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**YOUTH SERVICE BUREAU OF ST. TAMMANY, INC.**

**AUDIT REPORT**

**JUNE 30, 1999**

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 to 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 **DEC 07 1999**

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## **FINANCIAL SECTION**

# Charles L. Lacoste, Jr.

*Certified Public Accountant*

8116 Burthe Street

New Orleans, Louisiana 70118

(504) 861-0513

(504) 861-0548 fax

## INDEPENDENT AUDITOR'S REPORT

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

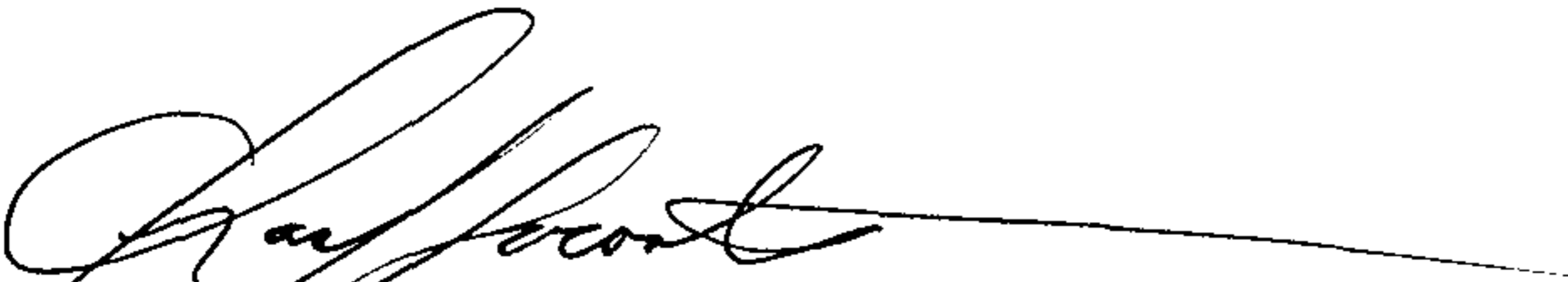
I have audited the accompanying statement of financial position of Youth Service Bureau of St. Tammany, Inc. (a nonprofit organization) as of June 30, 1999, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility 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, 1999, 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 November 4, 1999, 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

November 4, 1999

**Youth Service Bureau of St. Tammany, Inc.**

**STATEMENT OF FINANCIAL POSITION**  
**June 30, 1999**

**ASSETS**

Cash and cash equivalents	\$ 107,884
Unconditional promise to give	183,250
Accounts receivable	18,237
Prepaid interest	383
Property and equipment	<u>668,837</u>
Total assets	<u>978,591</u>

**LIABILITIES**

Accounts payable	1,797
Escrowed funds	1,221
Mortgage payable	82,366
Deferred income	<u>20,604</u>
Total liabilities	<u>105,988</u>

**NET ASSETS**

Unrestricted		
Designated for equipment	\$ 10,000	
Designated for capital	20,000	
Other unrestricted	<u>638,749</u>	
Total		668,749
Temporarily restricted		<u>203,854</u>
Total net assets		<u>872,603</u>
Total liabilities and net assets		<u>\$978,591</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, 1999

**UNRESTRICTED NET ASSETS**

Support -	
Non-government agencies	\$ 121,500
General public	2,409
Government	391,870
Fees	70,175
Special events income	288,345
Direct special events expenses	( 54,957)
Investment income	43,759
Direct investment expense	( 26,896)
Total	<u>836,205</u>
Net assets released from restrictions -	
United Way funding for the year	<u>88,050</u>
Total	<u>924,255</u>
Expenses -	
Program services -	
Law Related Education	5,419
CASA	172,827
Crossroads	144,722
FINS	239,433
Options	<u>84,568</u>
Total for program services	<u>646,969</u>
Supporting services -	
Management and general	96,936
Fund - raising	<u>14,862</u>
Total for supporting services	<u>111,798</u>
Total expenses	<u>758,767</u>
Increase in Unrestricted Net Assets	<u>165,488</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>	
United Way funding for next year	183,250
Net assets released from restrictions -	
United Way funding for this year	<u>87,182</u>
Increase in Temporarily Restricted Net Assets	<u>96,068</u>
Increase in Net Assets	261,556
NET ASSETS AT BEGINNING OF YEAR	<u>611,047</u>
NET ASSETS AT END OF YEAR	<u>\$ 872,603</u>

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, 1999

Cash Flows from Operating Activities -	
Increase in net assets	\$ 261,556
Adjustments to reconcile change in net assets to net cash provided by operating activities -	
Depreciation	27,918
(Increase) decrease in operating assets -	
Promises to give	( 96,010)
Accounts receivable	( 18,237)
Increase (decrease) in operating liabilities -	
Accounts payable	( 3,360)
Escrowed funds	<u>566</u>
Net cash provided by operating activities	<u>172,433</u>
Cash Flows from Investing Activities -	
Payments for property and equipment	( <u>85,827</u> )
Net cash used by investing activities	( <u>85,827</u> )
Cash Flows from Financing Activities -	
Payment of notes payable	( <u>131,029</u> )
Net cash used by financing activities	( <u>131,029</u> )
Net decrease in cash and cash equivalents	<u>\$( 44,423)</u>

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



YOUTH SERVICE BUREAU OF ST. TAMMANY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended June 30, 1999

Law Related Education	CASA	Crossroads	FINS	Options	Total	Management & General	Fund Raising	Total		
Salaries	\$3,943	119,388	99,132	168,269	62,818	453,550	63,696	8,245	71,941	525,491
Payroll taxes and employee benefits	543	16,439	13,650	23,170	8,650	62,452	8,772	1,135	9,907	72,359
Rent	-	5,125	4,800	5,500	-	15,425	-	375	375	15,800
Utilities	-	1,517	1,351	1,807	298	4,973	3,315	-	3,315	8,288
Maintenance	-	2,903	2,586	3,459	571	9,519	6,345	-	6,345	15,864
Equipment rent	18	548	455	772	288	2,081	285	11,460	11,745	13,826
Occupancy insurance	-	1,620	1,443	1,930	319	5,312	3,541	-	3,541	8,853
Conferences and meetings	77	2,340	1,943	3,299	1,232	8,891	1,249	1,202	2,451	11,342
Travel	50	1,513	1,256	2,133	797	5,749	807	104	911	6,660
Dues and subscriptions	21	645	536	910	340	2,452	342	45	387	2,839
Postage and delivery	53	1,599	1,328	2,254	841	6,075	853	2,006	2,859	8,934
Printing and reproduction	39	1,179	979	1,662	621	4,480	629	1,290	1,919	6,399
Professional fees	-	-	-	-	-	-	5,671	33,021	38,692	38,692
Supplies	178	5,386	4,472	7,591	2,834	20,461	2,873	6,726	9,599	30,060
Telephone	132	3,989	3,312	5,622	2,098	15,153	2,128	2,077	4,205	19,358
Miscellaneous	4	123	102	173	65	467	67	427	494	961
Small equipment	60	1,826	1,516	2,573	961	6,936	974	1,597	2,571	9,507
Insurance	44	1,346	1,118	1,897	708	5,113	2,094	93	2,187	7,300
Awards and grants	7	232	192	326	122	879	124	16	140	1,019
Interest	-	-	-	-	-	-	8,689	-	8,689	8,689
Property tax	-	-	-	-	-	-	461	-	461	461
Total	5,169	167,718	140,171	233,347	83,563	629,968	112,915	69,819	182,734	812,702
Depreciation	250	5,109	4,551	6,086	1,005	17,001	10,917	-	10,917	27,918
Total	5,419	172,827	144,722	239,433	84,568	646,969	123,832	69,819	193,651	840,620
Less: allocated to Direct special events expenses or rental income	-	-	-	-	-	-	26,896	54,957	81,853	81,853
Total	\$ 5,419	172,827	144,722	239,433	84,568	646,969	96,936	14,862	81,853	758,767

The accompanying notes are an inherent part of the financial statements

Youth Service Bureau of St. Tammany, Inc.

**NOTES TO FINANCIAL STATEMENTS**

June 30, 1999

**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.

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.

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, 1999 have two components, the time restricted contributions 1999-2000 of \$183,250 and contributions restricted to the FINS program of \$20,604.

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

**NOTE C - PROMISE TO GIVE**

Unconditional promises to give consist of the following:

Unrestricted	\$ 23,734
Law Related Education	1,500
CASA	85,229
Crossroads	10,162
FINS	55,125
Options	<u>7,500</u>
	\$ <u>183,250</u>

**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	\$ 123,009
Building and improvements	578,816
Land	<u>87,000</u>
	788,915
Accumulated depreciation	<u>120,078</u>
	\$ <u>668,837</u>

## **NOTE F - MORTGAGE PAYABLE**

The Organization's long term debt consists of a note payable to Bank One, due in monthly installments for 15 years, at an interest rate of 8.25%. The original note was for \$211,050 and a principal payment of \$125,000 was made in June 1999.

Future scheduled maturities of the note are:

Fiscal Year Ended June 30:

2000	\$ 20,066
2001	21,936
2002	22,058
2003	18,306

## **NOTE G - DEFERRED INCOME**

Deferred income at June 30, 1999 consists of the following:

22nd Judicial District	\$ 20,604
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## **NOTE H - UNCERTAINTIES, CONTINGENCIES AND RISKS**

The Organization is subject to the general uncertainties, contingencies and risks of its activities, and carries insurance to protect against those identifiable, insurable risks. There are no outstanding claims, litigation, or disputes that may result in claims or litigation that would result in loss to the Organization that are known to management.

The Organization has addressed the year 2000 issue by identifying computer systems and other electronic equipment that may be affected with the date change. Management believes that all current systems are compliant. However, because of the unprecedented nature of this issue, its effects will not be determined until the year 2000 and thereafter. Management cannot assure that problems will not arise, either within its equipment or that parties with whom it does business will be unaffected.

**SUPPLEMENTARY SECTION**

Youth Service Bureau of St. Tammany, Inc.

**SCHEDULE OF FEDERAL AWARDS**

Year Ended June 30, 1999

<u>Program Title</u>	<u>Federal CFDA</u>	<u>Agency Number</u>	<u>Receipts</u>	<u>Expenditures</u>
Nonmajor programs - Family Strengthening Program	16.540	J96-7-008	\$ 6,349	\$ 6,349
Children's Justice	N/A	370600017	5,585	5,585
VOCA		C97-7-002	27,355	27,355
CASA (National)	16.547	LA242-798-E	40,000	40,000
Delinquency Prevention Programs	16.548	W97-7-001	<u>12,342</u>	<u>12,342</u>
Totals			\$ <u>91,631</u>	\$ <u>91,631</u>

YOUTH SERVICE BUREAU OF ST. TAMMANY, INC.  
**SCHEDULE OF REVENUES AND EXPENSES-BY PROGRAM**  
 Year Ended June 30, 1999

	Total	Law Related Education	CASA	Crossroads	FINS	Options	Capital Projects	Undesig Support
<b>Support</b>								
<b>Non-government Agencies</b>	\$							
Greater Covington Junior Service League	500	-	-	500	-	-	-	-
Louisiana Bar Fdn (IOLTA)	35,500	3,000	32,500	-	-	-	-	-
GPOA Foundation	18,500	-	-	11,000	7,500	-	-	-
National CASA	40,000	-	40,000	-	-	-	-	-
Davis Foundation	25,000	-	-	-	-	-	-	25,000
Shell Offshore Foundation	2,000	-	2,000	-	-	-	-	-
General Public	2,409	-	1,214	-	-	-	-	1,195
<b>Government</b>								
22nd Judicial District	207,897	-	10,000	-	197,897	-	-	-
JJDP	6,349	-	-	6,349	-	-	-	-
City & Parish Governments	39,000	-	-	10,000	-	-	-	29,000
Children's Justice Act	5,585	-	5,585	-	-	-	-	-
VOCA	27,355	-	27,355	-	-	-	-	-
State of Louisiana-Office of Alcohol and Drug Abuse	81,000	-	-	-	81,000	-	-	-
State of Louisiana-Delinquency Prevention Program	24,684	-	-	-	24,684	-	-	-
Fees	70,175	-	-	70,175	-	-	-	-
Special Events Income	288,345	-	25,000	-	-	-	-	263,345
Investment Income	43,759	-	-	-	-	-	-	43,759
United Way Allocation	68,340	-	27,729	30,449	10,162	-	-	-
United Way Designations	17,581	-	-	-	-	-	-	17,581
CFC Contributions	2,291	-	-	-	-	-	-	2,291
<b>Total</b>	<b>1,005,770</b>	<b>3,000</b>	<b>171,383</b>	<b>117,473</b>	<b>243,743</b>	<b>88,500</b>	<b>-</b>	<b>382,171</b>
<b>Expenses</b>								
Compensation	597,850	4,486	135,827	112,782	191,439	71,468	-	81,848
Occupancy	48,805	-	11,165	10,180	12,696	1,188	-	13,576
Travel & Transportation	6,660	50	1,513	1,256	2,133	797	-	911
Board Generated Self-Support Expenses	81,853	-	-	-	-	-	-	81,853
Other Direct Program/ Self-Support Expenses	77,534	633	19,213	15,953	27,079	10,110	-	4,546
<b>Total program</b>	<b>812,702</b>	<b>5,169</b>	<b>167,718</b>	<b>140,171</b>	<b>233,347</b>	<b>83,563</b>	<b>-</b>	<b>182,734</b>
<b>Difference</b>	<b>193,068</b>	<b>(2,169)</b>	<b>3,665</b>	<b>(22,698)</b>	<b>10,396</b>	<b>4,937</b>	<b>-</b>	<b>199,437</b>
<b>Management &amp; General</b>	<b>96,936</b>	<b>812</b>	<b>25,895</b>	<b>21,684</b>	<b>35,874</b>	<b>12,671</b>	<b>-</b>	<b>-</b>
<b>Difference</b>	<b>96,132</b>	<b>(2,981)</b>	<b>(22,230)</b>	<b>(44,382)</b>	<b>(25,478)</b>	<b>(7,734)</b>	<b>-</b>	<b>-</b>
<b>Depreciation</b>								
	\$ 27,918	250	5,109	4,551	6,086	1,005	-	10,917



# Charles L. Lacoste, Jr.

*Certified Public Accountant*

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(504) 861-0548 fax

## **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 Louisiana Children's Research Center  
For Development and Learning, 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, 1999, and have issued my report thereon dated November 4, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, by the Comptroller General of the United States.

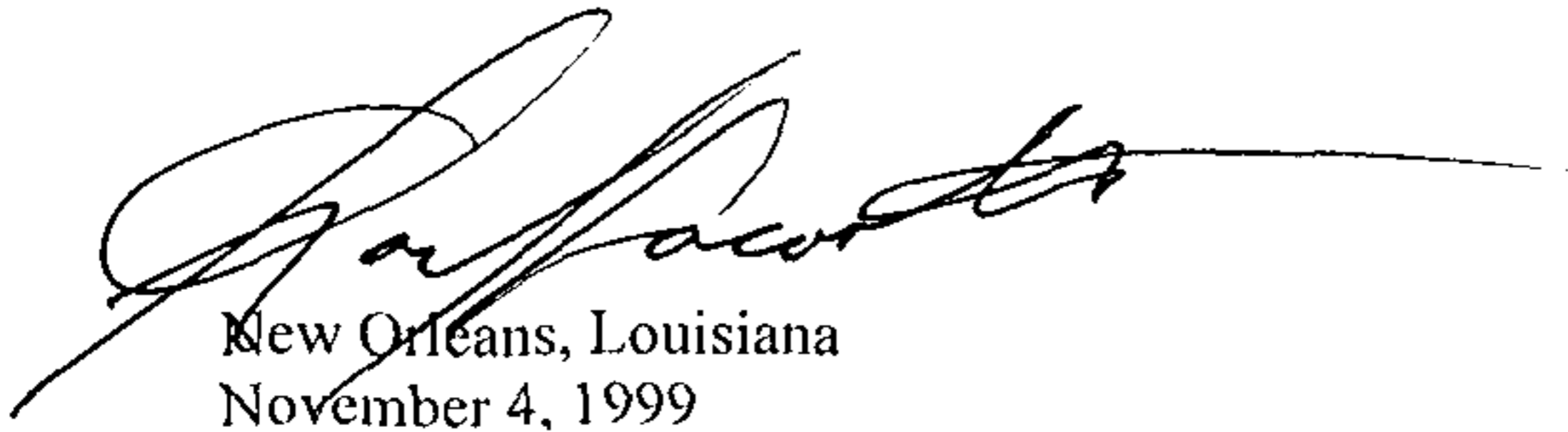
### Compliance

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. 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 board of directors, management, and federal or state awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



New Orleans, Louisiana  
November 4, 1999