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REPORT

PLAQUEMINES' YMCA, INC.

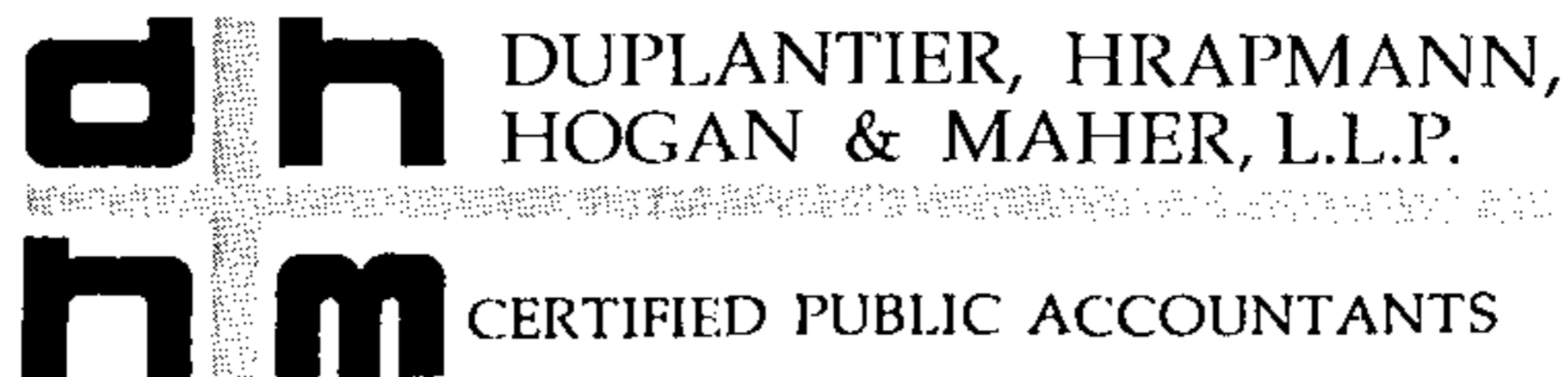
DECEMBER 31, 1999 AND 1998

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Release Date JUL 26 2000

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INDEPENDENT AUDITOR'S REPORT

May 11, 2000

Board of Directors
Plaquemines' YMCA, Inc.
P.O. Box 841
Buras, Louisiana 70041

We have audited the accompanying statements of financial position of the Plaquemines' YMCA, Inc. (a nonprofit organization) as of December 31, 1999 and 1998, and the related statements of activities, functional expenses and cash flows for the years then ended. The financial statements are the responsibility of the YMCA's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 audits provide 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 Plaquemines' YMCA, Inc. as of December 31, 1999 and 1998 and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2000, on our consideration of Plaquemines' YMCA, Inc.'s internal control over financial reporting and our tests of its compliance with laws and regulations.

DuPlantier, Hrapmann, Hogan & Maher LLP

PLAQUEMINES' YMCA, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 1999 AND 1998

ASSETS

	1999	1998 (Restated)
CURRENT ASSETS:		
Cash and cash equivalents (Note 1)	\$ 34,463	\$ 35,682
Accounts receivable - grants	3,314	--
United Way receivable	18,752	18,923
Prepaid insurance	4,068	3,497
	<u>60,597</u>	<u>58,102</u>
PROPERTY AND EQUIPMENT: (Note 1)		
Land	24,963	24,963
Building	141,454	141,454
Equipment	99,151	61,997
	<u>265,568</u>	<u>228,414</u>
Less: accumulated depreciation	<u>122,154</u>	<u>114,523</u>
	<u>143,414</u>	<u>113,891</u>
TOTAL ASSETS	<u>\$ 204,011</u>	<u>\$ 171,993</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Bank overdraft	\$ 26,672	\$ 22,403
Accounts payable	--	3,794
Accrued payroll	1,520	1,466
Note payable - current installment (Note 2)	141,127	2,492
Dues payable (Note 5)	12,471	13,867
	<u>181,790</u>	<u>44,022</u>
NOTE PAYABLE - LESS CURRENT INSTALLMENT (Note 2)	<u>--</u>	<u>139,872</u>
Total liabilities	<u>181,790</u>	<u>183,894</u>
NET ASSETS: (Note 1)		
Unrestricted	3,469	(30,824)
Temporarily restricted	18,752	18,923
Total net assets	<u>22,221</u>	<u>(11,901)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 204,011</u>	<u>\$ 171,993</u>

See accompanying notes.

PLAQUEMINES' YMCA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>1999 Total</u>
SUPPORT AND REVENUE:			
Support:			
United Way:			
Allocations	\$ 15,736	\$ 15,736	\$ 31,472
Designations	3,084	3,016	6,100
Contributions	42,083	--	42,083
Net assets released from restrictions (Note 7)	<u>18,923</u>	<u>(18,923)</u>	<u>--</u>
Total support	<u>79,826</u>	<u>(171)</u>	<u>79,655</u>
Revenue:			
Membership dues	74,602	--	74,602
Program fees - non-fitness	18,562	--	18,562
Program fees - fitness	10,454	--	10,454
Program fees - fitness - Port Sulphur	570	--	570
Special events	16,809	--	16,809
Sales of services and supplies	13,167	--	13,167
Grants	7,287	--	7,287
Interest	575	--	575
Forgiveness of debt	3,794	--	3,794
Other	266	--	266
Total revenue	<u>146,086</u>	<u>--</u>	<u>146,086</u>
Total support and revenue	<u>225,912</u>	<u>(171)</u>	<u>225,741</u>
EXPENSES:			
Program services:			
Non-fitness	29,034	--	29,034
Fitness	48,261	--	48,261
Fitness - Port Sulphur	2,451	--	2,451
Occupancy	63,683	--	63,683
Total program services	<u>143,429</u>	<u>--</u>	<u>143,429</u>
Supporting services:			
Administrative	30,553	--	30,553
Fundraising	17,637	--	17,637
Total supporting services	<u>48,190</u>	<u>--</u>	<u>48,190</u>
Total expenses	<u>191,619</u>	<u>--</u>	<u>191,619</u>
INCREASE (DECREASE) IN NET ASSETS	<u>34,293</u>	<u>(171)</u>	<u>34,122</u>
Net assets - beginning of year	(30,824)	18,923	(11,901)
Prior period adjustment (Note 8)	<u>--</u>	<u>--</u>	<u>--</u>
Net assets - beginning of year as restated	<u>(30,824)</u>	<u>18,923</u>	<u>(11,901)</u>
NET ASSETS - END OF YEAR	<u>\$ 3,469</u>	<u>\$ 18,752</u>	<u>\$ 22,221</u>

See accompanying notes.

PLAQUEMINES' YMCA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>1998 Total (Restated)</u>
SUPPORT AND REVENUE:			
Support:			
United Way:			
Allocations	\$ 15,483	\$ 15,484	\$ 30,967
Designations	2,614	3,439	6,053
Contributions	1,574	--	1,574
Net assets released from restrictions (Note 7)	<u>20,421</u>	<u>(20,421)</u>	<u>--</u>
Total support	<u>40,092</u>	<u>(1,498)</u>	<u>38,594</u>
Revenue:			
Membership dues	88,103	--	88,103
Program fees - non-fitness	18,551	--	18,551
Program fees - fitness	10,129	--	10,129
Program fees - fitness - Port Sulphur	1,081	--	1,081
Special events	13,641	--	13,641
Sales of services and supplies	12,907	--	12,907
Grants	27,914	--	27,914
Interest	710	--	710
Forgiveness of debt	--	--	--
Other	259	--	259
Total revenue	<u>173,295</u>	<u>--</u>	<u>173,295</u>
Total support and revenue	<u>213,387</u>	<u>(1,498)</u>	<u>211,889</u>
EXPENSES:			
Program services:			
Non-fitness	49,604	--	49,604
Fitness	49,163	--	49,163
Fitness - Port Sulphur	2,840	--	2,840
Occupancy	67,365	--	67,365
Total program services	<u>168,972</u>	<u>--</u>	<u>168,972</u>
Supporting services:			
Administrative	31,068	--	31,068
Fundraising	22,934	--	22,934
Total supporting services	<u>54,002</u>	<u>--</u>	<u>54,002</u>
Total expenses	<u>222,974</u>	<u>--</u>	<u>222,974</u>
INCREASE (DECREASE) IN NET ASSETS	<u>(9,587)</u>	<u>(1,498)</u>	<u>(11,085)</u>
Net assets - beginning of year	(21,237)	--	(21,237)
Prior period adjustment (Note 8)	--	20,421	20,421
Net assets - beginning of year as restated	<u>(21,237)</u>	<u>20,421</u>	<u>(816)</u>
NET ASSETS - END OF YEAR	<u>\$ (30,824)</u>	<u>\$ 18,923</u>	<u>\$ (11,901)</u>

See accompanying notes.

PLAQUEMINES' YMCA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1999

	Program Services				Supporting Services		Total
	Non-Fitness	Fitness	Fitness Port Sulphur	Occupancy	Adminis- trative	Fund Raising	
Salaries and wages	\$ 19,805	\$ 30,012	\$ --	\$ 5,135	\$ 13,860	\$ 6,948	\$ 75,760
Employee benefits	602	803	--	--	2,006	602	4,013
Payroll taxes	997	2,268	--	380	1,059	531	5,235
Purchased contract services	888	888	--	888	6,246	--	8,910
Supplies	5,043	986	--	1,478	994	6,280	14,781
Telephone	1,048	1,335	--	181	614	315	3,493
Postage and shipping	221	282	--	38	130	66	737
Occupancy	--	1,800	2,378	18,733	--	--	22,911
Repairs	--	6,849	--	5,899	--	--	12,748
Promotion	--	--	--	--	--	1,431	1,431
National membership dues	--	--	--	--	3,940	--	3,940
Interest	--	--	--	11,299	--	--	11,299
Insurance	430	864	--	11,422	1,300	200	14,216
Depreciation	--	2,174	73	8,230	--	--	10,477
Capital Campaign	--	--	--	--	--	199	199
Licenses and permits	--	--	--	--	86	--	86
Miscellaneous	--	--	--	--	318	--	318
Special events	--	--	--	--	--	1,065	1,065
	<u>\$ 29,034</u>	<u>\$ 48,261</u>	<u>\$ 2,451</u>	<u>\$ 63,683</u>	<u>\$ 30,553</u>	<u>\$ 17,637</u>	<u>\$ 191,619</u>

See accompanying notes.

PLAQUEMINES' YMCA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1998

	Program Services				Supporting Services		Total (Restated)
	Non-Fitness	Fitness	Fitness Port Sulphur	Occupancy	Adminis- trative	Fund Raising	
Salaries and wages	\$ 38,314	\$ 30,897	\$ --	\$ 4,175	\$ 14,207	\$ 7,291	\$ 94,884
Employee benefits	602	803	--	--	2,006	602	4,013
Payroll taxes	940	2,392	--	331	1,089	559	5,311
Purchased contract services	888	888	--	888	6,237	--	8,901
Supplies	6,588	1,135	--	1,682	483	6,733	16,621
Telephone	1,184	1,509	--	204	694	357	3,948
Postage and shipping	277	353	--	49	162	83	924
Occupancy	--	1,800	2,665	20,439	--	--	24,904
Repairs	--	6,013	--	6,707	--	--	12,720
Promotion	--	--	--	--	--	1,552	1,552
National membership dues	--	--	--	--	4,215	--	4,215
Interest	--	--	--	11,490	--	--	11,490
Insurance	811	1,033	--	13,272	1,576	243	16,935
Depreciation	--	2,340	175	8,128	--	--	10,643
Capital Campaign	--	--	--	--	--	257	257
Licenses and permits	--	--	--	--	374	--	374
Miscellaneous	--	--	--	--	25	--	25
Special events	--	--	--	--	--	5,257	5,257
	<u>\$ 49,604</u>	<u>\$ 49,163</u>	<u>\$ 2,840</u>	<u>\$ 67,365</u>	<u>\$ 31,068</u>	<u>\$ 22,934</u>	<u>\$ 222,974</u>

See accompanying notes.

PLAQUEMINES' YMCA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

	1999	1998 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 34,122	\$ (11,085)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	10,477	10,643
Donation of equipment	(40,000)	--
(Increase) decrease in operating assets:		
Accounts receivable - grants	(3,314)	2,718
United Way receivable	171	1,498
Prepaid insurance	(571)	131
Increase (decrease) in operating liabilities:		
Bank overdraft	4,269	4,840
Accrued payroll	54	(137)
Dues payable	(1,396)	(1,396)
Accounts payable	(3,794)	--
Net cash provided by operating activities	18	7,212
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	--	(807)
Net cash used by investing activities	--	(807)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on notes payable	(1,237)	(2,301)
Net cash used by financing activities	(1,237)	(2,301)
NET INCREASE (DECREASE) IN CASH	(1,219)	4,104
Cash and cash equivalents - beginning of year	35,682	31,578
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 34,463	\$ 35,682
 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Income taxes	\$ --	\$ --
Interest	\$ 11,299	\$ 11,490
Noncash investing activity:		
Receipt of donated equipment	\$ 40,000	\$ --

See accompanying notes.

PLAQUEMINES' YMCA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

ORGANIZATION:

The principal service of the Plaquemines' YMCA, Inc. (YMCA) is to provide recreational, informational and fitness activities to the residents of Plaquemines Parish. The primary sources of its revenue are membership dues, program fees, grants and allocations from the United Way.

The YMCA is located in Buras, Louisiana and also leases a facility in Port Sulphur, Louisiana. Substantially all of the members of the YMCA reside in the Buras/Port Sulphur area.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Financial Statement Presentation:

The YMCA follows the provisions of Statement of Financial Accounting Standards SFAS No. 116, "Accounting for Contributions Received and Contributions Made," and SFAS No. 117, "Financial Statements of Not-for-Profit Organizations."

SFAS No. 116 requires that unconditional promises to give be recorded as receivables and revenues and requires the organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. SFAS No. 117 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions.

A description of the three net asset categories required by SFAS No. 117 follows:

Permanently Restricted Net Assets

These are net assets subject to donor-imposed stipulations that they be maintained permanently by the YMCA. Generally, the donors of these assets permit the YMCA to use all or part of the income earned on related investments for general or specific purposes.

The YMCA has no permanently restricted net assets.

Temporarily Restricted Net Assets

These are net assets subject to donor-imposed stipulations that may or will be met by actions of the YMCA and/or the passage of time.

Contributions received with donor-imposed restrictions that are met in the same year received are reported as revenues of the unrestricted net asset class.

PLAQUEMINES' YMCA, INC.
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Unrestricted Net Assets

These are net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

The statement of activities presents expenses of the YMCA's operations functionally between program services, fund raising activities and administrative and general. Those expenses which cannot be functionally categorized are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

Basis of Accounting:

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

Cash and Cash Equivalents:

For purposes of the statement of cash flows, the YMCA has defined cash and cash equivalents as the following items on the statements of financial position:

	<u>1999</u>	<u>1998</u>
Cash on hand	\$ 175	\$ 175
Time deposits	7,931	4,642
Savings account	135	133
Money market account	<u>26,222</u>	<u>30,732</u>
	<u>\$ 34,463</u>	<u>\$ 35,682</u>

Income Taxes:

The YMCA is a nonprofit organization exempt from federal income tax under Internal Revenue Code Section 501(c)(3).

PLAQUEMINES' YMCA, INC.
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property and Equipment:

The YMCA has established a policy of capitalizing expenditures for land, buildings and equipment in excess of \$500. All purchased property and equipment is carried at cost. Donated property and equipment are carried at fair market value as of date of donation. The building and equipment are depreciated using the straight-line method over the estimated lives of the assets. The depreciation expense for the years ended December 31, 1999 and 1998 was \$10,477 and \$10,643, respectively.

The land and building are mortgaged as collateral for a note payable described in Note 2.

Contributed Services:

During the current year, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

2. NOTE PAYABLE:

At December 31, 1999 and 1998, the YMCA was indebted to a bank in the amounts of \$141,127 and \$142,364, respectively. The note is payable in monthly installments of principal and interest of \$1,149 through July 2000. The final installment payable in August 2000 will be a balloon payment of the principal balance due. The note bears interest at 8%. The note is collateralized by a mortgage on the YMCA's land and building.

Maturities of debt for each year are as follows:

<u>Year</u>	<u>Year Ended</u>	
	<u>December 31, 1999</u>	<u>December 31, 1998</u>
1999	\$ --	\$ 2,492
2000	<u>141,127</u>	<u>139,872</u>
	<u>\$141,127</u>	<u>\$142,364</u>

3. LEASES:

The YMCA rents property under two leases. A building in Port Sulphur, Louisiana is rented under a verbal month-to-month lease. Monthly rental is \$150, with total rent expense of \$1,800 for each of the years ended December 31, 1999 and 1998.

A gym in Buras, Louisiana is leased under a month-to-month lease. Monthly rental is \$150, with total rent expense of \$1,800 for each of the years ended December 31, 1999 and 1998.

PLAQUEMINES' YMCA, INC.
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

3. LEASES: (Continued)

The YMCA leased a copier in 1999 under an operating lease which expires in May 2002. Rental expense for 1999 was \$605. Minimum future rental payments under the operating lease are as follows:

<u>Year</u>	<u>Amount</u>
2000	\$ 970
2001	1,050
2002	<u>369</u>
Total	<u>\$2,389</u>

4. RETIREMENT PLAN:

The YMCA is a member of a multi-employer contributory retirement plan. The defined contribution plan covers all employees, age 21 or older, enrolled in the plan the first month after one year of service. Employer and employee contributions are based on a percentage of monthly compensation. The employee and employer contribution percentages are 4.2% and 3.0%, respectively. For the years ended December 31, 1999 and 1998, retirement expense was \$1,313 and \$1,313, respectively.

5. RELATED PARTY:

The YMCA is affiliated with the National Council of Young Men's Christian Associations of the United States of America. Total membership dues expensed during 1999 and 1998 were \$3,940 and \$4,215, respectively.

In 1996, the YMCA signed an agreement with the National Council of YMCA of the USA for the forgiveness of past dues. Under the agreement, the YMCA of the USA agrees to cancel \$13,026 of outstanding dues when the amount of \$5,583 has been paid over a period of 48 months beginning January 1997. The agreement also requires that all current year and future payments be made using electronic fund transfer on a monthly basis. Upon completion of these terms, the forgiven dues will be recognized as income. At December 31, 1999 and 1998, the balance due to the YMCA of the USA was \$12,471 and \$13,867, respectively.

6. USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

PLAQUEMINES' YMCA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

7. NET ASSETS RELEASED FROM RESTRICTIONS:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes of the United Way allocations during the years ended December 31, 1999 and December 31, 1998.

8. PRIOR PERIOD ADJUSTMENT:

The net assets temporarily restricted as of January 1, 1998 have been restated. The effect of the restatement was to increase the net assets by \$20,421.

This adjustment is a result of reflecting program allocations from United Way as temporarily restricted contributions in the year the YMCA was given written notification for the following year's allocations.

PLAQUEMINES' YMCA, INC.
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 1999

May 11, 2000

Board of Directors
Plaquemines' YMCA, Inc.
P.O. Box 841
Buras, LA 70041

We have audited the financial statements of the Plaquemines' YMCA, Inc., as of and for the year ended December 31, 1999, and have issued our report thereon dated May 11, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Plaquemines' YMCA's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the Board of Directors and management, and is not intended to be and should not be used by anyone other than these specified parties.

Duplantier, Hrapmann, Hogan & Meier LLP

PLAQUEMINES' YMCA, INC.
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 1999

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of Plaquemines' YMCA, Inc. for the year ended December 31, 1999 was unqualified.
2. Internal Control
Material weaknesses: none noted
Reportable conditions: none noted
3. Compliance
Noncompliance material to financial statements: none noted

FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

None