

VERNON YOUTH SERVICES, INC.

NOTE TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Nature of the Business and Summary of Significant Accounting Policies (Continued)

Fixed Assets:

All items of property, plant and equipment are recorded as expenditures when purchased and are accounted for in the General Fixed Assets group of accounts. Such assets are maintained on a basis of original cost or estimated original cost if original cost is not available and no depreciation is computed or recorded thereon. Donated fixed assets are stated at their estimated fair market value on the date donated.

Note 2 - Funding Policies and Sources of Funds

The Vernon Youth Services, Inc. receives its monies on a grant basis from the Louisiana Department of Public Safety - Office of Juvenile Services. Under this method funds are received as needed or on a monthly or quarterly allocation of the total budget (grant) in advance of the actual expenditures.

Note 3 - Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

Note 4 - In-kind contributions

The Vernon Youth Services, Inc. received various in-kind contributions during the period under examination. There were inadequate records to determine proper value of these contributions. While the value of these contributions has not been reported, the offsetting expenses have not been incurred.

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A Professional Accounting Corporation
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W. Michael Miller, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Vernon Youth Services, Inc.
Lacrosse, Louisiana

I have audited the accompanying general purpose financial statements of the Vernon Youth Services, Inc. as of and for the year ended June 30, 1996, as listed in the table of contents. These financial statements are the responsibility of Vernon Youth Services, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Vernon Youth Services, Inc. at June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Vernon Youth Services, Inc. The information in those schedules has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Elliott & Assoc. "APAC"
Lacrosse, Louisiana
December 10, 1996

ELLIOTT & ASSOCIATES, INC.

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P. O. Box 1183

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Board of Directors
Vernon Youth Services, Inc.
Monroe, Louisiana

I have audited the general purpose financial statements of Vernon Youth Services, Inc., as of and for the year ended June 30, 1994, and have issued my report thereon dated December 10, 1994.

I conducted my audit in accordance with generally accepted auditing standards and Common Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

In planning and performing my audit of the general purpose financial statements of Vernon Youth Services, Inc. for the year ended June 30, 1994, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

Vernon Youth Services, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories:

Cash receipts	Payroll
Purchasing/receiving	Property and equipment
Accounts payable	General ledger
Cash disbursements	

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk.

I noted no matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect Verano Youth Services, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the general-purpose financial statements.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of the management of Verano Youth Services, Inc., the State of Louisiana and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Elliott & Assoc. "PAC"
Monroe, Louisiana
December 18, 1996

Exhibit A

VERNON YOUTH SERVICES, INC.

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

June 30, 1986

	Account Group		Totals	
	Fund Types Special Revenue	General Fixed Assets	(Nonpartisan Only)	
			1986	1985
ASSETS				
Cash (Note 6)	\$ 35	\$ ---	\$ 35	\$ 35
Accounts Receivable	23,450	---	23,450	28,643
Furniture and equipment (Note 6)	---	80,052	80,052	28,923
Total assets	\$ 23,485	\$ 80,052	\$ 103,537	\$ 108,601
LIABILITIES				
Due to funding agency	\$ 4,100	\$ ---	\$ 4,100	\$ 4,100
Cash overdraft (Note 6)	11,275	---	11,275	14,078
Accounts payable	560	---	560	1,184
Payroll taxes payable	---	---	---	---
Total liabilities	\$ 16,935	\$ ---	\$ 16,935	\$ 19,362
FUND EQUITY				
Fund equity:				
Investment in general fixed assets	\$ ---	\$ 80,052	\$ 80,052	\$ 79,879
Fund balances:				
Unassigned	3,058	---	3,058	4,318
Total fund balance	3,058	---	3,058	4,318
Total fund equity	3,058	80,052	83,110	84,197
Total liabilities and fund equity	\$ 20,033	\$ 80,052	\$ 100,083	\$ 103,559

The accompanying notes are an integral part of this statement.

Exhibit C

TRUSSARDI YOUTH SERVICES, INC.
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL - SPECIAL REVENUE FUND TYPE

For the fiscal year ended June 30, 1990

	Budget	Actual	Variance - Favorable (Unfavorable) (Note 1)
REVENUES			
Intergovernmental	\$289,628	\$288,348	\$(1,280)
Miscellaneous	---	58	58
Total revenues	<u>289,628</u>	<u>288,418</u>	<u>\$(1,280)</u>
EXPENDITURES			
Current:			
Salaries	148,545	150,548	18,003
Fringe	45,000	48,130	18,130
Travel	300	---	300
Operating services	48,800	38,828	8,138
Operating supplies	28,800	22,552	1,448
Other costs	---	---	---
Professional services	5,800	8,848	1,852
Capital outlay	<u>1,873</u>	<u>1,873</u>	<u>---</u>
Total expenditures	<u>289,820</u>	<u>288,934</u>	<u>1,548</u>
Excess (deficiency) of revenues over expenditures	---	342	342
FUND BALANCES			
Beginning of year	<u>1,718</u>	<u>1,718</u>	<u>---</u>
End of year	<u>\$ 1,718</u>	<u>\$ 1,068</u>	<u>\$ 650</u>

The accompanying notes are an integral part of this statement.

VARSON YOUTH SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1986

Note 1 - Nature of the Business and Summary of Significant Accounting Policies

Nature of the business:

Organization purposes:

The basic purposes of the Varson Youth Services, Inc. "VYS" are as follows:

- A. To offer short-term shelter care and treatment services for juveniles referred to them by various parish and state agencies.
- B. To offer medical services and a complete recreational program for such juveniles.
- C. To offer nutritional services to such individuals in accordance with applicable minimum standards for clinic care agencies and the USPHS.
- D. To report on a weekly basis to the Office of Juvenile Services, Louisiana Department of Public Safety and Corrections the number of juveniles under their treatment plan and the types of activities.
- E. To abide by the requirements of Title VI of the Civil Rights Act of 1964 (as amended July 3, 1973) and the Vocational Rehabilitation Act of 1973 and insure that all services are delivered without discrimination due to race, color, national origin or handicap.
- F. To abide by the provisions of the Louisiana Code of Juvenile Procedure and when applicable the Federal Newsey Youth Act as contained in P. L. 93-415. VYS agrees to comply with all state licensing standards, all applicable accounting standards, and applicable federal service standards and with all applicable state and federal laws.

VERNON YOUTH SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Nature of the Business and Summary of Significant Accounting Policies (CONTINUED)

Significant Accounting Policies:

Financial reporting entity:

This report includes all funds and account groups which are controlled by or dependent on the Vernon Youth Services, Inc. Control by or dependence on the Vernon Youth Services, Inc. was determined on the basis of budget adoption, appointment of governing body, and other general oversight responsibility.

Statements of Presentation:

The accompanying financial statements conform to generally accepted accounting principles for local government units as prescribed by Statement 1, Governmental Accounting and Financial Reporting Principles published by the National Council on Governmental Accounting; Audit of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; and, the revised Louisiana Municipal Audit and Accounting Guide.

Organization:

The Vernon Youth Services, Inc. was established to provide for shelter care services for 16 youths in the Vernon Parish area in accordance with Louisiana Revised Statute 18:1002 (A) and (B).

Fund Accounting:

The accounts of the Vernon Youth Services, Inc. are organized on the basis of funds and account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled. The various funds presented in the financial statements in this report are grouped into two generic fund types and one broad fund category as follows:

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VIETNAM YOUTH SERVICES, INC.
MONROVIA, LOUISIANA
ANNUAL FINANCIAL REPORT
FOR THE PERIOD ENDING
JUNE 30, 1966

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 1/28/2010

VERNON YOUTH SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 - Nature of the Business and Summary of Significant Accounting Policies (Continued)

Budgets and budgetary information:

The VYS follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Louisiana Department of Public Safety - Office of Juvenile Services "DPS" - State of Louisiana notifies the Vernon Youth Services, Inc. each year as to the funding levels for the current year grant.
2. The Executive Director prepares a proposed budget based on the funding levels provided by DPS and then submits the budget to the Board of Directors for approval.
3. The Board of Directors reviews and adopts the budget prior to June 30 each year.
4. The adopted budget is forwarded to the Louisiana Department of Public Safety - Office of Juvenile Services for final approval.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Directors of the VYS. Such amendments were not material in relation to original appropriation.
7. Expenditures cannot legally exceed appropriations on an individual fund level.

Total Columns of Combined Statements - Overview:

Total columns on the combined statements - overview are captioned "memorandum only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

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CPA Member Since 1964

Board of Directors
Vernon Youth Services, Inc.
Monroe, Louisiana:

I have audited the general purpose financial statements of Vernon Youth Services, Inc. as of and for the year ended June 30, 1996, and have issued my report thereon dated December 10, 1996.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Vernon Youth Services, Inc. is the responsibility of the Vernon Youth Services, Inc.. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Vernon Youth Services, Inc.'s compliance with certain provisions of laws and regulations. However, my objective was not to provide an opinion on overall compliance with each provision.

The results of my tests indicate that, with respect to the items tested, Vernon Youth Services, Inc. complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that Vernon Youth Services, Inc. had not complied, in all material respects with those provisions.

This report is intended for the information of management and others within the organization as well as the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Elliott & Assoc. "APAC"
Monroe, Louisiana
December 10, 1996

VERNON YOUTH SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 5 - Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance July 1, <u>1995</u>	Additions	Retirements	Balance June 30, <u>1996</u>
Equipment	\$ 18,217	\$ 1,075	\$ -----	\$ 19,292

Note 6 - Cash Collateral

As of June 30, 1996, cash and investments held by Vernon Youth Services, Inc. was secured in full by FDIC (Federal Depositary Insurance Corporation) insurance at each of the respective financial institutions where deposited.

SUPPLEMENTARY DATA

VERMONT YOUTH SERVICES, INC.
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS

For the fiscal year ended June 30, 1956

General fixed assets, at cost:	
Furniture and equipment	\$ 80,852
Total general fixed assets	\$ 80,852
Investment in general fixed assets	
Property acquired from -	
State funds	\$ 80,852
Total investment in general fixed assets	\$ 80,852

VERNON YOUTH SERVICES, INC.

OTHER SCHEDULES

For the fiscal year ended June 30, 1986

Schedule 2 - COMPENSATION TO BOARD MEMBERS

During the fiscal year ended June 30, 1986 no per diem payments or other compensation payments were made to board members.

Schedule 3 - QUESTIONED COSTS

During the fiscal year ended June 30, 1986, I noted no questioned costs arising from my examination.

Schedule 4 - EXIT CONFERENCE

An exit conference was held with Mr. Leo Russell, Executive Director and Joan Badrester, Head Bookkeeper on December 15, 1986 to discuss the proposed audit report and the fact that no questioned costs were discovered during my examination.

VERNON YOUTH SERVICES, INC.

NOTE TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Nature of the Business and Summary of Significant Accounting Policies (Continued)

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Vernon Youth Services, Inc. are financed. The acquisition, use, and balances of the Vernon Youth Services, Inc.'s expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Vernon Youth Services, Inc.'s governmental fund type:

General Fund - The General Fund is the general operating fund of the Vernon Youth Services, Inc. It is used to account for all financial resources except those required to be accounted for in another fund.

Basis of Accounting:

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

Transfers:

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various due from and due to accounts.

VERMONT YOUTH SERVICES, INC.
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES

For the fiscal year ended June 30, 1994

	General	Special Revenues	Totals (Memorandum Only)
REVENUES			
Intergovernmental	\$ ---	\$258,362	\$258,362
Miscellaneous	---	54	54
Total revenues	---	258,416	258,416
EXPENDITURES			
Current:			
Salaries	---	152,546	152,546
Fringe	---	49,138	49,138
Travel	---	---	---
Operating services	---	36,824	36,824
Operating supplies	---	32,552	32,552
Other costs	---	---	---
Professional services	---	3,940	3,940
Capital outlay (State #)	---	1,825	1,825
Total expenditures	---	268,825	268,825
Excess (deficiency) of revenues over expenditures	---	342	342
FUND BALANCES			
beginning of year	---	8,718	8,718
end of year	\$-----	\$ 7,958	\$ 7,958

The accompanying notes are an integral part of this statement.