

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
OF NORTHWEST LOUISIANA, INC.  
SHREVEPORT, LOUISIANA  
DECEMBER 31, 2003 AND 2002**

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

Release Date 9-15-04

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTHWEST LOUISIANA, INC.

SHREVEPORT, LOUISIANA

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AUDITED FINANCIAL STATEMENTS

**HEARD  
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June 22, 2004

The Board of Directors  
Young Women's Christian Association of  
Northwest Louisiana, Inc.  
Shreveport, Louisiana

Independent Auditor's Report

We have audited the statements of financial position of the Young Women's Christian Association of Northwest Louisiana, Inc. (YWCA) at December 31, 2003 and 2002, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Young Women's Christian Association of Northwest Louisiana, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Young Women's Christian Association of Northwest Louisiana, Inc. at December 31, 2003 and 2002, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2004 on our consideration of the Association'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.

*Heard, McElroy & Vestal, LLP*

**HMV**

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YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTHWEST LOUISIANA, INC.

STATEMENTS OF FINANCIAL POSITION

AT DECEMBER 31, 2003 AND 2002

| <u>ASSETS</u>                        | <u>2003</u>      | <u>2002</u>      |
|--------------------------------------|------------------|------------------|
| <u>Current assets:</u>               |                  |                  |
| Cash on hand                         | 573              | 336              |
| Cash in bank                         | 234,060          | 58,582           |
| Merrill Lynch                        | <u>288,642</u>   | <u>113,648</u>   |
| Total cash and cash equivalents      | 523,275          | 172,566          |
| Grants receivable-Note 4             | 354,016          | 155,531          |
| Prepaid expenses                     | <u>11,825</u>    | <u>14,565</u>    |
| Total current assets                 | 889,116          | 342,662          |
| <u>Fixed assets:</u>                 |                  |                  |
| Travis Street                        | 1,662,734        | 1,661,144        |
| Pierre Avenue-Note 9                 | 1,023,547        | 1,023,547        |
| Furniture, fixtures and equipment    | 470,766          | 464,884          |
| Camp Margaret-Note 9                 | -                | 57,283           |
| Cotton Street-Note 9                 | <u>254,446</u>   | <u>254,446</u>   |
| Total fixed assets                   | 3,411,493        | 3,461,304        |
| <u>Less-accumulated depreciation</u> | <u>2,638,618</u> | <u>2,208,840</u> |
| Net fixed assets                     | 772,875          | 1,252,464        |
| <u>Other assets:</u>                 |                  |                  |
| Other                                | <u>2,938</u>     | <u>2,029</u>     |
| Total assets                         | <u>1,664,929</u> | <u>1,597,155</u> |

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

| <u>LIABILITIES AND NET ASSETS</u>                            | <u>2003</u>          | <u>2002</u>          |
|--|----------------------|----------------------|
| <u>Current liabilities:</u>                                  |                      |                      |
| Accounts payable   | 9,208                | 5,748                |
| Other current liabilities                                    | 40,407               | 66,129               |
| Advances and overpayments on grants                          | -                    | 24,899               |
| Current portion of capital lease obligation payable-Note 6   | 2,065                | 4,447                |
| Note payable, current maturities-Note 5                      | 100,352              | 12,563               |
| Line of credit-Note 5  | <u>75,000</u>        | <u>82,727</u>        |
| Total current liabilities                                    | 227,032              | 196,513              |
| <u>Other liabilities:</u>                                    |                      |                      |
| Note payable, less current maturities-Note 5                 | -                    | 98,663               |
| Long-term portion of capital lease obligation payable-Note 6 | <u>-</u>             | <u>2,030</u>         |
| Total other liabilities                                      | <u>-</u>             | <u>100,693</u>       |
| <br>Total liabilities  | <br>227,032          | <br>297,206          |
| <u>Net assets:</u>   |                      |                      |
| Unrestricted   | 1,395,215            | 1,204,160            |
| Temporarily restricted                                       | <u>42,682</u>        | <u>95,789</u>        |
| Total net assets   | <u>1,437,897</u>     | <u>1,299,949</u>     |
| <br>Total liabilities and net assets                         | <br><u>1,664,929</u> | <br><u>1,597,155</u> |

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTHWEST LOUISIANA, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

|  | <u>2003</u>         |                                   |                  |
|--|---------------------|-----------------------------------|------------------|
|  | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Total</u>     |
| <u>Support and revenue:</u>                  |                     |                                   |                  |
| Contributions                                | 125,159             | -                                 | 125,159          |
| Fundraising                                  | 112,048             | -                                 | 112,048          |
| United Way                                   | 223,807             | -                                 | 223,807          |
| Grants                                       | 1,014,538           | 42,705                            | 1,057,243        |
| Membership and associate fees                | 655                 | -                                 | 655              |
| Program service fees                         | 44,881              | -                                 | 44,881           |
| Sales to public                              | 40,604              | -                                 | 40,604           |
| Investment income (loss)-Note 8              | 43,344              | -                                 | 43,344           |
| Miscellaneous-Note 9                         | <u>188,253</u>      | <u>-</u>                          | <u>188,253</u>   |
| Total support and revenue                    | 1,793,289           | 42,705                            | 1,835,994        |
| <u>Net assets released from restrictions</u> | 95,812              | (95,812)                          | -                |
| <u>Expenses:</u>                             |                     |                                   |                  |
| Community programs                           | 14,896              | -                                 | 14,896           |
| Health and education services                | 294,582             | -                                 | 294,582          |
| Women's crisis services                      | 772,831             | -                                 | 772,831          |
| Children and youth services                  | 291,952             | -                                 | 291,952          |
| Administrative and fundraising               | <u>323,785</u>      | <u>-</u>                          | <u>323,785</u>   |
| Total expenses                               | <u>1,698,046</u>    | <u>-</u>                          | <u>1,698,046</u> |
| <u>Change in net assets</u>                  | 191,055             | (53,107)                          | 137,948          |
| <u>Net assets, beginning of year</u>         | <u>1,204,160</u>    | <u>95,789</u>                     | <u>1,299,949</u> |
| <u>Net assets, end of year</u>               | <u>1,395,215</u>    | <u>42,682</u>                     | <u>1,437,897</u> |

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

| 2002                |                                   |                  |
|---------------------|-----------------------------------|------------------|
| <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Total</u>     |
| 99,806              | -                                 | 99,806           |
| 75,285              | -                                 | 75,285           |
| 227,177             | -                                 | 227,177          |
| 949,301             | 74,217                            | 1,023,518        |
| 3,929               | -                                 | 3,929            |
| 33,032              | -                                 | 33,032           |
| 34,683              | -                                 | 34,683           |
| (31,448)            | -                                 | (31,448)         |
| <u>56,348</u>       | <u>-</u>                          | <u>56,348</u>    |
| 1,448,113           | 74,217                            | 1,522,330        |
| 204,110             | (204,110)                         | -                |
| 34,945              | -                                 | 34,945           |
| 286,848             | -                                 | 286,848          |
| 867,915             | -                                 | 867,915          |
| 244,303             | -                                 | 244,303          |
| <u>332,370</u>      | <u>-</u>                          | <u>332,370</u>   |
| <u>1,766,381</u>    | <u>-</u>                          | <u>1,766,381</u> |
| (114,158)           | (129,893)                         | (244,051)        |
| <u>1,318,318</u>    | <u>225,682</u>                    | <u>1,544,000</u> |
| <u>1,204,160</u>    | <u>95,789</u>                     | <u>1,299,949</u> |



YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTHWEST LOUISIANA, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

|                              | 2003                          |  |  |
|------------------------------|-------------------------------|--|--|
|                              | <u>Community<br/>Programs</u> | <u>Health and<br/>Education<br/>Services</u> | <u>Women's<br/>Crisis<br/>Services</u> |
| Salaries                     | 2,879                         | 144,004                                      | 424,315                                |
| Employee benefits-Note 3     | -                             | 9,615  | 25,064                                 |
| Payroll taxes and insurance  | 271                           | 14,465                                       | 34,337                                 |
| Professional services        | -                             | 20,599                                       | 15,974                                 |
| Supplies                     | 1,988                         | 7,206  | 9,801                                  |
| Telephone                    | -                             | 3,427  | 9,409                                  |
| Postage                      | 619                           | 1,009  | 1,185                                  |
| Occupancy                    | -                             | 26,807                                       | 100,462                                |
| Equipment                    | -                             | 1,535  | 7,166                                  |
| Printing and publications    | 3,343                         | 4,649  | 4,023                                  |
| Travel and employee expenses | 2,500                         | 5,862  | 12,121                                 |
| Conferences                  | 1,098                         | 300  | 6,992                                  |
| Specific assistance          | -                             | 207  | 19,726                                 |
| Dues                         | -                             | 1,219  | 3,455                                  |
| Interest                     | -                             | -  | 60                                     |
| Insurance                    | -                             | 18,347                                       | 22,059                                 |
| Miscellaneous                | 2,198                         | 6,400  | 45,516                                 |
| Depreciation                 | <u>-</u>                      | <u>28,931</u>                                | <u>31,166</u>                          |
| Total                        | <u>14,896</u>                 | <u>294,582</u>                               | <u>772,831</u>                         |

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

2003

| <u>Children and<br/>Youth Services</u> | <u>Administrative<br/>and Fundraising</u> | <u>Total</u>     |
|--|---|------------------|
| 147,893                                | 124,702                                   | 843,793          |
| 6,874                                  | 20,109                                    | 61,662           |
| 13,657                                 | 10,066                                    | 72,796           |
| 341                                    | 16,117                                    | 53,031           |
| 7,963                                  | 15,794                                    | 42,752           |
| 6,776                                  | 6,484                                     | 26,096           |
| 1,311                                  | 6,407                                     | 10,531           |
| 46,002                                 | 24,578                                    | 197,849          |
| 1,995                                  | 18,885                                    | 29,581           |
| 1,631                                  | 10,456                                    | 24,102           |
| 5,825                                  | 10,708                                    | 37,016           |
| 1,352                                  | 2,116                                     | 11,858           |
| 729                                    | 75  | 20,737           |
| 1,800                                  | 3,708                                     | 10,182           |
| -                                      | 13,548                                    | 13,608           |
| 11,102                                 | 14,131                                    | 65,639           |
| 6,627                                  | 15,922                                    | 76,663           |
| <u>30,074</u>                          | <u>9,979</u>                              | <u>100,150</u>   |
| <u>291,952</u>                         | <u>323,785</u>                            | <u>1,698,046</u> |

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTHWEST LOUISIANA, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

|                              | 2002                          |  |  |
|------------------------------|-------------------------------|--|--|
|                              | <u>Community<br/>Programs</u> | <u>Health and<br/>Education<br/>Services</u> | <u>Women's<br/>Crisis<br/>Services</u> |
| Salaries                     | 8,712                         | 161,527                                      | 482,946                                |
| Employee benefits-Note 3     | 112                           | 10,081                                       | 24,696                                 |
| Payroll taxes and insurance  | 787                           | 14,962                                       | 47,134                                 |
| Professional services        | -                             | 11,674                                       | 33,207                                 |
| Supplies                     | 2,638                         | 8,558  | 23,996                                 |
| Telephone                    | 2                             | 2,187  | 13,002                                 |
| Postage                      | 1,038                         | 895  | 2,076                                  |
| Occupancy                    | 41                            | 17,814                                       | 99,293                                 |
| Equipment                    | -                             | 130  | 19,450                                 |
| Printing and publications    | 5,378                         | 3,117  | 4,942                                  |
| Travel and employee expenses | 13,120                        | 8,594  | 12,898                                 |
| Conferences                  | -                             | 1,058  | 13,470                                 |
| Specific assistance          | -                             | -  | 30,405                                 |
| Dues                         | -                             | 1,688  | 6,244                                  |
| Interest                     | -                             | -  | -                                      |
| Insurance                    | -                             | 5,570  | 9,981                                  |
| Miscellaneous                | 3,117                         | 7,951  | 18,248                                 |
| Depreciation                 | <u>-</u>                      | <u>31,042</u>                                | <u>25,927</u>                          |
| Total                        | <u>34,945</u>                 | <u>286,848</u>                               | <u>867,915</u>                         |

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

2002

| <u>Children and<br/>Youth Services</u> | <u>Administrative<br/>and Fundraising</u> | <u>Total</u>     |
|--|---|------------------|
| 125,682                                | 192,470                                   | 971,337          |
| 7,125                                  | 5,461                                     | 47,475           |
| 11,251                                 | 44  | 74,178           |
| 9,614                                  | 4,910                                     | 59,405           |
| 10,369                                 | 15,435                                    | 60,996           |
| 3,816                                  | 5,883                                     | 24,890           |
| 116                                    | 3,260                                     | 7,385            |
| 24,338                                 | 11,173                                    | 152,659          |
| 5,490                                  | 23,949                                    | 49,019           |
| 115                                    | 8,888                                     | 22,440           |
| 1,661                                  | 3,034                                     | 39,307           |
| 40                                     | 234                                       | 14,802           |
| -                                      | -   | 30,405           |
| 1,584                                  | 1,379                                     | 10,895           |
| -                                      | 11,602                                    | 11,602           |
| 8,191                                  | 31,301                                    | 55,043           |
| 4,673                                  | 2,491                                     | 36,480           |
| <u>30,238</u>                          | <u>10,856</u>                             | <u>98,063</u>    |
| <u>244,303</u>                         | <u>332,370</u>                            | <u>1,766,381</u> |

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTHWEST LOUISIANA, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

|  | <u>2003</u>     | <u>2002</u>    |
|--|-----------------|----------------|
| <u>Cash flows from operating activities:</u>   |                 |                |
| Change in net assets   | 137,948         | (244,051)      |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: |                 |                |
| Depreciation expense   | 100,150         | 98,063         |
| (Gain) on disposition of assets  | (207,781)       | -              |
| Impairment of fixed assets   | 370,871         | -              |
| (Increase) in grants receivable  | (198,485)       | (38,869)       |
| (Increase) in other assets   | (909)           | (1,420)        |
| Decrease (increase) in prepaid expenses  | 2,740           | (12,857)       |
| Increase (decrease) in accounts payable  | 3,460           | (4,898)        |
| (Decrease) increase in other current liabilities   | (25,722)        | 22,280         |
| (Decrease) in advances and overpayments on grants  | <u>(24,899)</u> | <u>-</u>       |
| Total adjustments  | <u>19,425</u>   | <u>62,299</u>  |
| Net cash provided (used) by operating activities   | 157,373         | (181,752)      |
| <u>Cash flows from investing activities:</u>   |                 |                |
| Purchases of fixed assets  | (18,624)        | (39,567)       |
| Proceeds from sale of assets   | <u>234,973</u>  | <u>-</u>       |
| Net cash provided (used) by investing activities   | 216,349         | (39,567)       |
| <u>Cash flows from financing activities:</u>   |                 |                |
| Proceeds from line of credit   | -               | 82,727         |
| Repayments on line of credit   | (7,727)         | -              |
| Repayments on note payable   | (10,874)        | (14,161)       |
| Repayments on capital lease  | <u>(4,412)</u>  | <u>(4,209)</u> |
| Net cash (used) provided by financing activities   | <u>(23,013)</u> | <u>64,357</u>  |
| <u>Net increase (decrease) in cash and cash equivalents</u>  | 350,709         | (156,962)      |
| <u>Cash and cash equivalents beginning of year</u>   | <u>172,566</u>  | <u>329,528</u> |
| <u>Cash and cash equivalents end of year</u>   | <u>523,275</u>  | <u>172,566</u> |
| <u>Interest paid</u>   | <u>13,608</u>   | <u>11,602</u>  |

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

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTHWEST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

AT DECEMBER 31, 2003 AND 2002

1. Nature of Operations

The Young Women's Christian Association of Northwest Louisiana, Inc. (YWCA or Organization) is a nonprofit organization established in 1925 located in Shreveport, Louisiana. The YWCA offers services to nine parishes throughout northwest Louisiana: Caddo, Bossier, Webster, Claiborne, Bienville, Red River, DeSoto, Sabine and Natchitoches. Services include counseling, education, physical fitness, social opportunities, advocacy, and temporary shelter to women and children of Northwest Louisiana. The Organization receives significant amounts of income from federal and state government grants, generally under third-party reimbursement plans.

2. Summary of Significant Accounting Policies

a) Financial Statement Presentation:

In 1995, the YWCA adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the YWCA is required to report information regarding its financial position and activities based on the absence or existence of donor-imposed restrictions. Accordingly, net assets of the YWCA and changes therein are classified and reported as follows, as applicable:

Unrestricted net assets-Net assets that are not subject to donor-imposed stipulations. Some unrestricted net assets may be designated by the Board for specific purposes.

Temporarily restricted net assets-Net assets subject to donor-imposed stipulations that may or will be met by actions of the YWCA, and/or by the passage of time. Such assets generally are restricted to certain programs operated by the YWCA.

Permanently restricted net assets-Net assets subject to donor-imposed stipulations that they be maintained permanently by the YWCA. Generally, donors permit all or part of the income earned on these assets to be used for general or specific purposes. The YWCA currently has no permanently restricted net assets.

b) Contributions:

The YWCA also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," in 1995. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor-imposed restrictions.

c) Promises to Give:

Contributions are recognized when the donor makes a promise to give to the Organization 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.

2. Summary of Significant Accounting Policies (Continued)

The YWCA uses the allowance method to determine uncollectible unconditional promises receivable, when material. The allowance is based on prior years' experience and management's analysis of specific promises made.

d) Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Material estimates that are particularly subject to change relate to the determination of impairment losses on fixed assets.

e) Fixed Assets:

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight line and 150% declining balance methods over the following estimated useful lives:

| <u>Asset</u>                       | <u>Estimated Life</u> |
|------------------------------------|-----------------------|
| Furniture, fixtures, and equipment | 5-7 years             |
| Buildings and improvements         | 10-40 years           |

Donated property and equipment are reported at their estimated fair market value at the date of gift. All property and equipment costing \$500 or more are capitalized.

Impairment losses related to fixed assets are measured as the difference between the carrying values of the assets and management's best estimate of the fair values of those assets, based on market values for similar properties.

f) Cash Equivalents:

For purposes of the statement of cash flows, the YWCA considers all highly liquid investments purchased with maturities of three months or less to be cash equivalents.

g) Advertising Costs:

Costs of advertising are expensed as incurred. Such costs approximated \$4,000 during 2003 and \$3,000 during 2002.

h) Compensated Absences:

Annual leave is earned by employees as follows:

| <u>Length of Service</u> | <u>Annual Leave Earned</u> |
|--------------------------|----------------------------|
| One year                 | None                       |
| Two years                | One week                   |
| Three to five years      | Two weeks                  |
| Six to nine years        | Three weeks                |
| Ten years and over       | Four weeks                 |

Generally, unused annual leave may be carried over to the next year, but may not exceed the employee's annual leave allowance.

Sick leave is earned at the rate of one day per month of employment, and accumulates up to forty days. Employees are not compensated for unused sick leave at termination.

3. Retirement Plan

The YWCA participates in a multi-employer, defined benefit retirement plan through the National YWCA. The plan is available to employees who meet length of service requirements. The total amount contributed by the YWCA to the plan in 2003 and 2002 was approximately \$62,000 and \$48,000, respectively.

A summary of the National YWCA plan is presented below. Participants should refer to the Plan documents for more complete information.

Each participant is entitled to receive an actuarially determined monthly pension commencing at normal or early retirement. The following information is based upon the actuarial valuations of December 31, 2003 and 2002. The plan year end is December 31. Life expectancy of participants is based on the 1995 Buck Mortality Table, with retirement assumed to occur, on average, at age 64. The assumed rate of return on investments, and the discount rate, was 5.5%.

|  | <u>2003</u>        | <u>2002</u>        |
|--|--------------------|--------------------|
| Vested benefits:   |                    |                    |
| Participants currently receiving payments                  | 104,809,000        | 106,965,000        |
| Active and terminated participants                         | <u>207,569,000</u> | <u>206,474,000</u> |
|  | 312,378,000        | 313,439,000        |
| Nonvested benefits   | <u>1,828,000</u>   | <u>1,841,000</u>   |
| Total actuarial present value of accumulated plan benefits | <u>314,206,000</u> | <u>315,280,000</u> |
| Net assets available for pension benefits                  | <u>426,049,000</u> | <u>383,780,000</u> |

4. Grants Receivable

Grants receivable are summarized by source, as follows:

|   | <u>2003</u>    | <u>2002</u>    |
|---|----------------|----------------|
| U. S. Department of Housing and Urban Development | 14,535         | -              |
| State of Louisiana                                | 111,425        | 108,668        |
| City of Shreveport                                | 53,875         | 9,226          |
| Other   | <u>174,181</u> | <u>37,637</u>  |
| Total   | <u>354,016</u> | <u>155,531</u> |

5. Note Payable

Note payable consists of the following:

|   | <u>2003</u> | <u>2002</u> |
|---|-------------|-------------|
| Note to Hibernia National Bank for \$108,339, interest at 4.83%, payable on demand or if no demand, monthly payments of \$1,761 through May 2009, secured by land and building at Travis Street location. | 100,352     | -           |



5. Note Payable (Continued)

|   | <u>2003</u>    | <u>2002</u>    |
|---|----------------|----------------|
| Note to AmSouth Bank for \$150,000, interest at 8.25%, monthly payments of \$1,853 through June 2009, secured by land and building at Travis Street location. | -              | <u>111,226</u> |
|   | <u>100,352</u> | <u>111,226</u> |
| <u>Less-current portion</u>   | <u>100,352</u> | <u>12,563</u>  |
| Note payable, long-term portion   | <u>-</u>       | <u>98,663</u>  |

The land and building at Travis Street that secures the debt has an approximate book value of \$430,000 at December 31, 2003.

The Organization maintains a line of credit for \$100,000. The terms of this credit line specify variable interest at Wall Street Journal prime (4.00% at December 31, 2003), unsecured, due on demand, and minimum monthly payments of accrued interest. The outstanding balance on this credit line was \$75,000 at December 31, 2003 and \$82,727 at December 31, 2002.

6. Capital Lease Obligation

The capital lease obligation was incurred to replace the telephone system. Such system had an original cost of \$18,800, and a book value of \$6,700 at December 31, 2003. The obligation is a sixty month lease at an implicit rate of 13.03%, with approximate monthly payments of \$400. Future required payments are as follows:

|  |              |
|--|--------------|
| 2004                                     | 2,166        |
| <u>Less-amount representing interest</u> | <u>101</u>   |
| Present value of lease obligation        | <u>2,065</u> |

7. Conditional Promises

Conditional promises consist of the unfunded portions of approved governmental awards or other grants, either currently in effect or approved for commencement after December 31, 2003. Future funding of such awards generally is conditioned upon the Organization's operation of certain programs, incurrence of certain costs, and meeting certain matching requirements. Because such awards represent conditional promises to the YWCA, they have not been recognized in the financial statements at December 31, 2003. Such conditional promises amounted to approximately \$250,000 at December 31, 2003, and \$632,000 at December 31, 2002.

8. Investment Income (Loss)

Investment income consists of interest earnings, and realized and unrealized gains and losses in mutual funds underlying investment cash.

|                                     | <u>2003</u>   | <u>2002</u>     |
|-------------------------------------|---------------|-----------------|
| Interest                            | 4,638         | 3,975           |
| Realized and unrealized gain (loss) | <u>38,706</u> | <u>(35,423)</u> |
|                                     | <u>43,344</u> | <u>(31,448)</u> |

9. Impairment of Fixed Assets

An impairment loss was recognized during 2003 for continued deterioration and estimated costs to repair the roof of the YWCA Pierre Avenue facility. In addition, an impairment loss was recognized for the excess of the book value of the YWCA Cotton Street facility over its estimated net realizable value; this facility is currently listed for sale with a local real estate agent. These losses are summarized as follows:

|                                       | <u>2003</u>     | <u>2002</u>   |
|---------------------------------------|-----------------|---------------|
| Proceeds from insurance-Pierre Avenue | 274,948         | -             |
| Gain on sale of Camp Margaret         | 207,781         | -             |
| Other income                          | 76,395          | 56,348        |
| Impairment (loss)-Pierre Avenue       | (274,948)       | -             |
| Impairment (loss)-Cotton Street       | <u>(95,923)</u> | <u>-</u>      |
|                                       | <u>188,253</u>  | <u>56,348</u> |

Subsequent to December 31, 2003, the YWCA entered into an agreement for roof renovations and certain equipment at its Pierre Avenue facility in Shreveport. Such agreement totals approximately \$320,000.

**SUPPLEMENTARY INFORMATION**

**HEARD  
McELROY  
& VESTAL**  
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June 22, 2004

The Board of Directors  
Young Women's Christian Association of  
Northwest Louisiana, Inc.  
Shreveport, Louisiana

Independent Auditor's Report on Supplementary Information

We have audited the financial statements of the Young Women's Christian Association of Northwest Louisiana, Inc. as of and for the year ended December 31, 2003, and have issued our report thereon dated June 22, 2004. These financial statements are the responsibility of the Young Women's Christian Association of Northwest Louisiana, Inc.'s management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 in accordance with these standards includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Young Women's Christian Association of Northwest Louisiana, Inc. taken as a whole. The accompanying supplementary information on Pages 13 through 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in these schedules 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.

*Heard, McElroy & Vestal, LLP*

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YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTHWEST LOUISIANA, INC.

SCHEDULE OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2003

| <u>Federal Grantor/<br/>Pass-Through Grantor/<br/>Program Title</u>   | <u>Federal<br/>CFDA<br/>Number</u> | <u>Revenue</u> | <u>Expenditures</u> |
|---|------------------------------------|----------------|---------------------|
| <u>U. S. Department of Health and Human Resources</u>   |                                    |                |                     |
| Louisiana Department of Health and Hospitals:<br>AIDS Cooperative Agreement   | 93.118                             | 90,484         | 90,484              |
| Injury Prevention and Control Research  | 93.136                             | 68,432         | 68,432              |
| State of Louisiana, Office of Women's Services:<br>Family Violence Program  | 93.671                             | 103,839        | 103,839             |
| Louisiana Commission on Law Enforcement and<br>Administration on Criminal Justice:<br>Temporary Assistance for Needy Families | 93.558                             | 86,454         | 86,454              |
| <u>U. S. Department of Housing and Urban Development</u>  |                                    |                |                     |
| City of Shreveport, Louisiana:<br>Emergency Shelter Grants Program  | 14.231                             | 42,875         | 42,875              |
| CDBG Block Grant  | 14.218                             | 26,000         | 26,000              |
| Supportive Housing Grant  | 14.235                             | 91,684         | 91,684              |
| <u>U. S. Department of Justice</u>  |                                    |                |                     |
| Louisiana Commission on Law Enforcement and<br>Administration of Criminal Justice:<br>Crime Victim Assistance                 | 16.575                             | 88,254         | 88,254              |
| Violence Against Women Act  | 16.588                             | 51,776         | 51,776              |
| <u>Federal Emergency Management Agency</u>  |                                    |                |                     |
| Emergency Food and Shelter National<br>Board Program  | 83.523                             | <u>20,531</u>  | <u>20,531</u>       |
| Total   |                                    | <u>670,329</u> | <u>670,329</u>      |

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTHWEST LOUISIANA, INC.

NOTES TO THE SCHEDULE OF FEDERAL AWARDS

AT DECEMBER 31, 2003

1. Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the YWCA and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTHWEST LOUISIANA, INC.

SCHEDULE OF REVENUE AND EXPENSES UNDER IOLTA GRANT 2003-0062

FOR THE YEAR ENDED DECEMBER 31, 2003

|                              |               |
|------------------------------|---------------|
| <u>Revenue:</u>              |               |
| Contributions from grants    | 11,900        |
| <br>                         |               |
| <u>Expenses (legal aid):</u> |               |
| Professional salaries        | 10,320        |
| Fringe benefits              | <u>1,580</u>  |
| Total expenses               | <u>11,900</u> |
| <br>                         |               |
| <u>Change in net assets</u>  | <u>-</u>      |

**NOTE:** The grant funds from IOLTA are classified as unrestricted in the statement of activities on Page 3 because the use restrictions on these funds were met during the same year as the funds were received.

OTHER REPORTS



June 22, 2004

The Board of Directors  
Young Women's Christian Association  
of Northwest Louisiana, Inc.  
Shreveport, Louisiana

Report on Compliance and on Internal Control Over Financial Reporting  
Based on an Audit of Financial Statements Performed in  
Accordance with Government Auditing Standards

We have audited the financial statements of Young Women's Christian Association of Northwest Louisiana, Inc. (YWCA), as of and for the year ended December 31, 2003, and have issued our report thereon dated June 22, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether YWCA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered YWCA's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, 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 YWCA's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 2003-01.

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 over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider item 2003-01 to be a material weakness.

This report is intended solely for the information and use of the board of directors, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Heard, McElroy & Vestal, LLP*

June 22, 2004

The Board of Directors  
Young Women's Christian Association  
of Northwest Louisiana, Inc.  
Shreveport, Louisiana

Report on Compliance with Requirements Applicable to Each  
Major Program and Internal Control Over Compliance in  
Accordance with OMB Circular A-133

Compliance

We have audited the compliance of Young Women's Christian Association of Northwest Louisiana, Inc. (YWCA) 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. YWCA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of YWCA's management. Our responsibility is to express an opinion on YWCA's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 a major federal program occurred. An audit includes examining, on a test basis, evidence about YWCA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on YWCA's compliance with those requirements.

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

Our 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 in 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of directors, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Heard, McElroy & Vostal, LLP*

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTHWEST LOUISIANA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2003

**I. Summary of Audit Results**

1. The auditor's report expresses an unqualified opinion on the financial statements of Young Women's Christian Association of Northwest Louisiana, Inc. (YWCA).
2. One reportable condition relating to the audit of the financial statements is reported; one material weakness is reported.
3. No instances of noncompliance material to the financial statements of YWCA were disclosed during the audit.
4. No reportable conditions relating to the audit of a major federal award program are reported.
5. The auditor's report on compliance for the major federal award programs for YWCA expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for YWCA.
7. The programs tested as major programs included:

| <u>Program</u>                                    | <u>CFDA No.</u> |
|---|-----------------|
| Emergency Shelter Grants Program                  | 14.231          |
| Supportive Housing Grant                          | 14.235          |
| Emergency Food and Shelter National Board Program | 83.523          |
| AIDS Cooperative Agreement                        | 93.118          |
| Family Violence Program                           | 93.671          |

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. YWCA was determined to not be a low-risk auditee.

**II. Findings - Financial Statement Audit**

**2003-01 Reportable Condition - Material Weakness**

*Condition:* There continues to be a lack of timely reconciliation of substantially all state and federal grant revenue streams and related receivables on a contemporaneous basis during the year.

*Criteria:* All grant revenue and receivables should be monitored on a monthly basis, and compared to related cash receipts. Any adjustments required by the grantor should be made, and the grant revenue and receivable accounts should match the underlying grant billing records.

*Effect:* Considerable personnel time was necessary to adjust the YWCA 2003 general ledger to the grant records and receipts, which significantly delayed the audit process, and created a large number of audit adjustments.

*Recommendation:* We continue to recommend that all grant revenue and receivable accounts in the general ledger be monitored and reconciled monthly to the underlying grant records. Such a procedure also will detect and help resolve misstatements and misclassifications on a timely basis.

*Management Response:* We agree with the recommendation, and are in the process of implementing such a procedure.

### **III. Findings and Questioned Costs - Major Federal Award Programs**

No matters were reported.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTHWEST LOUISIANA, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2003

**I. Internal Control and Compliance Material to the Financial Statements**

2002-01 - Lack of Timely Reconciliation of Grant Revenue

Not fully resolved; repeated in Finding 2003-01.

2002-02 - Procurement

Resolved

2002-03 - Employee Elective Deferrals

Resolved

**II. Internal Control and Compliance Material to Federal Awards**

No findings were reported in the prior audit.

**III. Management Letter**

No management letter was issued in the prior audit.