

OFFICIAL  
FILE COPY  
DO NOT SEND OUT  
(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

1999  
JUN 30 1999

**YOUTH DEVELOPMENT ASSOCIATION, INC.**

---

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 2-9-00

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 1999**

## TABLE OF CONTENTS

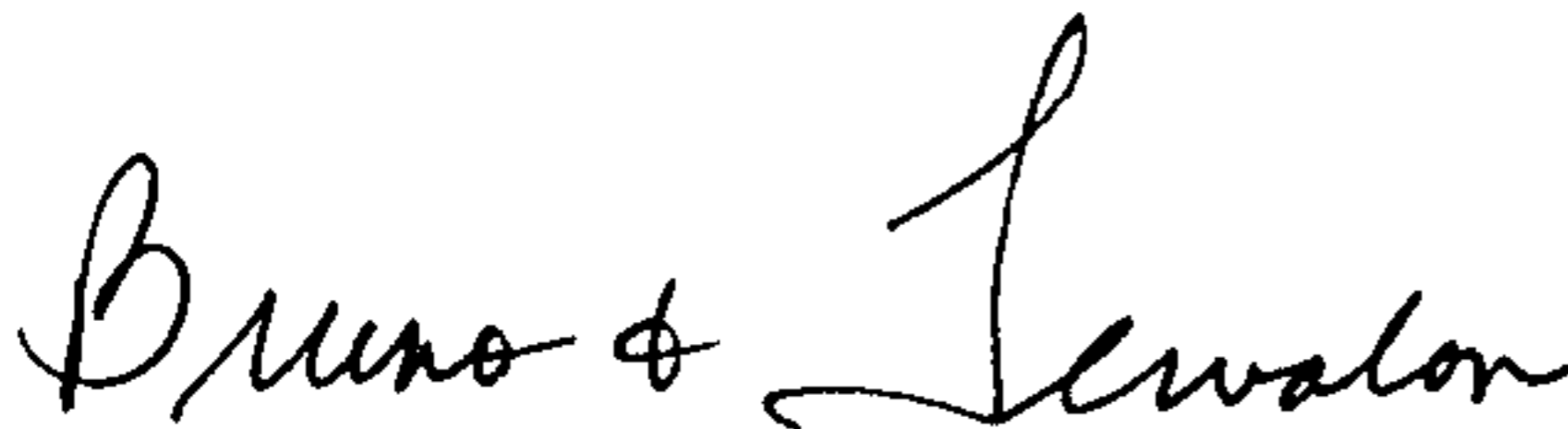
	<u>PAGE</u>
ACCOUNTANTS' REPORT .....	1
STATEMENT OF FINANCIAL POSITION -- JUNE 30, 1999 .....	2
STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 1999 .....	3
STATEMENT OF CASHFLOWS FOR THE YEAR ENDED JUNE 30, 1999 .....	4
STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 1999 .....	5
NOTES TO THE FINANCIAL STATEMENTS .....	6
<b>SUPPLEMENTARY INFORMATION:</b>	
Accountants' Report on Supplementary Information .....	10
<b>EXHIBIT:</b>	
I - Combining Statement of Financial Position--June 30, 1999 .....	11
II - Combining Statement of Activities For the Year Ended June 30, 1999 .....	12
III - Combining Statement of Functional Expenses For the Year Ended June 30, 1999 .....	14
EXIT CONFERENCE .....	15

ACCOUNTANTS' REPORT

To the Board of Directors  
**Youth Development Association, Inc.**  
(A Non-Profit Organization)  
New Orleans, Louisiana 70119

We have compiled the accompanying statement of financial position of the **Youth Development Association, Inc. (YDA)** as of June 30, 1999, and the related statements of activities, cashflows and functional expenses for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

October 13, 1999

**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 1999**

---

ASSETS

Cash and temporary cash equivalents	\$ 1,412
Grant receivable	<u>20,824</u>
 Total assets	 <u>\$22,236</u>

LIABILITIES AND NET ASSETS

<u>Liabilities</u>	
Accounts and other payables	\$ <u>22,150</u>
 Total liabilities	 <u>22,150</u>
 Unrestricted net assets	 <u>86</u>
 Total liabilities and net assets	 <u>\$22,236</u>

See Accountants' Compilation Report.

**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 1999**

---

UNRESTRICTED NET ASSETS

Program Restrictions Satisfied:

Support and other income:

Grant-Office of Urban Affairs \$ 90,000

Grant-Louisiana Department of Public Safety  
and Corrections 200,000

Total support 290,000

Other Income:

Interest income 327

Total other income 327

Total support and other income 290,327

Expenses:

Program services 287,600

Management and general 18,682

Total expenses 306,282

Change in unrestricted net assets (15,955)

Unrestricted net assets, beginning of year 16,041

Unrestricted net assets, end of year \$ 86

See Accountants' Compilation Report.

**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

---

Cashflows used in operating activities:	
Change in unrestricted net assets	\$(15,955)
Adjustments to reconcile change in unrestricted net assets to cash used in operating activities:	
Decrease in accounts receivable	5,955
Decrease in grants receivable	2,063
Increase in accounts and other payables	<u>2,301</u>
Net cash used in operating activities	(5,636)
Cash and temporary cash equivalents, beginning of year	<u>7,048</u>
Cash and temporary cash equivalents, end of year	\$ <u>1,412</u>
Interest expense paid	\$ <u>470</u>

See Accountants' Compilation Report.

**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 1999**

---

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL</u>
Salaries	\$225,967	\$12,102	\$238,069
Employee benefits	13,374	6,580	19,954
Occupancy	23,195	-0-	23,195
Transportation	5,430	-0-	5,430
Insurance expense	1,412	-0-	1,412
Supplies	4,106	-0-	4,106
Accounting and compilation	7,626	-0-	7,626
Equipment rental and repairs	3,651	-0-	3,651
Postage and printing	237	-0-	237
Other	<u>2,602</u>	<u>-0-</u>	<u>2,602</u>
Total	<u>\$287,600</u>	<u>\$18,682</u>	<u>\$306,282</u>

See Accountants' Compilation Report.

**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

NOTE 1 - Background and General Data:

The **Youth Development Association, Inc., (YDA)** was established on October 1, 1976. **YDA** is a private, non-profit corporation established to provide cultural, social, recreational and educational programs for youth of the Seventh Ward and Treme areas of the City of New Orleans.

As of June 30, 1999, **YDA** administered program activities funded by the Louisiana Department of Public Safety and Corrections and the Governor's Office of Urban Affairs and Development.

Under the Louisiana Department of Public Safety and Corrections grant, **YDA** provides delinquency prevention services to juveniles considered at high risk of involvement in the juvenile justice system.

Services are primarily directed toward the enhancement of their educational competency and providing for positive social experiences.

The Urban Affairs and Development grant serves to provide a setting for youths to use their leisure time for productive and meaningful activities.

NOTE 2 - Summary of Significant Accounting Policies:

Principles of Accounting

The financial statements of **YDA** are prepared in accordance with generally accepted accounting principles, and are prepared on the accrual basis.

Cash and Temporary Cash Equivalents

For purposes of the statement of cashflows, **YDA** considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.



**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

---

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Funding

YDA receives its funding through support from the State of Louisiana.

Property and Equipment

YDA follows the practice of capitalizing all property and equipment expenditures over \$500. Depreciation is computed under the straight-line method for all depreciable assets over their respective estimated useful lives. At June 30, 1999, all depreciable property and equipment are fully depreciated. However, under its contractual agreement with the State of Louisiana, all property and equipment purchased with State funds, revert to the State at termination of contract. Accordingly, all such purchases are expensed in the year of acquisition.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent 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.

Contributed Services

Contribution of services is recognized if the services received create or enhance nonfinancial assets or require specialized skills, and would typically need to be purchased if not provided by donation. Contributed services for the year ended June 30, 1999 was \$-0-.

**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

---

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Basis of Presentation

**YDA** adopted Financial Accounting Standards Board Statement of Accounting Standards (FASB) No. 117 for presentation of its financial statements. As such, the financial statements are presented on the basis of unrestricted net assets.

NOTE 3 - Income Taxes:

**YDA** is a not-for-profit entity exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 4 - Fair Value of Financial Instruments:

The carrying amounts of cash and temporary cash equivalents and grant receivables and payables approximate their fair value because of the short maturities of these items.

NOTE 5 - Risk Management:

**YDA** is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, for which **YDA** carries commercial insurance.

NOTE 6 - Subsequent Events:

Subsequent to year-end, **YDA** has an executed contract with a funding source for a grant totaling \$200,000.

## SUPPLEMENTARY INFORMATION

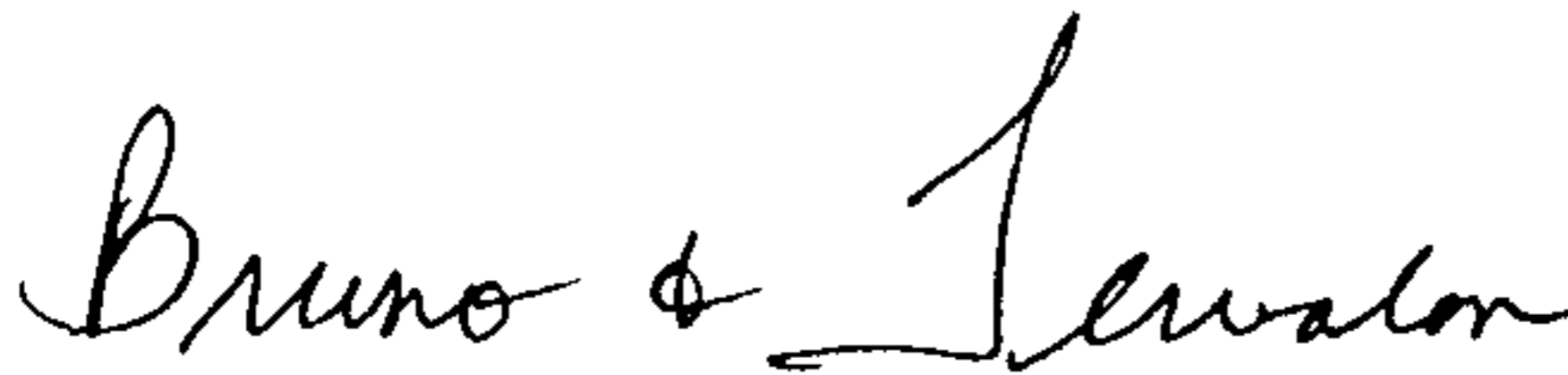
**ACCOUNTANTS' REPORT  
ON  
SUPPLEMENTARY INFORMATION**

---

To the Board of Directors  
**Youth Development Association, Inc.**  
**(A Non-Profit Organization)**  
New Orleans, Louisiana 70119

Our report on our compilation of the basic financial statements of the **Youth Development Association, Inc. (YDA)** appears on page 1.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the financial statements and, accordingly, do not express an opinion or any other form of assurance on them. The information included in the accompanying Exhibits I, II and III is presented only for supplementary analysis purposes. Such information has been compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.



**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

October 13, 1999

EXHIBIT I

**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
**COMBINING STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 1999**

	-----STATE OF LOUISIANA-----		
	LOUISIANA	LOUISIANA	TOTAL
	GOVERNOR'S	DEPARTMENT OF	(MEMORANDUM
	OFFICE OF URBAN	PUBLIC SAFETY	ONLY)
	<u>AFFAIRS</u>	<u>AND CORRECTIONS</u>	
<u>ASSETS</u>			
Cash and temporary cash equivalents	\$ -0-	\$ 1,412	\$ 1,412
Due from other program	2,617	1,137	3,754
Grant receivable	<u>-0-</u>	<u>20,824</u>	<u>20,824</u>
Total assets	<u>\$2,617</u>	<u>\$23,373</u>	<u>\$25,990</u>
<u>LIABILITIES AND NET ASSETS</u>			
<u>Liabilities</u>			
Due to other program	\$1,137	\$ 2,617	\$ 3,754
Accounts and other payables	<u>1,394</u>	<u>20,756</u>	<u>22,150</u>
Total liabilities	<u>2,531</u>	<u>23,373</u>	<u>25,904</u>
Unrestricted net assets	<u>86</u>	<u>-0-</u>	<u>86</u>
Total liabilities and net assets	<u>\$2,617</u>	<u>\$23,373</u>	<u>\$25,990</u>

See Accountants' Report on Supplementary Information.

**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
COMBINING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 1999

	-----STATE OF LOUISIANA----- LOUISIANA		TOTAL
	GOVERNOR'S OFFICE OF URBAN AFFAIRS	DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS	(MEMORANDUM ONLY)
<u>UNRESTRICTED NET ASSETS</u>			
Program Restrictions Satisfied:			
Grant-Office of Urban Affairs	\$ 90,000	\$ -0-	\$ 90,000
Grant-Louisiana Department of Public Safety and Corrections	<u>-0-</u>	<u>200,000</u>	<u>200,000</u>
Total support	<u>90,000</u>	<u>200,000</u>	<u>290,000</u>
Other Income:			
Interest income	<u>327</u>	<u>-0-</u>	<u>327</u>
Total other income	<u>327</u>	<u>-0-</u>	<u>327</u>
Total support and other income	<u>90,327</u>	<u>200,000</u>	<u>290,327</u>
Program services	84,437	203,163	287,600
Management and general	<u>6,605</u>	<u>12,077</u>	<u>18,682</u>
Total expenses	<u>91,042</u>	<u>215,240</u>	<u>306,282</u>

See Accountants' Report on Supplementary Information.

**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
COMBINING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 1999

	-----STATE OF LOUISIANA-----		
	GOVERNOR'S OFFICE OF URBAN AFFAIRS	LOUISIANA DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS	TOTAL (MEMORANDUM ONLY)
Change in unrestricted net assets before other financing sources (uses)	\$ <u>(715)</u>	\$ <u>(15,240)</u>	\$ <u>(15,955)</u>
Other Financing Sources (Uses):			
Operating transfers in	-0-	15,240	15,240
Operating transfers out	<u>(15,240)</u>	<u>-0-</u>	<u>(15,240)</u>
Total financing sources (uses)	<u>(15,240)</u>	<u>15,240</u>	<u>-0-</u>
Change in unrestricted net assets	(15,955)	-0-	(15,955)
Unrestricted net assets, July 1, 1998	<u>16,041</u>	<u>-0-</u>	<u>16,041</u>
Unrestricted net assets, June 30, 1999	\$ <u><u>86</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>86</u></u>

See Accountants' Report on Supplementary Information



EXHIBIT III

**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
**COMBINING STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 1999**

	-----STATE OF LOUISIANA -----		
	GOVERNOR'S OFFICE OF URBAN AFFAIRS	LOUISIANA DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS	TOTAL (MEMORANDUM ONLY)
Program Services:			
Salaries	\$79,088	\$146,879	\$225,967
Employee benefits	4,815	8,559	13,374
Occupancy	-0-	23,195	23,195
Transportation	-0-	5,430	5,430
Insurance expense	-0-	1,412	1,412
Supplies	534	3,572	4,106
Accounting and compilation	-0-	7,626	7,626
Equipment rental and repairs	-0-	3,651	3,651
Postage and printing	-0-	237	237
Other	<u>-0-</u>	<u>2,602</u>	<u>2,602</u>
Total program services	<u>84,437</u>	<u>203,163</u>	<u>287,600</u>
Management and General:			
Salaries	4,236	7,866	12,102
Employee benefits	<u>2,369</u>	<u>4,211</u>	<u>6,580</u>
Total management and general	<u>\$ 6,605</u>	<u>\$ 12,077</u>	<u>\$ 18,682</u>

See Accountants' Report on Supplementary Information.



**YOUTH DEVELOPMENT ASSOCIATION, INC.**

**EXIT CONFERENCE**

---

An exit conference was held with a representative of YDA on Monday, November 8, 1999. The contents of this report were discussed and management is in agreement. Those persons in attendance were as follows:

**YOUTH DEVELOPMENT ASSOCIATION, INC.**

Mr. Walter J. Mitchell, Jr.                      --        Executive Director

**BRUNO & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS**

Mr. Paul K. Andoh, Sr., CPA                      --        Senior Manager

Mrs. Latona Thomas                              -        In-Charge Accountant

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-public Entities)**

June 30, 1999 (Date Transmitted)

Bruno & Tervalon

650 S. Pierce Street, Suite 203

New Orleans, LA 70119

(Auditors)

In connection with your compilation of our financial statements as of June 30, 1999 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 30, 1999 (date of completion/respresentation).

**Federal, State, and Local Awards**

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes  No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes  No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes  No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes  No

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes  No

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [] No [ ]


**Prior Year Comments**


We have resolved all prior-year recommendations and/or comments.


Yes [] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

 Secretary June 30, 1999 Date

 Treasurer June 30, 1999 Date

 President June 30, 1999 Date

MICHAEL B. BRUNO, CPA  
ALCIDE J. TERVALON, JR., CPA  
WALDO J. MORET, JR., CPA  
1999 JUN 30

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors  
**Youth Development Association, Inc.**  
**(A Non-Profit Organization)**  
New Orleans, Louisiana 70119

We have performed the procedures enumerated below, which were agreed to by the **Youth Development Association, Inc. (YDA)** and the Legislative Auditor - State of Louisiana solely to assist you with respect to the accounting records and evaluating management's assertions regarding compliance with certain laws and regulations included in the Louisiana Attestation Questionnaire of **YDA** as of and for the year ended June 30, 1999.

This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

- Procedure

Determine the amount of Federal, State and local award expenditures for the year ended June 30, 1999 by grant and grant year.

Report has been requested of for any

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)**

Finding

YDA received for the fiscal year July 1, 1998 through June 30, 1999 the following grants:

<u>Grantor</u>	<u>Award Amount</u>	<u>Authorized Grant Expenditures</u>
Governor's Office of Urban Affairs - State of Louisiana	\$ 90,000	\$ 90,000
Louisiana Department of Public Safety and Corrections	<u>200,000</u>	<u>200,000</u>
	<u>\$290,000</u>	<u>\$290,000</u>

• Procedure

For each Federal, State and local award:

- Randomly select six (6) disbursements from each award administered during the year ended June 30, 1999 (12 disbursements in total).
- Trace the 12 disbursements to supporting documentation as to proper amount and payee.
- Determine if the 12 disbursements were properly coded to the correct fund and general ledger account.
- Determine whether the 12 disbursements received approval from proper authorities.



**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)**

- Procedure, Continued
  - Determine whether the disbursements comply with the applicable specific program compliance requirements summarized in the Compliance Supplement (or contained in the grant agreement if the program is not included in the Compliance Supplement) and for state and local awards, determine whether the disbursements comply with the grant agreement, relating to:
    - Activities allowed or unallowed
    - Eligibility
    - Reporting

Finding

Randomly selected twelve (12) disbursements (six each for the two programs administered by YDA) and performed the following steps:

Traced all disbursements to the applicable supporting documentation noting payee, amount and approval by management. Also, noted that the disbursements were properly coded or allocated to the applicable program and general ledger account.

We reviewed all disbursements selected noting allowability and allocability of expenditures to grant award.

Three (3) of the twelve (12) disbursements lacked invoices to support the respective payment. It is our understanding through discussions with management that the missing invoices results from misfiled documents due to staff changes during the year. It is the intent of management to locate and file the documents accordingly.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)**

Finding, Continued

In addition, one (1) of the twelve (12) disbursements selected, which was for the purchase of computer equipment from an employee, lacked the required procurement documentation to support compliance with the public bid requirements. Furthermore, YDA did not have on file an invoice for the acquisition.

Based on our discussion with management and review of YDA's participant roster and supporting documents to ascertain eligibility, level of competency enhancement and service area of program participants, we noted the following conditions:

- We were unable to ascertain through documentary evidence, enhancement in the participants educational competency levels;
  - Noted the absence of required information to support the service area requirement of YDA's contract with the State; and
  - The lack of required documentation to support compliance with participants *eligibility requirements*.
- Procedure

For the programs selected for testing above that have been closed-out during the period under review, compare the close-out report, when required, with YDA's financial records to determine whether the amounts agree.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)**

Finding

No programs were closed-out by YDA during the fiscal year ended June 30, 1999.

- Procedure

For all grants exceeding \$5,000.00, determine that each applicable federal, state, or local grantor agency/agencies was provided with a comprehensive budget of those grants that included the purpose and duration and, for state grants, included specific goals and objectives and measures of performance.

Finding

Noted that the executed grant awards for YDA, as described on page 2, included an approved budget as well as specific program goals, objectives and measures of performance.

- Procedure

Review to ensure compliance with the requirements of LSA-RS 42:1 through 42:12 (open meeting laws) regarding the posting of notice for all meetings.

Finding

We could not find any evidence to suggest the posting of notices or agenda for Board meetings.



**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)**

- Procedure

Review the status of prior year suggestions, recommendation and/or comments.

Finding

See Schedule 1.

- Procedure

We obtained the check population for each Federal, State, and local award to determine completeness of expenditure amounts represented by management.

Finding

We noted that checks were not disbursed sequentially. It is our understanding through discussions with management that this was caused by the need for emergency purchases.

In addition, we noted that checks were ordered out of sequence. It is our understanding that management changed vendors and did not refer to the previous check number sequence in the procurement of additional blank checks.

- Procedure

We judgementally selected various travel disbursements to determine allowability.

Finding

Based on our review, we noted no documentation to support mileage reimbursements paid to staff.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)**

**Other Matter**

The compiled statement of activities for the year ended June 30, 1999 reflects a decrease in net assets of \$15,955. The decrease is due primarily to the fact that total program grant award was \$290,000 compared to expenditures incurred of \$306,282 coupled with the unavailability of monthly financial statements to provide for a continuing budget to actual comparison and analysis.

\* \* \* \* \*

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the specified users previously listed and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.



**BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS**

October 13, 1999

SCHEDULE I

**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
**STATUS OF PRIOR YEAR'S REPORTABLE CONDITIONS AND FINDINGS**  
**JUNE 30, 1999**

---

<u>REFERENCE NUMBER</u>	<u>CONDITION/FINDING</u>	<u>FULLY CORRECTED</u>	<u>PARTIALLY CORRECTED</u>	<u>NOT CORRECTED</u>
98-1	Two (2) of the twelve (12) disbursements lacked invoices to support the respective payment.			X
97-2	Preparation of monthly bank reconciliation.		X*	
97-4	Performance of services.		X*	
97-5	Verification of service area of participants.		X*	
97-6	Participant eligibility requirement.		X*	
97-7	Agreement of cost reports to internal records.		X*	
97-8	Filing of annual IRS Form 990			X*
97-9	Filing of accurate federal and state tax reports.		X	
97-10	Untimely submission of audit/ compilation report	X		

\*Repeated

RECEIVED  
93 DEC 23 10:58

**Youth Development Association**

**Walter J. Mitchell, Jr.**

Director

4128 Franklin Avenue  
(Wisteria Street Entrance)  
New Orleans, Louisiana 70122

---

Telephone (504) 948-3976  
Fax (504) 9483976

November 8, 1999

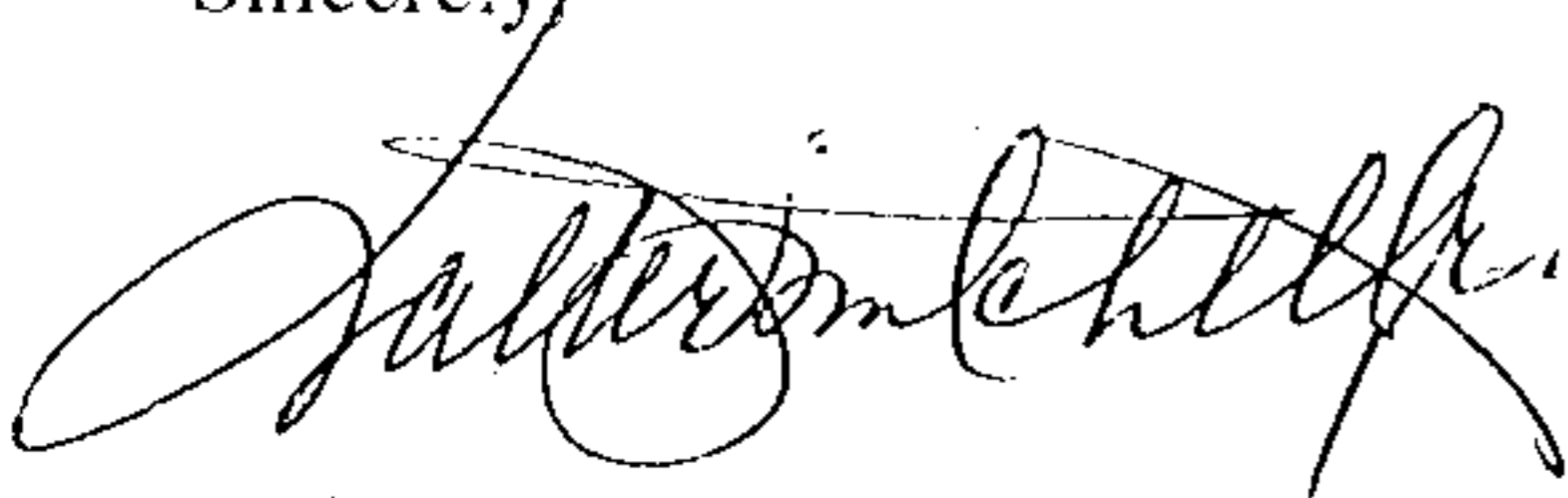
Bruno & Tervalon  
Certified Public Accountants  
650 So. Pierce Street - Suite 203  
New Orleans, LA 70119

Dear Sirs:

Enclosed is a status schedule of **Youth Development Association, Inc.**'s prior year's audit findings and management's corrective action plan for current year's findings for the year ending June 30, 1999.

If any further information is required, do not hesitate to contact me at (504) 948-3976.

Sincerely,



Walter J. Mitchell, Jr.  
Director

WJM, Jr./

Enclosures

**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
**STATUS OF PRIOR YEAR'S REPORTABLE CONDITIONS AND FINDINGS**  
**JUNE 30, 1999**

---

**REFERENCE NUMBER**

97-2

Condition

Preparation of monthly bank reconciliation.

Current Status

Management on a monthly basis is undertaking a "bank to adjusted bank balance" reconciliation. However, as a result of the status of YDA's general ledger, there is no reconciliation of the adjusted bank balance to the general ledger balance.

**REFERENCE NUMBER**

97-4

Condition

Performance of services.

Current Status

YDA has established procedures to formalize the documentation of the competency enhancement of its program participants for inclusion in their respective files.

**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
**STATUS OF PRIOR YEAR'S REPORTABLE CONDITIONS AND FINDINGS**  
**(CONTINUED)**  
**JUNE 30, 1999**

---

**REFERENCE NUMBER**

97-5

Condition

Verification of service area of participants.

Current Status

YDA continues to work with its participants to secure the necessary information to support service area compliance.

**REFERENCE NUMBER**

97-6

Condition

Participant eligibility requirements.

Current Status

YDA has established a procedure to ensure that documents such as birth certificate, school attendance, etc. are maintained in the respective folders to support compliance with eligibility requirements.

**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
**STATUS OF PRIOR YEAR'S REPORTABLE CONDITIONS AND FINDINGS**  
**(CONTINUED)**  
**JUNE 30, 1999**

---

**REFERENCE NUMBER**

97-7

Condition

Agreement of cost reports to internal records.

Current Status

Management continues to work toward resolution of the above condition.

**REFERENCE NUMBER**

97-8

Condition

Filing of annual IRS Form 990.

Current Status

YDA anticipates filing all outstanding IRS Form 990 reports by no later than March 31, 2000.

**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
**STATUS OF PRIOR YEAR'S REPORTABLE CONDITIONS AND FINDINGS**  
**(CONTINUED)**  
**JUNE 30, 1999**

---

**REFERENCE NUMBER**

97-9

Condition

Filing of accurate federal and state tax reports.

Current Status

Management continues to work toward resolution of all tax report filing issues and anticipates conclusion by no later than January 31, 2000.

**REFERENCE NUMBER**

97-10

Condition

Untimely submission of audit/compilation report.

Current Status

The current year's compilation report will be submitted within the required timeframe.



**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
**STATUS OF PRIOR YEAR'S REPORTABLE CONDITIONS AND FINDINGS**  
**(CONTINUED)**  
**JUNE 30, 1999**

---

**REFERENCE NUMBER**

98-1

Condition

Two (2) of the twelve (12) disbursements lacked invoices to support the respective payment.

Current Status

Management of **YDA** continues to improve its file maintenance and management system.

**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
**SCHEDULE OF FINDINGS AND MANAGEMENT'S RESPONSE**  
**JUNE 30, 1999**

---

**REFERENCE NUMBER**

99-1

Condition

Three (3) of the twelve (12) disbursements lacked invoices to support the respective payment. It is our understanding through discussions with management that the missing invoices result from misfiled documents due to staff changes during the year. It is the intent of management to locate and file the documents accordingly.

In addition, one (1) of the twelve (12) disbursements selected, which was for the purchase of computer equipment from an employee, lacked the required procurement documentation to support compliance with the public bid requirements. Furthermore, YDA did not have on file, an invoice for the acquisition.

Management's Response

Management is working to resolve the above conditions and anticipates conclusion by January 31, 2000.

**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
**SCHEDULE OF FINDINGS AND MANAGEMENT'S RESPONSE, CONTINUED**  
**JUNE 30, 1999**

---

**REFERENCE NUMBER**

99-2

**Condition**

Based on our discussions with management and review of YDA's participant roster and supporting documents to ascertain eligibility, level of competency enhancement and service area of program participants, we noted the following conditions:

- We were unable to ascertain through documentary evidence, enhancement in the participants educational competency levels;
- Noted the absence of the required information such as street address to support the service area requirement of YDA's contract with the State; and
- The lack of required documentation to support compliance with participants' eligibility requirements.

**Management's Response**

Management continues to enhance its current processes to ensure resolution of the above conditions.

**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
**SCHEDULE OF FINDINGS AND MANAGEMENT'S RESPONSE, CONTINUED**  
**JUNE 30, 1999**

---

**REFERENCE NUMBER**

99-3

Condition

We could not find any evidence to suggest the posting of notices or agenda for Board meetings.

Management's Response

Management will ensure that all future meetings are posted as required by LSA-RS 42:1.

**REFERENCE NUMBER**

99-4

Condition

We noted that checks were not disbursed sequentially. It is our understanding through discussions with management that this was caused by the need for emergency purchases.

In addition, we noted that checks were ordered out of sequence. It is our understanding that management changed vendors and did not refer to the previous check number sequence in the procurement of additional blank checks.

Management's Response

Management has instituted the necessary procedures to eliminate a repeat of the above condition.

**YOUTH DEVELOPMENT ASSOCIATION, INC.**  
**SCHEDULE OF FINDINGS AND MANAGEMENT'S RESPONSE, CONTINUED**  
**JUNE 30, 1999**

---

**REFERENCE NUMBER**

99-5

Condition

Based on our review, we noted no documentation to support mileage reimbursement paid to staff.

Management's Response

Management is in the process of establishing the necessary procedures to ensure that all future disbursements are adequately supported.