

REPORT

PLAQUEMINES' YMCA, INC.

DECEMBER 31, 2003 AND 2002

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 9-8-04

PLAQUEMINES' YMCA, INC.

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INDEPENDENT AUDITOR'S REPORT

March 25, 2004

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, 2003 and 2002, 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 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 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, 2003 and 2002 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2004, on our consideration of Plaquemines' YMCA, Inc.'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.

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

PLAQUEMINES' YMCA, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2003 AND 2002

ASSETS

	<u>2003</u>	<u>2002</u>
CURRENT ASSETS:		
Cash and cash equivalents (Note 1)	\$ 52,719	\$ 51,011
Accounts receivable - grants	2,845	2,069
United Way receivable	18,146	18,059
Dues receivable	1,000	1,000
Prepaid insurance	15,843	16,192
Total current assets	<u>90,553</u>	<u>88,331</u>
PROPERTY AND EQUIPMENT: (Note 1)		
Land	24,963	24,963
Building	141,454	141,454
Equipment	102,552	100,605
Donated land and building (Note 8)	187,302	187,302
	<u>456,271</u>	<u>454,324</u>
Less: accumulated depreciation	186,412	169,863
Net property and equipment	<u>269,859</u>	<u>284,461</u>
TOTAL ASSETS	\$ <u>360,412</u>	\$ <u>372,792</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Bank overdraft	\$ 5,301	\$ 2,605
Accrued payroll	2,091	2,012
Notes payable (Note 2)	8,343	13,772
Total current liabilities	<u>15,735</u>	<u>18,389</u>
LONG-TERM LIABILITIES:		
Notes payable (Note 2)	125,958	130,049
Total long-term liabilities	<u>125,958</u>	<u>130,049</u>
Total liabilities	<u>141,693</u>	<u>148,438</u>
NET ASSETS: (Note 1)		
Unrestricted	200,573	206,295
Temporarily restricted	18,146	18,059
Total net assets	<u>218,719</u>	<u>224,354</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>360,412</u>	\$ <u>372,792</u>

See accompanying notes.

PLAQUEMINES' YMCA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2003 Total</u>
SUPPORT AND REVENUE:			
Support:			
United Way:			
Allocations	\$ 13,959	\$ 16,207	\$ 30,166
Designations	5,636	1,939	7,575
Contributions	2,967	-	2,967
Net assets released from restrictions (Note 7)	<u>18,059</u>	<u>(18,059)</u>	<u>-</u>
Total support	<u>40,621</u>	<u>87</u>	<u>40,708</u>
Revenue:			
Donations (Note 8)	-	-	-
Membership dues	76,875	-	76,875
Program fees - non-fitness	17,003	-	17,003
Program fees - fitness	5,379	-	5,379
Program fees - fitness - Port Sulphur	371	-	371
Special events	37,552	-	37,552
Sales of services and supplies	6,647	-	6,647
Grants	26,415	-	26,415
Contractual fees	30,000	-	30,000
Interest	80	-	80
Other	<u>5,265</u>	<u>-</u>	<u>5,265</u>
Total revenue	<u>205,587</u>	<u>-</u>	<u>205,587</u>
Total support and revenue	<u>246,208</u>	<u>87</u>	<u>246,295</u>
EXPENSES:			
Program services:			
Non-fitness	46,832	-	46,832
Fitness	57,894	-	57,894
Fitness - Port Sulphur	3,580	-	3,580
Occupancy	<u>75,322</u>	<u>-</u>	<u>75,322</u>
Total program services	<u>183,628</u>	<u>-</u>	<u>183,628</u>
Supporting services:			
Administrative	38,621	-	38,621
Fundraising	<u>29,681</u>	<u>-</u>	<u>29,681</u>
Total supporting services	<u>68,302</u>	<u>-</u>	<u>68,302</u>
Total expenses	<u>251,930</u>	<u>-</u>	<u>251,930</u>
INCREASE (DECREASE) IN NET ASSETS	(5,722)	87	(5,635)
Net assets - beginning of year	<u>206,295</u>	<u>18,059</u>	<u>224,354</u>
NET ASSETS - END OF YEAR	<u>\$ 200,573</u>	<u>\$ 18,146</u>	<u>\$ 218,719</u>

See accompanying notes.

PLAQUEMINES' YMCA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2002 Total</u>
SUPPORT AND REVENUE:			
Support:			
United Way:			
Allocations	\$ 15,345	\$ 15,307	\$ 30,652
Designations	3,458	2,752	6,210
Contributions	4,143	-	4,143
Net assets released from restrictions (Note 7)	<u>17,669</u>	<u>(17,669)</u>	<u>-</u>
Total support	<u>40,615</u>	<u>390</u>	<u>41,005</u>
Revenue:			
Donations (Note 8)	47,272	-	47,272
Membership dues	81,798	-	81,798
Program fees - non-fitness	16,953	-	16,953
Program fees - fitness	7,172	-	7,172
Program fees - fitness - Port Sulphur	931	-	931
Special events	35,967	-	35,967
Sales of services and supplies	6,804	-	6,804
Grants	27,535	-	27,535
Contractual fees	30,000	-	30,000
Interest	222	-	222
Other	<u>3,731</u>	<u>-</u>	<u>3,731</u>
Total revenue	<u>258,385</u>	<u>-</u>	<u>258,385</u>
Total support and revenue	<u>299,000</u>	<u>390</u>	<u>299,390</u>
EXPENSES:			
Program services:			
Non-fitness	48,010	-	48,010
Fitness	50,404	-	50,404
Fitness - Port Sulphur	2,844	-	2,844
Occupancy	<u>83,242</u>	<u>-</u>	<u>83,242</u>
Total program services	<u>184,500</u>	<u>-</u>	<u>184,500</u>
Supporting services:			
Administrative	36,675	-	36,675
Fundraising	<u>28,156</u>	<u>-</u>	<u>28,156</u>
Total supporting services	<u>64,831</u>	<u>-</u>	<u>64,831</u>
Total expenses	<u>249,331</u>	<u>-</u>	<u>249,331</u>
INCREASE IN NET ASSETS	49,669	390	50,059
Net assets - beginning of year	<u>156,626</u>	<u>17,669</u>	<u>174,295</u>
NET ASSETS - END OF YEAR	<u>\$ 206,295</u>	<u>\$ 18,059</u>	<u>\$ 224,354</u>

See accompanying notes.

PLAQUEMINES' YMCA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2003

	Program Services				Supporting Services		Total
	Non-Fitness	Fitness	Fitness Port Sulphur	Occupancy	Administrative	Fund Raising	
Salaries and wages	\$ 35,367	\$ 30,136	\$ -	\$ 7,687	\$ 17,656	\$ 8,346	\$ 99,192
Employee benefits	877	1,170	-	-	2,924	877	5,848
Payroll taxes	1,050	2,304	-	586	1,349	638	5,927
Purchased contract services	1,043	1,043	-	1,043	10,083	-	13,212
Supplies	6,798	2,030	-	1,599	580	5,467	16,474
Telephone	888	757	-	191	443	210	2,489
Postage and shipping	364	310	-	79	182	86	1,021
Occupancy	-	-	3,580	21,399	-	-	24,979
Repairs	-	11,361	-	4,087	-	-	15,448
Promotion	-	-	-	-	-	1,475	1,475
National membership dues	-	-	-	-	3,800	-	3,800
Interest	-	-	-	10,081	-	-	10,081
Insurance	445	599	-	20,205	1,477	166	22,892
Depreciation	-	8,184	-	8,365	-	-	16,549
Capital Campaign	-	-	-	-	-	310	310
Licenses and permits	-	-	-	-	127	-	127
Miscellaneous	-	-	-	-	-	-	-
Special events	-	-	-	-	-	12,106	12,106
	<u>\$ 46,832</u>	<u>\$ 57,894</u>	<u>\$ 3,580</u>	<u>\$ 75,322</u>	<u>\$ 38,621</u>	<u>\$ 29,681</u>	<u>\$ 251,930</u>

See accompanying notes.

PLAQUEMINES' YMCA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2002

	Program Services				Supporting Services		Total
	Non-Fitness	Fitness	Fitness Port Sulphur	Occupancy	Administrative	Fund Raising	
Salaries and wages	\$ 34,256	\$ 26,386	\$ -	\$ 7,388	\$ 15,483	\$ 7,518	\$ 91,031
Employee benefits	771	1,028	-	-	2,570	771	5,140
Payroll taxes	983	2,015	-	562	1,179	572	5,311
Purchased contract services	1,418	1,418	-	1,418	10,826	-	15,080
Supplies	8,587	1,000	-	1,753	540	5,898	17,778
Telephone	1,086	836	-	234	491	238	2,885
Postage and shipping	411	317	-	89	186	89	1,092
Occupancy	-	-	2,844	19,480	-	-	22,324
Repairs	-	8,176	-	10,080	-	-	18,256
Promotion	-	-	-	-	-	1,354	1,354
National membership dues	-	-	-	-	3,800	-	3,800
Interest	-	-	-	11,063	-	-	11,063
Insurance	498	607	-	22,672	1,482	173	25,432
Depreciation	-	8,621	-	8,503	-	-	17,124
Capital Campaign	-	-	-	-	-	263	263
Licenses and permits	-	-	-	-	118	-	118
Miscellaneous	-	-	-	-	-	-	-
Special events	-	-	-	-	-	11,280	11,280
	<u>\$ 48,010</u>	<u>\$ 50,404</u>	<u>\$ 2,844</u>	<u>\$ 83,242</u>	<u>\$ 36,675</u>	<u>\$ 28,156</u>	<u>\$ 249,331</u>

See accompanying notes.

PLAQUEMINES' YMCA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (5,635)	\$ 50,059
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	16,549	17,124
Donated land and building	-	(47,272)
(Increase) decrease in operating assets:		
Accounts receivable - grants	(776)	1,112
United Way receivable	(87)	(390)
Prepaid insurance	349	(979)
Increase (decrease) in operating liabilities:		
Bank overdraft	2,696	(492)
Accrued payroll	79	238
Accounts payable	-	(5,295)
	<u>13,175</u>	<u>14,105</u>
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	<u>(1,947)</u>	<u>(562)</u>
	<u>(1,947)</u>	<u>(562)</u>
Net cash used by investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on notes payable	(18,270)	(17,770)
Proceeds from notes payable	<u>8,750</u>	<u>15,978</u>
	<u>(9,520)</u>	<u>(1,792)</u>
Net cash used by financing activities		
NET INCREASE IN CASH	1,708	11,751
Cash and cash equivalents - beginning of year	<u>51,011</u>	<u>39,260</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 52,719</u>	<u>\$ 51,011</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid during the year for:		
Income taxes	\$ -	\$ -
Interest	\$ 10,081	\$ 11,063
Noncash investing activity:		
Receipt of donated building	\$ -	\$ 34,024
Receipt of donated land	\$ -	\$ 13,248

See accompanying notes.

PLAQUEMINES' YMCA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

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, 2003 AND 2002

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 accounting principles generally accepted in the United States of America.

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>2003</u>	<u>2002</u>
Cash on hand	\$ 175	\$ 175
Time deposits	15,513	13,372
Savings account	139	139
Money market account	<u>36,892</u>	<u>37,325</u>
	<u>\$ 52,719</u>	<u>\$ 51,011</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, 2003 AND 2002

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, 2003 and 2002 was \$16,549 and \$17,124, respectively.

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

The donated land and building recorded on the financial statements is for a property in which the YMCA has approximately 94% ownership, but whose future use has not yet been determined, as described further in Note 8.

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, 2001, the YMCA was indebted to a bank in the amount of \$135,712. The note was payable in monthly installments of principal and interest of \$1,181 through October 2002. The note bore interest at 8%, and was collateralized by a mortgage on the YMCA's land and building. In November 2002, the YMCA renewed the note with the bank. The note bears interest at 7.5% with monthly installments of principal and interest of \$1,142. The note matures November 2005. The balance of the note was \$130,049 and \$133,845 at December 31, 2003 and 2002, respectively.

At December 31, 2003, the YMCA was indebted to a finance company in the amount of \$4,252 for the financing of insurance. The note bears interest at 5.250% with eight monthly installments of principal and interest of \$1,115 beginning September 16, 2003.

At December 31, 2002, the YMCA was indebted to the finance company in the amount of \$9,976. The note bore interest at 0.001% and matured in May 2003.

Following are the maturities of long-term debt for each of the next two years:

PLAQUEMINES' YMCA, INC.
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

2. NOTE PAYABLE: (Continued)

Years ending December 31,

2004	\$ 8,343
2005	<u>125,958</u>
Total	<u>\$ 134,301</u>

3. LEASES:

The YMCA rents a building in Port Sulphur, Louisiana 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, 2003 and 2002.

The YMCA leased a copier under an operating lease which expired in May 2002. Rental expense for 2003 and 2002 was \$-0- and \$369, respectively

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, 2003 and 2002, retirement expense was \$1,768 and \$1,504, 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 2003 and 2002 were \$3,800 and \$3,800, respectively.

6. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

PLAQUEMINES' YMCA, INC.
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

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, 2003 and December 31, 2002.

8. DONATIONS:

The YMCA has recorded donations in the amounts of \$-0- and \$47,272 for the years ended December 31, 2003 and 2002, respectively, as the result of its receipt of a partial (approximately 94%) interest in certain property in Plaquemines Parish, Louisiana. It is anticipated that the YMCA will obtain complete ownership of the property; however, it is not possible to determine the exact timing of the receipt of such.

The donated assets consist of the amounts received in the following years:

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>
Land	\$ --	\$ 13,248	\$ 39,129	\$ 52,377
Building	<u> --</u>	<u>34,024</u>	<u>100,901</u>	<u>134,925</u>
	<u>\$ --</u>	<u>\$ 47,272</u>	<u>\$ 140,030</u>	<u>\$ 187,302</u>

The donated assets are included in property and equipment at December 31, 2003 and 2002. No depreciation has been recorded on the building for the years ended December 31, 2003 and 2002 since the future use of the building is not yet known.



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

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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

March 25, 2004

Board of Directors
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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, 2003, and have issued our report thereon dated March 25, 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.

Compliance

As part of obtaining reasonable assurance about whether Plaquemines' YMCA, 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 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, 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 and use of the Board of Directors, management, and applicable state agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

PLAQUEMINES' YMCA, INC.
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2003

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of Plaquemines' YMCA, Inc. for the year ended December 31, 2003 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 GOVERNMENTAL AUDITING STANDARDS
GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA :

None