILY</u>	<u>PERMANENTLY</u>	
	<u>NET ASSETS</u>	<u>RESTRICTED</u>	<u>RESTRICTED</u>	<u>NET ASSETS</u>
	<u>1998</u>	<u>1998</u>	<u>1997</u>	<u>1997</u>
Revenue:				
Membership dues	\$ 1,185	\$ -0-	\$ -0-	\$ -0-
Program income and fees	29,635	-0-	-0-	25,135
Self support revenue	97,452	-0-	-0-	115,765
Interest income	103	-0-	77	178
Rental income	8,640	-0-	-0-	11,118
Gain on sale of assets	7,934	-0-	-0-	-0-
Contributions and donations	11,500	-0-	-0-	60,007
Other	<u>61,753</u>	<u>-0-</u>	<u>-0-</u>	<u>9,994</u>
Total revenue	<u>218,202</u>	<u>-0-</u>	<u>77</u>	<u>222,197</u>
Total support and revenue	<u>1,235,634</u>	<u>(51,003)</u>	<u>77</u>	<u>1,062,779</u>

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

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1997

	<u>UNRESTRICTED NET ASSETS</u>	<u>TEMPORARILY RESTRICTED NET ASSETS</u>	<u>PERMANENTLY RESTRICTED NET ASSETS</u>	<u>1998</u>	<u>1997</u>
Expenses:					
Program services	\$ 828,285	\$ -0-	\$ -0-	\$ 828,285	\$ 745,724
Management and general	<u>236,289</u>	<u>-0-</u>	<u>-0-</u>	<u>236,289</u>	<u>271,571</u>
Total expenses	<u>1,064,574</u>	<u>-0-</u>	<u>-0-</u>	<u>1,064,574</u>	<u>1,017,295</u>
Increase (decrease) in net assets	171,060	(51,033)	77	120,104	45,484
Net assets, beginning of year-restated	<u>236,614</u>	<u>320,034</u>	<u>6,837</u>	<u>563,485</u>	<u>543,188</u>
Net assets, end of year	<u>\$ 407,674</u>	<u>\$ 269,001</u>	<u>\$ 6,914</u>	<u>\$ 683,589</u>	<u>\$ 588,672</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, 1998
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1997

	1998		1997	
	Program Services	Management and General	Program Services	Management and General
		Total		Total
Salaries and wages	\$329,807	\$ 43,352	\$ 264,771	\$ 49,503
Employee benefits and payroll taxes	56,050	11,887	47,145	18,560
Professional fees and contract service	127,240	10,188	104,277	49,140
Supplies	31,838	1,600	34,166	2,700
Telephone	11,772	3,225	10,236	2,028
Postage and shipping	1,484	289	1,312	295
Occupancy	105,456	21,612	135,291	20,027
Printing	3,958	5,120	4,119	905
Equipment rental	12,681	2002	11,760	2,701
Repairs and maintenance	4,006	1,519	2,849	1,606
Specific assistance to individuals	-0-	-0-	-0-	500
Dues and subscriptions	-0-	525	200	242
Conferences and conventions	4,743	781	2,267	3,633
Transportation and travel	14,046	30	13,705	68
Dues to National YMCA	5,844	2,037	5,287	1,713
Interest expense	-0-	3,427	-0-	2,227
Provision for doubtful accounts	-0-	13,496	-0-	-0-
Insurance	-0-	2,860	-0-	-0-
Other expenses	4,912	23,274	3,042	29,889
Food cost	20,677	-0-	14,711	-0-
Support-in-kind (NOTE 10)	89,684	-0-	88,718	290
Self support expense	-0-	64,080	-0-	61,011
Advertisement	2,116	446	148	-0-
		2,562		-0-
Total expenses before depreciation	826,314	1,038,064	744,004	247,038
Depreciation	1,971	24,539	1,720	24,533
Total	\$828,285	\$1,064,574	\$745,724	\$271,571
		\$1,064,574		\$271,571
		1,038,064		247,038
		26,510		24,533
		2,562		-0-
		2,562		-0-
		2,860		-0-
		28,186		29,889
		20,677		-0-
		89,684		290
		64,080		61,011
		446		-0-
		2,562		-0-
		1,038,064		247,038
		26,510		24,533
		\$1,064,574		\$271,571
		744,004		247,038
		1,720		24,533
		\$745,724		\$271,571
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		1,038,064		247,038
		26,510		24,533
		2,562		-0-
		2,562		-0-
		2,860		-0-
		28,186		29,889
		20,677		-0-
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		2,562		-0-
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		2,860		-0-
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		20,677		-0-
		89,684		290
		64,080		61,011
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		2,860		-0-
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		20,677		-0-
		89,684		290
		64,080		61,011
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		2,562		-0-
		2,562		-0-
		2,860		-0-
		28,186		29,889
		20,677		-0-
		89,684		290
		64,080		61,011
		446		-0-
		2,562		-0-
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		2,562		-0-
		2,562		-0-
		2,860		-0-
		28,186		29,889
		20,677		-0-
		89,684		290
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		2,562		-0-
		2,860		-0-
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		20,677		-0-
		89,684		290
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		\$745,724		\$271,571
		\$1,064,574		\$271,571
		1,038,064		247,038
		26,510		24,533
		2,562		-0-
		2,562		-0-
		2,860		-0-
		28,186		29,889
		20,677		-0-
		89,684		

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1997

	<u>1998</u>	<u>1997</u>
Cash flow from Operating Activities:		
Increase in net assets	\$ 120,104	\$ 45,484
Adjustments to reconcile change in net assets to net cash provided by (used) in operating activities:		
Depreciation	26,510	26,253
Gain on sales of assets	(7,934)	-0-
Provision for doubtful accounts	13,496	
Changes in assets and liabilities:		
Decrease (increase) in:		
Amounts receivable	3,103	(27,002)
Grants receivable	(150,884)	(68,877)
Prepaid and other assets	14,375	17,798
United Way funding	51,033	(100,449)
Cash surrender value of life insurance	(6,542)	25,431
Increase (decrease) in:		
Accounts payable and other liabilities	(14,623)	42,538
Salaries, taxes and other payables	3,772	(6,942)
Deferred revenue	(28,870)	31,991
Unearned grant - Due from City of New Orleans	<u>(73,015)</u>	<u>75,000</u>
Net cash provided by (used) in operating activities	<u>(49,475)</u>	<u>61,225</u>
Cash flow from Investing Activities:		
Proceeds from investments	-0-	3,266
Proceeds from sales of assets	20,000	-0-
Payments for assets purchased	(4,117)	-0-
Retirements	<u>(77)</u>	<u>(4,328)</u>
Net cash provided by (used in) investing activities	<u>15,806</u>	<u>(1,062)</u>
Cash flow from financing activities:		
Repayment of notes payable	(2,615)	(21,950)
Proceeds from notes payable	13,643	-0-
Bank overdrafts	<u>569</u>	<u>-0-</u>
Net cash provided by (used) in financing activities	<u>11,597</u>	<u>(21,950)</u>
Increase (decrease) in cash and cash equivalents	(22,641)	38,213
Cash and cash equivalents, beginning of year	<u>103,928</u>	<u>65,715</u>
Cash and cash equivalents, end of year	<u>\$ 81,287</u>	<u>\$103,928</u>
Interest paid	<u>\$ 3,427</u>	<u>\$ 2,348</u>

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 (the Association) is a non-profit corporation organized under the laws of the State of Louisiana. **The Association** is primarily engaged in providing community services that consist of youth development, counseling, crime reduction and physical education activities. **The Association** also administers Job Training, Food Service, Day Care and Adolescent Drug Free Rehabilitation Programs through grants received from the City of New Orleans, the State of Louisiana and the United Way of Greater New Orleans.

General

As of December 31, 1998, **the Association** administered the following funds, programs and grants:

- o General Fund
- o Building Rental Fund
- o Food Service
- o Dynasty Place
- o School of Commerce
- o Community Development Block Grant - YMCA Renovation
- o Community Development Block Grant - Philip Street Renovation
- o Drug Abuse and Abatement
- o YMCA Bingo
- o Youth Development and Outreach
- o Endowment Fund - Restricted

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

NOTE 1 - Background and General Data, Continued:

Below is a brief description of each fund, program or grant administered:

o General Fund

Included in the general fund of **the Association** are the following:

- o Support from United Way of Greater New Orleans;
- o Support from the State of Louisiana Block Grant-Vendor and Project Independence Payments (Infant Day Care);
- o Membership Dues;
- o Program Income and Fees;
- o Special Events - Self Support;
- o Public Contributions and Donations;
- o Support from the Orleans Private Industry Council (OPIC);
- o Support from CNO/NFL-YET Program.

The resources of the general fund are used to fund the operations of **the Association** that are not directly covered by specific programs or grants administered by **the Association**.

o Building Rental Fund

Property located at 2226-28 Oretha Castle Haley Boulevard was purchased with the intention of providing expansion opportunities for **the Association** in the near future.

o Food Service

The Food Service Program, funded by the State of Louisiana Department of Education, provides nutritional supplements to the children enrolled in the Infant Day Care Program.

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

NOTE 1 - Background and General Data, Continued:

o Dynasty Place

Dynasty Place, funded by the United Way of Greater New Orleans, provides for the operation of an Adolescent Drug Free Rehabilitation Program.

o School of Commerce

The School of Commerce, funded by the City of New Orleans - Orleans Private Industry Council through the Job Training Partnership Act and the State of Louisiana - Project Independence, provides job training to youths and unskilled adults for entry into the labor force, counseling and placement into unsubsidized employment. This program also provides job training to those economically disadvantaged individuals facing special need of such training to obtain productive employment.

o Community Development Block Grant - YMCA Renovation

The Community Development Block Grant funds, provided by the City of New Orleans, are used to have certain improvements made to **the Association's** building. Under the terms of the agreement with the City of New Orleans, all funds are provided on a cost reimbursement basis. The funds are in the form of a deferred loan with a term co-existent with use restrictions of five (5) years. The first anniversary date of the loan shall be one (1) year after the improvements are completed. On each anniversary date of the loan, the sum of \$100,000 will be forgiven subject, however, to the proviso that should **the Association** for any reason sell or convert the property into an ineligible Community Development Block Grant use, the then fair market value of the property shall become immediately due and payable to the City.

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

NOTE 1 - Background and General Data, Continued:

o Community Development Block Grant - Philip Street Renovation

The Community Development Block Grant funds, provided by the City of New Orleans, are used to have certain improvements made to a building owned by the New Orleans Youth Foundation for the purpose of providing a day care facility for **the Association**. Under the terms of the agreement with the City of New Orleans, all funds are provided on a cost reimbursement basis. The funds are in the form of a deferred loan with a term co-existent with use restrictions of five (5) years. The first anniversary date of the loan shall be one (1) year after the improvements are completed. On each anniversary date of the loan, (December 31), the sum of \$76,000 (seventy-six thousand dollars) will be forgiven, subject however, to the proviso that should **the Association** for any reason sell or convert the property into an ineligible Community Development Block Grant use, the then full market value of the property shall become immediately due and payable to the City.

o Drug Abuse and Abatement

The Drug Abuse and Abatement program is funded by the City of New Orleans and the United Way of Greater New Orleans for the purpose of identifying, recruiting and counseling youth to prevent drug abuse or related problems. Under the terms of the agreement with the City of New Orleans, all funds are provided on a cost reimbursement basis.

o YMCA Bingo

The YMCA Bingo Fund is established to account for the revenue and expenses generated in the course of operating bingo fundraisers held by **the Association**.

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

NOTE 1 - Background and General Data, Continued:

o Youth Development and Outreach

The Youth Development and Outreach Programs are funded by resources from both the general fund and United Way for the purpose of contacting, counseling and providing follow-up for youth and their families to aid in reducing crime and loitering by youth in the district.

o Endowment Fund - Restricted

This Fund is established to account for the revenue and expenses related to a restricted donation. (see NOTE 7).

o Church based Tutorial

The Church Based Tutorial Program is funded by the State of Louisiana, Department of Education to provide an alternative educational approach to students ages 5-18, who lack proficiency in basic academic skills; who evidence a high rate of school absenteeism, who exhibit personality and social adjustments problems, and who are at risk of dropping out of school.

Financial Statement Presentation

Certain reclassifications have been made to prior year's financial statements to conform to the current year's presentation.

NOTE 2 - Summary of Significant Accounting Policies:

Principles of Accounting

The financial statements of each of the Association's funds are prepared in accordance with generally accepted accounting principles, and are prepared on the accrual basis.

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

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Promises to Give

Contributions are recognized when the donor makes a promise to give to **the Association** 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.

The Association 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, 1998, no allowance for uncollectible amounts is considered necessary.

Use of Estimates

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

Funding

The Association receives its primary funding through support from the United Way of Greater New Orleans, grants from the State of Louisiana and the City of New Orleans, program fees, membership dues, and special events (primarily other fundraisers).

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

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Contributed Services

During the year ended December 31, 1998, the value of contributed services meeting the requirements for recognition in **the Association's** financial statements was not material and has not been recorded.

Property and Equipment

The Association follows the practice of capitalizing all property and equipment expenditures over \$500. Depreciation is computed under the straight-line method for all depreciable assets over their respective estimated useful lives.

The Association's building located at 2220 Oretha Castle Haley Boulevard is fully depreciated. Building improvements are depreciated over a ten-year period and equipment is depreciated over a five-year period.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Cash and Cash Equivalents

For purposes of the statement of cash flows, **the Association** 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:

Financial Statement Presentation

In June 1993, the Financial Accounting Standards Board (FASB) issued two (2) new pronouncements: Statement of Financial Accounting Standards (SFAS) No. 116, Accounting for Contributions Received and Contributions Made and SFAS No. 117, Financial Statements of Not-for-Profit Organizations.

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

Under SFAS No. 117, **the Association** is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, **the Association** is required to present a statement of cash flows.

Fair Value of Financial Instruments

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

The Association considers the carrying amounts of cash, investments, promises due in less than one year, accounts payable, accrued and other liabilities and notes payable to be at fair market.

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

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Total Column on Statements

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

Comparative total data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in **the Association's** financial position and results of operations.

Investments

The Association has elected to adopt SFAS No. 124, "Accounting for Investments Held by Not-for-Profit Organizations." Under the SFAS, investments in marketable securities with readily determinable fair values, and all debt securities, are reported at their fair values. At December 31, 1998 there are no unrealized gains and/or losses.

NOTE 3 - Property and Equipment:

At December 31, 1998, property and equipment consisted of the following:

Building and building improvements	\$ 831,425
Furniture and Equipment	251,377
Less-accumulated depreciation	<u>(804,455)</u>
Total	<u>\$ 278,347</u>

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

NOTE 4 - Amounts Receivable:

Following is a summary of amounts receivable at December 31, 1998:

Amounts receivable	\$ 21,236
Due from employee	1,900
Less: Allowance for doubtful accounts	(13,496)
Refundable	<u>763</u>
	<u>\$ 10,403</u>

NOTE 5 - Note Payable:

At December 31, 1998, note payable consisted of the following:

11.0% unsecured note payable to a bank due at maturity plus interest, maturing on April 15, 2000	\$ <u>15,040</u>
Total	\$ <u>15,040</u>

Schedule maturities of note payable at December 31, 1998 are as follows:

<u>Years ending December 31,</u>	<u>Amount</u>
1999	\$ 804
2000	<u>14,236</u>
	<u>\$ 15,040</u>

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

NOTE 6 - Due to National YMCA:

During 1998, the **Association** entered into an agreement with the National Council of Young Men's Christian Association of the USA regarding past due membership fees for the periods 1992 through 1996 with a total amount of \$54,571. Subsequent to 1998, the Council has reached a final agreement to forgive a total of \$40,928. The remaining balance of \$13,643 is payable at no interest in 60 monthly payments of \$227. Accordingly, the amount previously recorded as accounts payable has been reduced.

Scheduled maturities of amount due to national affiliate at December 31, 1998, are as follows:

<u>Years ending December 31,</u>	<u>Amount</u>
1999	\$ 2,724
2000	2,724
2001	2,724
2002	2,724
2003	<u>2,724</u>
	<u>\$ 13,620</u>

NOTE 7 - Income Taxes:

The **Association** is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 8 - Pension Plan:

The **Association** has a defined contribution retirement plan for all employees with a year or more of service. The Association contributes, for each eligible employee, 7% of their respective gross salary. Pension costs are funded on a current basis. The **Association's** total pension costs for 1998 was \$20,564.

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

NOTE 9 - Restricted Net Assets:

At December 31, 1998, temporarily and permanently restricted assets consisted of the following:

<u>Description</u>	<u>Cost</u>	<u>Market</u>
<u>Temporarily Restricted</u>		
United Way Services funding	\$ <u>269,001</u>	\$ <u>269,001</u>
Total temporarily restricted assets	\$ <u>269,001</u>	\$ <u>269,001</u>

The United Way Services funding covers the period January 1999 through June 2000. Allowance for estimated uncollectible receivables as of December 31, 1998, is \$-0-.

Permanently Restricted

Endowment Fund:		
Investment in Y-Mutual Insurance, Ltd.	\$ 5,635	\$ 5,635
Endowment Trust Fund	<u>1,279</u>	<u>1,279</u>
Total permanently restricted assets	\$ <u>6,914</u>	\$ <u>6,914</u>

In accordance with donor stipulations **the Association** may utilize interest earned from the restricted endowment fund investments for general operations.

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

NOTE 9 - Restricted Net Assets, Continued:

During 1998, net assets were released from United Way Services restrictions by incurring expenses satisfying the restricted purposes as follows:

Youth Development and Outreach/Pontchartrain Park	\$ 79,049
Infants Day care/Food Service	36,624
Dynasty Place/Drug Contract Period	36,498
Midnight Basketball	<u>50,954</u>
Total United Way Allocation	<u>\$203,125</u>

NOTE 10 - In-kind Support:

For the year ended December 31, 1998, **the Association** provided in-kind support as required by agreements with the City of New Orleans for the Drug Abuse and Abatement Program in the amount of \$90,377. The amount required by the City of New Orleans in those contracts was \$90,377.

NOTE 11 - Cash Surrender Value of Life Insurance:

The Association is the beneficiary of insurance policies on the lives of six(6) officers of **the Association**. At December 31, 1998, the total cash surrender value on these life insurance policies was \$14,769.

NOTE 12 - Litigation:

Representation from **the Association's** Counsel reflects one pending or threatened claim in which counsel's representation indicates plaintiff is seeking recovery of damages. The matter involves a situation in which the plaintiff alleges that **the Association** failed to remit payments in the amount of \$226,185 under a general construction contract. Counsel indicates that the case is scheduled for trial in December 1999 and has determined the likelihood of unfavorable outcome estimated between \$25,000 and \$100,000.

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

NOTE 12 - Litigation, Continued:

At December 31, 1998 and June 23, 1999, no provision has been recorded by **the Association** in its financial statements for any possible losses related to this matter.

NOTE 13 - Contributed Capital:

Contributed capital represents those funds received by **the Association** under its Community Development Block Grant (CDBG) renovation programs from the City of New Orleans to improve certain properties owned by **the Association** and the Foundation as well as donations of property from private donors.

NOTE 14 - Contingencies and Commitments:

The Association is a recipient of grants from the State of Louisiana, the City of New Orleans and the United Way of Greater New Orleans. These grants are governed by various guidelines, regulations and contractual agreements.

The administration of the program and activities funded by these grants is under the control and administration of **the Association** 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.

The Association leases a office space under an operating lease expiring August 31, 1999.

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

NOTE 14 - Contingencies and Commitments, Continued:

Also, **the Association** leases two photocopy machines under operating leases expiring in 1999. Minimum future rental payments under these operating leases remaining terms in less than one year as of December 31, 1998 was \$2,511. Rental expense for the year ended December 31, 1998 under these leases was \$31,493.

The Association has executed multi-year contracts with the State of Louisiana for its Nursing Assistants, Office Administration and Office Occupation programs that expire in 1998. The funding of approximately \$235,000 for the periods subsequent December 31, 1998, is subject to and conditional upon the availability and appropriation of Federal and/or State funds.

NOTE 15 - Salaries, Taxes and Other Payables:

At December 31, 1998, salaries, taxes and other payables consisted of the following:

Salaries payable	\$12,450
Taxes payable	2,642
Other withholdings payable	<u>8,715</u>
Total	<u>\$23,807</u>

NOTE 16 - Deferred Revenue:

Deferred revenue represent contracts (tuition based program) for which revenue will be recognized in subsequent year as the services are rendered.

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

NOTE 17 - Risk Management:

The Association is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets for which **the Association** 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 18 - Unrestricted Net Assets Restated:

The Association has restated its unrestricted net assets balances as of December 31, 1998 as a result of repayment made to the funding source for prior years' unauthorized transfers of Food Service program's funds to other programs:

Balance, beginning of year as previously reported	\$261,802
Prior-period adjustment - repayment of funds	<u>(25,187)</u>
Balance, beginning of year as restated	<u>\$236,615</u>

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors
Dryades Young Men's Christian Association

Our report on the audit of the financial statements of **Dryades Young Men's Christian Association** as of and for the year ended December 31, 1998 appears on page 1. We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of OMB Circular A-133 "*Audits of States, Local Governments, and Non-Profit Organizations*" for the purpose of forming an opinion on the financial statements taken as a whole. The Supplementary Information listed in the *Table of Contents* is presented for the purpose of additional analysis and is not a required part of the financial statements.

Except as discussed in the following paragraph, the Supplementary Information referred to above has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The information in the Schedule of Beneficiary Statistics and Functional Budget Spreadsheet 1997 and 1998, which is of a non-accounting nature, has not been subjected to the auditing procedures applied in the audit of the financial statements and we express no opinion on it.



**BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS**

June 23, 1999

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
 COMBINED SCHEDULE OF FINANCIAL POSITION
 DECEMBER 31, 1998
 WITH COMPARATIVE TOTALS FOR 1997

CITY OF NEW ORLEANS

	STATE OF LOUISIANA												Totals (MEMORANDUM ONLY) 1998	1997	
	Orleans Private Industry Council		Office of Family Support		Department of Education		Department of Education		Department of Education		Department of Education				
	General Fund	Building Rental Fund	YMCA Bingo	Community Development Block Grant- YMCA Renovation	Development Block Grant- Grant-Philip St Renovation	Drug Abuse And Abatement	Youth Intervention	School of Commerce	Food Service	Church Based	Temporarily Restricted Fund	Permanently Restricted Fund			
Cash and cash equivalents	\$ 69,517	\$ -	\$ -	\$ -	\$ 301	\$ -	\$ 3,884	\$ 34	\$ 7,551	\$ -	\$ -	\$ -	\$ -	\$ 81,287	\$ 103,928
Amounts receivable (net)	10,302	-	-	-	-	-	-	-	101	-	-	-	-	10,403	27,002
Grants receivable	175,629	-	-	16,050	9,375	-	19,258	28,180	2,986	798	-	-	-	250,256	99,372
United Way funding	-	-	-	-	-	-	-	-	-	-	269,001	-	-	269,001	320,034
Due from other programs	15,197	-	-	-	29,753	-	-	25,934	25,187	-	-	-	-	108,732	186,354
Prepaid and other assets	20,784	-	-	-	-	-	-	-	-	-	-	-	-	20,784	35,159
Cash surrender value of life insurance	14,789	-	-	-	-	-	-	-	-	-	-	-	-	14,789	8,227
Investments	-	-	-	-	-	-	-	-	-	-	-	-	6,914	6,837	
Land	57,229	8,600	-	-	-	-	-	-	-	-	-	-	-	65,829	70,704
Property and equipment, net of accumulated depreciation	258,400	16,627	-	-	-	-	-	-	3,320	-	-	-	-	278,347	307,991
	\$ 621,927	\$ 25,227	\$ 12,681	\$ 18,050	\$ 39,429	\$ -	\$ 23,142	\$ 52,148	\$ 39,125	\$ 798	\$ 269,001	\$ 6,914	\$ 1,108,322	\$ 1,165,548	

Total assets

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINED SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1997

	CITY OF NEW ORLEANS										Totals		
	General Fund	Building Rental Fund	YMCA Bingo	Community Development Block Grant-YMCA Renovation	Community Development Block Grant-Philip St Renovation	Drug Abuse And Abatement	Youth Intervention	School of Commerce	Food Services	Church Based Tutorial	Temporarily Restricted Fund	Permanently Restricted Fund	(MEMORANDUM ONLY) 1997
Support:													
United Way funding	\$ 179,468	\$ -	\$ -	\$ -	\$ -	\$ 36,498	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 217,659
Grants-City of New Orleans	240,056	-	-	16,050	9,375	-	88,015	4,363	-	-	268,001	-	320,034
Grants-State of Louisiana	115,861	-	-	-	-	-	-	176,969	42,178	18,522	-	-	195,970
Volunteers of America	-	-	-	-	-	-	-	-	-	-	-	-	232,487
In-kind	-	-	-	-	-	-	89,654	-	-	693	-	-	4,999
Expiration of time restriction-United Way	-	-	-	-	-	-	-	-	-	-	-	-	89,008
Total support	535,385	-	-	16,050	9,375	36,498	177,699	180,932	42,178	19,315	(51,033)	-	965,399
Revenue:													
Membership dues	\$ 1,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,185
Program income and fees	29,635	-	-	-	-	-	-	-	-	-	-	-	25,135
Self support revenue	97,452	-	-	-	-	-	-	-	-	-	-	-	115,765
Interest income	103	-	-	-	-	-	-	-	-	-	-	-	178
Rental income	8,640	-	-	-	-	-	-	-	-	-	-	-	11,118
Gain on sale of assets	7,934	-	-	-	-	-	-	-	-	-	-	-	7,934
Contributions and donations	11,500	-	-	-	-	-	-	-	-	-	-	-	60,007
Other	61,753	-	-	-	-	-	-	-	-	-	-	-	9,994
Total revenue	218,202	-	-	16,050	9,375	36,498	177,699	180,932	42,178	19,315	(51,033)	-	222,197
Expenses:													
Programs services	\$ 326,306	\$ 1,720	\$ 170	\$ 16,050	\$ 9,375	\$ 32,076	\$ 177,699	\$ 204,171	\$ 40,736	\$ 19,982	\$ -	\$ -	\$ 828,285
Management and general	236,289	-	-	-	-	-	-	-	-	-	-	-	236,289
Total expenses	562,595	1,720	170	16,050	9,375	32,076	177,699	204,171	40,736	19,982	-	-	1,064,574
Increase (decrease) in net assets	190,992	(1,720)	(170)	-	-	4,422	-	(23,239)	1,442	(667)	(51,033)	77	120,104
Operating transfer in (out)	(39,078)	-	-	-	-	(4,466)	-	43,233	-	311	-	-	-
Net assets, beginning of year	190,816	26,947	10,714	-	(94)	44	-	116	33,458	-	320,034	6,837	588,672
Adjustment to net assets	-	-	-	-	-	-	-	-	(25,187)	-	-	-	(25,187)
Net assets, end of year	\$ 342,530	\$ 25,227	\$ 10,544	\$ -	\$ (94)	\$ -	\$ -	\$ 20,110	\$ 9,273	\$ (356)	\$ 289,001	\$ 6,914	\$ 583,589

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
 COMBINED SCHEDULE OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 1998
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1997

PROGRAM SERVICES _____ CITY OF NEW ORLEANS _____

Orleans
 Private
 Industry
 Council

STATE OF LOUISIANA
 Department of
 Education

DIVISION OF HOUSING AND NEIGHBORHOOD DEVELOPMENT

	Midnight Basketball	Youth Development and Outreach/ Pontchartrain Park	Infant Daycare	Building Rental Fund	YMCA Bingo	Community Development Block Grant- YMCA Renovation	Community Development Block Grant- Philip St Renovation	Drug Abuse And Abatement	Youth Intervention	School of Commerce	Food Service	Church Based	Totals (MEMORANDUM ONLY)
	1998	1997	1998	1997	1998	1997	1998	1997	1998	1998	1997	1998	1997
Salaries and wages	\$ 37,918	\$ 63,198	\$ 83,634	\$ -	\$ -	\$ -	\$ -	\$ 25,853	\$ 62,265	\$ 41,307	\$ 15,832	\$ -	\$ 329,807
Employee benefits and payroll taxes	6,540	8,735	11,840	-	-	-	-	4,853	10,727	9,389	2,854	1,312	58,050
Professional fees and contract service	6,524	10,220	1,033	-	-	18,050	9,375	1,600	100	83,918	-	18,422	127,240
Supplies	109	1,359	475	-	-	-	-	-	12,248	16,710	939	-	31,838
Telephone	591	4,237	3,060	-	-	-	-	-	224	3,630	-	-	11,772
Postage and shipping	-	657	263	-	-	-	-	-	-	564	-	-	1,484
Occupancy	8,059	22,484	26,105	-	-	-	-	-	2,362	48,468	-	-	105,456
Printing	21	1,429	589	-	-	-	-	96	-	1,823	-	-	3,958
Equipment rental	347	1,387	729	-	-	-	-	-	-	10,218	-	-	12,681
Repairs and maintenance	109	1,403	1,260	-	-	-	-	-	-	1,234	-	-	4,006
Dues and subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-
Conferences and conventions	-	1,147	194	-	-	-	-	-	-	3,228	176	-	4,743
Transportation and travel	20	4,092	9,934	-	-	-	-	-	-	-	-	-	14,048
Dues to National YMCA	1,992	1,761	2,091	-	-	-	-	-	-	-	-	-	5,844
Other expenses	-	437	137	-	170	-	-	74	91	3,888	7	248	4,912
Food cost	-	-	-	-	-	-	-	-	-	-	20,677	-	20,677
Advertisement	2,000	-	118	-	-	-	-	-	-	-	-	-	2,116
Support-in-kind	-	-	-	-	-	-	-	-	89,684	-	-	-	89,684
Total expenses before depreciation	\$ 62,230	\$ 122,556	\$ 141,520	\$ -	\$ 170	\$ 16,050	\$ 9,375	\$ 32,076	\$ 177,699	\$ 204,171	\$ 40,485	\$ 18,982	\$ 828,314
Depreciation	-	-	-	1,720	-	-	-	-	-	-	251	-	1,971
Total	\$ 62,230	\$ 122,556	\$ 141,520	\$ 1,720	\$ 170	\$ 16,050	\$ 9,375	\$ 32,076	\$ 177,699	\$ 204,171	\$ 40,736	\$ 19,982	\$ 828,285
													\$ 745,724

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINED SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1997

(CONTINUED)

MANAGEMENT AND GENERAL

	Totals	
	1998	1997
Salaries and wages	\$ 43,352	\$ 49,503
Employee benefits and payroll taxes	11,887	18,560
Professional fees and contract service	10,188	49,140
Supplies	1,600	2,700
Telephone	3,225	2,028
Postage and shipping	289	295
Occupancy	21,612	20,027
Printing	5,120	905
Equipment rental	2,002	2,701
Repairs and maintenance	1,519	1,606
Dues and subscriptions	525	242
Conferences and conventions	781	3,633
Transportation and travel	30	68
Specific assistance to individuals	-0-	500
Dues to National YMCA	2,037	1,713
Interest expense	3,427	2,227
Other expenses	23,274	29,889
Self support expense	64,080	61,011
In-kind expense	-0-	290
Advertisement	446	-0-
Bad debt expense	13,496	-0-
Insurance	<u>2,860</u>	<u>-0-</u>
 Total expenses before depreciation	 <u>211,750</u>	 <u>247,038</u>
 Depreciation	 <u>24,539</u>	 <u>24,533</u>
 Total	 <u>\$ 236,289</u>	 <u>\$271,571</u>

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF BENEFICIARY STATISTICS
FOR THE YEAR ENDED DECEMBER 31, 1998

<u>Program Service</u>	<u>Number of Persons Served</u>
Youth Development and Outreach/Pontchartrain Park	1,524 (1)
Midnight Basketball	331 (2)
Infant Day Care/Food Service	162 (3)
Substance Abuse	609 (4)
School of Commerce	84 (5)
Special Events	2,019 (6)

(1) **Youth Development and Outreach/Pontchartrain Park**

The number of persons served for Youth Development and Outreach represents the total number of participants in attendance for activities such as baseball, basketball, Career Awareness Workshop, Youth Leadership Training Session, Summer Camp, etc.

(2) **Midnight Basketball**

The number of persons served represents the total number of participants in attendance for the services provided which includes team league play.

(3) **Infant Day Care/Food Service**

The number of persons served represents the total number of participants in attendance at events which includes activities such as breakfast, lunch, snacks and daily instructional activities (such as reading, mathematics and languages).

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF BENEFICIARY STATISTICS, CONTINUED
FOR THE YEAR ENDED December 31, 1998

(4) **Substance Abuse (Drug Abatement)**

The number of persons served represents the total number of participants in attendance for services provided which includes daily classroom instruction, counseling services, restitution participation, employment assistance, workshops, etc.

(5) **School of Commerce**

The number of persons served represents the total number of participants in attendance for the services provided which includes office procedure, typing, job placement, word processing and counseling.

(6) **Special Events**

The number of persons served represents the total number of participants in attendance at any particular event(s) held by the Association during the year, such as, the annual meeting, Black Achievers Program, etc.

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, 1998**

<u>GRANTOR/PROGRAM</u>	<u>FEDERAL CFDA NUMBER</u>	<u>CONTRACT NUMBER</u>	<u>CONTRACT PERIOD</u>	<u>GRANT AMOUNT</u>	<u>GRANT REVENUE</u>	<u>GRANT EXPENDITURES</u>
<u>CITY OF NEW ORLEANS</u>						
City of New Orleans/ Youth Intervention	14.243	CD#50-081 (90)	01/01/98 12/31/98	\$ 90,000	\$ 88,015	\$ 88,015
City of New Orleans/OPIC School of Commerce Nursing Assistant II	17.250	98-2A-018	11/16/98 06/30/99	26,180	4,363	4,363
City of New Orleans/ CDBG Improvement Phase II		CD#50-085	05/10/85 04/30/99	62,500	9,375	9,375
City of New Orleans/ CDBG Improvement Phase II		CD#50-075	07/01/98 06/30/99	<u>271,867</u>	<u>16,050</u>	<u>16,050</u>
Total City of New Orleans				<u>\$450,547</u>	<u>\$117,803</u>	<u>\$117,803</u>
<u>STATE OF LOUISIANA</u>						
Department of Social Services						
Child Care (Summer Camp Program) (Project Independence)						
	10.559	010002557	01/01/98 12/31/98	\$ 26,822	\$ 26,822	\$ 26,822

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, 1998**

(CONTINUED)

<u>GRANTOR/PROGRAM</u>	<u>FEDERAL CFDA NUMBER</u>	<u>CONTRACT NUMBER</u>	<u>CONTRACT PERIOD</u>	<u>GRANT AMOUNT</u>	<u>GRANT REVENUE</u>	<u>GRANT EXPENDITURES</u>
<u>STATE OF LOUISIANA, CONTINUED</u>						
Department of Education Church Based Program	N/A	CFMS 524061	10/09/97 05/03/98	\$ 23,953	\$ 19,041	\$ 19,041
		07/01/98- 07/31/98 10/01/98- 06/30/99				
Office of Family Support School of Commerce Project Independence	93.561	CFMS 509-404	07/01/96 09/30/99	446,400	157,232	155,784
		CFMS 509-407	09/01/96 06/30/99	259,200	19,337	19,337
Department of Education Food Service Program	10.558	N/A	10/01/97 09/30/99	54,866	42,179	40,736
Department of Social Service Child Care Program (Project Independence)	10.558	010002557	01/01/98 12/31/98	<u>89,039</u>	<u>89,039</u>	<u>89,039</u>
Total State of Louisiana				<u>900,280</u>	<u>353,650</u>	<u>350,759</u>
TOTAL ALL FEDERAL GRANTS				<u>\$1,350,827</u>	<u>\$471,453</u>	<u>\$468,562</u>

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF REVENUE AND EXPENSES BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 1998

		<u>YOUTH DEVELOPMENT & OUTREACH PONTCHARTRAIN PARK</u>	<u>INFANT DAY CARE/ FOOD SERVICE</u>	<u>DYNASTY PLACE/DRUG ABUSE & ABATEMENT</u>	<u>SCHOOL OF COMMERCE</u>	<u>MIDNIGHT BASKETBALL</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<u>PROGRAM SUPPORT</u>							
In-kind support	\$	693	-0-	89,684	-0-	-0-	90,377
Fees and grants-government		<u>45,500</u>	<u>131,217</u>	<u>88,015</u>	<u>180,932</u>	<u>-0-</u>	<u>445,664</u>
Total direct program support		46,193	131,217	177,699	180,932	-0-	536,041
Support service revenue		<u>213,557</u>	<u>51,254</u>	<u>51,254</u>	<u>111,049</u>	<u>-0-</u>	<u>427,114</u>
Total program support		<u>259,750</u>	<u>182,471</u>	<u>228,953</u>	<u>291,981</u>	<u>-0-</u>	<u>963,155</u>
<u>SELF GENERATING SUPPORT</u>							
Membership dues		640	545	-0-	-0-	-0-	1,185
Contributions and donations		-0-	-0-	-0-	-0-	-0-	-0-
Program income and fees		6,078	23,557	-0-	-0-	-0-	29,635
Other		<u>-0-</u>	<u>346</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>346</u>
Total self generating support		<u>6,718</u>	<u>24,448</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>31,166</u>
United Way Grant		79,050	36,624	36,498	-0-	50,955	203,127
United Way Designation		3,106	745	745	1,615	-0-	6,211
United Way CFC		<u>3,315</u>	<u>796</u>	<u>796</u>	<u>1,723</u>	<u>-0-</u>	<u>6,630</u>
Total United Way		<u>85,471</u>	<u>38,165</u>	<u>38,039</u>	<u>3,338</u>	<u>50,955</u>	<u>215,968</u>
Total Revenues		<u>\$351,939</u>	<u>\$245,084</u>	<u>\$266,992</u>	<u>\$295,319</u>	<u>\$50,955</u>	<u>\$1,210,289</u>

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
 SCHEDULE OF REVENUE AND EXPENSES BY PROGRAM
 FOR THE YEAR ENDED DECEMBER 31, 1998

(CONTINUED)

	YOUTH DEVELOPMENT & OUTREACH PONTCHARTRAIN PARK	INFANT DAY CARE/ FOOD SERVICE	DYNASTY PLACE/DRUG ABUSE & ABATEMENT	SCHOOL OF COMMERCE	MIDNIGHT BASKETBALL	TOTAL (MEMORANDUM ONLY)
<u>OPERATING EXPENSES</u>						
Salaries and wages	\$ 63,198	\$ 99,467	\$ 87,918	\$ 41,307	\$ 37,918	\$ 329,808
Employee benefits and payroll taxes	<u>10,047</u>	<u>14,694</u>	<u>15,380</u>	<u>9,389</u>	<u>6,539</u>	<u>56,049</u>
Total compensation expenses	73,245	114,161	103,298	50,696	44,457	385,857
Professional fees	28,642	1,033	1,600	63,915	6,524	101,714
Supplies	1,359	1,414	12,336	16,710	109	31,928
Telephone	4,266	3,060	224	3,630	592	11,772
Postage and shipping	658	264	-0-	564	-0-	1,486
Occupancy	22,464	26,105	2,362	48,466	6,059	105,456
Equipment rental	1,388	729	-0-	10,218	347	12,682
Repairs and maintenance	1,403	1,260	-0-	1,234	109	4,006
Printing	1,429	589	96	1,823	21	3,958
Transportation and travel	4,092	9,934	-0-	-0-	20	14,046
Conferences and conventions	1,147	370	30	3,226	-0-	4,773
Other expense	686	82	157	3,688	-0-	4,613
National dues	1,761	2,091	-0-	-0-	1,992	5,844
Support in-kind	-0-	-0-	89,684	-0-	-0-	89,684
Food cost	-0-	116	-0-	-0-	2,000	2,116
Advertisement	-0-	-0-	-0-	-0-	-0-	-0-
Dues & subscription	<u>-0-</u>	<u>20,677</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>20,677</u>
Direct program expenses	142,540	181,885	209,787	204,170	62,230	800,612
Support service expenses	105,875	25,410	25,410	55,055	-0-	211,750
Bingo expenses	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total expenses	<u>248,415</u>	<u>207,295</u>	<u>235,197</u>	<u>259,225</u>	<u>62,230</u>	<u>1,012,362</u>
Excess revenues (expenses)	<u>\$ 103,524</u>	<u>\$ 37,789</u>	<u>\$ 31,795</u>	<u>\$ 36,094</u>	<u>\$(11,275)</u>	<u>\$ 197,927</u>
Number of persons served	<u>1,524</u>	<u>162</u>	<u>609</u>	<u>84</u>	<u>331</u>	<u>2,710</u>
Unit cost per person	<u>\$ 163.00</u>	<u>\$1,279.60</u>	<u>\$ 386.20</u>	<u>\$3,086.01</u>	<u>\$ 188.01</u>	<u>\$ 373.57</u>
Depreciation	<u>\$ 13,129</u>	<u>\$ 3,402</u>	<u>\$ 3,151</u>	<u>\$ 6,827</u>	<u>\$ -0-</u>	<u>\$ 26,509</u>

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS -- SCHOOL OF COMMERCE
FOR THE YEAR ENDED DECEMBER 31, 1998
 With Comparative Totals for the Year Ended December 31, 1997

	STATE OF LOUISIANA					PROJECT INDEPENDENCE		Totals	
	School of Commerce IIB	School of Commerce	School of Nursing PI	School of Nursing II	Out of School	(Memorandum Only) 1998	1997		
SUPPORT									
City of New Orleans	\$ -0-	\$ -0-	\$ -0-	\$ 4,363	\$ -0-	\$ 4,363	\$ -0-	\$ -0-	\$ 4,363
Grants-State of Louisiana	-0-	19,337	157,232	-0-	-0-	176,569	-0-	-0-	158,031
Total support	-0-	19,337	157,232	4,363	-0-	180,932	-0-	-0-	202,950
EXPENSES									
Salaries and wages	-0-	13,158	27,097	1,052	-0-	41,307	-0-	-0-	74,848
Employee benefits and payroll taxes	-0-	2,955	6,166	268	-0-	9,389	-0-	-0-	14,737
Professional fees and contract service	-0-	19,438	42,051	2,426	-0-	63,915	-0-	-0-	64,578
Supplies	-0-	2,022	13,531	1,157	-0-	16,710	-0-	-0-	12,650
Telephone	-0-	290	3,195	145	-0-	3,630	-0-	-0-	3,557
Postage and shipping	-0-	141	423	-0-	-0-	564	-0-	-0-	780
Occupancy	-0-	6,115	39,981	2,370	-0-	48,466	-0-	-0-	57,541
Equipment rental	-0-	5,169	4,623	426	-0-	10,218	-0-	-0-	9,843
Printing	-0-	121	1,120	582	-0-	1,823	-0-	-0-	394
Repairs and maintenance	-0-	-0-	1,152	82	-0-	1,234	-0-	-0-	234
Conferences and conventions	-0-	126	3,100	-0-	-0-	3,226	-0-	-0-	873
Transportation and travel	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	92
Other expenses	94	932	2,662	-0-	-0-	3,688	-0-	-0-	1,693
Dues and subscriptions	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	200
Total expense	94	50,467	145,101	8,508	-0-	204,170	-0-	-0-	242,020
Change in net assets	(94)	(31,130)	12,131	(4,145)	-0-	(23,238)	-0-	-0-	(39,070)
Operating transfer in (out)	15,348	49,713	(10,683)	(6,688)	(4,458)	43,232	-0-	-0-	39,186
Net assets, beginning of year	(8,216)	(31,874)	38,551	1,655	-0-	116	-0-	-0-	-0-
Net assets, end of year	\$ 7,038	\$ (13,291)	\$ 39,999	\$ (9,178)	\$ (4,458)	\$ 20,110	\$ 116	\$ 116	\$ 116

See Independent Auditors' Report on Supplementary Information.

AGENCY: DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

FUNCTIONAL BUDGET SPREADSHEET 1997-1998		AGENCY			SUPPORTING SERVICES			TOTAL PROGRAM SERVICES				PROGRAM SERVICES						
		(SUM 2+3)	1	2	3	4	5	6	7	8	9	10						
REVENUE:																		
1	4200 BOARD GENERATED SELF SUPPORT	\$ 138,694	\$	137,659	\$ 1,035	\$	595	\$ 440	\$	0	\$	0	\$	0	\$	0	\$	0
2	4201 CLIENT GENERATED SELF SUPPORT	32,456		0	32,456		5,739	26,717		0								
3	5000 GOVERNMENT GRANTS/CONTRACTS	580,219		150,000	430,219		91,668	90,886		37,034		210,631						
4	6700 OTHER REVENUE	103,574		13,274	90,300		56,404	0		33,896		0						
5	TOTAL SELF GENERATED REVENUE	854,943		300,933	554,010		154,406	118,043		70,930		210,631						
6	4702 UNITED WAY DESIGNATIONS	5,393		5,393	0		0	0		0		0						
7	4703 CFC DESIGNATIONS	7,242		7,242	0		0	0		0		0						
8	TOTAL REVENUE	867,578		313,568	554,010		154,406	118,043		70,930		210,631						
9	4701 UNITED WAY ALLOCATION	207,032		0	207,032		83,099	37,247		36,186		0						50,500
10	GRAND TOTAL REVENUE	\$ 1,074,610	\$	\$ 313,568	\$ 761,042	\$	\$ 237,505	\$ 155,290	\$	\$ 107,116	\$	\$ 210,631	\$	\$	\$	\$	\$	\$ 50,500
EXPENSES:																		
11	7300 COMPENSATION EXPENSES	\$ 390,770	\$	\$ 69,119	\$ 321,651	\$	\$ 99,251	\$ 86,604	\$	\$ 59,354	\$	\$ 57,780	\$	\$	\$	\$	\$	\$ 18,662
12	8400 OCCUPANCY EXPENSES	156,876		24,561	132,315		37,103	35,504		0		56,143						3,565
13	8700 TRAVEL & TRANSPORTATION EXP.	8,825		2,606	6,219		5,954	0		30		235						0
14	8900 SPECIFIC ASSISTANCE	500		500	0		0	0		0		0						0
15	9402 BOARD GENERATED SELF SUPPORT	12,194		12,194	0		0	0		0		0						0
16	9400 OTHER DIRECT PROGRAM/SUPPORT	323,424		54,203	269,221		102,083	28,785		38,555		92,773						7,025
17	GRAND TOTAL EXPENSES	\$ 892,589	\$	\$ 163,183	\$ 729,406	\$	\$ 244,391	\$ 150,893	\$	\$ 97,939	\$	\$ 206,931	\$	\$	\$	\$	\$	\$ 29,252
18	NET DIFFERENCE	\$ 181,854	\$	\$ 150,385	\$ 31,469	\$	\$ (6,886)	\$ 4,397	\$	\$ 9,177	\$	\$ 3,701	\$	\$	\$	\$	\$	\$ 21,248
19	9500 DEPRECIATION	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

EXPENSES ANALYSIS:

20-Total Direct Program Expenses	\$ 244,391	\$ 150,893	97,939	372,000	29,252
21-Percent of Total Program Expenses	34.00%	21.00%	13.00%	28.00%	4.00%
22-Distribution of M & G Expenses	\$ 81,592	\$ 19,582	\$ 19,582	\$ 42,427	\$ 0
23-Grand Total Program Expenses	\$ 325,983	\$ 170,475	\$ 117,521	\$ 414,427	\$ 29,252
24-Projected Undup. People Served	1,800	60	445	180	1,200
25-Cost per Person	\$ 181	\$ 2,841	\$ 264	\$ 2,302	\$ 24

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

To the Board of Directors
Dryades Young Men's Christian Association

We have audited the financial statements of **Dryades Young Men's Christian Association (the Association)** as of and for the year ended December 31, 1998, and have issued our report thereon dated June 23, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

In connection with our audit, we reviewed the prior year's reportable conditions on the internal control structure, including applicable internal administrative controls to determine whether management had implemented appropriate corrective action to correct the conditions giving rise to those findings. The results of our review with respect to the prior-year reportable conditions are described in the Status of Prior Year Reportable Conditions.

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

Internal Control Over Financial Reporting

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

In connection with our audit, we reviewed the prior year's reportable conditions on the internal control structure, including applicable internal administrative controls to determine whether management had implemented appropriate corrective action to correct the conditions giving rise to those findings. The results of our review with respect to the prior -year reportable conditions are described in the Status of Prior year Reportable Conditions.

This report is intended solely for the information and use of the Board of Directors, management, the United Way and regulatory agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.


BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 23, 1999

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
Dryades Young Men's Christian Association

Compliance

We have audited the compliance of **Dryades Young Men's Christian Association (the Association)** with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 1998. **The Association's** major federal programs are identified in the summary of auditors' results section of the accompanying report. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of **the Association's** management. Our responsibility is to express an opinion on **the Association's** compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **the Association's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on **the Association's** compliance with those requirements.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

(CONTINUED)

In our opinion, **the Association** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1998.

Internal Control over Compliance

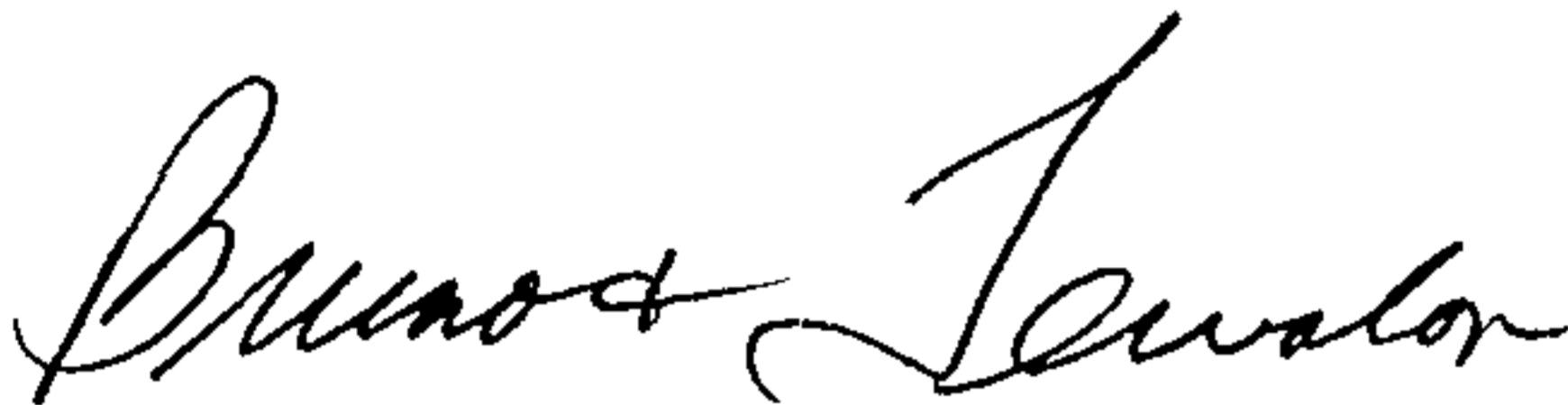
The management of **the Association** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered **the Association's** internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grant that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

(CONTINUED)

This report is intended solely for the information and use of the Board of Directors, management, the United Way and regulatory agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 23, 1999

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATUS OF PRIOR YEAR REPORTABLE CONDITION

<u>Description</u>	<u>Reference Number</u>	<u>Status</u>	
		<u>Resolved</u>	<u>Unresolved</u>
Year 2000 Compliance	97-1		X
General file Maintenance	97-2	X	
Block Group Number Documentation	97-3	X	

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY OF INDEPENDENT AUDITORS' RESULTS
FOR THE YEAR ENDED DECEMBER 31, 1998

We have audited the financial statements of **Dryades Young Men's Christian Association (the Association)** as of and for the year ended December 31, 1998, and have issued our report thereon dated June 23, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of OMB Circular A-133. Our audit of the financial statements as of December 31, 1998 resulted in an unqualified opinion.

- | | |
|---|-------------|
| 1. Type of report issued on the financial statements | Unqualified |
| 2. Reportable conditions disclosed in internal control | No |
| 3. Reportable conditions that were material weaknesses | No |
| 4. Instances of noncompliance material to the financial statements | No |
| 5. Reportable conditions in internal control over major programs | No |
| 6. Reportable conditions in internal control over major programs were material weaknesses | No |
| 7. Type of report issued on compliance for major programs | Unqualified |
| 8. Audit findings required to be reported under 501(a) of OMB Circular A-133 | Yes |

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY OF INDEPENDENT AUDITORS' RESULTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1998

9. Major programs

<u>CFDA Number</u>	<u>Name of Federal Program</u>
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Pass-through programs - State of Louisiana:

93.561	School of Commerce - Project Independence
10.558	Food Service Program
10.558	Child Care Program

10. Dollar threshold use to distinguish between Type A
and Type B programs \$300,000

11. Does auditee qualify as a low risk auditee Yes

12. Financial Statement Findings
No

13. Federal Award Findings and Questioned Costs
No

14. Prior Year Findings
See Schedule of Prior Year Reportable Condition

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

EXIT CONFERENCE

December 31, 1998

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

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

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

BRUNO & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Alcide J. Tervalon, Jr., CPA	--	Partner
Mr. Joseph Akanji, CPA	--	Audit Supervisor


BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 23, 1999