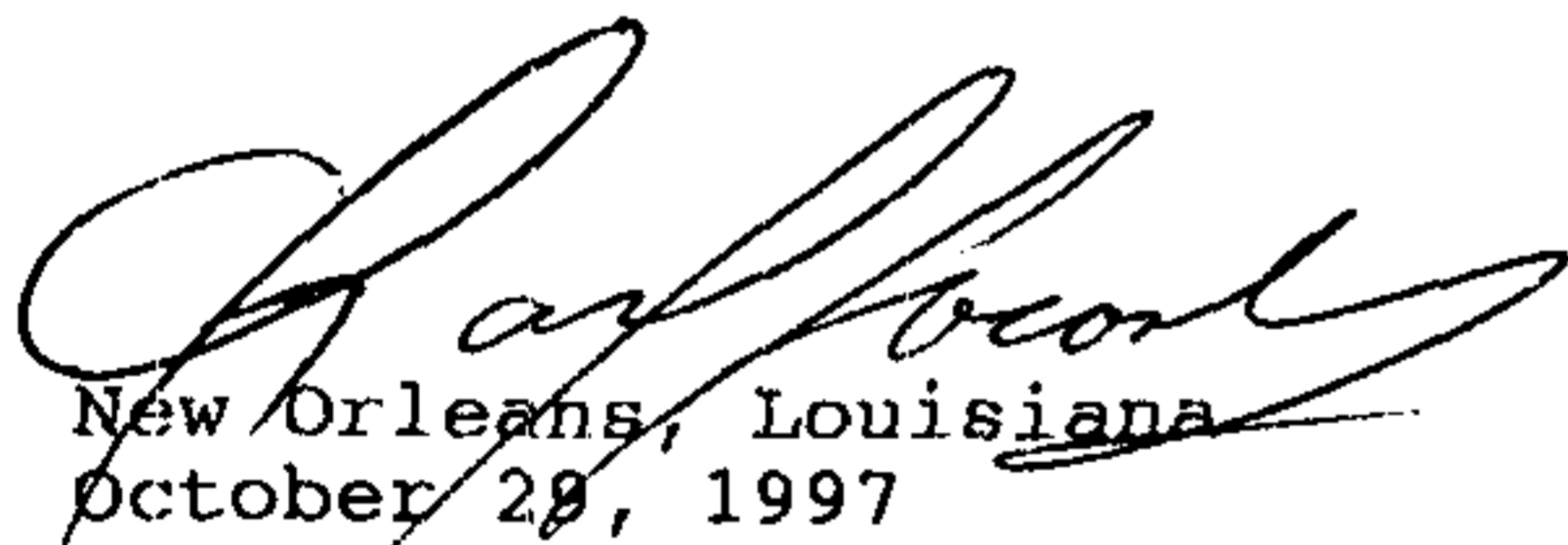


Internal Control Over Financial Reporting

In planning and performing my audit, I considered Youth Service Bureau of St. Tammany, 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 amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. 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 audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



New Orleans, Louisiana
October 28, 1997

Charles L. Lacoste, Jr.

Certified Public Accountant

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

To the Board of Directors of
Youth Service Bureau of St. Tammany, Inc.

I have audited the financial statements of Youth Service Bureau of St. Tammany, Inc. (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued my report thereon dated October 29, 1997. 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 Youth Service Bureau of St. Tammany, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Youth Service Bureau of St. Tammany, Inc.
 SCHEDULE OF REVENUES AND EXPENSES - BY PROGRAM
 Year Ended June 30, 1997

	Total	Law Related Education	CASA	Crossroads	FINS	Capital Projects	Undesignated Support
SUPPORT							
Non-government Agencies-							
Greater Covington Junior Service League	\$ 7,500	\$ -	\$ -	\$ 7,500	\$ -	\$ -	\$ -
Louisiana Bar Foundation (IOLTA)	26,250	3,000	23,250	-	-	-	-
GPOA Foundation	25,805	-	-	25,805	-	-	-
Greater New Orleans Foundation	7,000	-	-	-	7,000	-	-
Foundation for Mid-South	12,500	-	12,500	-	-	-	-
Reily Foundation	1,400	-	-	-	1,400	-	-
Shell Offshore Foundation	4,500	-	4,500	-	-	-	-
General Public	2,564	-	-	-	-	2,564	-
Government-							
22nd Judicial District	197,897	-	-	-	197,897	-	-
JJDP	28,073	-	-	28,073	-	-	-
St. Tammany Police Jury	10,000	-	-	10,000	-	-	-
City of Slidell	14,000	-	-	-	-	14,000	-
City of Mandeville	7,500	-	-	-	-	7,500	-
City of Covington	2,000	-	-	-	-	2,000	-
Children's Justice Act	19,518	-	19,518	-	-	-	-
Fees	44,926	-	-	44,926	-	-	-
Special Events Income	216,093	-	-	-	-	216,093	-
Investment Income	24,391	-	-	-	-	24,391	-
United Way Allocation	50,650	-	22,239	28,411	-	-	-
United Way Designations	20,351	-	-	-	-	20,351	-
CFC Contributions	1,854	-	-	-	-	1,854	-
	<u>724,772</u>	<u>3,000</u>	<u>82,007</u>	<u>144,715</u>	<u>197,897</u>	<u>8,400</u>	<u>288,753</u>
EXPENSES							
Compensation	385,759	3,101	87,294	94,144	137,244	-	63,976
Occupancy	28,210	250	3,964	3,504	12,861	-	7,631
Travel & Transportation	3,999	-	1,265	1,096	1,636	-	-
Board Generated Self-Support Expenses	64,892	-	-	-	-	-	64,892
Other Direct Program/ Self-Support Expenses	76,012	250	15,516	13,513	20,008	17,483	26,727
	<u>558,872</u>	<u>3,601</u>	<u>108,039</u>	<u>112,257</u>	<u>171,749</u>	<u>17,483</u>	<u>163,226</u>
Difference	\$ 165,900	(601)	(26,032)	32,458	26,148	(9,083)	125,527
MANAGEMENT & GENERAL							
Difference		(911)	25,744	27,766	40,472	-	(94,893)
		(1,512)	(51,776)	4,692	(14,324)	-	-
Depreciation	24,048	250	5,450	4,723	7,052	-	6,573

Youth Service Bureau of St. Tammany, Inc.

SCHEDULE OF FEDERAL AWARDS

Year Ended June 30, 1997

<u>Program Title</u>	<u>Federal CFDA</u>	<u>Agency Number</u>	<u>Receipts</u>	<u>Expenditures</u>
Nonmajor programs - Juvenile Community Service Program	16.540	J95-7-002	\$28,073	\$28,073
Children's Justice	N/A	370600017	<u>19,518</u>	<u>19,518</u>
			<u>\$47,591</u>	<u>\$47,591</u>

SUPPLEMENTARY SECTION

Youth Service Bureau of St. Tammany, Inc.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1997

NOTE D - CASH RESERVE

The Board of Directors intends to establish a "prudent reserve" of approximately 3 months expenditures. Increases in net assets which may occur subsequently will be dedicated to the establishment of new programs.

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Equipment	\$ 81,122
Building and improvements	349,218
Land	<u>45,000</u>
	475,340
Accumulated depreciation	\$ <u>76,448</u>
	\$ <u>398,892</u>

NOTE F - DEFERRED INCOME

Deferred income at June 30, 1997 consists of the following:

22nd Judicial District	\$ 20,604
Mid-South Foundation	<u>12,500</u>
	\$ <u>33,104</u>

Youth Service Bureau of St. Tammany, Inc.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1997

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

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B - RESTRICTIONS ON ASSETS

The restrictions on assets as of June 30, 1997 have two components, the time restricted United Way contributions for 1997-98 of \$91,975 and contributions restricted to the FINS program of \$22,595.

Unrestricted net assets designated for capital and equipment represents board specified reserves for future needs of the organization.

NOTE C - PROMISE TO GIVE

The amount promised by the United Way consists of the following:

Allocation	
CASA	\$ 27,239
Crossroads	29,911
FINS	10,000
Designated gifts	<u>24,825</u>
	\$ <u>91,975</u>

Youth Service Bureau of St. Tammany, Inc.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1997

Property and Equipment - Donations of property and equipment are recorded as support at their estimated fair value. Such assets are recorded as unrestricted support unless the donor imposes a restriction. If such restriction exists the support is reported in accord with the nature of the restriction. Property and equipment purchases having a value of less than \$500 are not recorded as an asset. All other property and equipment is depreciated using the straight line method.

Income Taxes - The Organization is a nonprofit corporation that is exempt from both Federal and Louisiana income taxes under Section 501(c)(3) of the Internal Revenue Code and R. S. 12:201.

Cash and Cash Equivalents - The Organization considers all funds in bank accounts, money market accounts or certificates of deposit as cash or its equivalent.

Financial Statement Presentation - The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: Unrestricted net assets, temporarily restricted net assets and permanently restricted net assets (if each is applicable). In addition, the Organization is required to present a statement of cash flows.

Youth Service Bureau of St. Tammany, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Organization is a nonprofit United Way agency that has provided programs of prevention and early intervention for the youth in St. Tammany and Washington Parishes since 1981. It has offices in Covington and Slidell. The mission of the Youth Service Bureau is to assist youth, especially troubled or high-risk youth, to become responsible community members.

Significant Accounting Policies

Promises to Give - Contributions are recognized when the donor makes a promise to give the Organization that is in substance, unconditional. Conditions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires temporarily restricted net assets are reclassified to unrestricted net assets.

Contributed Services - The Organization received valuable services from its dedicated volunteers. However, these services are not recognized as revenue as they do not create nonfinancial assets nor are they specialized services as described in SFAS 116.

Youth Service Bureau of St. Tammany, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 1997

	Program Services				Supporting Services				
	Law Related Education	CASA	Crossroads	FINS	Total	Management & General	Fund Raising	Total	
Salaries	\$ 2,768	\$ 77,879	\$ 83,979	\$122,413	\$287,039	\$ 51,557	\$ 5,504	\$ 57,061	\$344,100
Payroll Taxes and Employee Benefits	333	9,415	10,165	14,831	34,744	6,249	667	6,916	41,660
Rent	-	-	-	7,800	7,800	-	-	-	7,800
Utilities	-	1,648	1,429	2,133	5,210	919	-	919	6,129
Maintenance	-	2,810	2,435	3,635	8,880	7,875	-	7,875	16,755
Equipment Rent	-	228	197	295	720	-	8,152	8,152	8,872
Occupancy Insurance	250	2,316	2,075	2,928	7,569	6,712	-	6,712	14,281
Conferences and Meetings	-	2,142	1,856	2,771	6,769	900	11,103	12,003	18,772
Travel	-	1,265	1,096	1,638	3,999	-	-	-	3,999
Dues and Subscriptions	-	397	344	514	1,255	221	-	221	1,476
Postage and Delivery	-	1,497	1,297	1,937	4,731	303	500	803	5,534
Printing	-	540	468	700	1,708	1,707	10,567	12,274	13,982
Professional Fees	-	-	-	-	-	3,706	26,000	29,706	29,706
Supplies	-	2,276	1,972	2,945	7,193	1,269	-	1,269	8,462
Telephone	250	4,433	3,910	5,667	14,260	1,259	1,258	2,517	16,777
Interest	-	-	-	-	-	14,385	-	14,385	14,385
Miscellaneous	-	524	454	677	1,655	292	-	292	1,947
Small Equipment	-	669	580	865	2,114	370	-	370	2,484
Taxes and Licenses	-	-	-	-	-	1,751	-	1,751	1,751
Depreciation	3,601	108,039	112,257	171,749	395,646	99,475	63,751	163,226	558,872
	250	5,450	4,723	7,052	17,475	5,976	597	6,573	24,048
	3,851	113,489	116,980	178,801	413,121	105,451	64,348	169,799	582,920
Less: Allocated to Direct Special Events Expenses or Rental Income	-	-	-	-	-	10,558	28,334	38,892	38,892
Total	\$3,851	\$113,489	\$116,980	\$178,801	\$413,121	\$ 94,893	\$ 36,014	\$130,907	\$544,028

The accompanying notes are an inherent part of the financial statements.

Youth Service Bureau of St. Tammany, Inc.

STATEMENT OF CASH FLOWS
Year Ended June 30, 1997

Cash Flows from Operating Activities -	
Increase in net assets	\$ 161,882
Adjustments to reconcile change in net assets to net cash provided by operating activities -	
Depreciation	24,048
(Increase) decrease in operating assets -	
United Way funding for the next year	(20,030)
Prepaid expenses	(767)
Increase (decrease) in operating liabilities -	
Accounts payable	335
Escrowed funds	(2,600)
Deferred income	<u>12,500</u>
Net cash provided by operating activities	175,368
Cash Flows from Investing Activities -	
Payments for property and equipment	(17,483)
Deposit on equipment	(<u>4,696</u>)
Net cash used by investing activities	(<u>22,179</u>)
Cash Flows from Financing Activities -	
Increase in notes payable	7,034
Payment of notes payable	(<u>196,249</u>)
Net cash used by financing activities	(<u>189,215</u>)
Net decrease in cash and cash equivalents	\$(<u>36,026</u>)

The accompanying notes are an inherent part of the financial statements.

Youth Service Bureau of St. Tammany, Inc.

STATEMENT OF ACTIVITIES
Year Ended June 30, 1997

UNRESTRICTED NET ASSET	
Support -	
Non-government agencies	\$ 84,955
General public	2,564
Government	278,988
Fees	44,926
Special events income	216,093
Direct special events expenses	(28,334)
Investment income	24,391
Direct investment expense	(10,558)
Total	<u>613,025</u>
Net assets released from restrictions -	
United Way funding for the year	<u>72,855</u>
Total	<u>685,880</u>
Expenses -	
Program services -	
Law Related Education	3,851
CASA	113,489
Crossroads	116,980
FINS	178,801
Total for program services	<u>413,121</u>
Supporting services -	
Management and general	94,893
Fund - raising	36,014
Total for supporting services	<u>130,907</u>
Total expenses	<u>544,028</u>
Increase in Unrestricted Net Assets	<u>141,852</u>
TEMPORARILY RESTRICTED NET ASSETS	
United Way funding for next year	91,975
Net assets released from restrictions -	
United Way funding for this year	(<u>71,945</u>)
Increase in Temporarily Restricted Net Assets	20,030
NET ASSETS AT BEGINNING OF YEAR	<u>378,960</u>
NET ASSETS AT END OF YEAR	<u>\$540,842</u>

The accompanying notes are an inherent part of the financial statements.

Youth Service Bureau of St. Tammany, Inc.

STATEMENT OF FINANCIAL POSITION
June 30, 1997

ASSETS	
Cash and cash equivalents	\$ 84,223
Unconditional promise to give United Way funding for the next fiscal year	91,975
Prepaid interest	767
Property and equipment	398,892
Deposit on equipment	<u>4,696</u>
Total Assets	\$ <u>580,553</u>
LIABILITIES	
Accounts payable	\$ 335
Escrowed funds	1,583
Loan payable	4,689
Deferred income	<u>33,104</u>
Total Liabilities	<u>39,711</u>
NET ASSETS	
Unrestricted-	
Designated for equipment	\$ 10,000
Designated for capital	20,000
Other unrestricted	<u>396,272</u>
Total	\$ 426,272
Temporarily restricted	<u>114,570</u>
Total Net Assets	<u>540,842</u>
Total Liabilities and Net Assets	\$ <u>580,553</u>

The accompanying notes are an inherent part of the financial statements.

In accordance with Government Auditing Standards, I have also issued my report dated October 29, 1997, on my consideration of Youth Service Bureau of St. Tammany, 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 basic financial statements of Youth Service Bureau of St. Tammany, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



New Orleans, Louisiana

October 29, 1997

Charles L. Lacoste, Jr.

Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Youth Service Bureau of St. Tammany, Inc.

I have audited the accompanying statement of financial position of Youth Service Bureau of St. Tammany, Inc. (a nonprofit organization) as of June 30, 1997, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Youth Service Bureau of St. Tammany, 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Youth Service Bureau of St. Tammany, Inc. as of June 30, 1997, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

FINANCIAL STATEMENTS

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YOUTH SERVICE BUREAU OF ST. TAMMANY, INC.

AUDIT REPORT

JUNE 30, 1997

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 MAR 04 1998

63-1111-5-1111-05