

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

*Youth Services of Southwest Louisiana, Inc.*  
Lake Charles, LA

June 30, 2004

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 12-1-04

## CONTENTS

|   | PAGE |
|---|------|
| INDEPENDENT AUDITORS' REPORT  | 3    |
| FINANCIAL STATEMENT   |      |
| STATEMENT OF CONTRACT REVENUES AND<br>ALLOWABLE PROGRAM EXPENSES - CASH BASIS   | 4    |
| NOTES TO FINANCIAL STATEMENT  | 5    |
| SUPPLEMENTAL INFORMATION:   |      |
| INDEPENDENT AUDITORS' REPORT ON COMPLIANCE<br>AND ON INTERNAL CONTROL OVER FINANCIAL<br>REPORTING BASED ON AN AUDIT OF FINANCIAL<br>STATEMENTS PERFORMED IN ACCORDANCE<br>WITH <i>GOVERNMENT AUDITING STANDARDS</i> | 8    |
| AUDIT FINDINGS AND QUESTIONED COST  | 10   |



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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
Youth Services of Southwest Louisiana, Inc.

We have audited the accompanying statement of contract revenues and allowable program expenses-cash basis of Youth Services of Southwest Louisiana, Inc. of June 30, 2004, and for the year then ended. This statement of contract revenues and allowable program expenses-cash basis is the responsibility of Youth Services of Southwest Louisiana, Inc.'s management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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.

The accompanying statement was prepared to present the contract revenues and allowable program expenses-cash basis of Youth Services of Southwest Louisiana, Inc., a contract between Youth Services of Southwest Louisiana, Inc. and State of Louisiana Department of Social Services, as described in Note B.

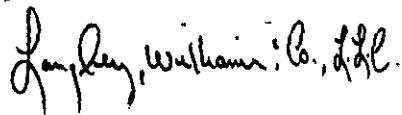
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the contract revenues and allowable program expenses-cash basis of Youth Services of Southwest Louisiana, Inc. as of June 30, 2004 and for the year then ended, pursuant to the grant referred to in Note B, in conformity with the basis of accounting described in Note A.

Board of Trustees of Youth Services of  
Southwest Louisiana, Inc.

Page 2

In accordance with *Government Auditing Standards*, we have also issued a report dated October 27, 2004, on our consideration of Youth Services of Southwest Louisiana, Inc. internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the board of trustees and management of Youth Services of Southwest Louisiana, Inc. and State of Louisiana Department of Social Services. However, this report is a matter of public record, and its distribution is not limited.

A handwritten signature in black ink, reading "James W. Williams, III, CPA". The signature is written in a cursive style with a large initial "J".

Lake Charles, LA  
October 27, 2004

Youth Services of Southwest Louisiana, Inc.

STATEMENT OF CONTRACT REVENUES AND  
ALLOWABLE PROGRAM EXPENSES - CASH BASIS

For the Year Ended June 30, 2004

|   | <u>CFMS #568860</u> | <u>CFMS #601447</u> | <u>Total</u>      |
|---|---------------------|---------------------|-------------------|
| CONTRACT REVENUES                       | \$ 43,263           | \$ 14,635           | \$ 57,898         |
| PROGRAM EXPENSES:                       |                     |                     |                   |
| Administrative services                 | 34,434              | 1,400               | 35,834            |
| Educational and training voucher        | -                   | 13,235              | 13,235            |
| Indirect cost                           | 3,497               | -                   | 3,497             |
| Mentoring                               | 2,250               | -                   | 2,250             |
| Questionnaire cost                      | 2,300               | -                   | 2,300             |
| Supplies                                | 3,433               | -                   | 3,433             |
| Travel                                  | 981                 | -                   | 981               |
| Miscellaneous                           | 3,175               | -                   | 3,175             |
|   | <u>50,070</u>       | <u>14,635</u>       | <u>64,705</u>     |
| EXCESS REVENUE BEFORE CAPITAL ADDITIONS | (6,807)             | -                   | (6,807)           |
| Capital additions                       | <u>-</u>            | <u>-</u>            | <u>-</u>          |
| EXCESS REVENUE                          | <u>\$ (6,807)</u>   | <u>\$ -</u>         | <u>\$ (6,807)</u> |

The accompanying notes are an integral part of this statement.

Youth Services of Southwest Louisiana, Inc.

NOTES TO FINANCIAL STATEMENT

June 30, 2004

**NOTE A - SUMMARY OF ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statement follows.

**1. Nature of Operations**

Youth Services of Southwest Louisiana, Inc. is designed to provide help for foster children between the ages of 16 and 18 years to successfully transition themselves from living in foster care to living on their own as young adults.

**2. Financial Reporting Entity and Income Taxes**

This report includes operations of Youth Services of Southwest Louisiana, Inc. a non-profit organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes are presented on the statement.

**3. Basis of Presentation**

Financial statement presentation has been prepared in compliance with the terms under a contractual grant agreement which specifies certain allowable expenses. The presentation is a statement of contract revenues and program expenses between Youth Services of Southwest Louisiana, Inc. and the State of Louisiana Department of Social Services.

**4. Basis of Accounting**

The Program has prepared its financial statements on the cash basis of accounting, recognizing revenues when cash is received and expenses when cash is disbursed.

**5. Estimates**

The preparation of financial statements requires management estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**NOTE B - GRANTS**

Contract revenues represent \$43,263 and \$14,635 of funds received from the State of Louisiana, Department of Social Services, contracted under the Independent Living Skills Program, CFMS #568860, and the CFIP Education and Training Vouchers Program, CFMS #601447, respectively.

SUPPLEMENTAL INFORMATION



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

To the Board of Directors of  
Youth Services of Southwest Louisiana, Inc.

We have audited the financial statement of the Youth Services of Southwest Louisiana, Inc. (a nonprofit organization) for the year ended June 30, 2004, and have issued our report thereon dated October 27, 2004. We conducted our audit in accordance with U.S. 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 the Youth Services of Southwest Louisiana, Inc.'s financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Youth Services of Southwest Louisiana, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to relatively low levels 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 the employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.



Youth Services of Southwest Louisiana, Inc.  
Page 2

This report is intended for the information of the management of the Youth Services of Southwest Louisiana, Inc., and the State of Louisiana Department of Social Services. However, this report is a matter of public record, and its distribution is not limited.

*Joseph W. Walker, C., L.L.C.*

Lake Charles, LA  
October 27, 2004

Youth Services of Southwest Louisiana, Inc.  
AUDIT FINDINGS AND QUESTIONED COST  
For the Year Ended June 30, 2004

There were no findings and questioned costs in the current year or prior year financial statements.