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VERNON YOUTH SERVICES, INC.  
LEESVILLE, LOUISIANA  
ANNUAL FINANCIAL REPORT  
FOR THE PERIOD ENDED  
JUNE 30, 1991

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the court, or relevant utility and other appropriate public officials. This report is available for public inspection at the state library and funding has been available and, upon request, of the office of the parish clerk of court.

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**ELLIOTT & ASSOCIATES, INC.**

*A Professional Accounting Corporation*

P. O. Box 1287

Louisville, Louisiana 71456-1287

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W. Michael Miller, CPA

Independent Auditor's Report

Board of Directors  
Vernon Youth Services, Inc.  
Louisville, 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, 1993, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Vernon Youth Services, Inc.'s management. My responsibility is to express an opinion on these general-purpose financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the accounts 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., as of June 30, 1993, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated May 11, 1998, on my consideration of the Vernon Youth Services, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Vernon Youth Services, Inc. taken as a whole. The accompanying financial information and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information 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"*

Levellie, Louisiana  
May 11, 1998

Exhibit A

VERNON YOUTH SERVICES, INC.

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

June 30, 1991

	Governmental Fund Type General Fund	Account Group General Fixed Assets	Totals (Memorandum Only)	
			1991	1990
<b>ASSETS</b>				
Cash (Note 6)	\$ 26	\$ ---	\$ 26	\$ 26
Accounts Receivable	26,028	---	26,028	26,448
Furniture and equipment (note 6)	---	80,251	80,251	80,032
<b>Total assets</b>	<b>\$ 26,054</b>	<b>\$80,251</b>	<b>\$106,314</b>	<b>\$106,506</b>
<b>LIABILITIES</b>				
Due to funding agency	\$ 4,100	\$ ---	\$ 4,100	\$ 4,100
Cash overdraw (Note 6)	11,811	---	11,811	11,375
Accounts payable	243	---	243	869
Payroll taxes payable	---	---	---	---
<b>Total liabilities</b>	<b>\$ 16,154</b>	<b>---</b>	<b>\$ 16,154</b>	<b>\$ 16,344</b>
<b>FUND EQUITY</b>				
Fund equity:				
Investment in general fixed assets	---	80,251	80,251	\$ 80,032
Fund balances:				
Unassigned:				
Undesignated (Note 7)	\$ 8,898	---	\$ 8,898	\$ 7,818
<b>total fund balance</b>	<b>\$ 8,898</b>	<b>---</b>	<b>\$ 8,898</b>	<b>\$ 7,818</b>
<b>Total fund equity</b>	<b>\$ 8,898</b>	<b>\$80,251</b>	<b>\$89,150</b>	<b>\$87,850</b>
<b>Total liabilities and fund equity</b>	<b>\$ 24,952</b>	<b>\$88,261</b>	<b>\$113,213</b>	<b>\$109,694</b>

The accompanying notes are an integral part of this statement.

YEMASSEE YOUTH SERVICES, INC.  
 CONDENSED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ENVIRONMENTAL FUND TYPE-GENERAL FUND

For the fiscal year ended June 30, 1997

<b>REVENUES</b>	
Intergovernmental	\$262,385
Miscellaneous	_____52
Total revenues	<u>262,437</u>
<b>EXPENDITURES</b>	
Current:	
Salaries	140,622
Fringe	44,281
Travel	---
Operating services	40,264
Operating supplies	24,826
Other costs	---
Professional services	3,328
Capital outlay (Note 5)	_____159
Total expenditures	<u>251,612</u>
Excess (deficiency) of revenues over expenditures	100,825
<b>FUND BALANCES</b>	
Beginning of year	1,058
Prior period adjustment (Note 7)	_____1,028
Beginning of year, as restated	<u>_____2,086</u>
End of year	<u>2,186,811</u>

The accompanying notes are an integral part of this statement.

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

For the fiscal year ended June 30, 1987

	Budget	Actual	Variance - Favorable (Unfavorable) (Note 3)
<b>REVENUES</b>			
Intergovernmental	\$258,545	\$262,385	\$3,840
Miscellaneous	---	82	82
Total revenues	<u>258,545</u>	<u>262,327</u>	<u>3,828</u>
<b>EXPENDITURES</b>			
Current:			
Salaries	158,545	149,522	9,023
Fringe	48,000	44,361	3,639
Travel	200	---	200
Operating services	37,000	40,261	(3,261)
Operating supplies	31,000	28,820	(2,180)
Other costs	---	---	---
Professional services	3,800	3,323	477
Capital outlay	---	199	(199)
Total expenditures	<u>268,545</u>	<u>265,512</u>	<u>3,033</u>
excess (deficiency) of revenue over expenditures	---	825	825
<b>FUND BALANCE</b>			
Beginning of year	<u>7,828</u>	<u>7,003</u>	---
End of year	<u>\$ 7,828</u>	<u>\$ 7,828</u>	<u>\$ 825</u>

The accompanying notes are an integral part of this statement.

## VERNON YOUTH SERVICES, INC.

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 1987

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

## Nature of the business:

## Organization purposes:

The basic purposes of the Vernon 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 USDA.
- 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 5, 1972) 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 Runaway Youth Act as contained in P. L. 92-413. VYS agrees to comply with all state licensing standards, all applicable accrediting 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.

Statement of Presentation:

The accompanying financial statements conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:537 and to the guides set forth in the Louisiana Governmental Audit Guide, and to the industry audit guide, *Audits of State and Local Government Units*.

Organization:

The Vernon Youth Services, Inc. was established to provide for shelter care services for 18 youths in the Vernon Parish area in accordance with Louisiana Revised Statute 15:182 (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 one generic fund type and one broad fund category as follows:

VERNON YOUTH SERVICES, INC.

NOTES 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 measurement 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - 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 Vermont 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 General Fund 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. Wash 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.

VERNON YOUTH SERVICES, INC.

NOTES 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 and no depreciation is computed or recorded thereon. Depreciated 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 expenditure.

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 adjusting expenses have not been incurred.

## 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 31, <u>1978</u>	Additions	Retirements	Balance June 30, <u>1979</u>
Equipment	\$ 60,852	\$ 199	\$ ---	\$ 61,051

Note 6 - Cash Collateral

As of June 30, 1979, 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.

Note 7 - Prior Period Adjustment

During the audit period ended June 30, 1979, the operating bank account reconciliation form prior periods was found to be in error. Three checks totaling \$1,026 shown as outstanding since June 30, 1978 had actually cleared in 1978 thus causing cash to be understated by \$1,026. The appropriate adjustment has been recorded this period as a prior period adjustment with a credit to fund balance.

## SUPPLEMENTARY DATA

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

For the fiscal year ended June 30, 1997

General fixed assets, at cost:	
Furniture and equipment	<u>\$ 80,251</u>
Total general fixed assets	<u>\$ 80,251</u>
Investment in general fixed assets:	
Property acquired from -	
State funds	<u>\$ 82,251</u>
Total investment in general fixed assets	<u>\$ 82,251</u>

VENISON TOURS SERVICES, INC.

SUPPLEMENTAL INFORMATION SCHEDULES

For the fiscal year ended June 30, 1997

Schedule 2 - COMPENSATION TO BOARD MEMBERS

During the fiscal year ended June 30, 1997 no per diem payments or other compensation payments were made to board members.

Schedule 3 - PRICE AUDIT FINDINGS

There were no prior year audit findings in the audit for the year ended June 30, 1996.

Schedule 4 - MANAGEMENT'S CORRECTIVE ACTION PLAN

The corrective action plan for the current year finding for the year ended June 30, 1997 is as follows:

- 1997.1 Description of Finding: This audit report is not being issued within the six months of the close of its June 30, 1997 fiscal year-end. This is a violation of IA B-S. #208513(A)(1)(a).
- Corrective Action Planned: Management plans to have all future reports issued within the required six month period of the close of its June 30 fiscal year-end.
- Contact Person: John Reimer
- Anticipated Completion Date: December 31, 1998



# ELLIOTT & ASSOCIATES, INC.

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P. O. Box 1287

Louisville, Louisiana 71490-1287

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110118-0100  
Rev. 11/1/79

W. Michael Hill, CPA

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

Board of Directors  
Verona Youth Services, Inc.  
Louisville, Louisiana:

I have audited the general-purpose financial statements of the Verona Youth Services, Inc., as of and for the year ended June 30, 1997, and have issued my report thereon dated May 11, 1998. I conducted my 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.

### Compliance

As part of obtaining reasonable assurance about whether the Verona Youth Services, Inc.'s general-purpose financial statements are free of material misstatement, I performed tests of the 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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards which is described as follows:

**Finding:** This audit report is not being issued within the six months of the close of its June 30, 1997 fiscal year-end. This is a violation of I&A S.S. #24.013(A)(3)(i).

**Management Response:** The audit report is late because the audit firm had not completed its quality review within the prescribed time frame and therefore could not release the report until its review was completed and legislative auditor approval was obtained of its report.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Veracore Youth Services, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in accounts 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the management. However, this report is a matter of public record and its distribution is not limited.

*Elliott & Assoc. "APAC"*  
Ipswich, Louisiana  
May 11, 1998

**VERNON YOUTH SERVICES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Fiscal Year Ended June 30, 1997

I have audited the financial statements of Vernon Youth Services as of and for the year ended June 30, 1997, and have issued my report thereon dated May 11, 1998. I conducted my 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. My audit of the financial statements as of June 30, 1997 resulted in an unqualified opinion.

**Section I Summary of Auditor's Reports**

**a. Report on Internal Control and Compliance  
Material to the Financial Statements**

**Internal Control**

Material Weaknesses	( )	Yes	(X)	No
Reportable Conditions	( )	Yes	(X)	No

**Compliance**

Compliance Material to Financial Statements	(X)	Yes	( )	No
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**b. Federal Awards**

**Internal Control**

Material Weaknesses	( )	Yes	( )	No	(X)	N/A
Reportable conditions	( )	Yes	( )	No	(X)	N/A

**Type of Opinion On Compliance For Major Programs**

Unqualified	( )	Qualified	( )
Disclaimer	( )	Adverse	( )
N/A	(X)		

Are there findings required to be reported in accordance with Circular A-133, Section .514(a)?

( ) Yes ( ) No (X) N/A

c. Identification of Major Programs

OMB Number/Title	Name of Federal Program
None	None
Dollar threshold used to distinguish between Type A and Type B Programs:	\$ <u>250,000</u>
Is the audit a "low-risk" audit, as defined by OMB Circular A-133?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A

Section II Financial Statement Findings

1997.1 Date Filing: This audit report is not being issued within the six months of the close of the June 30, 1997 fiscal year-end. This is a violation of SA 8.5. Paragraph 8.5(1)(a), but does not have any effect on the financial statements. All future reports should be issued within the required time frame.

Section III Federal Award Findings and Questioned Costs

N/A

See independent auditor's report.