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**WARE YOUTH CENTER
COUSHATTA, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED
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 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 ~~OCT 06 1999~~

WARE YOUTH CENTER
COUSHATTA, LOUISIANA
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JUNE 30, 1999

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GENERAL PURPOSE FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

Mr. Lem Jones, President
and Board of Commissioners
Ware Youth Center
Rt. 1, Box 6000
Coushatta, Louisiana 71019

We have audited the accompanying general purpose financial statements of the Ware Youth Center, Coushatta, Louisiana as of and for the year ended June 30, 1999 as listed in the table of contents. These financial statements are the responsibility of the management of the Ware Youth Center. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our 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 we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Ware Youth Center, Coushatta, Louisiana as of June 30, 1999 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standard, we have also issued a report dated September 9, 1999 on our consideration of the Ware Youth Center's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the Ware Youth Center, Coushatta, Louisiana, taken as a whole. The accompanying supplemental 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 our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The financial information for the year ended June 30, 1998, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion dated September 11, 1998, on the general purpose financial statements of the Ware Youth Center.

Hines, Jackson & Hines
Natchitoches, Louisiana
September 9, 1999

COMBINED STATEMENTS - OVERVIEW

WARE YOUTH CENTER
COUSHATTA, LOUISIANA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999

	<u>Governmental</u>		<u>Totals</u>	
	<u>Fund types</u>	<u>Account Group</u>	<u>(Memorandum Only)</u>	
	<u>General Fund</u>	<u>General Fixed Assets</u>	<u>1999</u>	<u>1998</u>
ASSETS				
Cash and cash equivalents	\$ 312,642	\$ 0	\$ 312,642	\$ 493,340
Investments	402,614	0	402,614	200,000
Due from other governments	275,828	0	275,828	545,111
Interest receivable	2,889	0	2,889	3,521
Prepaid insurance	57,464	0	57,464	50,253
Meter deposits	755	0	755	755
Property and equipment	<u>0</u>	<u>6,675,154</u>	<u>6,675,154</u>	<u>4,711,395</u>
Total Assets	<u>\$ 1,052,192</u>	<u>\$ 6,675,154</u>	<u>\$ 7,727,346</u>	<u>\$ 6,004,375</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts payable	\$ 77,883	\$ 0	\$ 77,883	\$ 407,343
Accrued salaries	22,909	0	22,909	12,242
Payroll taxes payable	6,852	0	6,852	6,091
Employee benefits payable	<u>29,087</u>	<u>0</u>	<u>29,087</u>	<u>6,593</u>
Total Liabilities	136,731	0	136,731	432,269
Fund Equity				
Fund balance				
Reserved for food service program	3,175	0	3,175	3,717
Unreserved	912,286	0	912,286	856,994
Investment in general fixed assets	<u>0</u>	<u>6,675,154</u>	<u>6,675,154</u>	<u>4,711,395</u>
Total Fund Equity	<u>915,461</u>	<u>6,675,154</u>	<u>7,590,615</u>	<u>5,572,106</u>
Total Liabilities and fund equity	<u>\$ 1,052,192</u>	<u>\$ 6,675,154</u>	<u>\$ 7,727,346</u>	<u>\$ 6,004,375</u>

The accompanying notes are an integral part of this statement.

WARE YOUTH CENTER
COUSHATTA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES - GENERAL FUND
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	General Fund	Total (Memorandum Only)	
		1999	1998
REVENUES			
Court costs	\$ 187,007	\$ 187,007	\$ 194,869
Detention fees	1,363,862	1,363,862	876,362
Grants and receipts from other governments	1,791,321	1,791,321	1,628,761
Interest	31,282	31,282	31,376
Other	1,563	1,563	4,967
Total Revenues	3,375,035	3,375,035	2,736,335
EXPENDITURES			
Detention Center	483,275	483,275	411,492
General and administrative	2,397,414	2,397,414	2,214,508
Group homes	206,576	206,576	0
Kitchen	171,904	171,904	144,076
Medical	61,116	61,116	39,515
Total Expenditures	3,320,285	3,320,285	2,809,591
Excess of Revenues Over/(Under) Expenditures	54,750	54,750	(73,256)
Fund Balance, Beginning of year	860,711	860,711	933,967
Fund Balance, End of year	<u>\$ 915,461</u>	<u>\$ 915,461</u>	<u>\$ 860,711</u>

The accompanying notes are an integral part of this statement.

WARE YOUTH CENTER
COUSHATTA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Fav./ (Unfav.)</u>
REVENUES			
Court costs	\$ 185,000	\$ 187,007	\$ 2,007
Detention fees	1,350,000	1,363,862	13,862
Grants and receipts from other governments	1,800,000	1,791,321	(8,679)
Interest	30,000	31,282	1,282
Other	<u>500</u>	<u>1,563</u>	<u>1,063</u>
Total Revenues	3,365,500	3,375,035	9,535
EXPENDITURES			
Detention Center	500,000	483,275	16,724
General and Administrative	2,355,500	2,397,414	(41,914)
Group homes	200,000	206,576	(6,576)
Kitchen	200,000	171,904	28,096
Medical	<u>60,000</u>	<u>61,116</u>	<u>(1,116)</u>
Total Expenditures	<u>3,315,500</u>	<u>3,320,285</u>	<u>(4,785)</u>
Excess of Revenues Over/(Under) Expenditures	<u>\$ 50,000</u>	54,750	<u>\$ 4,750</u>
Fund Balance, Beginning of year		<u>860,711</u>	
Fund Balance, End of year		<u>\$ 915,461</u>	

The accompanying notes are an integral part of this statement.

WARE YOUTH CENTER
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Ware Youth Center was created by Act 833 of the 1986 Legislature, which enacted Part XI-A of Chapter 7 of Title 15 of the Louisiana Revised Statutes of 1950 to be comprised of R.S. 15:1097 through 1097.5 to establish and provide for the purposes and functions of the Ware Youth Center for the parishes of Bienville, Claiborne, DeSoto, Natchitoches, Red River, Sabine, and Webster. The Center's funding is provided by enabling legislation which grants the power to levy taxes, incur debt and issue bonds, and by R.S. 15:1095.6 which provides for the imposition of court costs in certain juvenile and criminal proceedings in all courts within the area of its jurisdiction. Act 147 of the 1991 Legislature amended and reenacted R.S. 15:1097 through 1097.2 and enacted Subpart G of Part XI of Chapter 7 of Title 15 of the Louisiana Revised Statutes of 1950, comprised of R.S. 15:1099.1 through 1099.7 which authorized any parish governing authority having a youth center and any juvenile detention authority to enter into a lease or lease-purchase contract for construction, operation, and maintenance of a youth center within the parish and authorized other parishes to enter into participation agreements with a parish having a youth center to sublease space and house juveniles at the center.

Act 147 amended the territorial jurisdiction of the Ware Youth Center to include the parishes of Claiborne, DeSoto, Natchitoches, Red River, Sabine, and Webster. However, Act 147 allowed Claiborne Parish to withdraw from membership and participation in the Center during the period beginning September 1, 1991 and ending December 31, 1991. This parish elected to withdraw from participation in the Center. At June 30, 1999, the parishes of DeSoto, Natchitoches, Red River, Sabine and Webster were included in the territorial jurisdiction of the Ware Youth Center.

The purpose of the Center is to assist and afford opportunities to preadjudicatory and postadjudicatory children who enter the juvenile justice system to become productive, law-abiding citizens of the community, parish, and state by the establishment of rehabilitative programs within a structured environment and to provide physical facilities and related services for children throughout the parishes belonging to the Authority including the housing, care, supervision, maintenance, and education of juveniles under the age of seventeen years, and for juveniles seventeen years of age and over who were under seventeen years of age when they committed an alleged offense.

The accounting and reporting policies of the Ware Youth Center conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial principles. Such accounting and reporting procedures also conform to the requirements set forth in the Louisiana Governmental Audit Guide and to the industry audit guide, Audits of State and Local Governmental Units.

A. Financial Reporting Entity

The Ware Youth Center was established as a political subdivision of the state governed by a commission appointed for terms of four years, as follows:

- 1 Three commissioners shall be appointed by the judges exercising juvenile jurisdiction within the participating parish areas.
- 2 Four commissioners shall be appointed by the sheriffs of the participating parishes and the chiefs of police of municipalities within the participating parish areas.
- 3 One commissioner shall be appointed by the governing authority of each of the participating parishes.
- 4 One commissioner shall be appointed by the district attorneys with jurisdiction in the participating parishes.

WARE YOUTH CENTER
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

- 5 Three commissioners shall be appointed by the assistant secretary of the office of juvenile services of the Department of Public Safety and Corrections.

The members of the board of commissioners shall serve without salary or per diem but the board may authorize a reasonable travel allowance for its members in the performance of their official duties.

The financial reporting entity consists of a) the primary government (Juvenile Detention Center), b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationships with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining component units which should be considered part of a primary government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
 - a. The ability of the primary government to impose its will on that organization, and/or
 - b. The potential for the organization to provide specific financial benefits or to impose specific financial burdens on the primary government.
2. Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the application of these criteria, the Ware Youth Center was determined not to be a component unit of any other financial reporting entity. The financial statements of the Ware Youth Center consist only of the funds and account groups of the Center since the Center has no financial accountability or oversight responsibility for any other governmental entity.

B. Fund Accounting

The accounts of the Center are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. 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. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not

WARE YOUTH CENTER
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

recorded in the funds because they do not directly affect net expendable available financial resources. The funds are grouped in this report into generic fund types and broad fund categories as follows:

Governmental Fund

These are the funds through which most governmental functions are typically financed.

General Fund - Is the general operating fund of the Authority. It is used to account for all financial resources.

Account Group

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net expendable available financial resources.

C. General Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental fund types are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

The fixed asset account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with the measurement of operations.

D. 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.

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Detention fees are considered susceptible to accrual as revenue when service is performed. Court costs are considered "measurable" when collected by the participating agency and are recognized as revenue at that time. Interest is not susceptible to accrual because generally it is not measurable until received in cash.

WARE YOUTH CENTER
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that principal and interest on general long-term debt is recognized when due. Purchase of various operating supplies are regarded as expenditures at the time purchased.

E. Budgets and budgetary accounting

Formal budgetary accounting is employed as a management control. Annual operating budgets are adopted each fiscal year and amended as required. The Center's procedures with respect to its budget are designed to meet the requirements of the Louisiana Local Government Budget Act (LSA - R.S. 1301-1314). All budget appropriations lapse at year end.

The following procedures are used by the Center in establishing the budgetary data reflected in these financial statements:

1. Prior to May 31, the director submits to the board of commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for inspection. A public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. Prior to June 30, the budget is legally enacted through a vote of the board of commissioners.
5. The director is authorized to transfer budgeted amounts between departments within the general fund. However, any revisions that alter the total expenditures of the general fund must be approved by the board of commissioners.
6. All budgetary appropriations lapse at the end of the fiscal year.
7. Budgets for the general fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

F. Compensated Absences

Authority employees are entitled to certain compensated absences based on their length of employment. Vacation earned is based on the number of years of service as follows:

<u>Full Time Employment</u>	<u>Days Earned</u> <u>Per Year</u>
Less than three years	12
After three years	15
After ten years	18
After fifteen years	21

WARE YOUTH CENTER
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Compensated Absences (Continued)

Due to the small number of Center employees who are entitled to compensation for future absences, it would be impractical to estimate the compensation. Therefore, no liability has been recorded in the accompanying financial statements. The Vacation time is cumulative and may be accrued up to 160 hours (20 days). Center's policy is to recognize the costs of compensated absences when actually paid to employees.

G. Cash and cash equivalents

Consistent with GASB Statement 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting", The Northwest Louisiana Juvenile Detention Center Authority defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

H. Prepaid items

Payments made to vendors for services that will benefit periods beyond June 30, 1999, are recorded as prepaid items.

I. Fund equity

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes.

J. Total Columns on Combined Statements - Overview

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate 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.

K. Comparative data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Center's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Certain amounts from prior year financial statements have been reclassified to conform with current year classifications.

WARE YOUTH CENTER
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. 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.

M. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by Ware Youth Center.

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

Louisiana Revised Statutes authorize the Authority to invest in United States bonds, treasury notes or certificates, or to deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Deposits are classified as cash equivalents if the original maturities are less than 90 days and investments if they exceeds 90 days.

At June 30, 1999, the Center had cash and cash equivalents of \$312,642 and investments of \$402,614, as follows:

Demand deposits	\$	203,161
Time deposits with original maturities 90 days or less		109,481
Time deposits with original maturities exceeding 90 days		<u>402,614</u>
Totals	\$	<u>715,256</u>

Under state law, these deposits must be secured by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1999, the Authority had \$769,673 in bank deposits. These deposits were secured from risk by \$330,480 of federal deposit insurance and \$886,030 (market value) of pledged securities held by the custodial banks in the name of the fiscal agent (GASB category 3).

Even though the pledged securities are considered collateralized under the provisions of GASB Statement 3, Louisiana Revised Statutes require the custodial bank to advertise and sell the pledged securities within ten (10) days of being notified by the District Attorney that the pledging bank has failed to pay deposited funds upon demand.

NOTE 3 DUE FROM OTHER GOVERNMENTS

At June 30, 1999, the Center had amounts due from other governments of \$275,828 as follows:

Court costs	\$	14,216
Detention fees		258,008
National School Lunch Program		<u>3,604</u>
Total	\$	<u>275,828</u>

WARE YOUTH CENTER
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999

NOTE 4 CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Buildings</u>	<u>Land and Improvements</u>	<u>Office Furniture & Equipment</u>	<u>Vehicles</u>
Balance June 30, 1998	\$ 4,252,990	\$ 96,191	\$ 291,789	\$ 70,425
Additions	1,528,673	0	377,371	57,715
Deletions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance June 30, 1999	<u>\$ 5,781,663</u>	<u>\$ 96,191</u>	<u>\$ 669,160</u>	<u>\$ 128,140</u>

NOTE 5 RETIREMENT COMMITMENTS

The Ware Youth Center participates in two cost-sharing multiple employer statewide retirement systems (PERS) for its employees. Each retirement system is administered and controlled by a separate board of trustees.

Following is a brief description of each retirement system in which the Authority participates:

Louisiana State Employees' Retirement System

Substantially all employees of the Ware Youth Center are members of the Louisiana State Employees' Retirement System (LASERS), an agency of the State of Louisiana established under the provisions of Title 42, Chapter 10, of the Louisiana Revised Statutes of 1950. LASERS is a single employer public employee retirement system which is organized for the purpose of providing retirement and other benefits for employees of the State of Louisiana and its various departments and agencies and their beneficiaries. LASERS is administered and controlled by an eleven member Board of Trustees and is funded through member and employer contributions and investment earnings.

The age and years of creditable service required of a member to retire with full benefits are established by statute. These vary according to the member's employer and job classification. Benefits are available for regular retirement if the member has:

Thirty (30) years or more service at any age

Twenty-five (25) years or more service at age fifty-five (55)

Ten (10) years or more service at age sixty (60)

The basic annual retirement benefit for most members is equal to 2.5% of the average compensation for their thirty-six (36) highest consecutive earnings months multiplied by the number of years of creditable service plus \$300. Participants who become members of LASERS on or after July 1, 1986 are not eligible for the \$300 addition to the annual retirement benefit formula.

WARE YOUTH CENTER
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999

NOTE 5 RETIREMENT COMMITMENTS (CONTINUED)

Average compensation is defined as the member's average annual earned compensation for the period of 36 consecutive months of employment during which the member's total earned compensation was greatest. The maximum annual retirement benefit cannot be more than the lesser of 100% of average compensation, or for individuals joining the system after January 1, 1990, the specific dollar amounts of actuarially determined monetary limits which vary depending upon the member's age at retirement.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana, 70804, or by calling 1-800-256-3000.

Plan members are required by state statute to contribute 7.50 percent of their annual covered salary and the Ware Youth Center is required to contribute at an actuarially determined rate. The current rate is 12.40 percent of annual covered payroll. The contribution requirements of plan members and the Ware Youth Center are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employee contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior year. The Center's contributions to the System for the year ending June 30, 1999 was \$63,640, equal to the required contribution.

Teachers' Retirement System of Louisiana

One employee of the Ware Youth Center is a member of the Teachers' Retirement System of Louisiana (the "System"). The System is the administrator of a cost sharing multiple - employer plan established and provided for within Title 11, Chapter 2, of the Louisiana Revised Statutes. The System provides pension benefits to employees who meet the legal definition of a "teacher". Ware Youth Center participates in the TRSL Regular Plan which requires mandatory enrollment for all employees that meet the legal definition of a "teacher" in accordance with Louisiana Revised Statutes 11:701 (23)(a).

The Teachers' Retirement System of Louisiana provides retirement, disability and survivor benefits. Service retirements vest after 10 years of credited service, disability after 5 years, provided the member is in active service at the time of filing an application for disability retirement. The formula for annual maximum retirement benefits is two (2) or two and one-half (2 1/2) percent of final average salary for each year of credited service. Final average salary is based upon the member's highest successive thirty-six months of salary. Benefits are paid monthly for life. If a member dies prior to establishing eligibility for survivor benefits or leaves covered employment prior to vesting, accumulated member contributions are refunded.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana, 70804-9123, or by calling (504) 925-6446.

Plan members are required by state statute to contribute 8.00 percent of their annual covered salary and the Ware Youth Center is required to contribute at an actuarially determined rate. The current rate is 16.50 percent of annual covered payroll. The contribution requirements of plan members and the Ware Youth Center are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employee contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior year. The Center's contribution to the System for the year ending June 30, 1999 was \$13,862, equal to the required contribution.

WARE YOUTH CENTER
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999

NOTE 6 FUND EQUITY

Reservations of fund balances of governmental funds are created to either a) satisfy legal covenants that require that a portion of the fund balance be segregated or 2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific reservations of the fund balance accounts are summarized below.

Reserve for food service program

This reserve was created to restrict the use of all resources earned through the food service program. This restriction was established to satisfy restrictions imposed by the contractual agreement.

NOTE 7 LITIGATION

The Ware Youth Center was not involved in any litigation at June 30, 1999.

NOTE 8 OBLIGATIONS UNDER CAPITAL AND OPERATING LEASES

The Ware Youth Center was not obligated under any capital or operating lease commitments at June 30, 1999.

NOTE 9 RISK MANAGEMENT

The Center is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Center.

NOTE 10 CLAIMS AND JUDGMENTS

The authority participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Center may be required to reimburse the grantor government. The Center believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the governmental funds or the overall financial position of the Center.

SCHEDULE 1

WARE YOUTH CENTER
COUSHATTA, LOUISIANA
SCHEDULE OF EXPENDITURES - ALL GOVERNMENTAL
FUND TYPES - GENERAL FUND
JUNE 30, 1999

Detention Center	
Automobile expense	\$ 333
Bad debt	6,905
Capital outlay	4,520
Clothing and linens	3,017
Insurance-employee	7,537
Miscellaneous	111
Payroll taxes	19,474
Personal Hygiene	4,802
Repair & maintenance	8,839
Retirement	42,092
Salaries	337,057
Supplies-general	3,503
Supplies-vocational	25,702
Training	1,543
Travel	748
Uniforms	3,094
Utilities	13,998
Total Detention Center	<u>483,275</u>
General and Administrative	
Accounting	6,300
Advertising	404
Automobile expense	3,511
Capital outlay	1,847,040
Contractual services	10,725
Dues and subscriptions	1,429
Insurance	50,370
Insurance-employee	5,841
License	1,510
Miscellaneous	3,402
Payroll taxes	2,027
Postage	2,312
Rental	1,906
Repairs and maintenance	18,850
Retirement	27,931
Salaries	293,166
Supplies	34,620
Telephone	8,115
Training	4,127
Travel	5,811
Utilities	13,330
Workers compensation insurance	54,687
Total General and Administrative	<u>\$ 2,397,414</u>

The notes to the financial statements are an integral part of this statement.

SCHEDULE 1

WARE YOUTH CENTER
COUSHATTA, LOUISIANA
SCHEDULE OF EXPENDITURES - ALL GOVERNMENTAL
FUND TYPES - GENERAL FUND (CONTINUED)
JUNE 30, 1999

Group Homes	
Capital outlay	\$ 110,948
Clothing and linens	1,499
Contractual services	585
Medications	733
Miscellaneous	119
Payroll taxes	1,106
Repairs and maintenance	4,198
Personal hygiene	3,860
Retirement	3,672
Salaries	52,064
Supplies	10,795
Uniforms	6,985
Utilities	<u>10,012</u>
Total Group Homes	206,576
Kitchen	
Capital outlay	1,251
Contractual services	463
Food	77,345
Insurance-employee	1,111
Payroll taxes	1,429
Repairs and maintenance	221
Retirement	2,722
Salaries	82,894
Supplies	3,364
Training	451
Uniform	<u>653</u>
Total Kitchen	171,904
Medical	
Contractual services - medical	12,083
Contractual services - social worker	12,480
Contractual services - denial	4,034
Contractual services - other	9,185
Payroll taxes	223
Medications	8,105
Retirement	1,085
Salaries	10,208
Supplies	2,662
Travel	219
Uniforms	<u>832</u>
Total Medical	<u>61,116</u>
Total Expenditures	<u>\$ 3,320,285</u>

The notes to the financial statements are an integral part of this statement.

SCHEDULE 2

WARE YOUTH CENTER
COUSHATTA, LOUISIANA
SCHEDULE OF COMMISSIONERS' ATTENDANCE AND COMPENSATION
FOR THE YEAR ENDED JUNE 30, 1999

	<u>Meetings Attended</u>	<u>Compensation</u>
Charles Adams	2	\$ 0
David Adkins	5	0
Stephen Beasley	0	0
John C. Campbell	1	0
Scotty Hill	5	0
Charles Walker	5	0
Lem Jones, President	5	0
Tommy Kemp	1	0
Ronnie Land	4	0
Sammy Nix	3	0
Charles Rhodes	2	0
Judson Rives	4	0
Judy Whitten	0	0
Lewis Sams	4	\$ 0

HINES, JACKSON & HINES

CERTIFIED PUBLIC ACCOUNTANTS
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NATCHITOCHE, LA 71457

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A NEILL JACKSON, JR., CPA
1926-1999

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

Mr. Lem Jones, President
and Board of Commissioners
Ware Youth Center
Rt. 1, Box 6000
Coushatta, Louisiana 71019

We have audited the general purpose financial statements of the Ware Youth Center, Coushatta, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated September 9, 1999. We conducted our 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 Ware Youth Center's financial statements are free of material misstatement, we 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, we do not express such an opinion. The results of our 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 our audit, we considered the Ware Youth Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and *not to provide assurance on the internal control over financial reporting*. Our 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*. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the management of the Ware Youth Center and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than the specified parties.

Hines, Jackson & Hines

Natchitoches, Louisiana
September 9, 1999

SCHEDULE 3

WARE YOUTH CENTER
COUSHATTA, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 1999

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.

SCHEDULE 4

WARE YOUTH CENTER
COUSHATTA, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 1999

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Correct Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.