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YOUTH SERVICE BUREAU OF ST. TAMMANY, INC.

AUDIT REPORT

JUNE 30, 1998

Under provisions of state law, this
report is a public document. A
copy of this report shall be made
available to the public or reviewed,
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Attorney General, the State Auditor,
the State Comptroller, or the
clerk of the parish clerk of court.

Release date MAR 7 7 1999

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FINANCIAL SECTION

Charles L. Lacoste, Jr.

Certified Public Accountant

8116 Burthe Street

New Orleans, Louisiana 70118

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INDEPENDENT AUDITOR'S REPORT

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

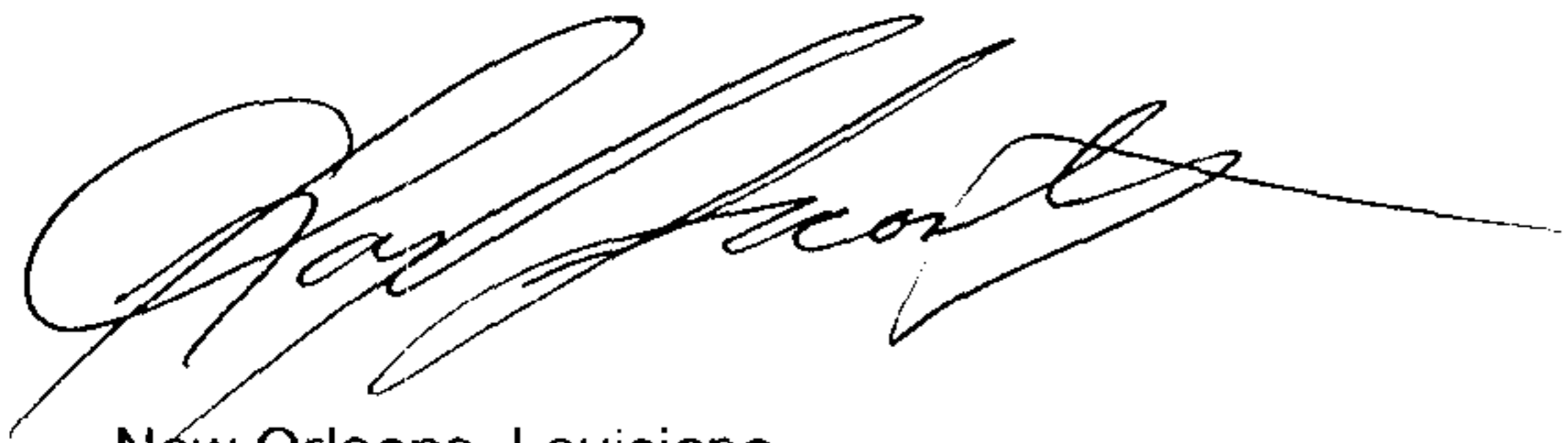
I have audited the accompanying statement of financial position of Youth Service Bureau of St. Tammany, Inc. (a nonprofit organization) as of June 30, 1998, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility 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, 1998, and the changes in its net assets and its cash flows 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 September 10, 1998, 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

September 10, 1998

Youth Service Bureau of St. Tammany, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 1998

ASSETS

Cash and cash equivalents	\$152,307
Unconditional promise to give United Way funding for the fiscal year next	87,240
Prepaid interest	383
Property and equipment	<u>399,878</u>
Total Assets	<u>\$639,808</u>

LIABILITIES

Accounts payable	\$5,157
Escrowed funds	655
Loan payable	2,345
Deferred income	<u>20,604</u>
Total Liabilities	<u>28,761</u>

NET ASSETS

Unrestricted-		
Designated for equipment	\$10,000	
Designated for capital	20,000	
Other unrestricted	<u>471,212</u>	
Total		\$501,212
Temporarily restricted		<u>109,835</u>
Total Net Assets		<u>611,047</u>
Total Liabilities and Net Assets		<u>\$639,808</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, 1998

UNRESTRICTED NET ASSETS

Support -

Non-government agencies	\$90,564
General public	9,615
Government	232,872
Fees	57,221
Special events income	228,370
Direct special events expenses	(47,491)
Investment income	30,265
Direct investment expense	<u>(10,688)</u>
Total	590,728

Net assets released from restrictions -

United Way funding for the year	<u>92,591</u>
Total	<u>683,319</u>

Expenses -

Program services -

Law Related Education	9,192
CASA	148,816
Crossroads	142,525
FINS	<u>219,499</u>
Total for program services	<u>520,032</u>

Supporting services -

Management and general	78,582
Fund - raising	<u>9,765</u>
Total for supporting services	<u>88,347</u>
Total expenses	<u>608,379</u>
Increase in Unrestricted Net Assets	<u>74,940</u>

TEMPORARILY RESTRICTED NET ASSETS

United Way funding for next year	87,240
Net assets released from restrictions -	
United Way funding for this year	<u>(91,975)</u>
Decrease in Temporarily Restricted Net Assets	<u>(4,735)</u>
NET ASSETS AT BEGINNING OF YEAR	<u>540,842</u>

NET ASSETS AT END OF YEAR \$611,047

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, 1998

Cash Flows from Operating Activities -	
Increase in net assets	\$ 70,205
Adjustments to reconcile change in net assets to net cash provided by operating activities -	
Depreciation	21,813
(Increase) decrease in operating assets -	
United Way funding for the next year	4,735
Prepaid expenses	384
Increase (decrease) in operating liabilities -	
Accounts payable	4,822
Escrowed funds	(928)
Deferred income	(12,500)
Net cash provided by operating activities	88,531
Cash Flows from Investing Activities -	
Payments for property and equipment	(18,103)
Net cash used by investing activities	(18,103)
Cash Flows from Financing Activities -	
Payment of notes payable	(2,344)
Net cash used by financing activities	(2,344)
Net increase in cash and cash equivalents	\$ 68,084

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

Youth Service Bureau of St. Tammany

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 1998

	Law Related Education	<u>Program Services</u>				<u>Supporting Services</u>			
		CASA	Crossroads	FINS	Total	Managemt & General	Fund Raising	Total	Total
Salaries	\$7,006	\$103,241	\$98,358	\$153,565	\$362,170	\$47,592	\$7,294	\$54,886	\$417,056
Payroll taxes and Employee Benefits	917	13,517	12,878	20,105	47,417	6,231	955	7,186	54,603
Rent	245	3,614	3,442	5,374	12,675	-	-	-	12,675
Utilities	-	2,204	1,974	2,605	6,783	-	-	-	6,783
Maintenance	-	2,953	2,644	3,489	9,086	9,085	-	9,085	18,171
Equipment Rent	27	395	376	587	1,385	182	8,424	8,606	9,991
Occupancy Insurance	-	1,389	1,244	1,642	4,275	4,275	-	4,275	8,550
Conferences and Meetings	169	2,497	2,379	3,715	8,760	1,151	9,374	10,525	19,285
Travel	108	1,592	1,516	2,368	5,584	734	112	846	6,430
Dues & Subscriptions	4	670	681	997	2,352	309	47	356	2,708
Postage and Delivery	94	1,386	1,321	2,062	4,863	639	98	737	5,600
Printing	88	1,292	1,231	1,811	4,422	707	1,819	2,526	6,948
Professional Fees	-	-	-	-	-	4,179	26,417	30,596	30,596
Supplies	237	3,494	3,329	5,197	12,257	1,611	247	1,858	14,115
Telephone	268	3,944	3,758	5,867	13,837	1,818	2,079	3,897	17,734
Miscellaneous	1	764	1,447	1,648	3,860	485	13	498	4,358
Small Equipment	5	963	978	1,432	3,378	444	68	512	3,890
Insurance	-	525	525	526	1,576	1,717	-	1,717	3,293
Awards and grants	2	272	277	405	956	125	19	144	1,100
Property tax	-	-	-	-	-	859	-	859	859
	<u>9,171</u>	<u>144,712</u>	<u>138,358</u>	<u>213,395</u>	<u>505,636</u>	<u>82,143</u>	<u>56,966</u>	<u>139,109</u>	<u>644,745</u>
Depreciation	21	4,104	4,167	6,104	14,396	7,127	290	7,417	21,813
	<u>9,192</u>	<u>148,816</u>	<u>142,525</u>	<u>219,499</u>	<u>520,032</u>	<u>89,270</u>	<u>57,256</u>	<u>146,526</u>	<u>666,558</u>
Less: allocated to Direct Special Events									
Expenses or									
Rental Income						<u>10,688</u>	<u>47,491</u>	<u>58,179</u>	<u>58,179</u>
Total	<u>\$9,192</u>	<u>\$148,816</u>	<u>\$142,525</u>	<u>\$219,499</u>	<u>\$520,032</u>	<u>\$78,582</u>	<u>\$9,765</u>	<u>\$88,347</u>	<u>\$608,379</u>

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

Youth Service Bureau of St. Tammany, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 1998

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

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.

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.

Youth Service Bureau of St. Tammany, Inc.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

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, 1998 have two components, the time restricted United Way contributions for 1998-99 of \$87,240 and contributions restricted to the FINS program of \$22,595.

Unrestricted net assets designated for capital and equipment represent 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	\$ 27,729
Crossroads	30,449
FINS	10,000
Designated gifts	<u>19,062</u>
	<u>\$ 87,240</u>

Youth Service Bureau of St. Tammany, Inc.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

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	\$ 103,105
Building and improvements	350,034
Land	<u>45,000</u>
	498,139
Accumulated depreciation	<u>98,261</u>
	\$ <u>399,878</u>

NOTE F - DEFERRED INCOME

Deferred income at June 30, 1998 consists of the following:

22nd Judicial District	\$ 20,604
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Youth Service Bureau of St. Tammany, Inc.

SCHEDULE OF FEDERAL AWARDS

Year Ended June 30, 1998

<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	J96-7-007	\$ 6,334	\$ 6,334
Children's Justice	N/A	370600017	16,421	16,421
VOCA		C97-7-002	<u>8,220</u>	<u>8,220</u>
			\$ <u>30,975</u>	\$ <u>30,975</u>

Youth Service Bureau of St. Tammany, Inc.
SCHEDULE OF REVENUES AND EXPENSES-BY PROGRAM
Year Ended June 30, 1998

	<u>Total</u>	<u>Law Related Education</u>	<u>CASA</u>	<u>Crossroads</u>	<u>FINS</u>	<u>Capital Projects</u>	<u>Undesig Support</u>
Support							
Non-government Agencies							
Greater Covington Junior Service League	\$1,000	-	-	\$1,000	-	-	-
Louisiana Bar Fdn (IOLTA)	30,250	3,000	27,250	-	-	-	-
GPOA Foundation	26,750	-	-	26,750	-	-	-
Greater New Orleans Foundation	7,564	-	-	-	-	7,564	-
Foundation for the Midsouth	12,500	-	12,500	-	-	-	-
Shell Offshore Foundation	2,500	-	2,500	-	-	-	-
General Public	9,615	-	-	-	-	-	9,615
RosaMary Foundation	10,000	-	-	-	-	10,000	-
Government							
22nd Judicial District	161,897	-	20,000	-	141,897	-	-
JJDP	6,334	-	-	6,334	-	-	-
City & Parish Governments	40,000	-	-	10,000	-	-	30,000
Children's Justice Act	16,421	-	16,421	-	-	-	-
VOCA	8,220	-	8,220	-	-	-	-
Fees	57,221	-	-	57,221	-	-	-
Special Events Income	228,370	-	-	-	-	-	228,370
Investment Income	30,265	-	-	-	-	-	30,265
United Way Allocation	67,150	-	27,239	29,911	10,000	-	-
United Way Designations	23,291	-	-	-	-	-	23,291
CFC Contributions	<u>2,150</u>	-	-	-	-	-	<u>2,150</u>
Total	<u>741,498</u>	<u>3,000</u>	<u>114,130</u>	<u>131,216</u>	<u>151,897</u>	<u>17,564</u>	<u>323,691</u>
Expenses							
Compensation	471,659	7,923	116,758	111,236	173,670	-	62,072
Occupancy	47,038	-	10,165	9,536	13,118	-	14,219
Travel & Transportation	6,430	8	1,592	1,616	2,368	-	846
Board Generated Self-Support Expenses	57,256	-	-	-	-	-	57,256
Other Direct Program/ Self-Support Expenses	<u>80,465</u>	<u>1,240</u>	<u>16,197</u>	<u>15,970</u>	<u>24,239</u>	<u>18,103</u>	<u>4,716</u>
	<u>662,848</u>	<u>9,171</u>	<u>144,712</u>	<u>138,358</u>	<u>213,395</u>	<u>18,103</u>	<u>139,109</u>
Difference	<u>\$78,650</u>	(6,171)	(30,582)	(7,142)	(61,498)	(539)	184,582
Management & General Difference		<u>117</u>	<u>22,346</u>	<u>22,689</u>	<u>33,430</u>	-	<u>78,582</u>
		(6,288)	(52,928)	(29,831)	(94,928)	(539)	
Depreciation	<u>\$21,813</u>	<u>\$21</u>	<u>\$4,104</u>	<u>\$4,167</u>	<u>\$6,104</u>	-	<u>\$7,417</u>

Charles L. Lacoste, Jr.

Certified Public Accountant

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New Orleans, Louisiana 70118

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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, 1998, and have issued my report thereon dated September 10, 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

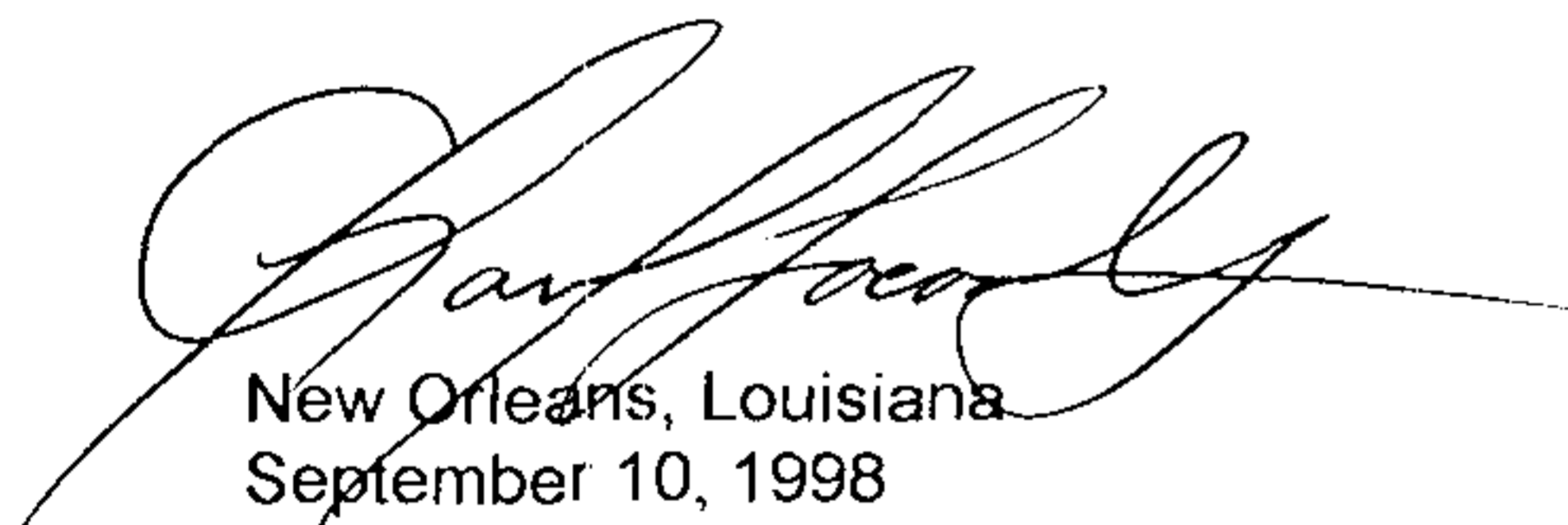
As part of obtaining reasonable assurance about whether Youth Service Bureau of St. Tammany, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my 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.

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
September 10, 1998



February 23, 1999

Mr. Charles L. Lacoste, Jr.
8116 Burthe Street
New Orleans, Louisiana 70118

Dear Mr. Lacoste:

We have received your management letter of February 23, 1999. We acknowledge receiving copies of the report on or before September 25th, 1998. We agree with the explanation of the unfortunate circumstances and the proposed corrective action.

Yours truly,

Christina C. Crutcher
Executive Director

Reaching out to youth and their families through CASA, Crossroads & FINS

Charles L. Lacoste, Jr.

Certified Public Accountant

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

I have been informed by the Legislative Auditor of the State of Louisiana that my audit report, dated September 10, 1998 and issued September 24, 1998, as of and for the year ended June 30, 1998, has not been received by his office. After careful examination of my files, I have concluded that it is more probable than not that the required copies were mailed to his office on the 24th of September. My files contain a transmittal letter, I have no additional copies that would have normally been sent or any other indication that they were not properly mailed. I have a very clear recollection of issuing this report, the preparations for Hurricane Georges were going on. I was particularly concerned to issue this report before leaving. It is of course possible that I after preparing the transmittal letter and segregating the proper number of copies, I did not mail them and misplaced those copies. Any other explanation would be speculation.

Failure to submit the reports within the six-month period is a violation of state law.

CORRECTIVE ACTION

All future submissions to the Legislative Auditor and other required recipients shall be by *either certified mail or commercial delivery which provides receipts both for submission and delivery.*

This report is intended for the information and use of the Board of Directors of Youth Service Bureau of St. Tammany, Inc., its management and staff and the Legislative Auditor of the State of Louisiana and other appropriate oversight agencies of state and federal government. However, this report is matter of public record and its distribution is not limited..



New Orleans, Louisiana
February 22, 1999