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DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2003

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

Release Date 8-4-04

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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, 2003, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of **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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **the Association** as of December 31, 2003, and the changes in its net assets, statements of functional expenses and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 17, 2004 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit. Also, this report contained instances of noncompliance and reportable conditions.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 17, 2004

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2003

ASSETS

Cash and cash equivalents (NOTE 2 and 23)	\$1,947,954
Grants receivable (NOTE 18)	228,889
Amounts receivable, net (NOTE 4)	221,965
United Way funding (NOTE 8)	211,173
Prepaid and other assets	61,963
Cash surrender value of life insurance, net (NOTE 10)	35,596
Investment (NOTES 8 and 11)	6,084
Land	392,639
Property and equipment, net (NOTES 3 and 17)	<u>1,964,017</u>
 Total assets	 <u>\$5,070,280</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable and other liabilities (NOTE 20)	\$ 494,105
Salaries and taxes payables (NOTE 13)	126,863
Accrued interest payable	17,659
Accrued payable - OPSB	56,579
Notes payable (NOTE 5)	62,987
Due to National YMCA (NOTE 21)	<u>496</u>

Total liabilities \$ 758,689

CONTINGENCIES AND COMMITMENTS
(NOTES 12, 15 and 17)

Net assets:

Unrestricted	3,039,772
Temporarily restricted (NOTE 8)	1,265,735
Permanently restricted (NOTE 8)	<u>6,084</u>

Total net assets 4,311,591

Total liabilities and net assets \$5,070,280

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, 2003

	<u>UNRESTRICTED</u>	<u>TEMPORARILY</u>	<u>PERMANENTLY</u>	<u>TOTAL</u>
	<u>NET ASSETS</u>	<u>RESTRICTED</u>	<u>RESTRICTED</u>	<u>NET ASSETS</u>
<u>SUPPORT AND REVENUES</u>				
Support:				
Grants - City of New Orleans	\$ 25,352	\$ -0-	\$ -0-	\$ 25,352
Grants - Federal pass-through City of New Orleans	41,373	-0-	-0-	41,373
Grants - State of Louisiana	561,773	-0-	-0-	561,773
Grants - Federal pass-through State of Louisiana	1,287,318	-0-	-0-	1,287,318
In-kind (NOTE 9)	572,053	-0-	-0-	572,053
United Way funding for the next period	-0-	127,270	-0-	127,270
Orleans Parish School Board	2,154,040	-0-	-0-	2,154,040
 Net assets released from restriction:				
United Way Allocation - current year (NOTE 8)	132,164	-0-	-0-	132,164
United Way Designations (NOTE 8)	7,231	-0-	-0-	7,231
CFC Designations (NOTE 8)	7,835	-0-	-0-	7,835
United Way - current year (expiration of time restriction)	-0-	(147,230)	-0-	(147,230)
Restrictions satisfied by payments/ disbursements (NOTE 8)	<u>240,698</u>	<u>(240,698)</u>	<u>-0-</u>	<u>-0-</u>
Total support	<u>5,029,837</u>	<u>(260,658)</u>	<u>-0-</u>	<u>4,769,179</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, 2003

	<u>UNRESTRICTED</u> <u>NET ASSETS</u>	<u>TEMPORARILY</u> <u>RESTRICTED</u> <u>NET ASSETS</u>	<u>PERMANENTLY</u> <u>RESTRICTED</u> <u>NET ASSETS</u>	<u>TOTAL</u>
Revenues:				
Membership dues	\$ 50	\$ -0-	\$ -0-	\$ 50
Program income and fees	26,490	-0-	-0-	26,490
Interest income	1,117	10,728	37	11,882
Rental income	173,760	-0-	-0-	173,760
Contributions and donations	1,701	50,000	-0-	51,701
Support from other programs	462,356	1,500	-0-	463,856
Other	<u>11,924</u>	<u>-0-</u>	<u>-0-</u>	<u>11,924</u>
Total revenues	<u>677,398</u>	<u>62,228</u>	<u>37</u>	<u>739,663</u>
Total support and revenues	<u>5,707,235</u>	<u>(198,430)</u>	<u>37</u>	<u>5,508,842</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, 2003

	<u>UNRESTRICTED</u>	<u>TEMPORARILY</u>	<u>PERMANENTLY</u>	<u>TOTAL</u>
		<u>RESTRICTED</u>	<u>RESTRICTED</u>	
		<u>NET ASSETS</u>	<u>NET ASSETS</u>	<u>NET ASSETS</u>
Expenses:				
Program services	\$4,804,083	\$ 10	\$ -0-	\$4,804,093
Management and general	<u>425,685</u>	<u>-0-</u>	<u>-0-</u>	<u>425,685</u>
Total expenses	<u>5,229,768</u>	<u>10</u>	<u>-0-</u>	<u>5,229,778</u>
Change in net assets	477,467	(198,440)	37	279,064
Net assets, beginning of year	<u>2,562,305</u>	<u>1,464,175</u>	<u>6,047</u>	<u>4,032,527</u>
Net assets, end of year	<u>\$3,039,772</u>	<u>\$1,265,735</u>	<u>\$6,084</u>	<u>\$4,311,591</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, 2003

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$1,375,581	\$202,991	\$1,578,572
Employee benefits and payroll taxes	356,504	65,316	421,820
Professional fees and contract services	758,512	22,976	781,488
Supplies	61,908	2,486	64,394
Instructional material and supplies	172,708	-0-	172,708
Telephone	22,497	7,156	29,653
Postage and shipping	3,457	1,669	5,126
Professional development	39,254	-0-	39,254
Utilities	52,768	2,556	55,324
Occupancy	270,803	13,188	283,991
Printing	24,708	1,046	25,754
Equipment rental	2,862	2,231	5,093
Repairs and maintenance	71,540	1,034	72,574
Dues and subscriptions	1,764	-0-	1,764
Conferences and conventions	51,946	15,837	67,783
Transportation and travel	60,278	157	60,435
Dues to National YMCA	5,283	6,846	12,129
Insurance	81,451	5,132	86,583
Other expenses	56,905	8,696	65,601
Capital expenditures	31,190	-0-	31,190
Food cost	56,150	-0-	56,150
Advertisement (NOTE 2)	44,565	1,839	46,404
Student activities	74,349	-0-	74,349
Support in-kind	572,053	-0-	572,053
Interest expense	10,068	7,267	17,335
Support to other programs	453,010	10,846	463,856
Loss on disposal of building	<u>-0-</u>	<u>5,378</u>	<u>5,378</u>
Total expenses before depreciation and amortization	4,712,114	384,647	5,096,761
Depreciation and amortization	<u>91,979</u>	<u>41,038</u>	<u>133,017</u>
Total	<u>\$4,804,093</u>	<u>\$425,685</u>	<u>\$5,229,778</u>

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

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2003

Change in net assets	\$ 279,064
 Cash Flows from Operating Activities:	
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	133,017
Decrease in amounts receivable	166,244
Decrease in grants receivable	235,958
Increase in prepaid and other assets	(17,366)
Decrease in United Way funding	19,960
Decrease in accounts payable and other liabilities	(230,884)
Increase in salaries and taxes payables	9,505
Increase in deferred revenue	8,379
Increase in accrued interest payable	4,820
Decrease in due to National YMCA	(3,824)
Increase in cash surrender value of life insurance, net	<u>(6,045)</u>
Net cash provided by operating activities	<u>598,828</u>
 Cash Flows from Investing Activities:	
Additions to leasehold improvements	(21,500)
Purchase of property and equipment	(107,996)
Purchase of capital lease property	(21,020)
Retirement of property and capital lease property, net	6,545
Purchase of investment	(37)
Additions to construction-in-progress	<u>(308,251)</u>
Net cash used in investing activities	<u>(452,259)</u>
 Cash Flows from Financing Activities:	
Payments on notes payable	<u>(19,161)</u>
Net cash used in financing activities	<u>(19,161)</u>
Net increase in cash and cash equivalents	127,408
Cash and cash equivalents, beginning of year	<u>1,820,546</u>
Cash and cash equivalents, end of year	<u>\$1,947,954</u>
Interest paid during the year ended December 31, 2003	<u>\$ 17,335</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 contributions from the United Way of Greater New Orleans. Also, **the Association** operates a charter school which is funded by the State of Louisiana and the Orleans Parish School Board. Several of these grants originate at the federal level and as such are deemed federal pass-through grants. See Schedule V for Schedule of Expenditures of Federal Awards.

General

As of December 31, 2003, **the Association** administered the following programs and grants:

- o General
- o Building Rental
- o Food Service
- o School of Commerce
- o Drug Abuse and Abatement
- o Youth Development and Outreach
- o Endowment Fund - Restricted
- o James M. Singleton Charter School
- o Governor's Office of Urban Affairs and Development
- o Louisiana Stadium and Exposition District
- o Community Based
- o Restoration
- o Teen Pregnancy II
- o More in the Middle
- o After School for All I and II
- o Act 14 of 2003
- o Act 13 of 2002

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 program or grant administered:

General, Continued

Included in general are the following:

- o Support from United Way of Greater New Orleans (United Way Designations, Combined Federal Campaign (CFC), etc);
- 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; and
- o Total Community Action.

The resources of general 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

Property located at 2226-28 Oretha Castle Haley Boulevard was purchased with the intent 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 eligible 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 School of Commerce

The School of Commerce, funded by 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.

o Drug Abuse and Abatement

The Drug Abuse and Abatement Program is funded by the City of 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 Youth Development and Outreach

The Youth Development and Outreach Program is 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 target area for **the Association**.

o Endowment Fund - Restricted

This Fund is established to account for the revenue and expenses related to a restricted donation (see NOTE 9).

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

NOTE 1 - Background and General Data, Continued:

o James M. Singleton Charter School

An independent charter school funded by the State of Louisiana Board of Elementary and Secondary Education (BESE) and the Orleans Parish School Board (OPSB) to provide a framework for educational experimentation through the creation of a mechanism to accomplish the following objectives:

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

Although the charter school is the responsibility of **the Association**, for financial reporting purposes, the James M. Singleton Charter School is a component unit of the OPSB. As such, all activities of the charter school are included in the financial statements of the OPSB.

o Governor's Office of Urban Affairs and Development (GOUAD)

Funding for GOUAD is used primarily to support activities of the School of Commerce and Youth Development Programs.

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

NOTE 1 - Background and General Data, Continued:

o Louisiana Stadium Exposition District

The State of Louisiana Stadium and Exposition District provides computer laboratory and tutoring services to participants of various **Association** programs.

o Community Based

Funding for the Community Based Program is used primarily to provide tutorial services to students in grades K through 12.

o Restoration

Funds received from contributions and donations resulting from various fundraising campaigns are being used primarily for the construction of a new building for **the Association**.

o Teen Pregnancy II

Funding for Teen Pregnancy is used to provide services to client from 8 to 21 years old. This program focuses on teen pregnancy prevention.

o More In the Middle

Funding through the State Department of Education is used for tutoring program participants primarily in grade 8th during out-of-school hours and over the summer.

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

NOTE 1 - Background and General Data, Continued:

o After School for All I and II

The After School for All program, funded by the State of Louisiana Department of Education, provides tutoring services during out-of-school hours to Temporary Assistance for Needy Families (TANF) and summer enrichment during the summer months.

o Act 13 of 2002

The funds received from Act 13 of 2002 will provide temporary facilities for the Early Childhood Development Program and the School of Commerce Program in an effort to increase participation and enrollment in both programs.

o Act 14 of 2003

The funds received from Act 14 of 2003 will provide temporary facilities for the Early Childhood Development Program and the School of Commerce Program in an effort to increase participation and enrollment in both programs.

NOTE 2 - Summary of Significant Accounting Policies:

Principles of Accounting

The financial statements of **the Association's** are prepared in accordance with accounting principles generally accepted in the United States of America 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, 2003, the allowance for uncollectible amounts is \$22,416.

Use of Estimates

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

Advertising Costs

Advertising costs are charged to operations when incurred. **The Association** had no direct-response advertising costs during 2003; however, the total nondirect response advertising for the year ended December 31, 2003 was \$46,404.

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

NOTE 2 - Summary of Significant Accounting Policies, Continued:

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, Orleans Parish School Board, State of Louisiana (BESE), program fees, membership dues, and special events.

Contributed Services

During the year ended December 31, 2003, the value of contributed services meeting the requirements for recognition in **the Association's** financial statements have 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** depreciates property and equipment using the following estimated useful lives:

<u>Asset</u>	<u>Estimated Useful Lives</u>
Building	20
Building improvements	10-15
Furniture and equipment	5

Functional Allocation of Expenses

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

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

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Statement of Cash Flows

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.

Leasehold Improvements

Leasehold improvements are capitalized at cost and amortized over the shorter of the lease term or useful life. Amortization for leasehold improvements for the year ended December 31, 2003, has been recorded in the accompanying financial statements.

Financial Statement Presentation

As required by SFAS No. 116, **the Association** recognizes contributions received as revenue, including unconditional promises to give, in the period received at their fair value. At the same time, contributions made, including unconditional promises to give, are recognized as expenses in the period made at their fair value.

Also, **the Association** reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, **the Association** presents a statement of cash flows in the accompanying financial statements.

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

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Fair Value of Financial Instruments

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

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

Budgetary Data

The Association formally adopts a budget. The budgetary data are submitted to the United Way of Greater New Orleans, State of Louisiana, Orleans Parish School Board and the City of New Orleans for specific program approval.

Totals Memorandum Only

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

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.

Interprogram Activities

All interprogram due from/to activities have been netted on the accompanying Statement of Financial Position.

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

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Capital Leases

Leases meeting the criteria of a capital lease as defined by SFAS No. 13 are recorded at inception at the present value of its future minimum lease payments. The assets are depreciated over the lower of their related lease term or estimated productive lives.

NOTE 3 - Property and Equipment, net:

At December 31, 2003, property and equipment consisted of the following:

	<u>Balance</u> <u>January 1,</u> <u>2003</u>	<u>Additions</u>	<u>Retirements/ Transfers</u>	<u>Balance</u> <u>December 31,</u> <u>2003</u>
Building and building improvements	\$ 669,227	\$ 87,213	\$ (5,661)	\$ 750,779
Furniture and Equipment	444,348	20,783	(25,527)	439,604
Leasehold improvements	61,026	21,500	5,661	88,187
Property held under capital lease	9,317	21,020	-0-	30,337
Construction in progress	<u>102,744</u>	<u>891,030</u>	<u>-0-</u>	<u>993,774</u>
Sub-total	1,286,662	1,041,546	-0-	2,302,681
Less: accumulated depreciation and amortization	<u>(224,629)</u>	<u>(133,017)</u>	<u>18,982</u>	<u>(338,664)</u>
Total	<u>\$1,062,033</u>	<u>\$ 908,529</u>	<u>\$ (6,545)</u>	<u>\$1,964,017</u>

Construction-in-progress represents real property acquisitions and building design and related costs incurred in connection with the proposed construction of **the Association's** new building.

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

NOTE 4 - Amounts Receivable, net:

Following is a summary of amounts receivable at December 31, 2003:

Contributions and donations receivable	\$242,927
Other amounts receivable	<u>1,454</u>
Subtotal	244,381
Allowance for doubtful accounts	<u>(22,416)</u>
Net total	<u>\$221,965</u>

NOTE 5 - Notes Payable:

At December 31, 2003, notes payable consisted of an 11% unsecured note payable to a bank maturing on August 4, 2009. On March 31, 2004 the loan balance of \$8,862 inclusive of interest of \$190, was paid off.

Also included in the notes payable balance are two 36 month capital leases which expire on March 21, 2005 and August 13, 2006, respectively. Monthly principal and interest installment payments are \$290.47 and \$583.89 respectively.

Minimum future lease payments under capital leases as of December 31, 2003 for each of the next three (3) years and in aggregate are:

<u>Years Ending December 31,</u>	<u>Amount</u>
2004	\$ 9,908
2005	7,864
2006	<u>5,793</u>
Subtotal	23,565
Less amount representing interest	<u>(988)</u>
Present value of minimum lease payments	<u>\$22,577</u>

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

NOTE 5 - Notes Payable, Continued:

Also included in the note is a non-interest bearing loan in the amount of \$95,214 from the State of Louisiana Board of Elementary and Secondary Education (BESE). The loan is repayable in three (3) annual installments and is due by June 30, of the each of the loan's term. At December 31, 2003, the loan payable was \$31,738.

NOTE 6 - Income Taxes:

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

NOTE 7 - 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, 12% of their respective gross salary. Pension costs are funded on a current basis. **The Association's** total pension costs for 2003 was \$101,720.

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

NOTE 8 - Restricted Net Assets:

At December 31, 2003, temporarily and permanently restricted net assets consisted of the following:

<u>Description</u>	<u>Cost</u>	<u>Market</u>
<u>Temporarily Restricted</u>		
United Way funding	\$ 211,173	\$ 211,173
Building restoration funds	<u>1,054,562</u>	<u>1,054,562</u>
Total temporarily restricted net assets	<u>\$1,265,735</u>	<u>\$1,265,735</u>

The United Way funding covers the period January 2004 through June 2005 (See Note 4).

<u>Permanently Restricted</u>	<u>Cost</u>	<u>Approximate Market Value</u>
Endowment Fund:		
Investment in Y-Mutual Insurance, Ltd.	\$4,511	\$4,511
Endowment Trust Fund	<u>1,573</u>	<u>1,573</u>
Total permanently restricted net assets	<u>\$6,084</u>	<u>\$6,084</u>

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

NOTE 8 - Restricted Net Assets, Continued:

During 2003, net assets were released from United Way restrictions by incurring expenses satisfying the restricted purposes as follows:

Youth Development and Outreach	\$100,569
Infant Day Care/Food Service	36,266
Dynasty Place/Drug Abatement	1,205
School of Commerce	1,657
James M. Singleton Charter School	<u>7,533</u>
Total United Way Allocation	<u>\$147,230</u>

Temporarily restricted net assets related to the restoration program in the amount of \$240,698, was released as a result of disbursements made in connection with the acquisition of property, building design and related costs incurred.

NOTE 9 - In-kind:

At December 31, 2003, in-kind contributions represent donated facilities to **the Association** by the New Orleans Youth Foundation and staffing services donated by the Orleans Parish School Board.

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

NOTE 10 - Cash Surrender Value of Life Insurance:

The Association is the beneficiary of insurance policies on the lives of five (5) current and one (1) former employee of **the Association**. At December 31, 2003, the net cash surrender value on these life insurance policies was \$35,596.

An analysis net of the cash surrender value follows:

Accumulated cash value	\$109,278
Less loans payable	<u>(73,682)</u>
Net cash surrender value	<u>\$ 35,596</u>

NOTE 11 - Investment:

A summary of investment activity for the year ended December 31, 2003, follows:

	<u>Cost</u>	<u>Market</u>
Investment	\$6,047	\$6,047
Interest and dividends	<u>37</u>	<u>37</u>
Total investment	<u>\$6,084</u>	<u>\$6,084</u>

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

NOTE 12 - Contingencies and Commitments:

The Association is a recipient of direct and pass through grants from the State of Louisiana, the City of New Orleans, Orleans Parish School Board and the United Way of Greater New Orleans, as applicable. These grants are governed by various guidelines, regulations and contractual agreements. The administration of the programs and activities funded by these grants is under the control and administration of **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 has executed multi-year contracts with the State of Louisiana for its Nursing Assistants programs that expire in June 2004. The funding for the periods subsequent to December 31, 2003, is subject to and conditional upon the availability and appropriation of Federal and/or State funds.

NOTE 13 - Salaries and Taxes Payables:

At December 31, 2003, salaries and taxes payables consisted of the following:

Salaries payable	\$ 80,856
Taxes payable	<u>46,007</u>
Total	<u>\$126,863</u>

NOTE 14 - Risk Management:

The Association is exposed to various risks 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.

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

NOTE 15 - Line of Credit:

At December 31, 2003, **the Association** has a \$500,000 non-revolving line of credit with a bank. The line of credit is renewable annually with an interest rate of 1% above Chase prime, adjusting daily. At December 31, 2003, the amount drawn down and payable was \$-0-.

NOTE 16 - Related Party:

The Association leases office space under an operating lease with a member of management in the amount of \$2,500 per month.

NOTE 17 - Cooperative Endeavor:

On April 18, 2001, **the Association** executed a cooperative agreement with the State of Louisiana (Division of Administration) pursuant to Act 21, of the 2000 regular session of the Louisiana Legislature.

The Act appropriated various levels of funding designated as "Priority 2" in the amount of one million three hundred thousand dollars (\$1,300,000); "Priority 4" in the amount of one million seven hundred thousand dollars (\$1,700,000); and "Priority 5" in the amount of one million dollars (\$1,000,000).

Furthermore, the legislature adopted the issuance of State general obligation bonds secured by a full pledge of the full faith and credit of the State and other funds in an amount not to exceed one million three hundred thousand dollars (\$1,300,000).

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

NOTE 17 - Cooperative Endeavor, Continued:

In addition, the Bond Commission granted a cash line of credit for the project on the 28th day of September, 2000, in the amount of two hundred thousand dollars (\$200,000) and on the 3rd day of February 2003, granted a state non-cash line of credit in the amount of one million five hundred thousand dollars (\$1,500,000); and further authorized that all of the funds appropriated, in the absence of express language to the contrary, shall be considered as having been appropriated directly to the Office of Facility Planning and Control (FP&C), and that all of the funds appropriated under the name of authorities created by the Legislature, political subdivisions of the State or local governing bodies or boards, shall be administered by FP&C under cooperative endeavor agreements.

On December 1, 2003, the second amended Cooperative Agreement between the State of Louisiana and **the Association's** FP & C, Project # 50-NJ9-00B-01, for the Dryades Reconstruction, planning and construction was executed.

The proposed budget reflects the existing \$300,000 in General Fund, reauthorization of existing \$1,000,000 cash line of credit, the conversion of a previous line of credit (\$1,500,000) to a cash line of credit, and a \$500,000 cash line of credit and a \$1,100,000 non-cash line of credit received in September 2003 and an additional \$500,000 non-cash line of credit received at the November 2003 Bond Commission Meeting.

On September 24, 2003, the second amendment to the Cooperative Endeavor Agreement between the City of New Orleans and the Dryades YMCA Facility was introduced by the City Council and subsequently passed and signed by the Mayor of the City of New Orleans. This Cooperative Endeavor Agreement will reimburse **the Association** up to \$1,485,000 towards the actual construction of **the Association's** Gymnasium and Natatorium.

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

NOTE 18 - Grants Receivable:

At December 31, 2003, grants receivable consisted of the following:

State of Louisiana	\$169,865
City of New Orleans	
Division of Housing and Neighborhood Development	33,995
Orleans Parish School Board	<u>25,029</u>
Total	<u>\$228,889</u>

NOTE 19 - Concentration of Risk:

The Association receives primarily all of its revenues from the State of Louisiana and the City of New Orleans as a pass through subgrantee. If the amount of revenues received should fall below contract levels, **the Association's** operating results could be adversely affected.

NOTE 20 - Accounts Payable:

At December 31, 2003, accounts payable and other liabilities consisted of the following:

Vendors	\$211,568
City of New Orleans	250,000
Other	<u>32,537</u>
Total	<u>\$494,105</u>

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

NOTE 21 - Due to National YMCA:

In 1999, **the Association** entered into an agreement with the National Council of Young Men's Christian Association of the USA, who agreed to forgive a total of \$40,928 of \$54,571 in past due membership fees. The remaining balance at December 31, 2003, of \$496 is payable at no interest in monthly installment payables of \$227.

NOTE 22 - Per Diem to Board of Directors:

During the year ended December 31, 2003, no per diem was paid to the Board of Directors in their capacity as directors.

NOTE 23 - Cash:

At December 31, 2003, the carrying amount of **the Association's** cash deposits was \$1,947,954 and the cumulative collected bank balance was \$2,024,318. The cumulative collected bank balance is covered by federal depository insurance. Custodial credit risk is the risk that in the event of a failure by the financial institution, **the Association's** deposits may not be returned to it. **The Association** has no deposit policy for custodial credit risk, and at December 31, 2003, \$1,324,318 of **the Association's** bank balances were exposed to custodial risk. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of such pledged securities and deposit insurance must equal or exceed the amount on deposit with the fiscal agent.

SUPPLEMENTARY INFORMATION



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

Michael B. Bruno, CPA
Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA

**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, 2003, appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole.

The supplementary information (Schedules I through V) which is prepared in accordance with accounting principles generally accepted in the United States of America, has been subjected to the procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The supplementary information (Exhibits I and II) has not been subjected to the auditing procedures applied in the audit of the basic financial statements and we express no opinion on it.

Bruno & Tervalon LLP

**BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS**

June 17, 2004

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2003

-----CITY OF NEW ORLEANS-----
Division of Housing and Neighborhood Development

	General	Building Rental	YMCA Bingo	YMCA Renovation	Philip Street Renovation	Drug Abuse and Abatement	Youth Intervention
Cash and cash equivalents	\$ 150,222	\$ -0-	\$ -0-	\$ -0-	\$ 94	\$ -0-	\$ 33,662
Amounts receivable, net	29,077	-0-	-0-	-0-	-0-	-0-	-0-
Grants receivable	37,259	-0-	-0-	-0-	-0-	-0-	8,643
United Way funding	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Due from other programs	327,187	-0-	-0-	-0-	6,213	-0-	367
Prepaid and other assets	61,388	-0-	-0-	-0-	-0-	-0-	-0-
Cash surrender value of life insurance, net	35,596	-0-	-0-	-0-	-0-	-0-	-0-
Investments	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Land	384,039	8,600	-0-	-0-	-0-	-0-	-0-
Property and equipment, net	696,915	-0-	-0-	-0-	-0-	-0-	-0-
Total assets	\$ 1,721,683	\$ 8,600	\$ -0-	\$ -0-	\$ 6,307	\$ -0-	\$ 42,672

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FINANCIAL POSITION, CONTINUED
DECEMBER 31, 2003

STATE OF LOUISIANA

	OFFICE OF FAMILY SUPPORT				DEPARTMENT OF EDUCATION			
	Teen Pregnancy I	Teen Pregnancy II	Act 13	Act 14	After School For All I	After School For All II	More In the Middle	Summer Read
ASSETS								
Cash and cash equivalents	\$ -0-	\$ 5,639	\$ -0-	\$ -0-	\$ 819	\$ 30,026	\$ -0-	\$ -0-
Amounts receivable, net	-0-	-0-	-0-	-0-	-0-	39	-0-	-0-
Grants receivable	-0-	-0-	-0-	15,711	-0-	17,349	-0-	-0-
United Way funding	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Due from other programs	-0-	980	-0-	-0-	-0-	-0-	4	15,795
Prepaid and other assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Cash surrender value of life insurance, net	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Investments	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Land	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Property and equipment, net	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total assets	\$ -0-	\$ 6,619	\$ -0-	\$ 15,711	\$ 819	\$ 47,414	\$ 4	\$ 15,795

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FINANCIAL POSITION, CONTINUED
DECEMBER 31, 2003

ASSETS	STATE OF LOUISIANA						Totals (Memorandum Only)					
	OFFICE OF FAMILY SUPPORT		DEPARTMENT OF EDUCATION		DEPARTMENT OF EDUCATION							
	Louisiana Stadium and Exposition District	Governor's Office of Urban Affairs and Development	School of Commerce	School of Commerce	Food Service	Community Based	James M. Singleton Charter School	Temporary Assistance for Needy Families	Restoration	Restoration/ Temporarily Restricted	Endowment	
Cash and cash equivalents	\$ 21,091	\$ 95,525	\$ 55,777	\$ 21,871	\$ -0-	\$ -0-	\$ 484,586	\$ -0-	\$ -0-	\$ 1,048,642	\$ -0-	\$ 1,947,954
Amounts receivable, net	-0-	-0-	-0-	-0-	-0-	-0-	349	-0-	-0-	192,500	-0-	221,965
Grants receivable	-0-	31,376	22,320	5,093	3,111	-0-	-0-	-0-	88,027	-0-	-0-	228,889
United Way funding	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	211,173	-0-	211,173
Due from other programs	39,643	148	161,115	-0-	557	55,607	6,084	-0-	-0-	-0-	-0-	613,700
Prepaid and other assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	575	-0-	61,963
Cash surrender value of life insurance, net	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	35,596
Investments	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	6,084	6,084
Land	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	392,639
Property and equipment, net	94,495	-0-	-0-	-0-	-0-	-0-	178,833	-0-	993,774	-0-	-0-	1,964,017
Total assets	\$ 155,229	\$ 127,049	\$ 239,212	\$ 26,964	\$ 3,668	\$ 55,607	\$ 669,852	\$ 1,081,801	\$ 1,452,890	\$ 6,084	\$ 5,683,980	

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FINANCIAL POSITION, CONTINUED
DECEMBER 31, 2003

	CITY OF NEW ORLEANS						
	Division of Housing and Neighborhood Development						
	COMMUNITY DEVELOPMENT BLOCK GRANT						
	General	Building Rental	YMCA Bingo	YMCA Renovation	Philip Street Renovation	Drug Abuse and Abatement	Youth Intervention
LIABILITIES AND NET ASSETS							
Liabilities:							
Bank overdraft	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Accounts payable and other liabilities	371,018	-0-	-0-	-0-	6,307	-0-	-0-
Salaries and taxes payables	42,939	-0-	-0-	-0-	-0-	-0-	-0-
Accrued interest payable	17,659	-0-	-0-	-0-	-0-	-0-	-0-
Accounts payable - OPSB	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Due to other programs	129,125	-0-	-0-	-0-	-0-	-0-	42,672
Note payable	8,863	-0-	-0-	-0-	-0-	-0-	-0-
Due to National YMCA	496	-0-	-0-	-0-	-0-	-0-	-0-
Total liabilities	570,100	-0-	-0-	-0-	6,307	-0-	42,672
Net assets	1,151,583	8,600	-0-	-0-	-0-	-0-	-0-
Total liabilities and net assets	\$ 1,721,683	\$ 8,600	\$ -0-	\$ -0-	\$ 6,307	\$ -0-	\$ 42,672

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FINANCIAL POSITION, CONTINUED
DECEMBER 31, 2003

STATE OF LOUISIANA

	OFFICE OF FAMILY SUPPORT				DEPARTMENT OF EDUCATION			
	Teen Pregnancy I	Teen Pregnancy II	Act 13	Act 14	After School For All I	After School For All II	More In the Middle	Summer Read
LIABILITIES AND NET ASSETS								
Liabilities:								
Bank overdraft	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 4	\$ -0-
Accounts payable and other liabilities	-0-	5,000	-0-	2,000	-0-	12,250	-0-	-0-
Salaries and taxes payable	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Accrued interest payable	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Accounts payable - OPSB	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Due to other programs	-0-	1,619	-0-	13,711	92	13,744	-0-	-0-
Note payable	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Due to National YMCA	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total liabilities	-0-	6,619	-0-	15,711	92	25,994	4	-0-
Net assets	-0-	-0-	-0-	-0-	727	21,420	-0-	15,795
Total liabilities and net assets	\$ -0-	\$ 6,619	\$ -0-	\$ 15,711	\$ 819	\$ 47,414	\$ 4	\$ 15,795

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FINANCIAL POSITION, CONTINUED
DECEMBER 31, 2003

	STATE OF LOUISIANA										Totals (Memorandum Only)	
	OFFICE OF FAMILY SUPPORT			DEPARTMENT OF EDUCATION		DEPARTMENT OF EDUCATION		DEPARTMENT OF EDUCATION		DEPARTMENT OF EDUCATION		
	Louisiana Stadium and Exposition District	Governor's Office of Urban Affairs and Development	School of Commerce	Food Service	Community Based	James M. Singleton Charter School	Temporary Assistance for Needy Families	Restoration	Restoration/ Temporarily Restricted	Endowment		
LIABILITIES AND NET ASSETS												
Liabilities:												
Bank overdraft	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 372	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 376
Accounts payable and other liabilities	-0-	1,953	-0-	-0-	-0-	2,434	-0-	88,027	4,740	-0-	-0-	493,729
Salaries and taxes payable	-0-	-0-	-0-	-0-	-0-	83,924	-0-	-0-	-0-	-0-	-0-	126,863
Accrued interest payable	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	17,659
Accounts payable - OPSB	-0-	-0-	-0-	-0-	-0-	56,579	-0-	-0-	-0-	-0-	-0-	56,579
Due to other programs	60,487	125,096	-0-	10,096	3,296	31,347	-0-	-0-	182,415	-0-	-0-	613,700
Note payable	-0-	-0-	-0-	-0-	-0-	54,124	-0-	-0-	-0-	-0-	-0-	62,987
Due to National YMCA	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	496
Total liabilities	60,487	127,049	-0-	10,096	3,668	228,408	-0-	88,027	187,155	-0-	-0-	1,372,389
Net assets	94,742	-0-	239,212	16,868	-0-	441,444	55,607	993,774	1,265,735	6,084	-0-	4,311,591
Total liabilities and net assets	\$ 155,229	\$ 127,049	\$ 239,212	\$ 26,964	\$ 3,668	\$ 669,852	\$ 55,607	\$ 1,081,801	\$ 1,452,890	\$ 6,084	\$ -0-	\$ 5,683,980

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2003

	-----CITY OF NEW ORLEANS----- Division of Housing and Neighborhood Development							
	COMMUNITY DEVELOPMENT BLOCK GRANT							
	General	Building Rental	YMCA Bingo	YMCA Renovation	Philip Street Renovation	Drug Abuse and Abatement	Youth Intervention	
Support:								
United Way Funding-next period	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Grants-City of New Orleans	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Grants-Federal pass-through City of New Orleans	-0-	-0-	-0-	-0-	-0-	-0-	41,373	-0-
Orleans Parish School Board	25,029	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Grants-State of Louisiana	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Grants-Federal pass-through State of Louisiana	121,232	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Grants-Other	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
In-kind	-0-	-0-	-0-	-0-	96,000	-0-	476,053	-0-
Net assets released for restrictions:								
United Way	132,164	-0-	-0-	-0-	-0-	-0-	-0-	-0-
United Way CFC	7,835	-0-	-0-	-0-	-0-	-0-	-0-	-0-
United Way Designation	7,231	-0-	-0-	-0-	-0-	-0-	-0-	-0-
United Way Funding-current (expiration of time restriction)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Restrictions satisfied by payments/ disbursements	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total support	293,491	-0-	-0-	-0-	96,000	-0-	517,426	-0-

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

	CITY OF NEW ORLEANS						
	Division of Housing and Neighborhood Development						
	COMMUNITY DEVELOPMENT						
	BLOCK GRANT						
	General	Building Rental	YMCA Bingo	YMCA Renovation	Philip Street Renovation	Drug Abuse and Abatement	Youth Intervention
Revenues:							
Membership dues	\$ 50	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Program income and fees	26,490	-0-	-0-	-0-	-0-	-0-	-0-
Interest income	26	-0-	-0-	-0-	-0-	-0-	-0-
Rental income	173,760	-0-	-0-	-0-	-0-	-0-	-0-
Contributions and donations	1,701	-0-	-0-	-0-	-0-	-0-	-0-
Support from other programs	134,066	-0-	-0-	-0-	6,213	-0-	367
Other	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total revenues	336,093	-0-	-0-	-0-	6,213	-0-	367
Total support and revenues	629,584	-0-	-0-	-0-	102,213	-0-	517,793
Expenses:							
Program services	327,727	-0-	-0-	6	97,051	-0-	517,793
Management and general	264,303	-0-	-0-	-0-	-0-	-0-	-0-
Total expenses	592,030	-0-	-0-	6	97,051	-0-	517,793
Changes in net assets	37,554	-0-	-0-	(6)	5,162	-0-	-0-
Net assets, beginning of year	1,114,029	8,600	-0-	6	(5,162)	-0-	-0-
Net assets, end of year	\$ 1,151,583	\$ 8,600	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

-----STATE OF LOUISIANA-----

	OFFICE OF FAMILY SUPPORT				DEPARTMENT OF EDUCATION			
	Teen Pregnancy I	Teen Pregnancy II	Act 13	Act 14	After School For All I	After School For All II	More In the Middle	Summer Read
Support:								
United Way Funding-next period	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Grants-City of New Orleans	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Grants-Federal pass-through City of New Orleans	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Orleans Parish School Board	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Grants-State of Louisiana	-0-	-0-	48,422	40,519	-0-	-0-	-0-	-0-
Grants-Federal pass-through State of Louisiana	-0-	362,334	-0-	-0-	395,396	67,082	86,255	-0-
In-kind	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Net assets released for restrictions:								
United Way	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
United Way CFC	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
United Way Designation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
United Way Funding-current (expiration of time restriction)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Restrictions satisfied by payments/ disbursements	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total support	-0-	362,334	48,422	40,519	395,396	67,082	86,255	-0-

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

STATE OF LOUISIANA

	OFFICE OF FAMILY SUPPORT							DEPARTMENT OF EDUCATION			
	Teen Pregnancy I	Teen Pregnancy II	Act 13	Act 14	After School For All I	After School For All II	More In the Middle	Summer Read			
Revenues:											
Membership dues	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-			
Program income and fees	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-			
Interest income	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-			
Rental income	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-			
Contributions and donations	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-			
Support from other programs	-0-	980	-0-	-0-	-0-	-0-	158	-0-			
Other	-0-	530	-0-	-0-	529	-0-	-0-	-0-			
Total revenues	-0-	1,510	-0-	-0-	529	-0-	158	-0-			
Total support and revenues	-0-	363,844	48,422	40,519	395,925	67,082	86,413	-0-			
Expenses:											
Program services	-0-	363,778	48,422	40,519	421,422	45,662	93,682	-0-			
Management and general	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-			
Total expenses	-0-	363,778	48,422	40,519	421,422	45,662	93,682	-0-			
Changes in net assets	-0-	66	-0-	-0-	(25,497)	21,420	(7,269)	-0-			
Net assets, beginning of year	-0-	(66)	-0-	-0-	26,224	-0-	7,269	15,795			
Net assets, end of year	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 727	\$ 21,420	\$ -0-	\$ 15,795			

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

	STATE OF LOUISIANA										Totals (Memorandum Only)	
	OFFICE OF FAMILY SUPPORT		DEPARTMENT OF EDUCATION		DEPARTMENT OF EDUCATION		DEPARTMENT OF EDUCATION		DEPARTMENT OF EDUCATION			
	Louisiana Stadium and Exposition District	Governor's Office of Urban Affairs and Development	School of Commerce	Food Service	Community Based	James M. Singleton Charter School	Temporary Assistance for Needy Families	Restoration	Restoration Temporarily Restricted	Endowment		
Support:	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
United Way Funding-next period	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	127,270	-0-	-0-	127,270
Grants-City of New Orleans	-0-	-0-	-0-	-0-	-0-	-0-	-0-	25,352	-0-	-0-	25,352	
Grants-Federal pass-through City of New Orleans	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	41,373	
Orleans Parish School Board	-0-	-0-	-0-	-0-	-0-	2,129,011	-0-	-0-	-0-	-0-	2,154,040	
Grants-State of Louisiana	21,058	389,099	-0-	-0-	-0-	-0-	-0-	62,675	-0-	-0-	561,773	
Grants-Federal pass-through State of Louisiana	-0-	-0-	186,000	60,787	8,232	-0-	-0-	-0-	-0-	-0-	1,287,318	
In-kind	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	572,053	
Net assets released for restrictions:												
United Way	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	132,164	
United Way CFC	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	7,835	
United Way Designation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	7,231	
United Way Funding-current (expiration of time restriction)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(147,230)	-0-	(147,230)	
Restrictions satisfied by payments/ disbursements	-0-	-0-	-0-	-0-	-0-	-0-	-0-	240,698	(240,698)	-0-	-0-	
Total support	21,058	389,099	186,000	60,787	8,232	2,129,011	-0-	328,725	(260,658)	-0-	4,769,179	

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

	STATE OF LOUISIANA										Totals (Memorandum Only)
	OFFICE OF FAMILY SUPPORT		DEPARTMENT OF EDUCATION		DEPARTMENT OF EDUCATION		DEPARTMENT OF EDUCATION		DEPARTMENT OF EDUCATION		
	Louisiana Stadium and Exposition District	Governor's Office of Urban Affairs and Development	School of Commerce	Food Service	Community Based	James M. Singleton Charter School	Temporary Assistance for Needy Families	Restoration	Restoration Temporarily Restricted	Endowment	
Revenues:											
Memberships dues	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 50
Program income and fees	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	26,490
Interest income	76	-0-	-0-	-0-	-0-	1,015	-0-	-0-	10,728	37	11,882
Rental income	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	173,760
Contributions and donations	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	50,000	-0-	51,701
Support from other programs	-0-	148	318,943	-0-	1,481	-0-	-0-	-0-	1,500	-0-	463,856
Other	-0-	35	-0-	-0-	-0-	10,830	-0-	-0-	-0-	-0-	11,924
Total revenues	76	183	318,943	-0-	1,481	11,845	-0-	-0-	62,228	37	739,663
Total support and revenues	21,134	389,282	504,943	60,787	9,713	2,140,856	-0-	328,725	(198,430)	37	5,508,842
Expenses:											
Program services	106,682	389,216	317,686	47,526	9,156	1,967,682	-0-	10,073	10	-0-	4,804,093
Management and general	-0-	-0-	-0-	-0-	-0-	161,382	-0-	-0-	-0-	-0-	425,685
Total expenses	106,682	389,216	317,686	47,526	9,156	2,129,064	-0-	10,073	10	-0-	5,229,778
Changes in net assets	(85,548)	66	187,257	13,261	557	11,792	-0-	318,652	(198,440)	37	279,064
Net assets, beginning of year	180,290	(66)	51,955	3,607	(557)	429,652	55,607	675,122	1,464,175	6,047	4,032,527
Net assets, end of year	\$ 94,742	\$ -0-	\$ 239,212	\$ 16,868	\$ -0-	\$ 441,444	\$ 55,607	\$ 993,774	\$ 1,265,735	\$ 6,084	\$ 4,311,591

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2003

	PROGRAM SERVICES						YMCA Bingo
	Midnight Basketball	Youth Development And Outreach	Infant Daycare	Building Rental			
Salaries and wages	\$ -0-	\$ 78,532	\$ 92,607	\$ -0-	\$ -0-	\$ -0-	-0-
Employee benefits and payroll taxes	-0-	21,785	25,866	-0-	-0-	-0-	-0-
Professional fees and contract services	-0-	12,959	4,712	-0-	-0-	-0-	-0-
Supplies	-0-	3,593	1,420	-0-	-0-	-0-	-0-
Instructional material and supplies	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Telephone	-0-	952	434	-0-	-0-	-0-	-0-
Postage and shipping	-0-	415	151	-0-	-0-	-0-	-0-
Professional development	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Utilities	-0-	1,503	4,000	-0-	-0-	-0-	-0-
Occupancy	-0-	16,438	4,305	-0-	-0-	-0-	-0-
Printing	-0-	2,917	1,474	-0-	-0-	-0-	-0-
Equipment rental	-0-	770	1,745	-0-	-0-	-0-	-0-
Repairs and maintenance	-0-	592	284	-0-	-0-	-0-	-0-
Dues and subscriptions	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Conference and conventions	-0-	365	460	-0-	-0-	-0-	-0-
Transportation and travel	-0-	455	24,153	-0-	-0-	-0-	-0-
Page total	-0-	141,276	161,611	-0-	-0-	-0-	-0-

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

	PROGRAM SERVICES						YMCA Bingo
	Midnight Basketball	Youth Development And Outreach	Infant Daycare	Building Rental			
Dues to National YMCA	\$ -0-	\$ 3,019	\$ 2,264	\$ -0-	\$ -0-	\$ -0-	
Insurance	-0-	8,972	5,128	-0-	-0-	-0-	
Other expenses	-0-	4,749	500	-0-	-0-	-0-	
Capital expenditures	-0-	-0-	-0-	-0-	-0-	-0-	
Food cost	-0-	-0-	-0-	-0-	-0-	-0-	
Advertisement	-0-	8	200	-0-	-0-	-0-	
Student activities	-0-	-0-	-0-	-0-	-0-	-0-	
Support in-kind	-0-	-0-	-0-	-0-	-0-	-0-	
Interest expense	-0-	-0-	-0-	-0-	-0-	-0-	
Support to other programs	-0-	-0-	-0-	-0-	-0-	-0-	
Total expenses before depreciation and amortization	-0-	158,024	169,703	-0-	-0-	-0-	
Depreciation and amortization	-0-	-0-	-0-	-0-	-0-	-0-	
Total	\$ -0-	\$ 158,024	\$ 169,703	\$ -0-	\$ -0-	\$ -0-	

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

	PROGRAM SERVICES				
	CITY OF NEW ORLEANS				
	Division of Housing and Neighborhood Development				
	COMMUNITY DEVELOPMENT				
	BLOCK GRANT		Drug Abuse and Abatement	Youth Intervention	
	YMCA Renovation	Philip St. Renovation			
\$	\$	\$	\$	\$	\$
Salaries and wages	-0-	-0-	-0-	-0-	30,307
Employee benefits and payroll taxes	-0-	-0-	-0-	-0-	6,189
Professional fees and contract services	-0-	-0-	-0-	-0-	-0-
Supplies	-0-	-0-	-0-	-0-	1,577
Instructional material and supplies	-0-	-0-	-0-	-0-	-0-
Telephone	-0-	-0-	-0-	-0-	2,400
Postage and shipping	-0-	-0-	-0-	-0-	-0-
Professional development	-0-	-0-	-0-	-0-	-0-
Utilities	-0-	-0-	-0-	-0-	-0-
Occupancy	-0-	-0-	-0-	-0-	-0-
Printing	-0-	-0-	-0-	-0-	-0-
Equipment rental	-0-	-0-	-0-	-0-	-0-
Repairs and maintenance	-0-	-0-	-0-	-0-	-0-
Dues and subscriptions	-0-	-0-	-0-	-0-	-0-
Conference and conventions	-0-	-0-	-0-	-0-	-0-
Transportation and travel	-0-	-0-	-0-	-0-	-0-
Page total	-0-	-0-	-0-	-0-	40,473

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

	PROGRAM SERVICES			
	CITY OF NEW ORLEANS			
	Division of Housing and Neighborhood Development			
	COMMUNITY DEVELOPMENT			
	BLOCK GRANT			
	YMCA	Philip St.	Drug Abuse	Youth
	Renovation	Renovation	Abatement	Intervention
Dues to National YMCA	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Insurance	-0-	-0-	-0-	792
Other expenses	6	-0-	-0-	475
Capital expenditures	-0-	-0-	-0-	-0-
Food cost	-0-	-0-	-0-	-0-
Advertisement	-0-	-0-	-0-	-0-
Student activities	-0-	-0-	-0-	-0-
Support in-kind	-0-	96,000	-0-	476,053
Interest expense	-0-	-0-	-0-	-0-
Support to other programs	-0-	1,051	-0-	-0-
	6	97,051	-0-	517,793
Total expenses before depreciation and amortization				
Depreciation and amortization	-0-	-0-	-0-	-0-
Total	\$ 6	\$ 97,051	\$ -0-	\$ 517,793

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

-----PROGRAM SERVICES-----
-----STATE OF LOUISIANA-----

	OFFICE OF FAMILY SUPPORT			DEPARTMENT OF EDUCATION						
	Teen Pregnancy I	Teen Pregnancy II	Act 13	Act 13	After School For All I	After School For All II	More In the Middle	Summer Read		
Salaries and wages	\$ -0-	\$ 52,376	\$ -0-	\$ -0-	\$ 68,155	\$ 14,522	\$ 8,972	\$ -0-		
Employee benefits and payroll taxes	-0-	8,602	-0-	-0-	10,102	4,209	-0-	-0-		
Professional fees and contract services	-0-	184,868	7,222	2,000	212,108	24,227	63,675	-0-		
Supplies	-0-	9,836	-0-	-0-	2,480	-0-	3,770	-0-		
Instructional material and supplies	-0-	33,452	-0-	-0-	52,966	986	7,174	-0-		
Telephone	-0-	410	-0-	-0-	-0-	-0-	-0-	-0-		
Postage and shipping	-0-	228	-0-	-0-	866	64	200	-0-		
Professional development	-0-	-0-	-0-	-0-	600	-0-	-0-	-0-		
Utilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-		
Occupancy	-0-	-0-	30,000	30,000	-0-	-0-	-0-	-0-		
Printing	-0-	6,323	-0-	-0-	5,171	361	1,915	-0-		
Equipment rental	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-		
Repairs and maintenance	-0-	-0-	-0-	-0-	4,806	-0-	-0-	-0-		
Dues and subscriptions	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-		
Conference and conventions	-0-	37,485	-0-	-0-	-0-	-0-	-0-	-0-		
Transportation and travel	-0-	12,357	-0-	-0-	17,161	-0-	2,270	-0-		
Page total	-0-	345,937	37,222	32,000	374,415	44,369	87,976	-0-		

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

-----PROGRAM SERVICES-----
-----STATE OF LOUISIANA-----

	OFFICE OF FAMILY SUPPORT							DEPARTMENT OF EDUCATION							
	Teen Pregnancy I	Teen Pregnancy II	Act 13	Act 14	After School For All I	After School For All II	More In the Middle	Summer Read							
Dues to National YMCA	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-			
Insurance	-0-	5,025	-0-	-0-	9,684	-0-	-0-	1,633	-0-	-0-	1,633	-0-			
Other expenses	-0-	6,022	-0-	-0-	1,530	1,293	-0-	1,073	-0-	-0-	1,073	-0-			
Capital expenditures	-0-	1,403	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-			
Food cost	-0-	2,300	-0-	-0-	9,406	-0-	-0-	-0-	-0-	-0-	-0-	-0-			
Advertisement	-0-	-0-	11,200	8,519	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-			
Student activities	-0-	3,091	-0-	-0-	26,387	-0-	-0-	3,000	-0-	-0-	3,000	-0-			
Support in-kind	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-			
Interest expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-			
Support to other programs	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-			
Total expenses before depreciation and amortization	-0-	363,778	48,422	40,519	421,422	45,662	93,682								
Depreciation and amortization	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-			
Total	\$ -0-	\$ 363,778	\$ 48,422	\$ 40,519	\$ 421,422	\$ 45,662	\$ 93,682	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-			

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

	PROGRAM SERVICES STATE OF LOUISIANA										Totals (Memorandum Only)
	Louisiana Stadium and Exposition District	Governor's Office of Urban Affairs and Development	OFFICE OF FAMILY SUPPORT		DEPARTMENT OF EDUCATION		James M. Singleton Charter School	DEPARTMENT OF EDUCATION		Restoration Temporarily Restricted	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Salaries and wages	12,404	78,773	34,074	13,263	-0-	891,596	-0-	-0-	-0-	-0-	1,375,581
Employee benefits and payroll taxes	2,776	23,309	6,406	6,098	-0-	241,162	-0-	-0-	-0-	-0-	356,504
Professional fees and contract services	-0-	2,791	81,974	590	7,702	152,274	1,410	-0-	-0-	-0-	758,512
Supplies	-0-	530	13,538	638	1,348	23,013	165	-0-	-0-	-0-	61,908
Instructional material and supplies	6,084	-0-	9,740	-0-	-0-	62,306	-0-	-0-	-0-	-0-	172,708
Telephone	-0-	-0-	3,404	-0-	-0-	14,897	-0-	-0-	-0-	-0-	22,497
Postage and shipping	-0-	30	76	37	-0-	1,137	253	-0-	-0-	-0-	3,457
Professional development	-0-	4,192	-0-	-0-	-0-	34,462	-0-	-0-	-0-	-0-	39,254
Utilities	-0-	-0-	3,870	-0-	-0-	43,395	-0-	-0-	-0-	-0-	52,768
Occupancy	-0-	6,000	10,300	-0-	-0-	173,760	-0-	-0-	-0-	-0-	270,803
Printing	-0-	-0-	337	-0-	-0-	5,111	1,099	-0-	-0-	-0-	24,708
Equipment rental	-0-	-0-	-0-	-0-	-0-	347	-0-	-0-	-0-	-0-	2,862
Repairs and maintenance	-0-	-0-	-0-	-0-	-0-	65,858	-0-	-0-	-0-	-0-	71,540
Dues and subscriptions	-0-	-0-	1,100	-0-	-0-	664	-0-	-0-	-0-	-0-	1,764
Conference and conventions	-0-	-0-	6,688	200	-0-	-0-	6,748	-0-	-0-	-0-	51,946
Transportation and travel	-0-	340	42	-0-	-0-	3,500	-0-	-0-	-0-	-0-	60,278
Page total	21,264	115,965	171,549	20,826	9,050	1,713,482	9,675	-0-	-0-	-0-	3,327,090

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

	PROGRAM SERVICES STATE OF LOUISIANA										Totals (Memorandum Only)	
	OFFICE OF FAMILY SUPPORT		OFFICE OF EDUCATION		OFFICE OF EDUCATION		OFFICE OF EDUCATION		OFFICE OF EDUCATION			
	Louisiana Stadium and Exposition District	Governor's Office of Urban Affairs and Development	School of Commerce	School of Commerce	Food Service	Community Based	James M. Singleton Charter School	Temporary Assistance for Needy Families	Restoration	Restoration Temporarily Restricted		Endowment
Dues to National YMCA	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 5,283
Insurance	-0-	1,709	4,809	-0-	-0-	-0-	43,699	-0-	-0-	-0-	-0-	81,451
Other expenses	78	172	1,878	106	60	38,555	28,787	398	10	-0-	-0-	56,905
Capital expenditures	-0-	-0-	-0-	-0-	-0-	-0-	17,804	-0-	-0-	-0-	-0-	31,190
Food cost	-0-	-0-	-0-	-0-	26,640	-0-	11,358	-0-	-0-	-0-	-0-	56,150
Advertisement	-0-	6,830	6,450	-0-	-0-	41,871	-0-	-0-	-0-	-0-	-0-	44,565
Student activities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	74,349
Support in-kind	-0-	-0-	-0-	-0-	-0-	-0-	10,068	-0-	-0-	-0-	-0-	572,053
Interest expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	10,068
Support to other programs	54,419	264,540	133,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	453,010
	<u>75,761</u>	<u>389,216</u>	<u>317,686</u>	<u>9,156</u>	<u>47,526</u>	<u>1,906,624</u>	<u>61,058</u>	<u>10,073</u>	<u>10</u>	<u>-0-</u>	<u>-0-</u>	<u>4,712,114</u>
Total expenses before depreciation and amortization	30,921	-0-	-0-	-0-	-0-	1,967,682	-0-	-0-	-0-	-0-	-0-	91,979
Depreciation and amortization												
Total	\$ 106,682	\$ 389,216	\$ 317,686	\$ 9,156	\$ 47,526	\$ 1,967,682	\$ -0-	\$ 10,073	\$ 10	\$ -0-	\$ -0-	\$ 4,804,093

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

-----MANAGEMENT AND GENERAL-----

	General	James M. Singleton Charter School	Totals (Memorandum Only)
Salaries and wages	\$ 73,661	\$ 129,330	\$ 202,991
Employee benefits and payroll taxes	33,264	32,052	65,316
Professional fees and contract services	22,976	-0-	22,976
Supplies	2,486	-0-	2,486
Telephone	7,156	-0-	7,156
Insurance	5,132	-0-	5,132
Postage and shipping	1,669	-0-	1,669
Utilities	2,556	-0-	2,556
Occupancy	13,188	-0-	13,188
Printing	1,046	-0-	1,046
Equipment rental	2,231	-0-	2,231
Repairs and maintenance	1,034	-0-	1,034
Conference and conventions	15,837	-0-	15,837
Transportation and travel	157	-0-	157
Dues to National YMCA	6,846	-0-	6,846
Other expenses	8,696	-0-	8,696
Interest expense	7,267	-0-	7,267
Advertisement	1,839	-0-	1,839
Support to other programs	10,846	-0-	10,846
Loss on disposal	5,378	-0-	5,378
Total expenses before depreciation and amortization	223,265	161,382	384,647
Depreciation and amortization	41,038	-0-	41,038
Total	\$ 264,303	\$ 161,382	\$ 425,685

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, 2003

	Youth Development & Outreach	Infant Day Care Food Service	Dynasty Place/Drug Abuse & Abatement	School Commerce	Charter School	Totals (Memorandum Only)
PROGRAM SUPPORT						
Interest income	\$ -0-	\$ -0-	\$ -0-	\$ 76	\$ 1,015	\$ 1,091
In-kind support	-0-	-0-	476,053	-0-	-0-	476,053
Fees and grants-government	1,397,339	182,019	41,373	207,058	-0-	1,827,789
Grants - OPSB	25,029	-0-	-0-	-0-	2,129,011	2,154,040
Total direct program support	1,422,368	182,019	517,426	207,134	2,130,026	4,458,973
Support service revenue	67,863	27,762	24,677	33,931	154,234	308,467
Total program support	1,490,231	209,781	542,103	241,065	2,284,260	4,767,440
Self-Generating Support						
Membership dues	-0-	50	-0-	-0-	-0-	50
Contribution & donations	-0-	-0-	-0-	-0-	-0-	-0-
Program income & fees	-0-	26,490	-0-	-0-	-0-	26,490
Other	3,861	1,086	367	318,943	10,830	335,087
Total generating support	3,861	27,626	367	318,943	10,830	361,627
United Way Grant	97,254	34,910	-0-	-0-	-0-	132,164
United Way designation	1,591	651	578	795	3,616	7,231
United Way CFC	1,724	705	627	862	3,917	7,835
Total United Way	100,569	36,266	1,205	1,657	7,533	147,230
Total Revenues	1,594,661	273,673	543,675	561,665	2,302,623	5,276,297

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF REVENUE AND EXPENSES BY PROGRAM, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

	Youth Development & Outreach	Infant Day Care Food Service	Dynasty Place/Drug Abuse & Abatement	School Commerce	Charter School	Totals (Memorandum Only)
OPERATING EXPENSES						
Salaries and wages	\$ 301,330	\$ 105,870	\$ 30,307	\$ 46,478	\$ 1,020,926	\$ 1,504,911
Employee benefits and payroll taxes	68,007	31,964	6,189	9,182	273,214	388,556
Total compensation expenses	369,337	137,834	36,496	55,660	1,294,140	1,893,467
Professional fees	512,941	5,302	-0-	86,585	152,274	757,102
Supplies	116,135	2,058	1,577	29,362	85,319	234,451
Telephone	1,362	434	2,400	3,404	14,897	22,497
Postage and shipping	1,803	188	-0-	76	1,137	3,204
Occupancy	80,964	13,433	792	48,979	260,854	405,022
Equipment rental	770	1,745	-0-	-0-	347	2,862
Repairs and maintenance	5,398	284	-0-	-0-	65,858	71,540
Printing	16,687	1,474	-0-	337	5,111	23,609
Transportation/travel/student activities	65,061	24,153	-0-	42	45,371	134,627
Conferences and conventions	37,850	660	-0-	6,688	-0-	45,198
Other expenses	279,491	560	475	189,375	38,555	508,456
National dues	3,019	2,264	-0-	-0-	-0-	5,283
Support in-kind	-0-	-0-	476,053	-0-	-0-	476,053
Food cost	11,706	26,640	-0-	-0-	17,804	56,150
Advertisement	16,697	200	-0-	16,310	11,358	44,565
Dues & subscription	-0-	-0-	-0-	1,100	664	1,764
Capital expenditures	1,403	-0-	-0-	-0-	29,787	31,190
Page total	1,520,624	217,229	517,793	437,918	2,023,476	4,717,040

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF REVENUE AND EXPENSES BY PROGRAM, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

	Youth Development & Outreach	Infant Day Care/ Food Service	Dynasty Place/Drug Abuse & Abatement	School of Commerce	James M. Singleton Charter School	Totals (Memorandum Only)
Professional development	\$ 4,792	\$ -0-	\$ -0-	\$ -0-	\$ 34,462	\$ 39,254
Interest expense	-0-	-0-	-0-	-0-	10,068	10,068
Direct program expenses	1,525,416	217,229	517,793	437,918	2,068,006	4,766,362
Support services expenses	58,147	23,787	21,144	29,073	132,152	264,303
Total expenses	1,583,563	241,016	538,937	466,991	2,200,158	5,030,665
Excess revenues (expenses)	\$ 11,098	\$ 32,657	\$ 4,738	\$ 94,674	\$ 102,465	\$ 245,632
Number of persons served	1,761	176	201	132	370	2,640
Unit cost per person	\$ 899	\$ 1,369	\$ 2,681	\$ 3,538	\$ 5,946	\$ 1,906
Depreciation and amortization	\$ -0-	\$ -0-	\$ -0-	\$ 30,921	\$ 61,058	\$ 91,979

See Independent Auditors' Report on Supplementary Information.

SCHEDULE V

Page 1 of 3

**DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2003**

<u>Program Grantor/Title</u>	<u>CFDA Number</u>	<u>Grantor Number</u>	<u>Federal Expenditures</u>
PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass Through as Subgrantee of the State of Louisiana Department of Education			
More in the Middle	93.558	CFMS 590391	\$ 86,255
After School for All I	93.558	CFMS 590165	395,396
After School for All II	93.558	CFMS 603381	67,082
Community Based	93.558	CFMS 599437/589192	<u>8,232</u>
Sub-total			<u>556,965</u>
Pass Through Subgrantee of the State of Louisiana Department of Social Services			
School of Commerce (Project Independence)	93.558	CFMS 583858	186,000
Temporary Assistance for Needy Families			
Teen Pregnancy II	93.558	CFMS 588866	<u>362,334</u>
Sub-total			<u>548,334</u>

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

<u>Program Grantor/Title</u>	<u>CFDA Number</u>	<u>Grantor Number</u>	<u>Federal Expenditures</u>
PROGRAM FUNDED BY THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, CONTINUED			
Pass Through as Subgrantee of the State of Louisiana Department of Social Services, Continued Child and Adult Care Program (Project Independence)	93.596	010002557	<u>121,232</u>
Sub-total			<u>121,232</u>
PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF AGRICULTURE			
Food Service	10.558	N/A	\$ <u>60,787</u>
Sub-total			<u>60,787</u>

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

<u>Program Grantor/Title</u>	<u>CFDA Number</u>	<u>Grantor Number</u>	<u>Federal Expenditures</u>
PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Pass Through CDBG Funds as Subgrantee of the City of New Orleans: Youth Intervention	14.218	CD#50-081	\$ <u>41,373</u>
Sub-total			<u>41,373</u>
Total All Programs			<u>\$1,328,691</u>

NOTE: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes all Federal activity of the Association and is presented on a modified accrual basis of accounting. The information on this schedule is presented in accordance with other requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-profit Organizations."

See Independent Auditors' Report on Supplementary Information.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF BENEFICIARY STATISTICS
FOR THE YEAR ENDED DECEMBER 31, 2003
(UNAUDITED)

Program Service

Number of Persons Served

Youth Development and Outreach	1,761
Infant Day Care/Food Service	176
Dynasty Alternative Youth Intervention Program	201
School of Commerce	132
Special Events	2,600
Charter School	370

(1) Youth Development and Outreach

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, Supplemental Education Services, etc.

(2) 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, 2003
(UNAUDITED)

(3) **Dynasty Alternative Youth Intervention Program**

The number of persons served represents the total number of participants present for services provided which include daily classroom instruction, counseling services, conflict resolution, workshops and seminars, etc.

(4) **School of Commerce**

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

(5) **Special Events**

The number of persons served represents the total number of participants present at any particular event(s) held by **the Association** during the year, such as, the Holiday Food Program and Toy Giveaway.

(6) **Charter School**

The number of persons served represents the total number of participants in attendance at events which include activities such as breakfast, lunch and daily instructional activities such as mathematics, science, social studies, language arts and art.

See Independent Auditors' Report on Supplementary Information.

EXHIBIT II

UNAUDITED

AGENCY: DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
FUNCTIONAL BUDGET SPREADSHEETS 2002-2003

FORM 3
10/1/2001

FUNCTIONAL BUDGET SPREADSHEET 2002-2003	AGENCY TOTAL (SUM 2 + 3)	SUPPORTING SERVICES MGMT & GNL	TOTAL PROGRAM SERVICES	PROGRAM SERVICES				
				YOUTH DEVELOPMENT	CHILDCARE	DYNASTY YTH.INTERV.	SCHOOL OF COMM.	JMS CHARTER
	1	2	3	4	5	6	7	8
REVENUE:								
1 4200 BOARD GENERATED SELF SUPPORT	\$ 7,600	\$ 7,600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2 4201 CLIENT GENERATED SELF SUPPORT	2,308,067	79,050	2,229,017	23,531	10,304	0	181,002	2,014,180
3 5000 GOVERNMENT GRANTS/CONTRACTS	1,601,900	0	1,601,900	1,131,399	231,200	38,310	200,991	0
4 6700 OTHER REVENUE	403,346	285,011	118,335	1,375	0	110,797	0	6,163
5 TOTAL SELF GENERATED REVENUE	4,320,914	371,662	3,949,252	1,156,305	241,504	149,107	381,993	2,020,343
6 4702 UNITED WAY DESIGNATIONS	9,457	9,457	0	0	0	0	0	0
7 4703 CFC DESIGNATIONS	7,901	7,901	0	0	0	0	0	0
8 4704 OTHER UNITED WAY ALLOCATIONS	0	0	0	0	0	0	0	0
9 TOTAL REVENUE	4,338,272	389,020	3,949,252	1,156,305	241,504	149,107	381,993	2,020,343
10 4701 UNITED WAY ALLOCATION - G.N.O.A.	137,793	0	137,793	99,255	38,538	0	0	0
11 GRAND TOTAL REVENUE	\$ 4,476,065	\$ 389,020	\$ 4,087,045	\$ 1,255,560	\$ 280,042	\$ 149,107	\$ 381,993	\$ 2,020,343
EXPENSES:								
12 7300 COMPENSATION EXPENSES	\$ 1,855,239	\$ 162,874	\$ 1,692,365	\$ 249,162	\$ 143,720	\$ 29,471	\$ 82,902	\$ 1,187,110
13 8400 OCCUPANCY EXPENSES	486,395	26,190	460,205	66,156	49,791	647	46,419	297,192
14 8700 TRAVEL & TRANSPORTATION EXP.	181,755	7,640	174,115	93,712	27,915	0	6,293	46,195
15 8900 SPECIFIC ASSISTANCE	0	0	0	0	0	0	0	0
16 9402 BOARD GENERATED SELF SUPPORT	0	0	0	0	0	0	0	0
17 9400 OTHER DIRECT PROGRAM/SUPPORT	1,720,875	209,011	1,511,864	802,795	56,143	120,555	204,989	327,382
18 TOTAL EXPENSES	\$ 4,244,263	\$ 405,714	\$ 3,838,549	\$ 1,211,825	\$ 277,569	\$ 150,673	\$ 340,603	\$ 1,857,879
19 NET DIFFERENCE	\$ 231,802	\$ (16,694)	\$ 248,496	\$ 43,735	\$ 2,473	\$ (1,566)	\$ 41,390	\$ 162,464
20 9500 DEPRECIATION	\$ 201,765	\$ 114,817	\$ 86,948	\$ 0	\$ 0	\$ 0	\$ 34,079	\$ 52,869

EXPENSES ANALYSIS:

21	Total Direct Program Expenses	\$ 1,211,825	277,569	150,673	340,603	1,857,879
22	Percent of Total Program Expenses	31.57%	7.23%	3.93%	8.87%	48.40%
23	Distribution of M & G Expenses	\$ 128,083	29,338	15,925	36,000	196,368
24	Grand Total Program Expenses	\$ 1,339,908	306,907	166,598	376,603	2,054,247
25	Projected Unduplicated People Served	1,457	124	237	135	332
26	Cost per Person	\$ 919.64	2475.05	702.95	2789.65	6187.49

Note: Distribution of M&G expenses are calculated for all programs based on the total of each program service expenses divided by the total agency's expenses.
See Independent's Auditors' Report on Supplementary Information.



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

To the Board of Directors
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, 2003, and have issued our report thereon dated June 17, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

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 instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Summary Schedule of Findings and Questioned Costs as item 2003-01 and 2003-03.

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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect **the Association's** ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying Summary Schedule of Findings and Questioned Costs as items 2003-02 and 2003-04.

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 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable conditions described above are not material weaknesses.

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)

This report is intended solely for the information and use of the Board of Directors, management, the Legislative Auditor, State of Louisiana, the United Way, federal and state, regulatory agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 17, 2004



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**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 the **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, 2003. **The Association's** major federal programs are identified in the Summary of Auditors' Results section of the accompanying Summary Schedule of Findings and Questions Costs. 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we

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)

plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements previously referred to 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.

In our opinion **the Association's** 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, 2003. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Summary Schedule of Findings and Questioned Costs as item 2003-05.

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** 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.

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)

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 noncompliance with applicable requirements of laws, regulations, contracts and grants 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.

This report is intended solely for the information and use of the Board of Directors, the Association's management, the Legislative Auditor, State of Louisiana, the United Way, federal and state regulatory agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 17, 2004

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2003

Section I - Summary of Auditors' Results

Financial Statements

Type of Auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financials statements noted? No

Federal Awards

Internal Control Over Major Programs:

- Material weakness(es) identified? No
- Reportable condition(s) identified that are not considered to be material weakness(es)? None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

Section I - Summary of Auditors' Results, Continued

Federal Awards, Continued

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.558	Temporary Assistance for Needy Families - Teen Pregnancy II
93.558	Temporary Assistance for Needy Families - After School for All I
93.558	More in the Middle
93.558	Temporary Assistance for Needy Families - After School for All II
93.558	Community Based
93.558	School of Commerce - (Project Independence)
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

Section II - Financial Statement Findings and Questioned Costs

Reference Number

2003-01

Criteria

In accordance with Louisiana Revised Statute 17:3991(c)(1)(6)(a), a charter school must employ teachers certified by the state board or the French Ministry of Education for at least seventy-five percent (75%) of the instructional staff employed by the charter school.

In addition, the Louisiana Revised Statute 17:3991(c)(1)(6)(b)(i) in reference to other instructional staff not possessing a regular certificate, states that such individuals should "be authorized under law or state board regulation to teach temporarily while seeking a regular teaching certificate".

Condition

Our review of JMSCMS's (sponsor organization **Dryades Young Men's Christian Association**) compliance with the referenced criteria revealed that only fourteen (14) out of twenty-nine (29) teachers were certified. As such, at December 31, 2003, only forty-eight percent (48%) of JMSCMS's instructional staff are certified by the state board or the French Ministry of Education.

Questioned Costs

NONE.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

Section II - Financial Statement Findings and Questioned Costs, Continued

Reference Number, Continued

2003-01

Effect

Non-compliance with requirements of Louisiana Revised Statute 17:3991(c)(1)(c)(6)(a).

Cause

The availability of certified teachers to the overall teacher population complied with the inability to employ the required percentage of certified instructors.

Recommendation

We recommend that management develop a marketing strategy to increase its current employment and retention of certified teachers. We also recommend that management establish procedures to ensure its compliance with the previously referenced statute.

Management's Response

It is management's assertion that based on the report issued by BESE resulting from an evaluation performed of the school's performance standards, JMSCMS is in compliance with the 75% teacher certification requirements.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

Section II - Financial Statement Findings and Questioned Costs, Continued

Reference Number

2003-02

Criteria

Specific reimbursement policy should include but not be limited to a request that original receipts, in addition to the credit card statement, accompany the request for reimbursement; the time frame within which reimbursement should be requested after incurring the expenses; and a copy of any preapproval charges (i.e. conferences, travel, etc.).

Condition

We were unable to verify the validity of credit card purchases as the original supporting documents were unavailable. In addition, we noted no independent verification of receipt of supplies and other purchases via the credit card. Also, the requests for reimbursement was in excess of three (3) to four (4) months for certain reimbursements.

Questioned Costs

NONE.

Effect

Potential exposure to the misappropriation of assets.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

Section II - Financial Statement Findings and Questioned Costs, Continued

Reference Number, Continued

2003-02

Cause

The condition is the result of the lack of a specific policy addressing required supporting documentation needed for reimbursement and the time frame within which reimbursement should be requested.

Recommendation

We recommend that management establish a credit card use and reimbursement policy to include specific language that requires original receipts, and other supporting documentation that addresses the time frame within which reimbursements should be requested after incurring the expense.

Management's Response

Moving forward, **the Association** will establish credit card use and reimbursement policies within sixty (60) days to involve specific language that addresses the time frame within which reimbursements should be requested after incurring the expense.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

Section II - Financial Statement Findings and Questioned Costs, Continued

Reference Number

2003-03

Criteria

Public funds in excess of \$100,000 must be collateralized by the financial institution in which the funds are deposited.

Condition

The Association does not have a system in place to facilitate the timely and adequate monitoring of funds held by financial institutions on behalf of **the Association** that exceed the Federal Depository Insurance Corporation (FDIC) threshold of \$100,000.

Questioned Costs

NONE.

Effect

Uncollateralized deposits in excess of insurance coverage represents a credit risk/potential loss and noncompliance with requirements to collateralize all public funds on deposit in excess of \$100,000.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

Section II - Financial Statement Findings and Questioned Costs, Continued

Reference Number, Continued

2003-03

Cause

Lack of an effective system to ensure collateralization of **the Association's** funds at all times.

Recommendation

We recommend that management assess the above risk and implement the necessary procedures that all public funds are adequately collateralized at all times.

Management's Response

Management acknowledges the lack of an effective system to ensure collateralization of **the Association's** funds at all times. Management will assess the noted risk and implement the necessary procedures to insure that all public funds are adequately collateralized at all times.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

Section II - Financial Statement Findings and Questioned Costs, Continued

Reference Number

2003-04

Criteria

Effective internal control procedures over fixed assets include performing an actual physical count of all movable property owned or in the possession of **the Association** and a reconciliation of the inventory count/schedule to the financial records.

Condition

During our review of the inventory schedules, we noted no evidence that the fixed assets schedules were reconciled to the financial records. We also noted that no such schedule was prepared for the general fund.

Questioned Costs

NONE.

Effect

There is a risk that items reported in the financial statements may no longer exist or an impairment loss may exist without adjustment to the financial records.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

Section II - Financial Statement Findings and Questioned Costs, Continued

Reference Number, Continued

2003-04

Cause

The condition was due in part, to untimely completion of the inventory schedule.

Recommendation

We recommend that management make every effort to undertake annual inventory count and ensure that inventory schedules of all fixed assets are completed on a timely basis and that such reports/schedules are reconciled to the financial records.

Management's Response

The majority of the **Association's** fixed assets include land and buildings. These assets are presented as inventory and are spelled out in detail on the balance sheet. Equipment is identified by program using standard inventory procedures and is performed annually. Management will review and reconcile fixed assets semi-annually so that inventory reports/schedules are reconciled to the financial records.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

Section III - Federal Award Findings and Questioned Costs

Reference Number

2003-05

Federal Program

Temporary Assistance to Needy Families (Teen Pregnancy II) (See Schedule of Expenditures of Federal Awards).

Criteria

Section 1 of the contract with the State of Louisiana Department of Education (DOE) states in part that reimbursement is contingent upon the following:

“monthly reporting as required by the Department of Education through the electronic student tracking system (ASSIST), including as back-up the sign-in sheets for all students for each day they are in attendance. Collection of social security numbers is required for enrollment students to be counted”.

Condition

The Association's July 2, 2003 reimbursement request, revealed the following conditions:

- o Noted total contact hours of 1712 as recorded on submitted sign-in sheets as compared to 2096 contact hours per reimbursement forms prepared by **the Association**;
- o One student reported at two (2) sites on the same day;
- o Noted several individuals listed on the sign in sheets but were not listed on the reimbursement claim form prepared by **the Association**.

Questioned Costs

NONE.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

Section III - Federal Award Findings and Quested Costs, Continued

Reference Number, Continued

2003-05

Effect

Noncompliance with the monthly reporting, document retention, and collection of information aspects of Section 1 of **the Association's** contract with DOE. Additionally, the ability to determine of **the Association** is being properly reimbursed is hindered.

Cause

Limitations of the electronic student tracking system (ASSIST) did not allow for the proper update of student information.

Recommendation

The Association should continue its dialogue with the DOE in an effort to ensure that the ASSIST system is operating in a manner that facilitates the timely and accurate reporting of all required activities.

Management's Response

The Association will continue it's dialogue with the Louisiana Department of Education (DOE) in an effort to ensure that the ASSIST system is operating in a manner that facilitates the timely and accurate reporting of all required activities. Additionally, the Louisiana Department of Education has acknowledged the shortcomings and defects associated with the ASSIST program and plan to discontinue its usage in the ensuing year.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003

Section IV - Status of Prior Years' Findings and Questioned Costs

NONE.

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

EXIT CONFERENCE

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

DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION

Douglas Evans	--	General Director
Cynthia Hubbard	--	Controller

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Paul K. Andoh, Sr., CPA	--	Partner
Latona R. Thomas, CPA	--	Supervisor
Toni Murphy, CPA	--	Senior Accountant
Victor G. Robinson	--	Senior Accountant