

**PLAQUEMINES' YMCA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1996**

1. NATURE OF ACTIVITIES:

The Plaquemines' YMCA, Inc. (YMCA) was formerly a branch of the Young Men's Christian Association of Greater New Orleans, Louisiana. On June 1, 1996, 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:

Financial Statement Presentation:

In 1996, YMCA adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, YMCA is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions. As permitted by this standard, YMCA has reclassified its financial statements to present classes of net assets. The reclassification had no cumulative effect on the change in net assets for the year ended December 31, 1996.

YMCA also adopted SFAS No. 118, "Accounting for Contributions Received and Contributions Made," in 1996. In accordance with SFAS No. 118, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Temporarily restricted net assets as of January 1, 1996 were increased by \$28,337, which represents time or purpose restricted grant contributions previously reported as deferred support.

Basis of Accounting:

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

Cash Equivalents:

For purposes of the statement of cash flows, cash equivalents includes cash in banks and on hand.

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 benefited.

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REPORT
 FLAGBENCHES' NACA, INC.
 DECEMBER 31, 1966

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.

Revised Date 1.5.1967

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PLAQUEMINES' IMCA, INC.

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DUPLANTIER, HRAFMANN,
HOGAN & MAHIE, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

1343 Poydras St., Suite 2000 • New Orleans, LA 70112

(504) 586-8856

Fax (504) 525-5888

MEMPHIS, TENNESSEE, U.S.A.
NEW YORK, NEW YORK, U.S.A.
NEW HAVEN, CONNECTICUT, U.S.A.
CHICAGO, ILLINOIS, U.S.A.

HOUSTON, TEXAS, U.S.A.
DENVER, COLORADO, U.S.A.
LOS ANGELES, CALIFORNIA, U.S.A.
SAN FRANCISCO, CALIFORNIA, U.S.A.
PORTLAND, OREGON, U.S.A.
SAN DIEGO, CALIFORNIA, U.S.A.

MEMPHIS, TENNESSEE, U.S.A.

ALBUQUERQUE, NEW MEXICO, U.S.A.
DALLAS, TEXAS, U.S.A.
FORT WORTH, TEXAS, U.S.A.
HOUSTON, TEXAS, U.S.A.
MEMPHIS, TENNESSEE, U.S.A.

MEMPHIS, TENNESSEE, U.S.A.
MEMPHIS, TENNESSEE, U.S.A.
MEMPHIS, TENNESSEE, U.S.A.

INDEPENDENT AUDITOR'S REPORT

May 29, 1997

Board of Directors
Piquemines' YWCA, Inc.
P.O. Box 943
Baton, Louisiana 70801

We have audited the accompanying statement of financial position of the Piquemines' YWCA, Inc. (a nonprofit organization) as of December 31, 1996, and the related statements of activities, functional expenses and cash flows for the year then ended. The financial statements are the responsibility of the YWCA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and 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.

As discussed in Note 2 to the financial statements, in 1996 the Piquemines' YWCA changed its method of accounting for contributions and its method of financial reporting and financial statement presentation.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Piquemines' YWCA, Inc. as of December 31, 1996 and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated May 29, 1997, on our consideration of Piquemines' YWCA, Inc.'s internal control structure and a report dated May 29, 1997 on its compliance with laws and regulations.

Duplantier, Hrapmann, Hogan & Mahie L.L.P.

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

UNRESTRICTED NET ASSETS:

SUPPORT AND REVENUE:

Support:

Enrolled Mem:

allocations

Designations

Contributions

Total support

	\$ 28,166
	18,047
	8,155
	<u>48,238</u>

Revenue:

Membership dues

Program fees - non-fitness

Program fees - fitness

Program fees - fitness - Fort Sulpher

Special events

Sales of services and supplies

Grants (Note 2)

Interest

Other

Net assets released from grant restrictions (Note 9)

Total revenue

	95,704
	15,561
	11,189
	1,531
	22,476
	9,852
	20,501
	802
	11
	28,737
	<u>204,807</u>

Total support and revenue

246,285

EXPENSES:

Program services:

Non-fitness

Fitness

Fitness - Fort Sulpher

Occupancy

Total program services

	68,244
	52,719
	3,128
	64,717
	<u>187,958</u>

Supporting services:

Administrative

Fundraising

Total supporting services

	41,200
	27,678
	<u>68,878</u>

Total expenses

256,831

DECREASE IN UNRESTRICTED NET ASSETS

(10,546)

TEMPORARILY RESTRICTED NET ASSETS:

Cumulative effect on prior year of a change in method
of accounting for grants (Note 2)

Net assets released from grant restrictions (Note 9)

	28,737
	<u>(28,737)</u>

INCREASE IN TEMPORARILY RESTRICTED NET ASSETS

0

TOTAL DECREASE IN NET ASSETS

(10,546)

Net assets - beginning of year

471

NET ASSETS - END OF YEAR

\$ (10,075)

See accompanying notes.

PLANNINGS' YMCA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1996

	PROGRAM SERVICES				SUPPORTING SERVICES		Total
	Non-Fitness	Fitness	Fitness		Adminis-tration	Fund Raising	
			Participation	Occupancy			
Salaries and wages	\$ 14,292	\$ 11,893	\$ --	\$ 4,045	\$ 13,347	\$ 6,800	\$ 111,372
Supplies - benefits	624	698	--	--	3,345	524	3,491
Payroll taxes	1,832	2,205	--	360	3,020	521	6,928
Purchased contract services	836	836	--	658	5,188	--	7,518
Supplies	6,957	1,238	--	2,083	863	8,573	23,684
Telephone	260	2,751	--	--	358	780	3,851
Postage and shipping	322	564	--	--	133	236	1,255
Retirement	473	--	--	--	--	--	473
Occupancy	--	3,000	2,553	22,493	--	--	28,046
Repairs	--	4,873	--	9,424	--	--	14,300
Promotion	--	--	--	--	--	3,817	3,817
National membership dues	--	--	--	--	4,852	--	4,852
Interest	--	--	--	--	11,879	--	11,879
Insurance	1,071	1,081	--	13,856	1,802	122	16,932
Depreciation	--	4,428	276	10,210	288	--	15,192
Capital campaign	--	--	--	--	--	462	462
Licenses and permits	--	--	--	--	98	--	98
Professional fees	--	--	--	--	258	--	258
Special events	--	--	--	--	--	8,261	8,261
	\$ 28,244	\$ 25,235	\$ 2,529	\$ 36,212	\$ 31,000	\$ 21,670	\$ 226,631

See accompanying notes.

PLAQUEMINES YWCA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1998

CASH FLOWS FROM OPERATING ACTIVITIES:	
Decrease in net assets	\$ (10,348)
Noncash revenue and expense adjustments:	
Depreciation	16,340
Decrease in accounts receivable - grants	801
Decrease in accounts receivable - Greater New Orleans YWCA	2,857
Decrease in prepaid insurance	434
Decrease in prepaid dues	216
Increase in bank overdraft	271
Increase in accrued payroll	133
Increase in dues payable	382
Decrease in deferred grant revenue	<u>(28,727)</u>
Net cash used by operating activities	(18,628)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of property and equipment	<u>(2,365)</u>
Net cash used by investing activities	<u>(2,365)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payments on notes payable	<u>(1,603)</u>
Net cash used by financing activities	<u>(1,603)</u>
NET DECREASE IN CASH	(20,601)
Cash - beginning of year	<u>87,497</u>
CASH - END OF YEAR	\$ <u>66,896</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:	
Cash paid during the year for:	
Income taxes	\$ ---
Interest	\$ 11,879

See accompanying notes.

PLAQUEMINE'S YMCA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1996

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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). There was no unrelated business income for 1996.

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. The building and equipment are depreciated using the straight-line method over the estimated lives of the assets. The depreciation expense for the year ended December 31, 1996 was \$16,349.

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

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.

3. NOTE PAYABLE:

At December 31, 1996, YMCA had a note payable to a bank totalling \$146,790. The note is payable in monthly installments of \$1,349 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 6%. The note is collateralized by a mortgage on the YMCA's land and building.

Maturities by year are as follows:

YEAR	AMOUNT
1997	\$ 2,125
1998	2,361
1999	2,491
2000	139,713
	<u>\$146,790</u>

4. 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 1994. Monthly rental is \$150, with total rent expense of \$1,800 for the year ended December 31, 1996.

A gym in Beres, Louisiana is leased under a month to month lease that commenced May 1988. Monthly rental is \$150, with total rent expense of \$1,800 the year ended December 31, 1996.

PLAQUEMINE'S YNCA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1996

5. RETIREMENT PLAN:

The YNCA 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 year ended December 31, 1996, retirement expense was \$1,188.

6. GRANTS:

The YNCA is the sub-recipient of grant funds administered through Louisiana Department of Education as part of the Governor's Safe and Drug-Free Program. Total funds available for the grant period of July 1, 1995 through June 30, 1996 were \$23,000. For the year ended December 31, 1996, the YNCA earned \$10,308 of the cost-reimbursable grant from this grant period. Total funds available for the grant period of July 1, 1996 through June 30, 1997 are \$23,000. For the year ended December 31, 1996, the YNCA had earned \$5,138 of the cost-reimbursable grant from this grant period. Of this amount, \$3,440 was due to the YNCA as of December 31, 1996.

The YNCA 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, 1996 through September 30, 1996 was \$3,335.

The YNCA received grant funds of \$26,737 administered through the Office of Urban Affairs and Development of the State of Louisiana in the year ending December 31, 1996. The total funds available for the grant period of July 1, 1995 through June 30, 1996 was \$26,737. For the year ended December 31, 1996, the YNCA expended \$26,737 of the grant funds available.

7. RELATED PARTY:

The YNCA is affiliated with the National Council of Young Men's Christian Associations of the United States of America. Total membership dues expensed during 1996 were \$4,862. At December 31, 1996, the balance due to the YNCA of the NCA was \$37,041.

In 1996, the YNCA signed an agreement with the National Council of YNCA of the USA for the forgiveness of past dues. Under the agreement, the YNCA of the USA agrees to cancel \$13,025 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.

PLAQUEMINS' INCA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

8. 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 these estimates.

9. NET ASSETS RELEASED FROM RESTRICTIONS:

Net assets totaling \$28,737 were released from temporary restrictions during 1988 by incurring expenses satisfying the restricted purpose.

PLAQUEMINES' WCA, INC.
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN ASSET OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
DECEMBER 31, 1987

May 29, 1987

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

We have audited the financial statements of the Plaquemines' WCA, Inc., (a nonprofit organization) as of and for the year ended December 31, 1986, and have issued our report thereon dated May 29, 1987.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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' WCA, 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' WCA, Inc., for the year ended December 31, 1986, 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.

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

PLAQUEMINES YRCA, 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, 1996

(Continued)

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 operation that we consider to be material weaknesses as defined above.

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.

Deplante, Hagmann, Hayes & Pender LLP

PLAQUEMINES' WPCA, INC.
 INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
 BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
 ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
 DECEMBER 31, 1990

May 29, 1991

Board of Directors
 Plaquemines' WPCA, Inc.
 P.O. Box 843
 Bayou, LA 70041

We have audited the financial statements of the Plaquemines' WPCA, Inc., (a nonprofit organization) as of and for the year ended December 31, 1990, and have issued our report thereon dated May 29, 1991.

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' WPCA, Inc. is the responsibility of the Plaquemines' WPCA, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of whether the Plaquemines' WPCA, 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.

We noted an immaterial instance of noncompliance that we have reported to management in a separate letter dated May 29, 1991.

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.

Douglas H. Hopmann, CPA & Partner, LLC

May 29, 1997

We recommend that the YMCA determine whether these individuals are properly classified as independent contractors in accordance with the 20 factors deemed to be determinative by the IRS in Revenue Ruling 87-41.

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

Sincerely,

DUPONTIER, BRADMAN, HOGAN & BAKER, LLP



William G. Stamm, CPA
Partner

WGS/lk

