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R E P O R T
PLACENTINO'S WCA, INC.
DECEMBER 31, 1967 AND 1968

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Release Date: SEP 16 1968

PLAQUEMINIS' YMCA, INC.
INDEX TO REPORT
DECEMBER 31, 1990 AND 1998

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT.....	1
FINANCIAL STATEMENTS:	
Statements of Financial Position.....	2
Statements of Activities.....	3
Statements of Functional Expenses.....	4
Statements of Cash Flows.....	6
Notes to Financial Statements.....	7 - 10
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.....	11
SUMMARY SCHEDULE OF FINDINGS AND PRIOR YEAR FINDING.....	12



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INDEPENDENT AUDITOR'S REPORT

August 12, 1998

Board of Directors
Flaquemines' YMCA, Inc.
P.O. Box 641
Buras, Louisiana 70041

We have audited the accompanying statements of financial position of the Flaquemines' YMCA, Inc. (a nonprofit organization) as of December 31, 1997 and 1996, 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 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. 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.

As discussed in Note 2 to the financial statements, in 1996 the Flaquemines' YMCA 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 Flaquemines' YMCA, Inc. as of December 31, 1997 and 1996 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 August 12, 1998, on our consideration of Flaquemines' YMCA, Inc.'s internal control over financial reporting and our tests of its compliance with laws and regulations.

Duplantier, Hirschwann, Hogan & Maher, L.L.P.

PLAQUEMINES¹ YWCA, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 1997 AND 1996

ASSETS

	1997	1996
CURRENT ASSETS:		
Cash and cash equivalents	\$ 10,570	\$ 36,000
Accounts receivable - grants (Note 4)	2,718	3,440
Prepaid insurance	3,600	3,547
Total current assets	<u>16,888</u>	<u>43,087</u>
PROPERTY AND EQUIPMENT: (Note 2)		
Land	24,983	24,983
Building	141,454	141,454
Equipment	61,190	58,099
	<u>227,627</u>	<u>224,536</u>
Less: accumulated depreciation	<u>93,000</u>	<u>92,643</u>
Net property and equipment	<u>125,727</u>	<u>127,893</u>
TOTAL ASSETS	\$ 160,615	\$ 371,480

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Bank overdraft	\$ 17,583	\$ 10,810
Accounts payable	3,794	5,197
Accrued payroll	1,603	1,403
Note payable - current installment (Note 3)	2,381	2,129
Debt payable (Note 3)	<u>15,282</u>	<u>37,641</u>
Total current liabilities	<u>40,524</u>	<u>57,180</u>
NOTE PAYABLE - LESS CURRENT INSTALLMENT (Note 3)	<u>142,364</u>	<u>144,662</u>
Total liabilities	<u>182,888</u>	<u>201,842</u>
NET ASSETS:		
Unrestricted	(31,273)	(30,372)
Total unrestricted net assets	<u>(31,273)</u>	<u>(30,372)</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 160,615	\$ 371,480

See accompanying notes.

FLORIDIANES' YMCA, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997	1996
UNRESTRICTED NET ASSETS:		
SUPPORT AND REVENUE:		
Support:		
United Way:		
Allocations	\$ 30,485	\$ 25,100
Designations	50,584	18,687
Contributions	3,295	2,316
Total support	<u>84,364</u>	<u>46,103</u>
Revenues:		
Membership dues	65,568	66,255
Program fees - non-fitness	19,668	13,321
Program fees - fitness	7,458	11,182
Program fees - fitness - Fort Sulpher	3,758	3,531
Special events	23,290	25,403
Sales of services and supplies	2,113	5,952
Grants (Note 6)	28,292	24,862
Interest	885	622
Other	2,668	75
Net assets released from grant restrictions (Note 9)	—	26,217
Total revenues	<u>178,914</u>	<u>184,802</u>
Total support and revenue	<u>221,278</u>	<u>248,206</u>
EXPENSES:		
Program services:		
Non-fitness	50,180	60,244
Fitness	49,375	52,770
Fitness - Fort Sulpher	2,813	3,198
Occupancy	69,419	64,213
Total program services	<u>171,787</u>	<u>180,425</u>
Supporting services:		
Administration	43,422	43,692
Fundraising	27,875	22,470
Total supporting services	<u>71,297</u>	<u>66,162</u>
Total expenses	<u>243,084</u>	<u>246,587</u>
DECREASE IN UNRESTRICTED NET ASSETS	<u>(21,806)</u>	<u>(10,345)</u>
TEMPORARILY RESTRICTED NET ASSETS:		
Cumulative effect on prior year of a change in method of accounting for grants (Note 2)	—	28,137
Net assets released from grant restrictions (Note 9)	—	(28,137)
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>—</u>	<u>—</u>
TOTAL DECREASE IN NET ASSETS	<u>(21,806)</u>	<u>(10,345)</u>
Net assets - beginning of year	<u>(8,625)</u>	<u>473</u>
NET ASSETS - END OF YEAR	<u>\$ (20,431)</u>	<u>\$ (9,072)</u>

See accompanying notes.

PLAZERINICS' YMCA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1962

	PROGRAM SERVICES				SUPPORTING SERVICES		
	Non-Fitness	Fitness		Occupancy	Adminis-trative	Fund Raising	Total
		Fitness	Part-Retailer				
Salaries and wages	\$ 17,248	\$ 26,579	\$ ---	\$ 4,624	\$ 14,415	\$ 7,800	\$ 60,676
Employee benefits	888	785	---	---	3,464	888	5,025
Payroll taxes	3,000	2,184	---	588	2,107	888	8,767
Purchased contract services	888	888	---	888	9,448	---	11,112
Supplies	8,283	1,252	---	1,244	2,142	4,667	17,588
Telephone	2,087	1,242	---	225	455	228	4,237
Postage and shipping	242	388	---	67	102	108	1,107
Automobile	---	---	---	---	---	---	---
Occupancy	---	1,800	2,642	20,400	---	---	24,842
Repairs	---	1,684	---	8,739	---	---	10,423
Promotion	---	---	---	---	---	2,684	2,684
Retiree membership dues	---	---	---	---	2,700	---	2,700
Interest	---	---	---	---	11,660	---	11,660
Insurance	788	888	---	14,290	1,588	292	17,846
Depreciation	---	2,360	178	8,245	---	---	10,783
Capital campaigns	---	---	---	---	---	183	183
Liability and permits	---	---	---	---	284	---	284
Miscellaneous	---	---	---	---	585	---	585
Special events	---	---	---	---	---	8,822	8,822
	\$ 35,385	\$ 38,576	\$ 2,822	\$ 36,624	\$ 45,432	\$ 12,734	\$ 175,663

See accompanying notes.

PLAQUEMINES' INCA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1988

	PROGRAM SERVICES				SUPPORTING SERVICES		Total
	Non- Fringe	Illness	Part Injury	Disability	Medical- Surgical	Food	
Salaries and wages	\$ 54,399	\$ 31,803	\$ --	\$ 4,943	\$ 15,287	\$ 6,818	\$ 111,250
Employee benefits	524	588	--	--	1,749	828	3,689
Payroll taxes	1,017	2,365	--	280	1,832	843	5,337
Purchased contract services	608	608	--	608	8,188	--	10,012
Supplies	8,867	1,028	--	2,000	663	6,532	21,088
Telephone	700	3,753	--	--	168	700	5,321
Postage and shipping	332	584	--	--	133	228	1,237
Automobile	423	--	--	--	--	--	423
Occupancy	--	1,800	2,883	22,493	--	--	27,176
Repairs	--	4,373	--	9,424	--	--	13,797
Promotion	--	--	--	--	--	1,531	1,531
National membership dues	--	--	--	--	4,080	--	4,080
Interest	--	--	--	--	11,628	--	11,628
Insurance	1,871	1,081	--	31,108	1,882	233	35,182
Depreciation	--	5,828	178	30,170	281	--	36,457
Capital campaign	--	--	--	--	--	452	452
Licenses and permits	--	--	--	--	98	--	98
Miscellaneous	--	--	--	--	258	--	258
Special events	--	--	--	--	--	8,891	8,891
	<u>\$ 88,244</u>	<u>\$ 52,178</u>	<u>\$ 2,108</u>	<u>\$ 64,117</u>	<u>\$ 31,082</u>	<u>\$ 27,618</u>	<u>\$ 285,421</u>

See accompanying notes.

PLAQUEMINES' YMCA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Decrease in net assets	\$ (10,380)	\$ (20,946)
Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities:		
Depreciation	11,208	18,349
Decrease in accounts receivable - grants	322	681
Decrease in accounts receivable - Greater New Orleans YMCA	--	9,632
(Increase) decrease in prepaid insurance	(81)	434
Decrease in prepaid dues	--	316
Increase in bank overdraft	6,763	501
Increase in accrued payroll	128	133
Increase (decrease) in dues payable	(1,748)	302
Decrease in accounts payable	(1,803)	--
Decrease in deferred grant revenue	--	(28,737)
Net cash provided (used) by operating activities	4,387	(10,538)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(2,891)	(3,365)
Net cash used by investing activities	(2,891)	(3,365)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on notes payable	(2,324)	(1,851)
Net cash used by financing activities	(2,324)	(1,851)
NET DECREASE IN CASH	(8,000)	(20,691)
Cash - beginning of year	38,686	57,487
CASH - END OF YEAR	\$ 30,686	\$ 36,796
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Income taxes	\$ --	\$ --
Interest	\$ 13,466	\$ 19,699

See accompanying notes.

PLAQUEMINES' YMCA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1992 AND 1990

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, 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:

Financial Statement Presentation:

In 1998, YMCA adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the 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, 1998.

The 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, 1998 were increased by \$28,737, 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.

PLAQUEMINES' YMCA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997 AND 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(c)3 as an organization described in Section 501(c)(2). There was no unrelated business income for 1997 and 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 years ended December 31, 1997 and 1996 was \$31,218 and \$35,349, respectively.

The land and building are mortgaged as collateral for a note 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, 1997 and 1996, the YMCA was indebted to a bank in the amounts of \$148,800 and \$148,190, respectively. The note is payable in monthly installments of \$1,949 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
1998	\$ 2,900
1999	2,900
2000	138,873
	<u>\$148,673</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. Monthly rental is \$150, with total rent expense of \$3,600 for each of the years ended December 31, 1997 and 1996.

A gym in Breaux, 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, 1997 and 1996.

PLAQUEMINES' YMCA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997 AND 1996

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, 1997 and 1996, retirement expense was \$1,227 and \$1,198, respectively.

6. GRANTS:

The YMCA is the sub-recipient of grant funds administered through Louisiana Department of Education as part of the Governor's Safe and Drug-Free Program. For each of the grant periods ended June 30, 1996 through 1998, the total funds available were \$25,800. During the years ended December 31, 1997 and 1996, the YMCA earned \$28,387 and \$25,468, respectively, from these grants. At December 31, 1997 and 1996, respectively, \$2,718 and \$3,448 was due to the YMCA for these grants.

The YMCA received grant funds administered through the Arts Council of New Orleans to establish a summer camp and arts program. The total funds available were received and expended in the amounts of \$6,000 and \$3,735 during the years ended December 31, 1997 and 1996, respectively.

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

During 1996, the YMCA received an Impact Grant in the amount of \$1,380.

7. 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 1997 and 1996 were \$2,700 and \$4,852, 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 \$13,025 of outstanding dues when the amount of \$5,585 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 those terms, the forgiven dues will be recognized as income. At December 31, 1997 and 1996, the balance due to the YMCA of the USA was \$12,253 and \$17,841, respectively.

FLAORIMERS' YMCA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987 AND 1986

B. 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.

C. NET ASSETS RELEASED FROM RESTRICTIONS:

Net assets totaling \$26,737 were released from temporary restrictions during 1986 by incurring expenses satisfying the restricted purposes.

FLAQUIMINES' YRCA, 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, 1987

August 12, 1988

Board of Directors
 Flaquimines' YRCA, Inc.
 P.O. Box 840
 Burreo, LA 70040

We have audited the financial statements of the Flaquimines' YRCA, Inc., (a nonprofit organization) as of and for the year ended December 31, 1987, and have issued our report thereon dated August 12, 1988. 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 Flaquimines' YRCA, Inc.'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 an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings as item 27-5.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Flaquimines' YRCA, Inc.'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 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.

Duplantis, Haysman, Logan & Miller LLP

PLAQUEMINES' YMCA, INC.
SUMMARY SCHEDULE OF FINDINGS AND PRIOR YEAR FINDING
FOR THE YEAR ENDED DECEMBER 31, 1992

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of Plaquemines' YMCA, Inc. for the year ended December 31, 1991 was unqualified.
2. Internal Control
Material weaknesses: none noted
Reportable conditions: none noted
3. Compliance
Noncompliance material to financial statements: one instance noted

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

87-1 Audit Completion

The audit of the Plaquemines' YMCA, Inc. was not completed within six months of the close of its fiscal year, as required by state law. The books and records of the Plaquemines' YMCA, Inc. were not available to be audited until late June 1992, due to personal difficulties of the YMCA's only accountant. As a result, there was insufficient time for completion of the audit by the required deadline. We recommend that the books and records of the Plaquemines' YMCA, Inc. be available for audit in a timely manner in the future.

PRIOR YEAR FINDING:

86-1 Independent Contractors

It was noted that individuals were paid for services with grant funds, and the amounts were not reported as compensation paid by the Plaquemines' YMCA, Inc. The amounts paid were reported as non-employee compensation.

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

This issue has since been resolved by the Plaquemines' YMCA, Inc.