

THE YOUNG LEADERS' ACADEMY OF BATON ROUGE, INC.
Baton Rouge, Louisiana

FINANCIAL REPORT

December 31, 2003

Under provisions of state law this report is a public document. A copy of this report has been submitted to the audit and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-28-04

THE YOUNG LEADERS® ACADEMY OF BATON ROUGE, INC.
Baton Rouge, Louisiana

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Young Leaders' Academy of Baton Rouge, Inc.
Baton Rouge, Louisiana

We have audited the accompanying statement of assets, liabilities and net assets – modified cash basis of **THE YOUNG LEADERS' ACADEMY OF BATON ROUGE, INC.** (Academy) as of December 31, 2003, and the related statement of activities and changes in net assets – modified cash basis for the year then ended. These financial statements are the responsibility of the Academy'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 organization's 2002 financial statements and, in our report dated July 21, 2003, we expressed a qualified opinion on these financial statements.

Except as discussed in paragraph 4 of this report, we conducted our audit in accordance with generally accepted auditing standards 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. 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 audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the modified basis of cash receipts and disbursements, except that the statements include a provision for depreciation of equipment. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The Academy did not maintain supporting documents relating to certain cash disbursements; therefore, we could not examine cash disbursements in its entirety for the year ended December 31, 2003.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the cash transactions referred to in the preceding paragraph been susceptible to satisfactory audit tests, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and net assets of **THE YOUNG LEADERS' ACADEMY OF BATON ROUGE, INC.** as of December 31, 2003 and its support, revenue and expenses for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 27, 2004, on our consideration of the Young Leaders' Academy of Baton Rouge, Inc.'s internal control over financial reporting and on 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedules of Functional Expenses - Modified Cash Basis and Statistical Information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Since we were unable to satisfy ourselves concerning the completeness and validity of such disclosures, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the accompanying schedule of expenses and statistical information for the year ended December 31, 2003.


Paul H. Wilkins, CPA
Certified Public Accountant

Baton Rouge, Louisiana
May 27, 2004

THE YOUNG LEADERS' ACADEMY OF BATON ROUGE, INC.
Baton Rouge, Louisiana

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS

December 31, 2015
(with comparative amounts for 2014)

	ASSETS	
	<u>2015</u>	<u>2014</u>
CURRENT		
Cash	\$ 22,585	\$ 24,555
Restricted cash, capital campaign	<u>585</u>	<u>62,187</u>
Total current assets	23,172	86,742
FIXED ASSETS, net	340,450	339,392
OTHER	<u>423</u>	<u>423</u>
Total assets	<u>\$ 364,045</u>	<u>\$ 326,557</u>
	LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES		
Amounts due to contributors	\$ 18,000	\$ -
Amounts held for other organizations	-	11,500
Notes payable	5,844	-
Rental deposit	<u>3,800</u>	<u>3,800</u>
Total liabilities	<u>27,644</u>	<u>15,300</u>
NET ASSETS		
Unrestricted	143,873	174,866
Temporarily restricted	<u>192,272</u>	<u>154,873</u>
Total net assets	<u>336,145</u>	<u>329,739</u>
Total liabilities and net assets	<u>\$ 364,045</u>	<u>\$ 326,557</u>

The accompanying notes to financial statements
are an integral part of this statement.

THE YOUNG LEADERS' ACADEMY OF BATON ROUGE, INC.

Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS

For the year ended December 31, 2000

(with comparative amounts for 1999)

	Temporarily		Totals	
	Unrestricted	Restricted	1999	2000
SUPPORT AND REVENUE				
<i>Contributions:</i>				
Corporate	\$ 102,360	\$ -	\$ 102,360	\$ 83,788
Foundation	40,249	-	40,249	20,778
Parishians	4,818	-	4,818	20,811
Individual	32,137	-	32,137	67,378
Other	10,298	-	10,298	36,291
Capital campaigns	-	26,000	26,000	62,303
Grants	171,836	-	171,836	240,649
Rent	42,000	-	42,000	42,000
Net assets released from restrictions	17,800	(17,800)	-	-
Total support and revenue	478,732	8,197	486,929	583,072
EXPENSES:				
<i>Program services:</i>				
Spring Academy	19,283	-	19,283	46,382
Summer Academy	44,282	-	44,282	59,582
Fall Academy	11,089	-	11,089	34,482
Mentoring	98,886	-	98,886	98,002
<i>Administrative</i>	<i>265,565</i>	<i>-</i>	<i>265,565</i>	<i>278,181</i>
Total expenses	438,945	-	438,945	376,648
Increase (decrease) in net assets	(40,213)	8,197	(32,016)	3,388
NET ASSETS				
Beginning of year	174,096	186,673	360,769	354,581
End of year	\$ 133,883	\$ 194,870	\$ 328,753	\$ 357,969

The accompanying notes to financial statements
are an integral part of this statement.

THE YOUNG LEADERS[®] ACADEMY OF BATON ROUGE, INC.
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

The Young Leaders[®] Academy of Baton Rouge, Inc. (the Academy) seeks to nurture the development of leadership abilities of young African-American males, empowering them to improve the quality of their lives and contribute to the betterment of the community.

Basis of presentation

The Academy prepares its financial statements on the modified cash basis of accounting but includes depreciation of capitalized assets and liabilities for amounts held for others. Under this basis, revenues are recognized when received rather than when earned, and expenses are recognized when cash is disbursed rather than when the obligation is incurred.

The Academy reports information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Academy does not have any permanently restricted net assets.

The statement of activities presents expenses of the Academy's operations functionally between program services and administrative.

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 cash basis of accounting. Accordingly, such information should be read in conjunction with the Academy's financial statements for the year ended December 31, 2003, from which the summarized information was derived.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted and designated net assets

Unrestricted net assets represent resources over which the Board of Directors has discretionary control to support operations of the Academy in accordance with its bylaws.

Temporarily restricted net assets are contributions from its capital campaign that are designated for property acquisitions and improvements to the facility used in operations of the Academy.

Volunteer services

A substantial number of unpaid volunteers have made a significant contribution of service to develop the Academy's programs, principally in fund raising activities, educational projects, operations, and board participation. The value of this service is not reflected in these statements since there is no objective basis for measurement or valuation.

Fixed assets and depreciation

Purchased fixed assets are recorded at cost. Fixed assets are depreciated on the straight-line method over their estimated useful lives.

Amounts due to contributor

Amounts due to contributor represent an excess contribution received in error by the Academy. The contributor has requested a refund of the excess amount which was made subsequent to year end.

Fair value of financial instruments

The carrying value of cash, deposits, and current liabilities approximates fair value due to the short-term maturity of these instruments. None of the financial instruments are held for trading purposes.

Income tax status

The Academy qualifies as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 - ADVANCE

During 2003, advances of \$11,500 were made to the Academy's former executive director through use of the organization's credit card. These payments were expensed in the financial statements as administrative costs. Reimbursements received subsequent to 2003 will be recognized when the cash is received in accordance with the Academy's method of accounting.

NOTE 3 - FIXED ASSETS

Property and equipment, and related service lives at December 31, 2003 were as follows:

	Estimated Service Lives	2003
Land	-	\$ 58,000
Construction in progress	-	33,314
Building	20 years	133,381
Furniture & Fixtures	7 years	27,484
Computer equipment	5 years	40,425
Software	3 years	<u>1,430</u>
		393,164
Less accumulated depreciation		<u>(194,314)</u>
		<u>\$ 198,850</u>

Depreciation expense was \$14,522 during the year ended December 31, 2003.

NOTE 4 - NOTE PAYABLE

The Academy has a \$30,000 line of credit of which approximately \$25,000 was unused at December 31, 2003. Bank advances on the credit line (approximately \$3,800 at December 31, 2003) are payable on demand and have an interest rate of 7.5%. The credit line is unsecured and matures on December 31, 2004.

NOTE 5 - SIGNIFICANT SOURCES OF REVENUE

Approximately \$104,000 (52%) of the 2003 contributions, was received from eleven contributors.

NOTE 6 - OPERATING LEASES

Lease

The Academy leased a vehicle from a third party and is responsible for repairs and maintenance. The lease term is for three years, expiring in January 2003. Rent expense for the vehicle was \$7,071 for the year ended December 31, 2003. The future minimum rental payments under this lease as of December 31, 2003 are as follows:

Year	Amount
2004	\$ 3,679
2005	<u>1,928</u>
	<u>\$ 5,607</u>

The Academy rents office space on a month-to-month lease arrangement for its administrative facility. Rent expense for the office amounted to \$7,900 during 2003.

Lease

The Academy leases a portion of its building (net \$212,250, carry value \$219,600) through November 2004. The minimum rental income for the year ending December 31, 2004 is \$18,508. Rental income was \$42,800 during 2003.

NOTE 7 - CONCENTRATIONS OF CREDIT RISK

The Academy typically maintains cash and cash equivalents and temporary investments in a local bank that may, at times, exceed the FDIC limits. Management believes the risk is limited. As of December 31, 2003, there were no uninsured balances.

The Academy primarily receives support from contributors in the Greater Baton Rouge area.

NOTE 8 - CONTINGENCIES

The Academy has received contributions from donors for a capital campaign. Previously, the Academy expended these restricted resources for purposes that were not in accordance with donor restrictions. No provision has been made in these financial statements for any effects of returning restricted contributions. Management intends to raise unrestricted funds to replenish the restricted resources. Also, management believes that most of the contributions will be returned to donors.

At December 31, 2003, the Academy had expended approximately \$191,000 of restricted resources for purposes not meeting the requirements of donors' restrictions.

Special Independent Auditors' Report

THE YOUNG LEADERS' ACADEMY OF BATON ROUGE, INC.

Baton Rouge, Louisiana

December 31, 2009



REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
The Young Leaders' Academy of Baton Rouge, Inc.
Baton Rouge, Louisiana

We have audited the accompanying financial statements – modified cash basis of the Young Leaders' Academy of Baton Rouge, Inc. (the Academy) as of and for the year ended December 31, 2003 and have issued our report thereon dated May 17, 2004. We conducted our audit in accordance with 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. In our report on the financial statements, our opinion was qualified because, as described in the fourth paragraph, we were unable to examine cash disbursements in their entirety due to a lack of supporting documents for the year ended December 31, 2003.

Compliance

As part of obtaining reasonable assurance about whether the Academy'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 instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as Items 2003-2 and 2003-5.

Internal Control Over Financial Reporting

The management of the Academy is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. As part of our engagement, we considered the Academy's internal control over financial reporting 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. We noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Academy's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

However, the reportable conditions described in the Schedule of Findings and Questioned Costs as Items 2000-1 through 2003-8 involving internal control over financial reporting are also considered to be material weaknesses as defined above.

This report is intended solely for the information and use of the Board of Directors, management, the Louisiana Legislative Auditor and federal and state granting agencies, and is not intended to be used should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:511, this report is distributed by the Legislative Auditor as a public document.


Certified Public Accountants

Baton Rouge, Louisiana
May 27, 2004

THE YOUNG LEADERS' ACADEMY OF BATON ROUGE, INC.
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2003

A) SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses a qualified opinion due to a scope limitation on the financial statements of The Young Leaders' Academy of Baton Rouge, Inc.
2. There were two instances of noncompliance material to the financial statements in relation to this audit that are described in Items 2003-2 and 2003-5.
3. There are eight internal control findings that are described in Items 2003-1 through 2003-8.

B) FINDING – FINANCIAL STATEMENT AUDIT

2003-1 Board of Directors Governance

Observation: Based on the results of observations made during our audit and outlined below, the Board of Directors of the Academy is not providing financial governance of the Academy. The basic responsibilities of Board members and executive officers of the Academy should include the following:

- Reviewing financial statements that reflect the financial condition and operating results of the Academy's activities. Since financial statements were not prepared for 2003 until May 2004, this responsibility was abandoned.
- Meeting as a Board on a regular basis to review and approve the Academy's past performance and plans for future programs.
- Authorizing expenditures and the related accounting of Academy resources.
- Supervising personnel employed for accounting functions.

Recommendation: We recommend that the Board of Directors assume an assertive role to prevent the recurrence of these findings.

Management's corrective action plan: We concur with the finding and intend to resolve this matter during 2004.

2003-2 Supporting Expenditures Documentation

Observation: During our review of disbursements of the Academy for the year ended December 31, 2003, we tested disbursements totaling approximately \$36,480, selected on a judgmental basis. Approximately \$11,500 of these expenditures lacked supportive documentation in the form of the vendor's invoice. This finding was noted in 2003.

These expenditures related to credit card purchases authorized by the Academy's executive director. The executive director maintained control of two Academy credit cards with no oversight provided by the Board of Directors. During January 2004, the executive director resigned from the Academy without providing supporting invoices or reimbursement to the Academy for these credit card expenditures.

However, none of these unsupported expenditures related to governmental grant funds received by the Academy.

Recommendation: We recommend that management of the Academy retain all supportive documents, i.e. vendor invoices, for a minimum of four years to substantiate expenditures of the Academy.

The Academy should initiate procedures to impose internal controls over expenditures and record retention, such as a requirement for the Treasurer of the Academy to approve all purchases and related disbursements.

Finally, we recommend that the Academy perform the following:

- Review all credit card payments during 2003 which are unsubstantiated (approximately \$11,500) with the former executive director to obtain supportive documentation of such expenditures or arrange for these expenditures to be reimbursed by the executive director.
- Additionally, the treasurer should approve all credit card payments monthly for prospective use of the Academy's credit card. Alternatively, the Academy may explore abolishing the use of credit cards entirely.

Management's corrective action plan: We concur with the finding and recommendation.

Management has indicated that it will improve its record retention procedures to retain supportive documents of cash disbursements. Additionally, procedures will be initiated to improve disbursement authority, which includes a more active role from members of the Executive Committee of the Academy. In addition, the Academy has hired a new executive director during 2004 and anticipates improvement in this area.

Finally, the Academy has reviewed these items with its former executive director and reimbursement of these costs approximating \$11,500 has been received in 2004.

2003-3 Financial Reporting of Expenditures Relating to Grant Programs

Observation: During our observation of grant related expenditures of the Academy, we noted that expenditures had supporting documentation that was approved by the granting agency prior to reimbursement; however, these amounts were not segregated in the Academy's financial statements.

Recommendation: We recommend that grant expenses be classified in separate general ledger accounts rather than included with non-grant funded expenditures to allow for easier tracking of grant expenditures in the Academy's financial statements.

Management's corrective action plan: Management has indicated that it will improve its grant recording procedures to clearly document how grant expenditures are captured in its financial statements.

2003-4 Timeliness of Financial Reporting

Observation: Financial statements for 2003 were prepared in May 2004. Additionally, significant difficulties were encountered in completing the 2003 financial statements for audit as necessary documentation to support numerous transactions was not maintained nor were bank accounts reconciled in a timely manner (see 2003-3 and 2003-7).

The failure to generate interim financial statements on a timely basis represents a major lapse of governance oversight as exercised by the Board of Directors in conjunction with the senior management of the Academy (see 2003-1).

Recommendation: The Academy should take whatever means necessary to prepare its financial statements on a timely basis, i.e., within two weeks of the end of the month.

We recommend the following alternatives:

- The appropriate people should be employed to prepare financial statements on an accurate and timely basis, or,
- Outsource the preparation of financial statements to a third party.

Since the financial statements and related systems are basic, this is not a difficult task that requires major system design. We strongly recommend an immediate resolution of this matter, as funding sources may be jeopardized from this lack of fiscal responsibility.

Management's corrective action plan: Management has started preparing the financial statements for 2004, and anticipates timely reporting to the Board of Directors during the year.

2003-5 Borrowing of Temporarily Restricted Contributions

Observation: The Academy, during 2003, expended restricted capital campaign contributions for purposes that were not in accordance with the donors' restrictions. The capital campaign was initiated in 2000. Through December 31, 2003, the Academy has received approximately \$248,000 in capital campaign contributions with capital expenditures of approximately \$156,000. As a result, the restricted cash balance should be approximately \$192,000. However, at December 31, 2003, the Academy has \$100 of restricted cash from capital campaign resources. As a result, approximately \$191,000 has been expended from restricted resources for operating purposes that do not appear to comply with donor restrictions.

Recommendation: We recommend that the capital campaign account be reimbursed for those amounts expended and that appropriate financial policies be formulated to ensure proper control of restricted funds.

Management's corrective action plan: Management intends to review this matter during 2004 with its legal counsel for appropriate resolution.

2003-4 Board of Directors Meetings

Observation: During the year ended December 31, 2003, Management of the Academy indicated no meetings were held by the board of directors. As a result, no board meeting minutes were available. The Academy's by-laws require one annual meeting in January. The Board should meet to review matters that may include, but are not limited to, the following areas:

- Internal control functions over financial matters, reviewing financial statements and overseeing grant applications and administration.
- Appropriate supervision of staff, such as pay rate/increases and hiring decisions.
- Documentation of assessments and discussion of legal and other regulatory issues.

Recommendation: The Academy should conduct regular board meetings to achieve appropriate governance over the organization. Also, see recommendation at 2003-1.

Management's corrective action plan: Management intends to schedule board meetings quarterly and communicate to board members the importance of attendance. The Board began meeting on a regular basis during 2004.

2003-7 Bank Reconciliations

Observation: The Academy did not perform bank reconciliations for cash accounts for the 2003 fiscal year. A bank reconciliation was performed for December 31, 2003 during the audit process to determine the cash balance.

Recommendation: We recommend that the Academy's bank accounts be reconciled monthly and the reconciliation be reviewed by the Treasurer.

Management's corrective action plan: Bank account reconciliations will be performed timely during 2004.

2003-8 Segregation of Duties

Observation: There is not sufficient segregation of duties to have effective internal control over financial reporting. The finding results from the small size of the organization. These limitations allow an opportunity for meaningful segregation of duties. This is a prior year finding.

Recommendation: We recommend that the Treasurer review the following:

- Check disbursements and related supporting documentation.
- Monthly bank statement, canceled checks and related reconciliation.
- Monthly financial statements, including detailed general ledger review.

Additionally, the executive director is the only signature required to authorize check disbursements. The Board of Directors should initiate procedures to require a member of the Academy's executive committee to authorize purchases and related disbursements for all Academy expenditures.

Management's corrective action plan: We concur with the finding and intend to implement the recommendation.

THE YOUNG LEADERS' ACADEMY OF BATON ROUGE, INC
Baton Rouge, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS

For the year ended December 31, 2003

2002-1 Due Dates for Audit Reports (Resolved)

Prior Year Condition: The Academy's grant with the U.S. Department of Justice required the 2002 audit report to be submitted by June 30, 2003.

Additionally, the Academy was required to submit the audited 2002 financial statements to the Louisiana Legislative Auditor by June 30, 2003. The audit report was submitted in July, 2003.

Current status: The 2003 audited financial statements were submitted prior to June 30, 2004. As a result, this finding is considered resolved.

2002-2 Board of Directors Governance

Prior Year Condition: During the year ended December 31, 2002, the Board of Directors of the Academy did not provide adequate financial governance of the Academy.

Current status: The condition was noted during the audit for the year ended December 31, 2003 as finding 2003-1.

2002-3 Supporting Expenditure Documentation

Prior Year Condition: During the year ended December 31, 2002, approximately \$18,800 of the expenditures lacked supportive documentation in the form of the vendor's invoice.

Current status: The condition was noted during the audit for the year ended December 31, 2003 as finding 2003-2.

2002-4 Expenditures Relating to Grant Programs

Prior Year Condition: During the year ended December 31, 2002, approximately \$7,700 of U.S. Department of Justice grant expenditures could not be substantiated by the Academy. Additionally, we recommended that the Academy segregate the reporting of grant programs in its financial statements.

Current status: Grant expenditures were substantiated with support during 2003. However, grant related expenditures were not segregated in the financial reporting process. As a result, the condition relating to grant financial reporting was noted during the audit for the year ended December 31, 2003 as finding 2003-3.

2002-3 Timeliness of Financial Reporting

Prior Year Condition: The 2002 financial statements were prepared in June 2003. Additionally, significant difficulties were encountered in completing the 2002 financial statements for audit as necessary documentation to support transactions was not maintained.

Current status: The condition was noted during the audit for the year ended December 31, 2003 as finding 2002-4.

2002-4 Breaching of Temporarily Restricted Contributions

Prior Year Condition: During the year ended December 31, 2002, the Academy expended restricted capital campaign contributions for purposes that were not in accordance with donor restrictions.

Current status: The condition was noted during the audit for the year ended December 31, 2003 as finding 2002-5.

2002-7 Non-Filing of Annual Tax Returns (Resolved)

Prior Year Condition: During the year ended December 31, 2002, the Academy had not timely filed Form 990 "Return of Organization Exempt from Income Tax" for the fiscal year ended December 31, 2001.

Current status: The 2001 return was filed in August 2003 and late filing penalties were abated by the Internal Revenue Service. Additionally, the 2002 return was filed timely. The Academy participates filing its tax returns timely for 2003. As a result, this matter is considered resolved.

2002-8 Board of Directors Meeting Minutes

Prior Year Condition: During the year ended December 31, 2002, certain minutes of Board of Directors meetings were not maintained by the Academy.

Current status: The condition was noted during the audit for the year ended December 31, 2003 as finding 2002-6.

2002-9 Segregation of Duties

Prior Year Condition: During the year ended December 31, 2002, there was insufficient segregation of duties to have effective internal control. The finding resulted from the small size of the organization.

Current status: The condition was noted during the audit for the year ended December 31, 2003 as finding 2002-8.

THE YOUNG LEADERS' ACADEMY OF BAYORS ROUSE, INC.

Bayors Rouse Leadership Institute

SCHEDULE OF FUNCTIONAL EXPENSES - INCURRED CASH BASIS

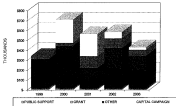
for the year ended December 31, 2003

(All amounts in thousands of dollars)

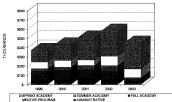
	Spring Adjuncts	Summer Adjuncts	Fall Adjuncts	Winter Adjuncts	Administration	Total
EXPENSES:						
Salaries	\$ 18,114	\$ 23,094	\$ 4,700	\$ 18,000	\$ 11,248	\$ 113,756
Payroll taxes	-	-	-	-	14,000	14,000
Meals	1,644	2,894	1,040	-	-	5,578
Travel	4,000	3,117	1,000	2,360	-	10,477
Transportation	-	-	116	20	-	136
Supplies and other	-	-	-	-	11,000	11,000
Professional	-	-	-	-	11,000	11,000
Interest	-	-	-	-	16,216	16,216
Rent	-	-	-	-	11,000	11,000
Repairs and maintenance	-	-	-	-	11,000	11,000
Utilities	-	110	-	-	-	110
Field trips	-	-	-	2,628	4,889	7,517
Office supplies	-	-	-	1,401	1,418	2,819
Telephone	-	4,004	-	-	1,400	5,408
Transportation	-	-	-	-	4,000	4,000
Activities fees	-	-	-	-	4,276	4,276
Marketing	-	-	-	5,000	1,000	6,000
Printing	-	-	-	-	14,000	14,000
Conferences	-	-	-	-	750	750
Automobile	-	-	-	-	-	-
Depreciation	-	-	-	-	14,000	14,000
Provisioning	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Other	280	-	-	14,000	20,111	34,391
Total	\$ 23,038	\$ 27,094	\$ 11,080	\$ 30,628	\$ 105,562	\$ 498,040

STATISTICAL INFORMATION

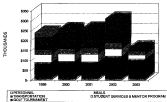
**THE YOUNG LEADERS ACADEMY OF BATON ROUGE, INC.
REVENUE AND SUPPORT**



**THE YOUNG LEADERS ACADEMY OF BATON ROUGE, INC.
EXPENSES**



**THE YOUNG LEADERS ACADEMY OF BATON ROUGE, INC.
PROGRAM EXPENSES**



**THE YOUNG LEADERS ACADEMY OF BATON ROUGE, INC.
ADMINISTRATIVE EXPENSES**

