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R E P O R T

PLAQUEMINES YMCA, INC.

DECEMBER 31, 1995 AND 1994

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 7-24-96

PLAQUEMINES YMCA, INC.  
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DECEMBER 31, 1995 AND 1994

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## INDEPENDENT AUDITOR'S REPORT

June 5, 1996

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

We have audited the accompanying balance sheets of the Plaquemines YMCA, Inc. as of December 31, 1995 and 1994, and the related statements of support, revenue and expenses and changes in fund balance and functional expenses 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 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 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, 1995 and 1994 and the results of operations and changes in fund balance for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 5, 1996, on our consideration of Plaquemines YMCA, Inc.'s internal control structure and a report dated June 5, 1996 on its compliance with laws and regulations.

*Duplantier, Hrapmann, Hogan & Maher*

PLAQUEMINES YMCA, INC.  
BALANCE SHEETS  
DECEMBER 31, 1995 AND 1994

ASSETS

	<u>1995</u>	<u>1994</u>
CURRENT ASSETS:		
Cash - restricted (Note 7)	\$ 26,737	\$ --
Savings and time deposits (Note 9)	30,760	28,500
Accounts receivable - grants (Note 7)	4,321	4,176
Accounts receivable - Greater New Orleans YMCA (Note 4)	2,932	3,288
Prepaid insurance	3,981	3,549
Prepaid dues	216	--
	<hr/>	<hr/>
Total current assets	68,947	39,513
PROPERTY AND EQUIPMENT: (Note 2)		
Land	24,963	24,963
Building	141,454	141,454
Equipment	50,705	48,676
	<hr/>	<hr/>
	217,122	215,093
Less: Accumulated depreciation	76,315	59,449
	<hr/>	<hr/>
Net property and equipment	140,807	155,644
	<hr/>	<hr/>
TOTAL ASSETS	\$ <u>209,754</u>	\$ <u>195,157</u>

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES:		
Bank overdraft	\$ 10,589	\$ 5,754
Accounts payable	5,197	10,153
Accrued payroll	1,350	1,450
Note payable (Notes 3 and 9)	1,962	150,528
Dues payable (Note 8)	16,659	16,659
Deferred grant revenue (Note 7)	26,737	--
	<hr/>	<hr/>
Total current liabilities	62,494	184,544
NOTE PAYABLE (Notes 3 and 9)	146,789	--
	<hr/>	<hr/>
Total liabilities	209,283	184,544
FUND BALANCE	471	10,613
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>209,754</u>	\$ <u>195,157</u>

See accompanying notes.

PLAQUEMINES YMCA, INC.  
 STATEMENTS OF SUPPORT, REVENUE AND EXPENSES  
 AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 1995 AND 1994

	<u>1995</u>	<u>1994</u>
PUBLIC SUPPORT AND REVENUE		
Public support:		
Contributions (Note 10)	\$ 19,981	\$ 3,804
Allocation from United Way	<u>37,064</u>	<u>36,476</u>
Total public support	<u>57,045</u>	<u>40,280</u>
Revenue:		
Membership dues	96,741	102,793
Program fees - non-fitness	14,658	11,747
Program fees - fitness	6,239	13,327
Program fees - Port Sulphur	968	1,449
Special events, net	11,166	20,014
Sales of services and supplies	12,301	11,221
Grants (Note 7)	42,316	21,487
Interest	<u>588</u>	<u>547</u>
Total revenue	<u>184,977</u>	<u>182,585</u>
Total public support and revenue	<u>242,022</u>	<u>222,865</u>
FUNCTIONAL EXPENSES (Pages 4 & 5):		
Administration	120,600	119,813
Occupancy	51,639	37,900
Program - Non-Fitness	51,408	37,718
Program - Fitness	26,086	34,600
Port Sulphur	2,637	2,906
Capital Campaign	<u>270</u>	<u>481</u>
Total functional expenses	<u>252,640</u>	<u>233,418</u>
OTHER REVENUE (EXPENSE)	<u>476</u>	<u>(7,218)</u>
Excess of public support and revenue over (under) expenses	(10,142)	(17,771)
Fund balance, January 1	<u>10,613</u>	<u>28,384</u>
FUND BALANCE, DECEMBER 31	<u>\$ 471</u>	<u>\$ 10,613</u>

See accompanying notes.

PLAQUEMINES YMCA, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 1995

	Adminis- tration	Occupancy	Program- Non- Fitness	Program- Fitness	Port Sulphur	Capital Campaign	Total
Salaries and wages	\$ 33,883	\$ 4,475	\$ 41,376	\$ 17,415	\$ --	\$ --	\$ 97,149
Employee benefits	3,492	--	--	--	--	--	3,492
Payroll taxes	2,588	343	294	1,316	--	--	4,541
Purchased contract services	6,895	--	--	--	--	--	6,895
Supplies	8,263	1,725	9,203	1,078	--	--	20,269
Telephone	3,448	--	--	--	--	--	3,448
Postage and shipping	1,097	--	96	--	--	--	1,193
Auto expense	--	--	439	--	--	--	439
Occupancy	2,071	19,319	--	--	2,637	--	24,027
Repairs	--	25,155	--	6,277	--	--	31,432
Equipment	2,520	622	--	--	--	--	3,142
Promotion	2,380	--	--	--	--	--	2,380
Membership dues	3,884	--	--	--	--	--	3,884
Finance	12,012	--	--	--	--	--	12,012
Insurance	21,201	--	--	--	--	--	21,201
Depreciation	16,866	--	--	--	--	--	16,866
Capital Campaign	--	--	--	--	--	270	270
	<u>\$ 120,600</u>	<u>\$ 51,639</u>	<u>\$ 51,408</u>	<u>\$ 26,086</u>	<u>\$ 2,637</u>	<u>\$ 270</u>	<u>\$ 252,640</u>

See accompanying notes.

PLAQUEMINES YMCA, INC.  
 STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 1994

	<u>Adminis-</u> <u>tration</u>	<u>Occupancy</u>	<u>Program-</u> <u>Non-</u> <u>Fitness</u>	<u>Program-</u> <u>Fitness</u>	<u>Port</u> <u>Sulphur</u>	<u>Capital</u> <u>Campaign</u>	<u>Total</u>
Salaries and wages	\$ 31,905	\$ 3,707	\$ 28,457	\$ 24,561	\$ 200	\$ --	\$ 88,830
Employee benefits	3,492	--	--	--	--	--	3,492
Payroll taxes	2,548	272	732	1,868	--	--	5,420
Purchased contract services	6,355	--	--	--	--	--	6,355
Supplies	6,262	1,880	8,529	1,763	--	--	18,434
Telephone	3,465	--	--	--	--	--	3,465
Postage and shipping	1,622	--	--	--	--	--	1,622
Occupancy	2,710	24,161	--	--	2,706	--	29,577
Repairs	--	7,646	--	6,408	--	--	14,054
Equipment	1,867	234	--	--	--	--	2,101
Promotion	1,986	--	--	--	--	--	1,986
Membership dues	4,800	--	--	--	--	--	4,800
Finance	13,635	--	--	--	--	--	13,635
Insurance	22,219	--	--	--	--	--	22,219
Depreciation	16,687	--	--	--	--	--	16,687
Capital Campaign	--	--	--	--	--	481	481
Bank service charges	260	--	--	--	--	--	260
	<u>\$ 119,813</u>	<u>\$ 37,900</u>	<u>\$ 37,718</u>	<u>\$ 34,600</u>	<u>\$ 2,906</u>	<u>\$ 481</u>	<u>\$ 233,418</u>

See accompanying notes.

PLAQUEMINES YMCA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1995 AND 1994

1. NATURE OF OPERATIONS:

The Plaquemines YMCA, Inc. was formerly a branch of the Young Men's Christian Association of Greater New Orleans, Louisiana. On June 1, 1990, it became an independent organization. The YMCA's principal service 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Income Taxes

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

Basis of Accounting

The accrual basis of accounting is used by the YMCA.

Property and Equipment

The YMCA has established a policy of capitalizing expenditures for land, buildings and equipment in excess of \$500. All property and equipment is carried at cost. At December 31, 1995 and 1994 the assets of the YMCA included land, building, and equipment. 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, 1995 and 1994 was \$16,866 and \$16,687, respectively.

The land and building are mortgaged as collateral for notes payable described in Note 3.

Use of Estimates

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

Reclassifications

Certain amounts for 1994 have been reclassified to conform with the 1995 presentation.

PLAQUEMINES YMCA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1995 AND 1994

3. NOTE PAYABLE:

	1995	
	CURRENT	NONCURRENT
Delta Bank and Trust Company, interest rate at 8.0%. Payable in monthly installments of \$1,149 through July 2000. Final installment payable in August 2000 will be a balloon payment of the principal balance due. Note is collateralized by a mortgage on the YMCA's land and building.	\$ 1,962	\$ 146,789
	\$ 1,962	\$ 146,789
	1994	
	CURRENT	NONCURRENT
Delta Bank and Trust Company, interest rate at 8.0%. Payable in monthly installments of \$1,149 through June 1995. Balloon payment in July 1995 of the principal balance due. Note is collateralized by a mortgage on the YMCA's land and building.	\$150,528	\$ --
	\$150,528	\$ --

Total interest expense on the above notes for years ended December 31, 1995 and 1994 was \$12,012 and \$13,635, respectively.

The following is a schedule of the maturities of the note payable.

YEAR	AMOUNT
1996	\$ 1,962
1997	2,125
1998	2,301
1999	2,491
2000	139,872
TOTAL	\$148,751

4. RECEIVABLE - GREATER NEW ORLEANS YMCA:

The Greater New Orleans YMCA collects funds through bank drafts for the Plaquemines YMCA. The funds are remitted to the Plaquemines YMCA in the month following collection. At December 31, 1995 and 1994 the balance due from the Greater New Orleans YMCA was \$2,932 and \$3,288, respectively.

5. LEASES:

The YMCA rents property under two leases. A building in Port Sulphur, Louisiana is rented under a verbal month to month lease that commenced October 1990. Monthly rental is \$150, with total rent expense of \$1,800 for each of the years ended December 31, 1995 and 1994.

A gym in Buras, Louisiana is leased under a month to month lease that commenced May 1989. Monthly rental is \$150, with total rent expense of \$1,800 for each of the years ended December 31, 1995 and 1994.

PLAQUEMINES YMCA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1995 AND 1994

6. 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 3.0% and 4.2%, respectively. For the years ended December 31, 1995 and 1994, retirement expense was \$1,200.

7. GRANTS:

The YMCA is the sub-recipient of grant funds administered through the Governor's Drug-Free Program, to establish programs of drug abuse education and prevention. The total funds available for the grant periods of July 1, 1993 through June 30, 1994 and July 1, 1994 through June 30, 1995 was \$23,000, respectively. For the years ended December 31, 1995 and 1994, the YMCA had earned \$21,806 and \$21,487 of the cost-reimbursable grants. Of this amount, \$4,321 and \$4,176 was due to the YMCA as of December 31, 1995 and 1994, respectively.

The YMCA received grant funds administered through the Arts Council of New Orleans to establish a summer camp and arts program. The total available funds and the actual funds received and expended for the grant period of April 1, 1995 through September 30, 1995 was \$8,510.

The YMCA received grant funds administered through the Office of Urban Affairs and Development of the State of Louisiana to provide intense tutorial and self-esteem programs for youths in grades first through fifth who are at risk of academic failure. The total funds available and the actual funds received and expended for the grant period of March 15, 1995 through June 30, 1995 was \$12,010.

The YMCA received an additional grant administered through the Office of Urban Affairs and Development of the State of Louisiana to provide intense tutorial and self-esteem programs for youths in grades first through fifth who are at risk of academic failure. The total funds available and the actual funds received for the grant period of July 1, 1995 through June 30, 1996 was \$26,737 during the year ended December 31, 1995. Deferred grant revenue of \$26,737 represents the revenue to be expended for the administration of the programs supported by this grant. At December 31, 1995, cash in the amount of \$26,737 is restricted for payment of grant expenses.

8. 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 1995 and 1994 was \$3,884 and \$4,800, respectively. At December 31, 1995 and 1994, the balance due to the YMCA of the USA was \$16,659.

9. FAIR VALUE OF FINANCIAL INSTRUMENTS:

Generally accepted accounting principles require the disclosure of fair value of financial instruments for which it is considered practicable to estimate fair value. The following methods and assumptions were made by the YMCA in estimating the fair value of its financial instruments at December 31, 1995:

PLAQUEMINES YMCA, INC.  
 NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1995 AND 1994

9. FAIR VALUE OF FINANCIAL INSTRUMENTS: (Continued)

a) Savings and Time Deposits:

For these short-term instruments, the carrying amount is a reasonable estimate of fair value.

b) Note Payable:

As the note payable was issued during the current year, the carrying amount is a reasonable estimate of fair value.

The estimated fair values of financial assets and financial liabilities at December 31, 1995 are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets:		
Savings and time deposits	\$ 30,760	\$ 30,760
Financial liabilities:		
Note payable	\$148,751	\$148,751

10. CONTRIBUTIONS:

During 1995, the roof of the YMCA's building was repaired at no cost to the YMCA. The actual cost of the roof repair would have been \$18,340. This amount has been reported as contribution income and repair expense.

PLAQUEMINES YMCA, INC.  
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
DECEMBER 31, 1995

June 5, 1996

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

We have audited the financial statements of the Plaquemines YMCA, Inc., (a nonprofit organization) as of and for the year ended December 31, 1995, and have issued our report thereon dated June 5, 1996.

We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Plaquemines YMCA, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the Plaquemines YMCA, Inc., for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

**dh** DUPLANTIER, HRAPMANN,  
HOGAN & MAHER, L.L.P.  
**hm** CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS  
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CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF I.A. C.P.A.'S

Receipt Acknowledged  
Legislative Auditor

June 5, 1996

By R. Sumich

John Sumich  
Plaquemines YMCA  
P. O. Box 841  
Buras, Louisiana 70041

In planning and performing our audit of the financial statements of Plaquemines YMCA for the year ended December 31, 1995, we considered the YMCA's internal control structure 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 structure.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure and its operations that we consider to be material weaknesses as defined above.

One condition has again come to our attention during the course of the audit which is not considered a reportable condition; however, we felt this condition should be presented to management.

ACCOUNTING SYSTEM:

The YMCA accounted for transactions through the use of a single entry cash basis report. This system had been sufficient to produce accurate results, but if the YMCA's activity increased it would become more difficult to maintain the accuracy. We suggested the establishment of a formal general ledger whereby a double entry accounting system would be maintained. Establishing accounting controls is the backbone of any financial system and we feel that a formal general ledger would increase the efficiency of the accounting system. (This is a repeat comment from the prior year.)

As a result of our recommendation, the YMCA has begun using a double entry accounting system for calendar year 1996.

This report is intended for the information of the Board of Directors, management, and the Legislative Auditor.

Sincerely,

DUPLANTIER, HRAPMANN, HOGAN & MAHER, LLP



---

William G. Stamm, CPA  
Partner

WGS\djt

PLAQUEMINES YMCA, INC.  
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
DECEMBER 31, 1995

(Continued)

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure and its operations that we consider to be material weaknesses as defined above.

However, we noted a matter involving the internal control structure and its operation that we have reported to the management of Plaquemines YMCA, Inc. in a separate letter dated June 5, 1996.

This report is intended for the information of the Board of Directors, management, and the Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

*Duplantier, Chapman, Hogan & Smith*

PLAQUEMINES YMCA, INC.  
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
DECEMBER 31, 1995

June 5, 1996

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

We have audited the financial statements of the Plaquemines YMCA, Inc., (a nonprofit organization) as of and for the year ended December 31, 1995, and have issued our report thereon dated June 5, 1996.

We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Plaquemines YMCA, Inc. is the responsibility of the Plaquemines YMCA, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Plaquemines YMCA, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. 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*.

This report is intended for the information of the Board of Directors, management, and the Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

*Duplaskie, Hapman, Hogan & Maher*