

**YMCA of the Capital Area
Baton Rouge, Louisiana
December 31, 2009**

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 9/8/10

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HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

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CERTIFIED PUBLIC ACCOUNTANTS

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June 9, 2010

Independent Auditor's Report

Board of Directors
YMCA of the Capital Area
Baton Rouge, Louisiana

We have audited the accompanying statements of assets, liabilities and net assets - modified cash basis of the

**YMCA of the Capital Area
(A Not for Profit Organization)
Baton Rouge, Louisiana**

as of December 31, 2009, and the related statement of revenue, support, expenditures and changes in net assets - modified cash basis, and the statement of functional expenses - modified cash basis for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the YMCA of the Capital Area's 2008 financial statements, and in our report dated June 9, 2009, we expressed an unqualified opinion on those financial statements.

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. 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 described in Note 1, these financial statements were prepared on the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the YMCA of the Capital Area as of December 31, 2009, and the changes in its net assets for the year 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 a report dated June 9, 2010 on our consideration of the YMCA of the Capital Area's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important in assessing the results of our audit.

Yours truly,

Hawthorn, Weymouth & Carroll, L.L.P.

YMCA of the Capital Area
Statement of Assets, Liabilities and Net Assets - Modified Cash Basis
December 31, 2009,
With Summarized Financial Information as of December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted Endowment</u>	<u>2009 Total Funds</u>	<u>Summarized 2008 Total Funds</u>
Assets					
Cash and cash equivalents	\$2,824,179			\$2,824,179	\$2,292,555
Cash held in trust	1,010,360			1,010,360	827,992
Certificate of deposit	1,237,974			1,237,974	947,356
Beneficial interest in investments held by others		\$1,931,520	\$380,432	2,311,952	1,908,698
Land, buildings and equipment	33,807,518			33,807,518	32,989,470
Assets held in trust	<u>139,250</u>	<u>-----</u>	<u>-----</u>	<u>139,250</u>	<u>119,575</u>
Total assets	<u>39,019,281</u>	<u>1,931,520</u>	<u>380,432</u>	<u>41,331,233</u>	<u>39,085,646</u>
Current Liabilities					
Bonds payable	135,000			135,000	130,000
Notes payable	26,373			26,373	30,560
Other liabilities	<u>589</u>	<u>-----</u>	<u>-----</u>	<u>589</u>	<u>1,235</u>
	<u>161,962</u>	<u>-----</u>	<u>-----</u>	<u>161,962</u>	<u>161,795</u>
Long-Term Liabilities					
Bonds payable	9,620,000			9,620,000	9,755,000
Notes payable	<u>50,061</u>	<u>-----</u>	<u>-----</u>	<u>50,061</u>	<u>81,001</u>
	<u>9,670,061</u>	<u>-----</u>	<u>-----</u>	<u>9,670,061</u>	<u>9,836,001</u>
Total liabilities	<u>9,832,023</u>	<u>-----</u>	<u>-----</u>	<u>9,832,023</u>	<u>9,997,796</u>
Net Assets					
Unrestricted (including designated of \$878,954 and \$1,888,902 at 2009 and 2008, respectively)	29,187,258			29,187,258	26,134,152
Temporarily restricted		1,931,520		1,931,520	2,579,641
Permanently restricted			380,432	380,432	374,052
Net assets	<u>29,187,258</u>	<u>1,931,520</u>	<u>380,432</u>	<u>31,499,210</u>	<u>29,087,850</u>
Total liabilities and net assets	<u>39,019,281</u>	<u>1,931,520</u>	<u>380,432</u>	<u>41,331,233</u>	<u>39,085,646</u>

The accompanying notes are an integral part of these statements

YMCA of the Capital Area
Statement of Revenue, Support, Expenditures and Changes in Net Assets - Modified Cash Basis
Year Ended December 31, 2009,
With Summarized Financial Information for the Year Ended December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted Endowment</u>	<u>2009 Total Funds</u>	<u>Summarized 2008 Total Funds</u>
Revenue and Support					
Membership fees	\$7,801,990			\$7,801,990	\$7,899,400
Program fees	2,969,098			2,969,098	3,011,010
United Way	121,721			121,721	162,422
Interest and investment income (loss)	54,270	\$228,254		282,524	(347,036)
Contributions	710,340	168,625	\$6,375	885,340	3,146,619
Contributions in-kind	123,100			123,100	125,500
Sales	87,662			87,662	65,288
Special events	159,238			159,238	146,232
Other income	581,019			581,019	8,061
Release of temporarily restricted assets	<u>1,045,000</u>	<u>(1,045,000)</u>	_____	_____	_____
Total revenue and support	<u>13,653,438</u>	<u>(648,121)</u>	<u>6,375</u>	<u>13,011,692</u>	<u>14,217,496</u>
Expenditures					
Program Services	9,010,149			9,010,149	9,629,861
Management and general	1,481,710			1,481,710	1,399,560
Fund raising	<u>108,473</u>	_____	_____	<u>108,473</u>	<u>107,205</u>
Total expenditures	<u>10,600,332</u>	_____	_____	<u>10,600,332</u>	<u>11,136,626</u>
Changes in Net Assets as restated for 2008	3,053,106	(648,121)	6,375	2,411,360	3,080,870
Net Assets, beginning of year As restated	<u>26,134,152</u>	<u>2,579,641</u>	<u>374,057</u>	<u>29,087,850</u>	<u>26,006,980</u>
Net Assets, end of year	<u>29,187,258</u>	<u>1,931,520</u>	<u>380,432</u>	<u>31,499,210</u>	<u>29,087,850</u>

The accompanying notes are an integral part of these statements.

YMCA of the Capital Area
Statement of Functional Expenses - Modified Cash Basis
Year Ended December 31, 2009,
With Summarized Financial Information for the Year Ended December 31, 2008

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Expenses 2009</u>	<u>Total Expenses 2008</u>
Salaries and wages	\$3,711,423	\$724,180	\$90,522	\$4,526,125	\$4,643,578
Employee benefits and taxes	647,707	126,382	15,798	789,887	905,844
Occupancy	840,013	93,335		933,348	1,130,874
Insurance	290,966	32,330		323,296	380,302
Supplies	716,844	14,629		731,473	681,316
Dues and subscriptions	164,075	18,231		182,306	141,755
Contractual services	1,106,538	150,891		1,257,429	1,367,381
Equipment repairs and maintenance	439,080	18,295		457,375	426,074
Special events	104,698	1,058		105,756	150,194
Printing and publications	63,815	12,452	1,556	77,823	73,481
Travel and employee expenses	67,293	31,668		98,961	120,214
Conferences and meetings	64,096	119,035		183,131	166,338
Telephone	11,294	114,190		125,484	133,734
Postage and shipping	10,441	3,878	597	14,916	17,055
Interest	637,066			637,066	650,605
In kind expense	123,100			123,100	125,500
Awards and grants	11,700			11,700	6,080
Miscellaneous	<u> </u>	<u>21,156</u>	<u> </u>	<u>21,156</u>	<u>16,301</u>
Total expenditures	<u>9,010,149</u>	<u>1,481,710</u>	<u>108,473</u>	<u>10,600,332</u>	<u>11,136,626</u>

The accompanying notes are an integral part of these statements.

YMCA of the Capital Area
Notes to Financial Statements
December 31, 2009

Note 1-Significant Accounting Policies

A. Nature and Purpose

YMCA of the Capital Area (YMCA), Baton Rouge, Louisiana, is an association of persons united in a common effort to enhance the quality of life, spiritually, mentally, physically and socially for all people in our community through the ecumenical application of Christian principles.

Major programs include physical education classes such as swimming, flag football, cheerleading, basketball, soccer, baseball, after-school childcare, summer camp programs and youth leadership programs such as Youth Legislature, Black Achievers and Model U.N.

The major sources of funding are from membership dues and program fees.

B. Accounting Basis

The financial statements of the YMCA have been prepared on the modified cash basis of accounting. Accordingly, revenue is recorded when received rather than when earned and expenses are recorded when paid rather than when the obligation is incurred. No provision for depreciation is made and bond issuance costs and bond discounts are expensed rather than capitalized and amortized.

C. Use of Estimates

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

D. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the YMCA has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the YMCA in perpetuity.

E. Cash and Cash Equivalents

The YMCA considers all highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents.

F. Investments

The YMCA carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Assets, Liabilities and Net Assets - Modified Cash Basis. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Revenue, Support, Expenditures and Changes in Net Assets - Modified Cash Basis.

YMCA of the Capital Area
Notes to Financial Statements
December 31, 2009

Note 1-Significant Accounting Policies (Continued)

G. Land, Buildings and Equipment

Land, buildings and equipment are recorded at cost. No provision for depreciation is made. Donated assets are recorded at an estimated fair value on the date of donation.

H. Income Taxes

Pursuant to current federal and state income tax regulations, the YMCA is exempt from taxes under Internal Revenue Code 501 (c)(3), as a public charity. The YMCA had no unrelated business income for the year ended December 31, 2009 and is not classified as a private foundation.

I. Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

J. Advertising Costs

Advertising costs are expensed as paid. Total advertising costs for the year ended December 31, 2009 were \$234,984.

K. Donated Materials and Services

A substantial number of volunteers donated over 40,000 hours to the YMCA's program services during 2009. These donated services are not reflected in the financial statements since the services do not require specialized skills.

L. Summarized Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with the modified cash basis of accounting. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2008, from which the summarized information was derived.

YMCA of the Capital Area
Notes to Financial Statements
December 31, 2009

Note 2-Unrestricted Net Assets

Revenue and expenditures of the unrestricted net assets represent cash transactions of the existing branches of the YMCA of the Capital Area.

Note 3-Unrestricted Designated Net Assets

Unrestricted designated net assets represent funds that the management and Board of Directors of the YMCA have designated to provide a reserve for improvements to and replacement of buildings and equipment. At December 31, 2009, the total unrestricted designated net assets was \$878,954. Disbursements of \$1,902,109 were allocated from these assets in 2008.

Note 4-Restricted Net Assets

Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2009 are as follows:

Beneficial interest in investments	
Baton Rouge Area Foundation	<u>\$1,931,520</u>

Permanently Restricted Net Assets

Permanently restricted net assets are endowment funds managed by the Baton Rouge Area Foundation. These funds are subject to donor restrictions requiring that the principal be invested in perpetuity and that only income be used.

Net assets were permanently restricted for the following purposes at December 31, 2009:

Endowment Fund	<u>\$380,432</u>
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Note 5-Land, Buildings and Equipment

The following is a breakdown of land, buildings and equipment as of December 31, 2009:

Buildings and parking lots	\$24,976,607
Land	1,851,034
Swimming pools	733,785
Transportation equipment	365,569
Exercise equipment	2,485,978
Furniture and fixtures	708,229
Leasehold improvements	15,157
Tennis Court Complex	2,131,673
Construction in progress	<u>539,486</u>
	<u>33,807,518</u>

YMCA of the Capital Area
Notes to Financial Statements
December 31, 2009

Note 6-Beneficial Interest in Investments Held by Others

In the statement of assets, liabilities and net assets - modified cash basis at December 31, 2009, aggregate transfers to a recipient association, for which the YMCA of the Capital Area is specified as the beneficiary, amounted to \$2,311,952, are recorded as a beneficial interest in the investments held by the Baton Rouge Area Foundation. Variance power was not granted to the recipient association. Interest is distributed as requested by the association.

The YMCA's Beneficial Interest in Investments Held by Others at December 31, 2009 is summarized as follows:

	<u>Fair Value</u>
Common stock	\$1,309,490
Bond Index Fund	655,843
Hedge funds	345,119
Mineral Rights	<u>1,500</u>
	<u>2,311,952</u>

The following represents activity in the endowment fund for the year ended December 31, 2009:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment assets, December 31, 2008	\$1,534,641	\$374,057	\$1,908,698
Net appreciation (depreciation)	228,254		228,254
Contributions	<u>168,625</u>	<u>6,375</u>	<u>175,000</u>
Endowment assets, December 31, 2009	<u>1,931,520</u>	<u>380,432</u>	<u>2,311,952</u>

Note 7-Long-term Debt

Bond payable to Louisiana Local Government Environmental Facilities and Community Development Authority, secured by buildings and equipment, due in semiannual interest payments on March 1st and September 1st of each year at a rate of 6.25% and annual principal payments on September 1st. The bond matures September 1, 2017. Funds are held in trust by the Bank of New York. \$9,755,000

Note payable to a financial institution due in monthly principal and interest installments of \$924 with interest at 5.15%, maturing in 2012, secured by a vehicle. 29,170

(Continued - amounts brought forward) 9,784,170

YMCA of the Capital Area
Notes to Financial Statements
December 31, 2009

Note 7-Long-term Debt (Continued)

(Continued - amounts carried forward)	\$9,784,170
Note payable to financial institution due in monthly principal and interest installments of \$850 with interest at 6.75%, maturing in 2012, secured by vehicle.	19,742
Note payable to financial institution due in monthly principal and interest installments of \$753 with interest at 6.75%, maturing in 2013, secured by vehicle.	<u>27,522</u>
	9,831,434
Less current portion of long-term debt	<u>161,373</u>
	<u>9,670,061</u>

Following are the maturities of the long-term debt payable:

	<u>Bonds</u>	<u>Notes</u>	<u>Total</u>
2010	\$135,000	\$26,373	\$161,373
2011	145,000	28,043	173,043
2012	155,000	18,304	173,304
2013	165,000	3,714	168,714
2014	175,000		175,000
Thereafter	<u>8,980,000</u>	<u> </u>	<u>8,980,000</u>
	<u>9,755,000</u>	<u>76,434</u>	<u>9,831,434</u>

Note 8-Correction of an Error

The accompanying summarized financial information for 2008 has been restated to correct an error for an in-kind contribution and mathematical error, causing an increase in fixed assets of \$648,189. The effect of the restatement for 2008 was to increase contributions by \$900,000, decrease equipment repairs and maintenance by \$251,811, and increase the change in net assets by \$648,189.

Note 9-Operating Leases

The YMCA leases exercise equipment and building space for program services under operating leases. Lease expense was \$118,911 for the year ended December 31, 2009. Obligations under operating leases in future years are as follows:

2010	\$101,681
2011	64,620

Certain operating leases provide for renewal options for an additional year at the time of renewal. In the normal course of business, operating leases are generally renewed or replaced by other leases.

YMCA of the Capital Area
Notes to Financial Statements
December 31, 2009

Note 10-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 functional expenses. Expenses specifically identifiable to a particular program are charged to the program. Management and general expenses include expenses that are not directly identifiable with a specific program, but provide for the overall support and direction of the YMCA.

Note 11-Pension Plan

The YMCA participates in a multi-employer defined contribution plan for all eligible employees who meet certain age and length of service requirements. For these employees, the YMCA contributes 12% of salary. Contributions to the plan amounted to \$244,337 in 2009.

Note 12-Assets Held in Trust

The YMCA created a deferred compensation plan Trust for its CEO in 2002. The plan consists of five annual payments of \$20,000, beginning in 2004, being paid into an insurance policy which the CEO will become fully vested in after five years of service.

Note 13-Assets Measured at Fair Value on a Recurring Basis

Assets measured at fair value on a recurring basis at December 31, 2009 are comprised of the following:

Beneficial interest in investments held by others	\$2,311,952
Assets held in trust	<u>139,250</u>
	<u>2,451,202</u>

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Beneficial interest in investments held by others	\$1,966,833	\$345,119		\$2,311,952
Assets held in trust	<u>139,250</u>	<u> </u>	..	<u>139,250</u>
	<u>2,106,083</u>	<u>345,119</u>	<u> </u>	<u>2,451,202</u>

Generally, for all investments and assets held in trust, fair value is determined by reference to quoted market prices and other relevant information generated by market transactions. For certain investments, fair value is determined by the present value of future cash inflows.

YMCA of the Capital Area
Notes to Financial Statements
December 31, 2009

Note 14-Related Party Transactions

The YMCA paid fees for architectural services during the year to a firm owned by a member of its board of directors. The total of these expenses was \$403,590.

The YMCA paid auto repair and maintenance fees to a company owned by a member of its board of directors during the year. The total of these expenses was \$4,029.

The YMCA received contributions from companies owned by members of its board of directors. These contributions totaled \$47,263 for the year ended December 31, 2009.

Note 15-Commitments

The YMCA entered into a contract totaling \$3,357,052 with a construction company to build a new branch. At December 31, 2009, the YMCA was committed to \$3,191,226 of the original contract amount.

The YMCA entered into a contract totaling \$223,000 with a construction company to perform renovations on one of its branches. At December 31, 2009, the YMCA was committed to \$106,703 of the original contract amount.

Note 16-Concentration of Credit Risk

At various times during the year, cash and cash equivalents on deposit with one banking institution exceeded the amount insured by the Federal Deposit Insurance Corporation. Management monitors the financial condition of the institution on a regular basis, along with their balances in cash and cash equivalents, to minimize this potential risk.

The YMCA provides the majority of its services to and derives the majority of its revenues from individuals in the Baton Rouge metropolitan area. As such, the YMCA is susceptible to concentration risk from individuals in this region.

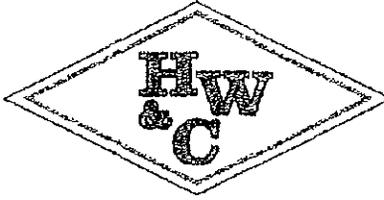
Note 17-Subsequent Event

The YMCA evaluated all subsequent events through June 9, 2010, the date the financial statements were available to be issued.

Supplementary Information

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

J. CHARLES PARKER, C.P.A.
LOUIS C. MCKNIGHT, III, C.P.A.
CHARLES R. PEVEY, JR., C.P.A.
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CERTIFIED PUBLIC ACCOUNTANTS

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June 9, 2010

**Independent Auditor's Report
on Supplementary Information**

Board of Directors
YMCA of the Capital Area
Baton Rouge, Louisiana

Our report on the audit of the basic financial statements of the YMCA of the Capital Area at December 31, 2009 appears on page 3. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The 2009 information in the schedules of assets and revenue, five year revenue, expenditure and functional expense comparisons are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

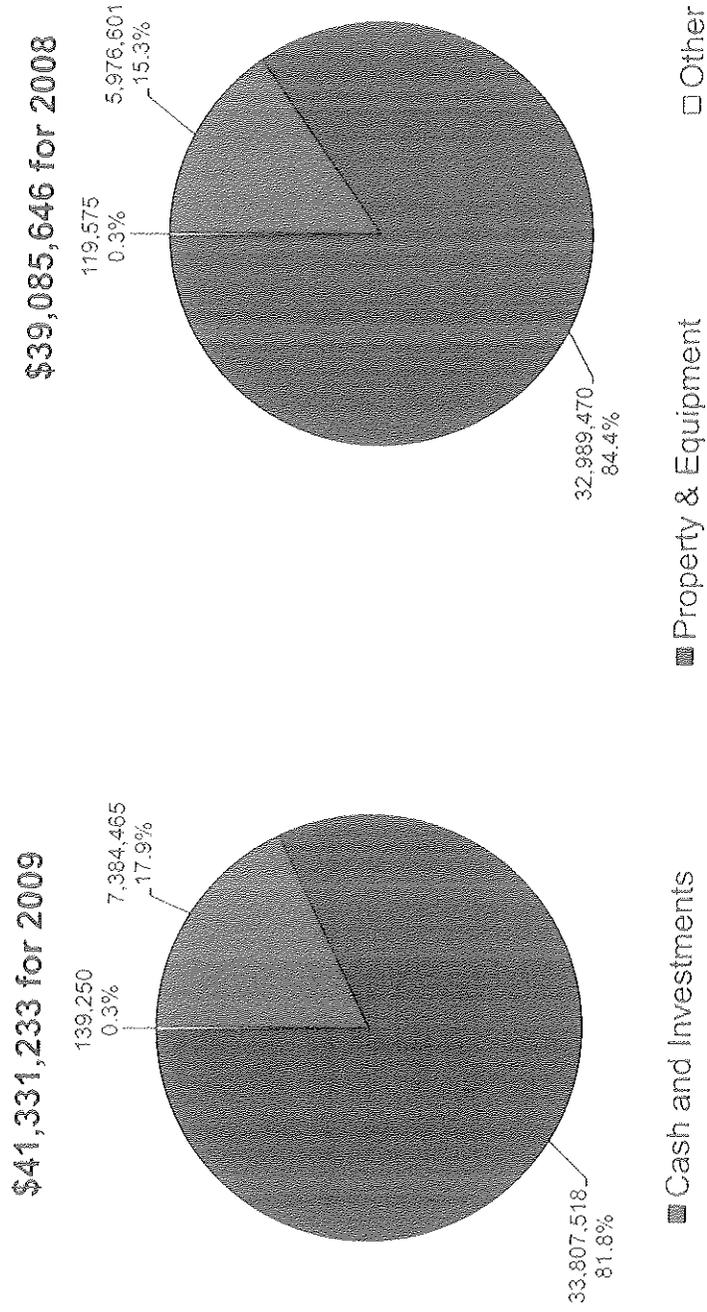
We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the statements of assets, liabilities and net assets - modified cash basis of YMCA of the Capital Area as of December 31, 2008, 2007, 2006, and 2005, and the related statements of revenue, support, and changes in net assets - modified cash basis for each of the four years then ended (none of which is presented herein), and we expressed unqualified opinions on those financial statements. In our opinion, the 2008, 2007, 2006 and 2005 information included in the schedules of assets, revenue comparison, expenditures comparison and functional expense comparison is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

Yours truly,

Hawthorn, Waymouth & Carroll, L.L.P.

YMCA of the Capital Area

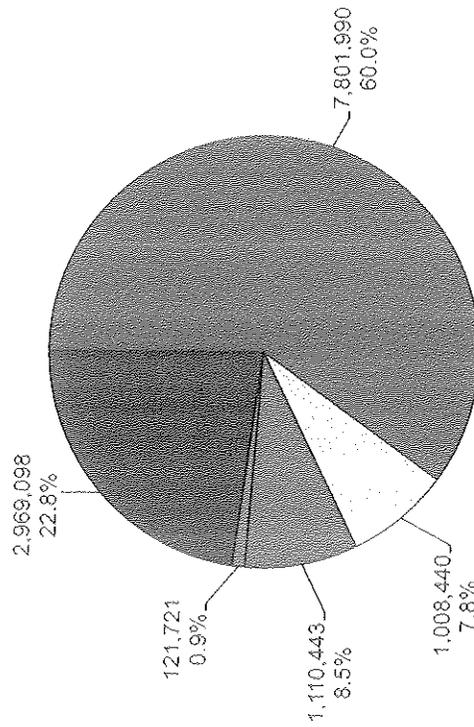
Schedule of Assets



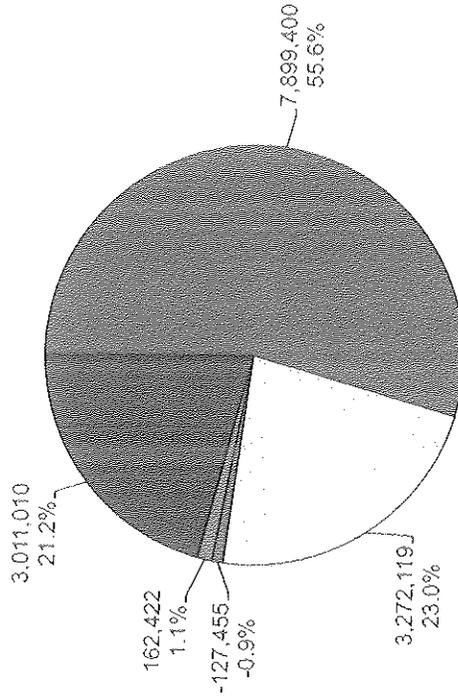
YMCA of the Capital Area

Revenue Comparison

\$13,011,692 for 2009



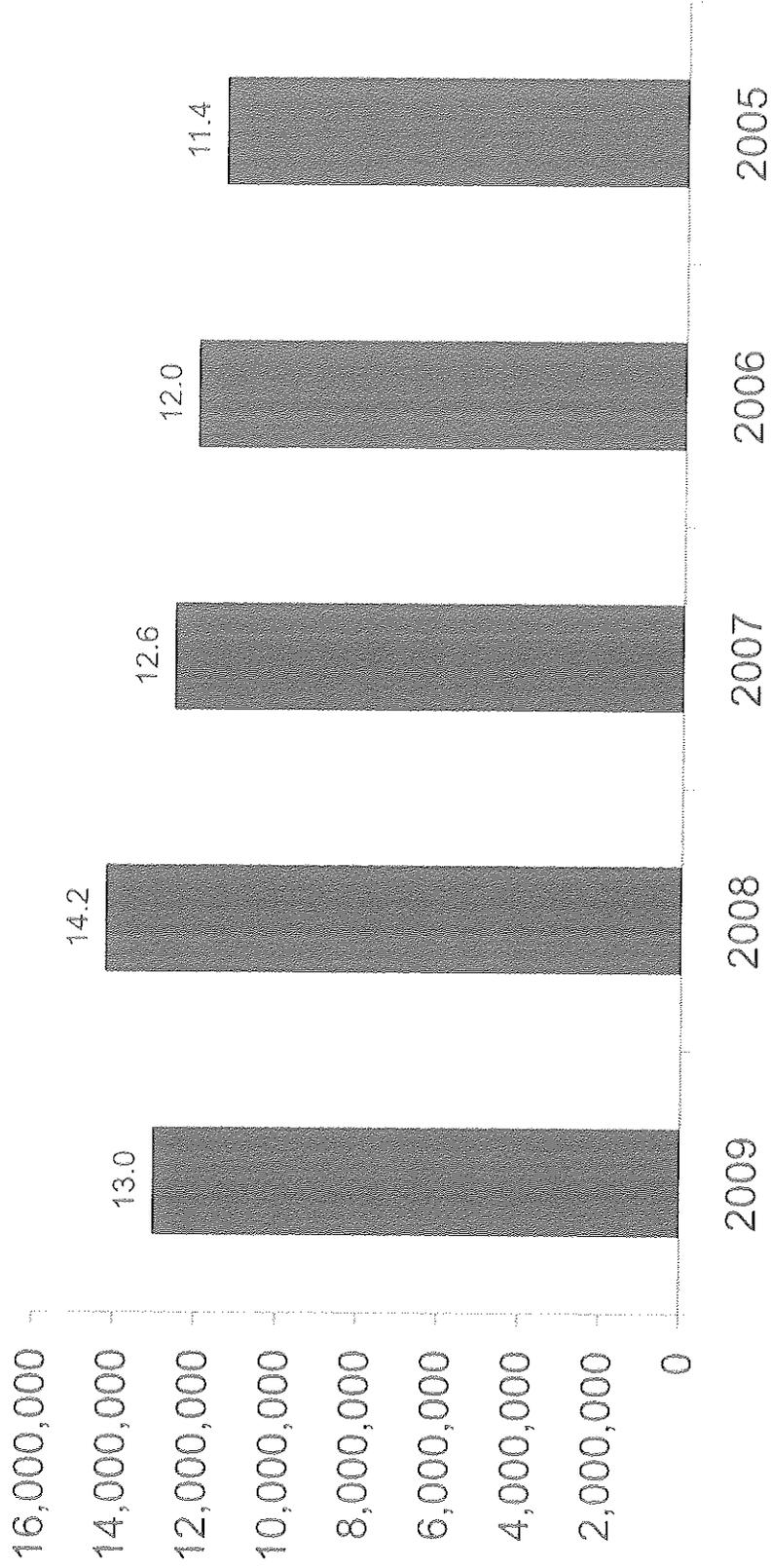
\$14,217,496 for 2008



- Membership Fees
- Contributions
- Other
- United Way
- Program Fees

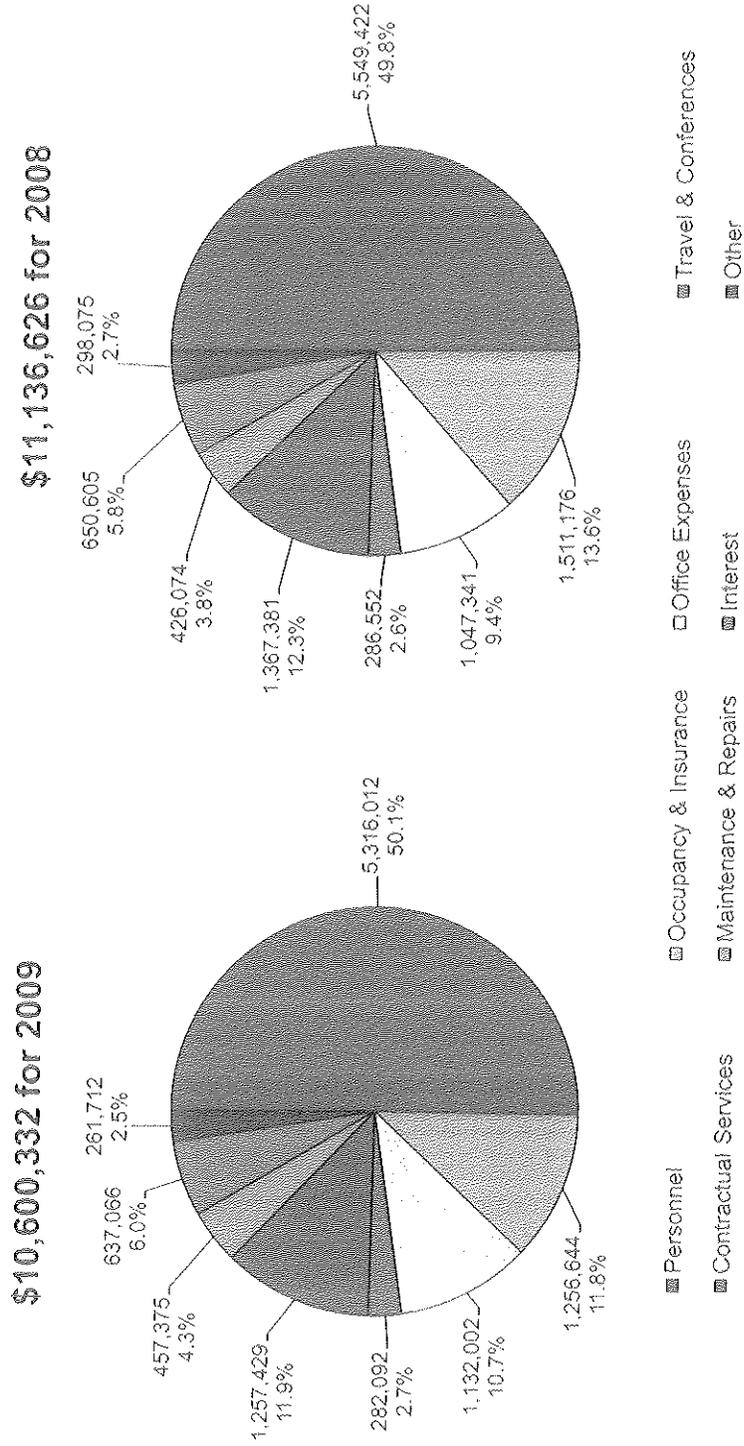
YMCA of the Capital Area

Five Year Revenue Comparison



YMCA of the Capital Area

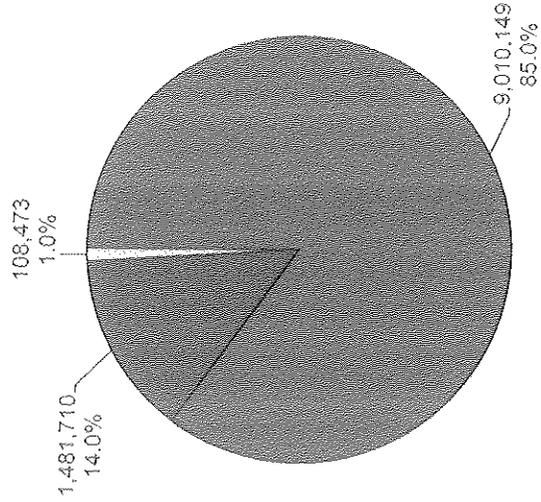
Expenditures Comparison



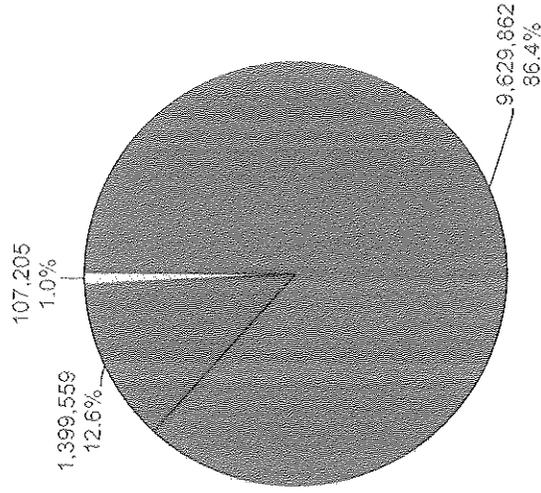
YMCA of the Capital Area

Functional Expense Comparison

\$10,600,332 for 2009



\$11,136,626 for 2008



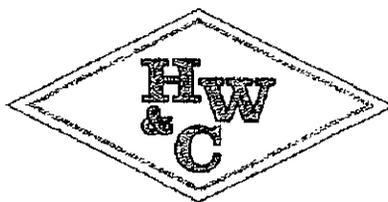
■ Program Services

■ Management and General

□ Fund Raising

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

J. CHARLES PARKER, C.P.A.
LOUIS C. MCKNIGHT, III, C.P.A.
CHARLES R. PEVEY, JR., C.P.A.
DAVID J. BROUSSARD, C.P.A.



CERTIFIED PUBLIC ACCOUNTANTS

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June 9, 2010

**Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance With *Government Auditing Standards***

The Officers and Board of Directors
YMCA of the Capital Area
Baton Rouge, Louisiana

We have audited the financial statements of the YMCA of the Capital Area (a non-profit organization) as of and for the year ended December 31, 2009, and have issued our report thereon dated June 9, 2010. 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.

Internal Control Over Financial Reporting

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the YMCA of the Capital Area's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, and the Louisiana Legislative Auditor, 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.

Yours truly,
Hawthorn, Waymouth & Carroll, L.L.P.

YMCA of the Capital Area
Schedule of Findings and Questioned Costs
Year Ended December 31, 2009

Findings - Financial Statement Audit

None