

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

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

**December 31, 2010**

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 9/14/11

## CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENT STATEMENT OF CONTRACT REVENUES AND ALLOWABLE PROGRAM EXPENSES - CASH BASIS CFMS # 666038	5
FINANCIAL STATEMENT STATEMENT OF CONTRACT REVENUES AND ALLOWABLE PROGRAM EXPENSES - CASH BASIS CFMS # 677036	
NOTES TO FINANCIAL STATEMENTS	7
SUPPLEMENTAL INFORMATION:	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	9
AUDIT FINDINGS AND QUESTIONED COST	11



# Langley, Williams & Company, L.L.C.

## CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 4690  
LAKE CHARLES, LOUISIANA 70606-4690  
205 W. COLLEGE STREET  
LAKE CHARLES, LOUISIANA 70605-1625  
(337) 477-2627  
1(BCE) 713-8432  
FAX (337) 478-8418

LESTER LANGLEY, JR.  
DANNY L. WILLIAMS  
MICHAEL F. CALLOURA  
PHILLIP O. ABSHIRE, JR.  
DAPHNE BORDELON-CLARK

MEMBERS OF-  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS  
TEXAS STATE BOARD  
OF PUBLIC ACCOUNTANCY  
PUBLIC COMPANY  
ACCOUNTING OVERSIGHT BOARD  
CENTER FOR PUBLIC  
COMPANY AUDIT FIRMS

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of contract revenues and allowable program expenses-cash basis of Youth Services of Southwest Louisiana, Inc. as of and for the eighteen months ended December 31, 2010. These statements of contract revenues and allowable program expenses-cash basis are the responsibility of Youth Services of Southwest Louisiana, Inc.'s management. Our responsibility is to express an opinion on the financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

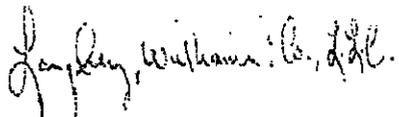
The accompanying statement was prepared to present the contract revenues and allowable program expenses-cash basis of Youth Services of Southwest Louisiana, Inc., a contract between Youth Services of Southwest Louisiana, Inc. and State of Louisiana Department of Social Services, as described in Note 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 and for the eighteen months ended December 31, 2010, 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 June 28, 2011, on our consideration of Youth Services of Southwest Louisiana, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants, agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over the financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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.



Lake Charles, LA  
June 28, 2011

YOUTH SERVICES OF SOUTHWEST LOUISIANA, INC.

STATEMENT OF CONTRACT REVENUES AND  
ALLOWABLE PROGRAM EXPENSES - CASH BASIS  
CFMS #666038

For the Eighteen Months Ended December 31, 2010

CONTRACT REVENUES	\$ 73,000
<b>PROGRAM EXPENSES:</b>	
Professional services	47,859
Operating services	9,366
Travel	1,506
Acquisitions	518
Supplies	4,050
Miscellaneous	3,996
Questionnaire	<u>400</u>
	<u>67,695</u>
EXCESS REVENUES	<u>\$ 5,305</u>

The accompanying notes are an integral part of this statement.

YOUTH SERVICES OF SOUTHWEST LOUISIANA, INC.

STATEMENT OF CONTRACT REVENUES AND  
ALLOWABLE PROGRAM EXPENSES - CASH BASIS  
CFMS # 677036

For the Eighteen Months Ended December 31, 2010

CONTRACT REVENUES	\$ 19,332
PROGRAM EXPENSES:	
Educational and training voucher	<u>15,932</u>
	<u>15,932</u>
EXCESS REVENUES	<u>\$ 3,400</u>

The accompanying notes are an integral part of this statement.

YOUTH SERVICES OF SOUTHWEST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF ACCOUNTING POLICIES**

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

**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 \$73,000 and \$19,332 of funds received from the State of Louisiana, Department of Social Services, contracted under the Independent Living Skills Program, CFMS #666038, and the CFIP Education and Training Vouchers Program, CFMS #677036, respectively.

**NOTE C - CONTRACT FOR SERVICES**

Effective as of December 31, 2010, the contract under the Independent Living Skills Program, CFMS #666038, and the CFIP Education and Training Vouchers Program, CFMS #677036 was cancelled between the State of Louisiana, Department of Social Services and Youth Services of Southwest Louisiana, Inc.

**NOTE D - SUBSEQUENT EVENTS**

The Company evaluated its financial statements for the period ending December 31, 2010 for subsequent events through June 28, 2011, the date the financial statements were available to be issued. The Company is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

**SUPPLEMENTAL INFORMATION**



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P.O. BOX 4690  
LAKE CHARLES, LOUISIANA 70606-4690  
205 W. COLLEGE STREET  
LAKE CHARLES, LOUISIANA 70805-1825  
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## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited the financial statements of the Youth Services of Southwest Louisiana, Inc. (a nonprofit organization) as of and for the eighteen months ended December 31, 2010, and have issued our report thereon dated June 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Youth Services of Southwest Louisiana, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Youth Services of Southwest Louisiana, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Youth Services of Southwest Louisiana, Inc.'s internal control over financial reporting.

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

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

Compliance and Other Matters

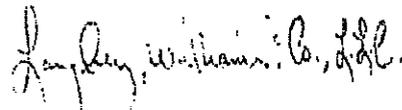
As part of obtaining reasonable assurance about whether Youth Services of Southwest Louisiana, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could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

No separate management letter was issued for this engagement.

Youth Services of Southwest Louisiana, Inc.'s response to the findings identified in our audit is describe in the accompanying schedule of findings and questioned costs. We did not audit Youth Services of Southwest Louisiana, Inc.'s response, and accordingly, we express no opinion on it.

This report is intended solely for the information of management of 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.

Lake Charles, LA  
June 28, 2011



YOUTH SERVICES OF SOUTHWEST LOUISIANA, INC.

AUDIT FINDINGS AND QUESTIONED COST

For the Eighteen Months Ended December 31, 2010

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Youth Services of Southwest Louisiana Inc. for the year ended December 31, 2010.
2. A separate management letter was not issued.
3. Internal control over financial reporting:  
Material weakness identified?  Yes  No  
Reportable conditions identified not considered material weaknesses?  Yes  None reported
4. Noncompliance material to financial statements noted?  Yes  No  
  
Reportable conditions identified not considered material weaknesses?  Yes  None reported

CURRENT YEAR FINDINGS: None

PRIOR YEAR FINDINGS: None