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YWCA OF GREATER BATON ROUGE, INC.
BATON ROUGE, LOUISIANA
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

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

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Certified Public Accountant



Donald C. DeVille

Member
American Institute CPAs

Member
Louisiana Society CPAs

7829 BLUEBONNET BLVD.
BATON ROUGE, LA 70810
(225) 767-7829

INDEPENDENT AUDITOR'S REPORT

June 9, 2004

Members of the Board of Directors
YWCA Of Greater Baton Rouge, Inc.
Baton Rouge, Louisiana

I have audited the accompanying statement of financial position of YWCA Of Greater Baton Rouge, Inc. (a non-profit organization) as of December 31, 2003, and the related statements of activities, functional expenses and cash flows, for the year then ended. These financial statements are the responsibility of YWCA of Greater Baton Rouge, Inc.'s management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provided a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Y W C A of Greater Baton Rouge, Inc. as of December 31, 2003, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated June 9, 2004, on our consideration of Y W C A of Greater Baton Rouge, Inc.'s internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was made for the purpose of forming an opinion on the basic financial statements of Y W C A of Greater Baton Rouge, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is 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 my opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Donald C. Hwille

YWCA OF GREATER BATON ROUGE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2003

(With Comparative Totals for 2002)

	<u>UNRESTRICTED</u>	<u>TEMPORARY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL 2003</u>	<u>2002</u>
ASSETS					
Cash & equivalents	\$18,670	\$39,152	\$-0-	\$57,822	\$44,605
Investments	-0-	-0-	26,408	26,408	22,253
Accounts Receivable	371	-0-	-0-	371	-0-
Grants Receivable	80,780	-0-	-0-	80,780	215,091
Prepaid Expenses	-0-	-0-	-0-	-0-	763
Grant Advance	-0-	-0-	-0-	-0-	7,380
Fixed Assets	429,260	-0-	-0-	429,260	461,851
Deposit	1,150	-0-	-0-	1,150	1,150
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	530,231	39,152	26,408	595,791	753,093
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND NET ASSETS					
LIABILITIES					
Line of Credit	\$44,491	-0-	\$-0-	\$44,491	\$44,503
Accounts Payable	126,031	-0-	-0-	126,031	294,142
Employee Withholding	2,038	-0-	-0-	2,038	2,194
Accrued Vacation	34,391	-0-	-0-	34,391	27,154
Refundable Advances	-0-	39,152	-0-	39,152	62,930
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	206,951	39,152	-0-	246,103	430,923
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
NET ASSETS					
Unrestricted	323,280	-0-	-0-	323,280	299,917
Permanently Restricted Endowment	-0-	-0-	26,408	26,408	22,253
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NET ASSETS	323,280	-0-	26,408	349,688	322,170
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
TOTAL LIABILITIES & NET ASSETS	530,231	39,152	26,408	595,791	753,093
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

YWCA OF GREATER BATON ROUGE, INC.
STATEMENT OF ACTIVITY
YEAR ENDED DECEMBER 31, 2003
(With Comparative Totals for 2002)

	<u>UNRESTRICTED</u>	<u>TEMPORARY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL 2003</u>	<u>2002</u>
REVENUE AND OTHER SUPPORT:					
Contributions	\$102,736	\$-0-	-0-	\$102,736	\$90,875
Contributions-In Kind	122,255	-0-	-0-	122,255	121,835
United Way	321,100	-0-	-0-	321,100	331,100
Special Events	56,985	-0-	-0-	56,985	22,801
Grants	2,387,732	-0-	-0-	2,387,732	1,678,635
Membership Dues	9,609	-0-	-0-	9,609	12,123
Program Service Fees	3,235	-0-	-0-	3,235	8,584
Sales to Public	4,500	-0-	-0-	4,500	7
Interest Income	372	-0-	-0-	372	569
Gain/Loss on Endowment	-0-	-0-	4,155	4,155	(2,732)
Other Revenue	7,556	-0-	-0-	7,556	12,160
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUE AND OTHER SUPPORT	3,016,080	-0-	4,155	3,020,235	2,275,957
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
EXPENSES:					
PROGRAM SERVICES	2,557,137	-0-	-0-	2,557,137	2,045,121
SUPPORT SERVICES					
Management	369,539	-0-	-0-	369,539	151,071
Fund Raising	66,041	-0-	-0-	66,041	84,489
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	2,992,717	-0-	-0-	2,992,717	2,280,681
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES	23,363	-0-	4,155	27,518	(4,724)
Net Assets, January 1	299,917	-0-	22,253	322,170	326,894
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Assets, December 31	323,280	-0-	26,408	349,688	322,170
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

BATON ROUGE AREA YWCA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2003

(WITH COMPARATIVE DATA FOR 2002)

	<u>WOMEN'S PROGRAMS</u>	<u>MANAGEMENT</u>	<u>FUND RAISER</u>	<u>TOTALS</u>	
				<u>2003</u>	<u>2002</u>
SALARIES	\$1,141,795	\$174,644	\$23,691	\$1,340,130	\$1,245,557
EMPLOYEE BENEFITS	150,513	22,081	3,228	175,822	147,917
PAYROLL TAXES	109,835	15,811	2,030	127,676	98,887
PROFESSIONAL	631,683	14,483	4,450	650,616	163,681
SUPPLIES	129,259	6,279	569	136,107	86,327
TELECOMMUNICATIONS	11,353	8,209	252	19,814	30,118
POSTAGE	7,105	1,743	1,688	10,536	9,426
OCCUPANCY	103,456	34,511	-0-	137,967	86,238
EQUIPMENT RENTAL	14,255	3,090	-0-	17,345	9,254
PRINTING	19,842	1,391	2,391	23,624	12,902
TRAVEL	75,709	54	-0-	75,763	35,266
CONFERENCES	42,873	3,633	25,235	71,741	68,597
DIRECT ASSISTANCE	40,701	-0-	-0-	40,701	136,899
DUES	3,190	1,253	185	4,628	12,874
PAYMENTS TO AFFILIATES	-0-	6,823	-0-	6,823	-0-
AWARDS	5,497	107	2,300	7,904	7,396
MISCELLANEOUS	4,489	4,224	22	8,735	11,402
INSURANCE	2,316	46,797	-0-	49,113	46,646
INTEREST	972	15,861	-0-	16,833	3,891
DEPRECIATION	62,294	8,545	-0-	70,839	67,403
TOTAL	<u>2,557,137</u>	<u>369,539</u>	<u>66,041</u>	<u>2,992,717</u>	<u>2,280,681</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

YWCA OF GREATER BATON ROUGE, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2003
(With Comparative Totals for 2002)

	<u>2003</u>	<u>2002</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Increase (Decrease) In Net Assets	\$27,518	\$(4,724)
Adjustments To Reconcile Increase In Net Assets To Net Cash Provided By Operating Activities:		
Depreciation	70,839	67,403
(Increase) Decrease In Operating Assets:		
Receivables	133,940	(30,926)
Prepaid Expenses	763	896
Grant Advance	7,380	(7,380)
Increase (Decrease) In Operating Liabilities:		
Accounts Payable	(168,111)	62,222
Withholding	(156)	2,194
Accrued Vacation	7,237	5,245
Accrued Liabilities	-0-	(3,285)
Refundable Advances	(23,778)	(4,070)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>55,632</u>	<u>87,575</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
(Increase) Decrease in Investments	(4,155)	2,732
Purchase of Equipment & Building Improvements	(38,249)	(97,746)
	<u>(42,404)</u>	<u>(95,014)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Proceeds of Long-Term Borrowings	18,194	41,204
Repayment of Long-Term Borrowings	(18,205)	(17,260)
	<u>(11)</u>	<u>23,944</u>
NET INCREASES (DECREASE) IN CASH AND CASH EQUIVALENTS	13,217	16,505
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>44,605</u>	<u>28,100</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>57,822</u>	<u>44,605</u>
SUPPLEMENTAL DATA:		
Interest paid	<u>\$16,833</u>	<u>-0-</u>
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.		

YWCA OF GREATER BATON ROUGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE #1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

YWCA Of Greater Baton Rouge, Inc. (the "Organization") is a Louisiana non-profit corporation organized for the purpose of advancing the spiritual, intellectual, mental, social, cultural and physical condition of women and girls in the Baton Rouge area. The Organization is associated with the Young Women's Christian Association of the United States of America. The Organization is also a participating agency of and receives a portion of its annual funding needs from the Capital Area United Way. Other principal sources of revenues are grants, annual membership dues, donations and fees charged for various program activities. Substantially all of the revenues received by the Organization are from sources within the State of Louisiana.

BASIS OF PRESENTATION

The YWCA has adopted Statement of Financial Accounting Standards No. 117 (SFAS No. 117), Financial Statements of Not-for-Profit Organizations. Under FAS No. 117, the YWCA 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. In addition, the YWCA is required to present a statement of cash flows. The YWCA does not use fund accounting.

PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give to the YWCA that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Accounts receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge-off method is not a material departure from GAAP as it approximates the valuation method.

YWCA OF GREATER BATON ROUGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

DONATED SERVICES

Amounts have been reported in the statements for donated services because they do meet the criteria for recognition under SFAS No. 116. A substantial number of volunteers have donated significant amounts of their time to the Organization.

Contributions of service shall be recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individual possessing those skills and would typically need to be purchased if not provided by donation.

Contributions

The YWCA has also adopted SFAS No. 116, "Accounting for Contributions Received And Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted supported depending on the existence or nature of any donor restrictions.

Tax Status

The YWCA is exempt from Federal Income Taxes under Section 501 (c) (3) of the Internal Revenue Code, and has been designated as an organization which is not a private Foundation.

CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, the organization considers all unrestricted highly liquid investments with maturity of three months or less to be cash equivalents.

INVESTMENTS

The Organization has adopted SFAS No. 124, "Accounting for Certain Investments Held by Not-For-Profit Organizations." Under SFAS No. 124, investments in marketable securities with ready determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the changes in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

ACCOUNTS RECEIVABLE

Accounts receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge-off method is not a material departure from GAAP as it approximates the valuation method.

YWCA OF GREATER BATON ROUGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

INVENTORIES

Inventory is stated at the lower cost or market, determined by the first-in, first-out method. There were no inventories at year end.

PREPAID

Insurance and similar services which extend over more than one accounting period have been recorded as prepaid.

USE OF ESTIMATES

The preparation of financial statements in-conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

PROPERTY AND EQUIPMENT

The purchase of property and equipment is recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Property and equipment is depreciated using the straight-line method over the estimated useful lives of 5 to 15 years.

COMPARATIVE DATA

Comparative data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the YWCA's financial position and operations. However, presentation of comparative data by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE #2. CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK

Y W C A maintains seven bank accounts at one financial institutions. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000.

At **December 31, 2003**, Y W C A had cash and cash equivalent (book balances) totaling **\$57,822**. These deposits are stated at cost, which approximates market. At **December 31, 2003**, Y W C A had **\$134,597** in deposits (collected bank balances) of which \$100,000 was secured by FDIC insurance and **\$34,597** was at risk.

YWCA OF GREATER BATON ROUGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE #3. INVESTMENTS

YWCA Of Greater Baton Rouge has established a permanently restricted endowment fund. The Fund is held in the Baton Rouge Are Foundation within an investment fund which is managed for income and growth. A summary of the investment follows:

Balance, January 1,	\$22,253
Contributions	-0-
Investment Pool Gains (Losses)	3,952
Investment Income	531
Investment Expenses	(100)
Administrative Fees	(228)
	<hr/>
Balance, December 31,	<u>26,408</u>

NOTE #4. GRANTS RECEIVABLE

Grants receivable at year-end comprise of the following:

US Department of Health & Human Services	\$ 8,179
US Department of Education	52,286
LA Department of Education	13,767
LSU Health Services	6,548
	<hr/>
Total	<u>80,780</u>

NOTE #5. FIXED ASSETS

A summary of Fixed Assets at year end follows:

	<u>COST</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>BOOK VALUE</u>
Equipment	\$370,884	\$231,232	\$139,652
Buildings and Grounds	367,315	77,707	289,608
	<hr/>	<hr/>	<hr/>
Total	<u>738,199</u>	<u>308,939</u>	<u>429,260</u>

NOTE #6. LINE OF CREDIT

The YWCA obtained a \$50,000 Line of Credit at a local bank with an interest rate of 6.00% with maturity on February 19, 2004. As of December 31, 2003, there was an outstanding balance of \$44,491.

YWCA OF GREATER BATON ROUGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE #7. REFUNDABLE ADVANCES

Refundable advances consist of the following unspent grant funds:

US Department Health and Human Service	\$14,512
LA Department Social Services-Youth and Teen	288
LA Department of Agriculture & Forestry	2,646
Dell Grant	13,120
Komen Grant	8,000
Fund Raiser, Kinko Grant and Dues	585
	<hr/>
Total	39,151
	<hr/> <hr/>

NOTE #8. RELATED PARTY TRANSACTIONS

The Organization paid dues in the amount of \$6,823 to the National YWCA. Also, as discussed above, the National YWCA sponsors a retirement plan for YWCA employees.

NOTE #9. ECONOMIC DEPENDENCY

The Organization receives the majority of its revenues from funds provided through the Capital Area United Way and various state and private grants. During the year end December 31, 2003, approximately 82% of revenue was received from the Capital Area United Way, Federal, State and private Grants. The grant amounts are appropriated each year by the federal and state governments and the local United Way. If significant budget cuts are made at the federal, state and or local level the amount of funds YWCA Of Greater Baton Rouge receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Organization will receive in the next fiscal year.

NOTE #10. RETIREMENT PLAN

Employees of the Organization who meet minimum service requirements must participate in either the National YWCA Retirement Fund or the National YWCA Savings and Security Plan depending upon their job classification. Both plans provide for stated rates of employee and Organization contributions based on employee compensation. In addition, employees are allowed to make voluntary contributions based on their compensation up to certain maximum limits. Benefits become vested immediately for all employee contributions and are fully vested for Organization contributions after a minimum of five years. Beginning September 1, 1992, the plan became optional rather than required. During the year ended December 31, 2003, the Organization contributed \$38,909 to the retirement plans, and these contributions are included as employee benefits in the accompanying financial statements.

YWCA OF GREATER BATON ROUGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE #11. LEASE COMMITMENTS

On December 6, 2002, the YWCA renewed a four year operating lease of a building that houses the YWCA's main office for an additional four years. The rents to be paid by the YWCA are \$2,300 per month.

Also, on December 6, 2002, the YWCA entered into an operating lease of a one year operating lease of a building that houses one of the YWCA's programs. The rents to be paid by the YWCA are \$400 per month.

On April 1, 1999, the YWCA entered into an operating lease of a fifteen year operating lease of a building that houses one of the YWCA's programs. The rents to be paid by the YWCA are \$1,000 per month.

The future minimum lease payments are as follows:

December 31, 2004,	\$37,350
December 31, 2005,	12,000
December 31, 2006,	12,000
December 31, 2007,	12,000
December 31, 2008,	12,000
Thereafter	63,000

NOTE #12. FEDERAL COMPLIANCE CONTINGENCIES

The Organization receives a portion of its revenues from government grants and contracts, all of which are subject to audit by the governments. The ultimate determination of amounts received under these programs generally is based upon allowable cost reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable cost. Management is of the opinion that no material liability will result from such audits.

NOTE #13 - RISK MANAGEMENT

The Y W C A is exposed to various risks of loss related to torts, theft of, damage of and destruction of assets; errors and omissions and natural disasters for which the organization carries commercial insurance. There have been no significant reductions in coverage from prior year and settlements have not exceeded coverage in the past three years.

SUPPLEMENTAL INFORMATION

YWCA OF GREATER BATON ROUGE, INC.
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2003

<u>PROGRAM TITLE</u>	<u>FEDERAL CDFA NUMBER</u>	<u>FEDERAL REVENUE RECOGNIZED</u>	<u>FEDERAL EXPENSES</u>
<u>DEPARTMENT OF AGRICULTURE:</u>			
Child & Adult Care			
Food Program	10.558	\$4,549	\$4,549
		<hr/>	<hr/>
<u>DEPARTMENT OF EDUCATION:</u>			
Parental Info & Resource Center	84.310A	119,919	119,919
Even Start	84.213c	151,615	151,615
		<hr/>	<hr/>
		271,534	271,534
		<hr/>	<hr/>
<u>DEPARTMENT OF HEALTH & HUMAN SERVICES:</u>			
Early Head Start	93.600	1,472,946	1,472,946 *
		<hr/>	<hr/>
TOTALS		<u>1,749,029</u>	<u>1,749,029</u>

* Major Grant

Certified Public Accountant



Donald C. DeVille

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American Institute CPAs

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Louisiana Society CPAs

7829 BLUEBONNET BLVD.
BATON ROUGE, LA 70810
(225) 767-7829

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

June 9, 2004

To the Board of Directors
Y W C A of Greater Baton Rouge

I have audited the financial statements of the Y W C A of Greater Baton Rouge, Inc. as of and for the year ended December 31, 2003, and have issued my report thereon dated June 9, 2004. I conducted my 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 YWCA's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit, I considered Y W C A of Greater Baton Rouge's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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.

I 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 management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and distribution is not limited.

Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

Robert C. White

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BATON ROUGE, LA 70810
(225) 767-7829

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

June 9, 2004

Members of the Board of Directors
YWCA Of Greater Baton Rouge, Inc.
Baton Rouge, Louisiana

Compliance

I have audited the compliance of YWCA of Greater Baton Rouge, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2003. The organization's major federal programs are identified in the schedule of federal financial assistance. Compliance with the requirements of law, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Organizations management. My responsibility is to express an opinion on the YWCA of Greater Baton Rouge, Inc.'s compliance based on my audit.

I conducted my 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; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the YWCA of Greater Baton Rouge, Inc. compliance with those requirements and performing such other procedures as I considered in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the YWCA of Greater Baton Rouge, Inc.'s Compliance with those requirements.

In my opinion, the YWCA of Greater Baton Rouge, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003.

Internal Control Over Compliance

The management of the YWCA of Greater Baton Rouge, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant applicable to federal programs. In planning and performing my audit, we considered the YWCA of Greater Baton Rouge, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization and federal awarding agencies, pass-through entities, and Louisiana State Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Paul C. Smith

YWCA OF GREATER BATON ROUGE, INC.
SCHEDULE OF PRIOR YEARS AUDIT FINDINGS
FOR YEAR ENDED DECEMBER 31, 2003

<u>REF</u> <u>NO.</u>	<u>FISCAL YEAR</u> <u>FINDING</u> <u>INITIALLY</u> <u>OCCURRED</u>	<u>DESCRIPTION OF FINDING</u>	<u>CORRECTIVE</u> <u>ACTION TAKEN</u> <u>(YES, NO, PARTIALLY)</u>	<u>CORRECTIVE</u> <u>ACTION/PARTIAL</u> <u>CORRECTIVE</u> <u>ACTION TAKEN</u>
1.	12-31-02	One Unsupported Charge	Yes	No Unsupported Charges Noted
2.	12-31-02	Form SF-269 Was Not Correct	Yes	Form Now Being Prepared Correctly

YWCA OF GREATER BATON ROUGE, INC.
SCHEDULE OF CURRENT YEARS FINDINGS
YEAR ENDED DECEMBER 31, 2003

NONE

YWCA OF GREATER BATON ROUGE, INC.
CORRECTIVE ACTION PLAN
FOR YEAR ENDED DECEMBER 31, 2003

<u>REF</u> <u>NO.</u>	<u>DESCRIPTION</u> <u>OF FINDING</u>	<u>CORRECTIVE</u> <u>ACTION</u> <u>PLANNED</u>	<u>NAME OF</u> <u>CONTACT</u> <u>PERSON</u>	<u>ANTICIPATED</u> <u>COMPLETION</u> <u>DATE</u>
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Not Applicable

YWCA OF GREATER BATON ROUGE, INC.
SUMMARY OF FINDINGS AND QUESTIONED COST
FOR YEARS ENDED DECEMBER 31, 2003

As required by U.S. Office of Management of Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the following is a summary of the results of my audit:

Type of report issued on financial statements - unqualified.

Type of report issued on compliance for major programs -unqualified.

The results of audit procedures disclosed no questioned costs.

My audit disclosed no findings which are required to be reported under Section 510(a).

The Following programs were determined to be a Type B major program:

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

CFDA #93.600 Early Head Start

The dollar threshold used to distinguish between Type A and Type B programs was \$300,000 as specified under Section 520(b).

YWCA qualified as a low risk auditee under Section 530.