

**YOUTH SERVICE BUREAU OF ST. TAMMANY
(A NONPROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

YOUTH SERVICE BUREAU OF ST. TAMMANY

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Youth Service Bureau of St. Tammany (a Nonprofit Organization), which comprise the statements of financial position as of June 30, 2021 and 2020 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Youth Service Bureau of St. Tammany as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Statements of Functional Expenses – St. Tammany Parish, Statements of Functional Expenses – Washington Parish, Schedule of Compensation and Benefits for FINSAP Funds-Required by Grantor, Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer and the Schedule of CASA Assistance Program Federal TANF Revenue and Expenditure Activity on pages 22-26 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2021, on our consideration of Youth Service Bureau of St. Tammany's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Youth Service Bureau of St. Tammany's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Youth Service Bureau of St. Tammany's internal control over financial reporting and compliance.

Bernard A. Franko

Mctairie, Louisiana
October 5, 2021

YOUTH SERVICE BUREAU OF ST. TAMMANY

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 399,949	\$ 364,851
Receivables-grants and contributions	154,038	100,099
Unconditional promises to give	192,072	85,860
Prepaid expenses	60,411	64,792
Total current assets	<u>\$ 806,470</u>	<u>\$ 615,602</u>
PROPERTY AND EQUIPMENT		
Building improvements	\$ 1,120,466	\$ 1,099,410
Land and buildings	919,946	919,946
Furniture and equipment	94,540	75,645
Less accumulated depreciation and amortization	(752,288)	(693,655)
Total property and equipment	<u>\$ 1,382,664</u>	<u>\$ 1,401,346</u>
OTHER ASSETS		
Long term portion of unconditional promises to give	\$ 128,323	\$ -
Total other assets	<u>\$ 128,323</u>	<u>\$ -</u>
 Total Assets	 <u><u>\$ 2,317,457</u></u>	 <u><u>\$ 2,016,948</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 1,706	\$ -
Tenant deposit	1,200	1,200
Deferred revenue	-	3,788
Accumulated employee leave payable	46,106	45,662
Payroll liabilities	241	448
Total Current Liabilities	<u>\$ 49,253</u>	<u>\$ 51,098</u>

LONG-TERM DEBT

Paycheck protection program loan	\$ 267,240	\$ 261,100
Total liabilities	<u>\$ 316,493</u>	<u>\$ 312,198</u>

NET ASSETS

Without donor restrictions		
Undesignated	\$ 1,655,088	\$ 1,618,890
Designated	-	-
With donor restrictions	345,876	85,860
Total Net Assets	<u>\$ 2,000,964</u>	<u>\$ 1,704,750</u>
 Total Liabilities and Net Assets	 <u><u>\$ 2,317,457</u></u>	 <u><u>\$ 2,016,948</u></u>

See Notes to Financial Statements

YOUTH SERVICE BUREAU OF ST. TAMMANY

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Government grants and contracts	\$ 1,008,509	\$ -	\$ 1,008,509
Program service fees	78,614	-	78,614
Contributions	80,070	253,804	333,874
United Way Allocation	-	85,000	85,000
United Way Designations	-	7,072	7,072
Fundraising events	248,034	-	248,034
Interest income	52	-	52
Board generated revenue	14,755	-	14,755
Gain from PPP loan extinguishment	261,100	-	261,100
Other income	17,247	-	17,247
Net assets released from restrictions:			
Expiration of time restriction	85,860	(85,860)	-
	<u>\$ 1,794,241</u>	<u>\$ 260,016</u>	<u>\$ 2,054,257</u>
EXPENSES			
Program services	\$ 1,371,399	\$ -	\$ 1,371,399
Supporting services			
General and administrative	301,753	-	301,753
Fund-raising	84,891	-	84,891
	<u>\$ 1,758,043</u>	<u>\$ -</u>	<u>\$ 1,758,043</u>
Change in net assets	\$ 36,198	\$ 260,016	\$ 296,214
Net Assets at Beginning of Year	<u>1,618,890</u>	<u>85,860</u>	<u>1,704,750</u>
Net Assets at End of year	<u>\$ 1,655,088</u>	<u>\$ 345,876</u>	<u>\$ 2,000,964</u>

See Notes to Financial Statements

YOUTH SERVICE BUREAU OF ST. TAMMANY

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Government grants and contracts	\$ 1,043,703	\$ -	\$ 1,043,703
Program service fees	54,788	-	54,788
Contributions	59,231	-	59,231
United Way Allocation	-	80,000	80,000
United Way Designations	-	5,860	5,860
Fundraising events	231,745	-	231,745
Interest income	264	-	264
Gain on endowment	39	-	39
Board generated revenue	14,290	-	14,290
Other income	29,497	-	29,497
Net assets released from restrictions:			
Expiration of time restriction	<u>87,809</u>	<u>(87,809)</u>	<u>-</u>
 Total revenues, gains and other support	 <u>\$ 1,521,366</u>	 <u>\$ (1,949)</u>	 <u>\$ 1,519,417</u>
EXPENSES			
Program services	\$ 1,374,183	\$ -	\$ 1,374,183
Supporting services			
General and administrative	306,902	-	306,902
Fund-raising	<u>56,413</u>	<u>-</u>	<u>56,413</u>
 Total expenses	 <u>\$ 1,737,498</u>	 <u>\$ -</u>	 <u>\$ 1,737,498</u>
 Change in net assets	 \$ (216,132)	 \$ (1,949)	 \$ (218,081)
 Net Assets at Beginning of Year	 <u>1,835,022</u>	 <u>87,809</u>	 <u>1,922,831</u>
 Net Assets at End of year	 <u>\$ 1,618,890</u>	 <u>\$ 85,860</u>	 <u>\$ 1,704,750</u>

See Notes to Financial Statements

YOUTH SERVICE BUREAU OF ST. TAMMANY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services		
	CASA	Crossroads	FINS
Compensation and related expenses			
Compensation	\$ 307,682	\$ 129,719	\$ 155,378
Employee benefits			
Health	30,432	26,582	27,329
Other	2,547	1,449	1,783
Workers' compensation	4,983	1,985	2,336
Payroll taxes	22,323	8,011	9,757
Total compensation and related expenses	<u>\$ 367,967</u>	<u>\$ 167,746</u>	<u>\$ 196,583</u>
Accreditation fees	\$ -	\$ 1,202	\$ 1,203
Depreciation and amortization	21,689	5,224	8,625
Drug screens and lab fees	-	196	372
Dues, subscriptions, publications and ads	5,049	476	817
Equipment rental and service	1,158	601	688
Insurance			
Directors and officers	605	314	360
Community service workers	650	500	-
Occupancy	16,582	8,282	9,849
Miscellaneous	-	-	-
Occupancy			
Building maintenance and repairs	14,669	7,610	8,764
Rent	4,400	-	4,400
Utilities	5,779	3,013	3,450
Postage and delivery	1,496	385	440
Printing and production	752	-	-
Professional fees	7,345	2,718	3,173
Slidell rental expenses	-	-	-
Special events			
Chef Soiree and other events	-	-	-
Supplies	10,107	3,077	2,135
Telephone	10,186	4,966	5,686
Travel	11,581	147	984
Total expenses	<u>\$ 480,015</u>	<u>\$ 206,457</u>	<u>\$ 247,529</u>

Program Services			Supporting Services		
Options	TASC	Total	General and Administrative	Fundraising	Total
\$ 114,810	\$ 150,716	\$ 858,305	\$ 209,217	\$ 35,851	\$ 1,103,373
2,406	34,174	120,923	36,300	-	157,223
689	1,771	8,239	1,613	-	9,852
1,568	2,364	13,236	5,104	-	18,340
7,967	9,116	57,174	16,870	2,644	76,688
<u>\$ 127,440</u>	<u>\$ 198,141</u>	<u>\$ 1,057,877</u>	<u>\$ 269,104</u>	<u>\$ 38,495</u>	<u>\$ 1,365,476</u>
\$ 8,590	\$ 458	\$ 11,453	\$ -	\$ -	\$ 11,453
4,274	11,697	51,509	7,124	-	58,633
1,717	-	2,285	-	-	2,285
1,445	668	8,455	3,362	-	11,817
383	653	3,483	-	-	3,483
200	341	1,820	-	-	1,820
-	-	1,150	-	-	1,150
5,282	9,350	49,345	-	-	49,345
-	-	-	1,789	-	1,789
5,060	8,272	44,375	-	-	44,375
-	4,400	13,200	-	-	13,200
1,921	3,275	17,438	-	-	17,438
337	392	3,050	-	-	3,050
879	-	1,631	-	-	1,631
7,961	2,844	24,041	3,079	-	27,120
-	-	-	8,215	-	8,215
-	-	-	-	46,396	46,396
15,331	6,414	37,064	8,927	-	45,991
3,167	5,398	29,403	-	-	29,403
416	692	13,820	153	-	13,973
<u>\$ 184,403</u>	<u>\$ 252,995</u>	<u>\$ 1,371,399</u>	<u>\$ 301,753</u>	<u>\$ 84,891</u>	<u>\$ 1,758,043</u>

YOUTH SERVICE BUREAU OF ST. TAMMANY

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	Program Services		
	CASA	Crossroads	FINS
Compensation and related expenses			
Compensation	\$ 316,463	\$ 144,232	\$ 177,054
Employee benefits			
Health	25,395	27,305	32,033
Other	2,295	1,315	1,585
Workers' compensation	5,229	2,269	2,863
Payroll taxes	23,425	9,422	12,004
Total compensation and related expenses	<u>\$ 372,807</u>	<u>\$ 184,543</u>	<u>\$ 225,539</u>
Travel	\$ 8,217	\$ 78	\$ 1,512
Insurance			
Directors and officers	606	314	360
Community service workers	846	86	99
Occupancy	14,137	7,048	8,622
Equipment rental and service	1,227	637	729
Occupancy			
Building maintenance and repairs	13,349	6,926	7,929
Rent	4,400	-	4,400
Utilities	6,116	3,173	3,633
Special events			
Chef Soirce and other events	-	-	-
Professional fees	9,869	3,586	4,147
Dues, subscriptions, publications and ads	3,034	293	459
Drug screens and lab fees	-	360	84
Postage and delivery	887	193	358
Printing and production	217	-	-
Supplies	24,402	2,046	3,022
Telephone	9,431	4,893	5,602
Depreciation and amortization	18,841	6,822	8,732
Miscellaneous	-	-	-
Slidell rental expenses	-	-	-
Covington flood expenses	-	-	-
Total expenses	<u>\$ 488,386</u>	<u>\$ 220,998</u>	<u>\$ 275,227</u>

Program Services			Supporting Services		
Options	TASC	Total	General and Administrative	Fundraising	Total
\$ 106,877	\$ 144,991	\$ 889,617	\$ 215,472	\$ 20,830	\$ 1,125,919
2,162	30,465	117,360	33,518	3,587	154,465
581	1,270	7,046	2,496	-	9,542
1,534	2,366	14,261	5,276	-	19,537
7,703	9,465	62,019	17,685	1,704	81,408
<u>\$ 118,857</u>	<u>\$ 188,557</u>	<u>\$ 1,090,303</u>	<u>\$ 274,447</u>	<u>\$ 26,121</u>	<u>\$ 1,390,871</u>
\$ -	\$ 905	\$ 10,712	\$ 1,591	\$ -	\$ 12,303
201	342	1,823	-	-	1,823
55	64	1,150	-	-	1,150
4,494	8,213	42,514	-	-	42,514
406	692	3,691	-	-	3,691
4,416	7,528	40,148	-	-	40,148
-	4,400	13,200	-	-	13,200
2,023	3,449	18,394	-	-	18,394
-	-	-	-	30,292	30,292
8,378	4,614	30,594	1,526	-	32,120
227	389	4,402	1,722	-	6,124
2,563	-	3,007	-	-	3,007
-	330	1,768	86	-	1,854
-	-	217	211	-	428
4,456	3,842	37,768	7,141	-	44,909
3,120	5,318	28,364	-	-	28,364
4,912	6,821	46,128	8,459	-	54,587
-	-	-	4,024	-	4,024
-	-	-	7,695	-	7,695
-	-	-	-	-	-
<u>\$ 154,108</u>	<u>\$ 235,464</u>	<u>\$ 1,374,183</u>	<u>\$ 306,902</u>	<u>\$ 56,413</u>	<u>\$ 1,737,498</u>

YOUTH SERVICE BUREAU OF ST. TAMMANY

**STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 296,214	\$ (218,081)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	58,633	54,587
Paycheck protection program loan forgiveness	(261,100)	-
(Increase) decrease in operating assets:		
Unconditional promises to give	(234,535)	1,949
Receivables-grants and contributions	(53,939)	27,810
Prepaid expenses	4,381	(13,677)
Increase (decrease) in operating liabilities:		
Accounts payable	1,706	(569)
Deferred revenue	(3,788)	3,788
Accumulated employee leave payable	444	(742)
Payroll liabilities	(207)	(730)
Net cash used in operating activities	<u>\$ (192,191)</u>	<u>\$ (145,665)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	<u>\$ (39,951)</u>	<u>\$ (46,081)</u>
Decrease in cash from investing activities	<u>\$ (39,951)</u>	<u>\$ (46,081)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in paycheck protection program loan	<u>\$ 267,240</u>	<u>\$ 261,100</u>
Increase in cash from financing activities	<u>\$ 267,240</u>	<u>\$ 261,100</u>
 Net increase (decrease) in cash and cash equivalents	\$ 35,098	\$ 69,354
 Beginning cash and cash equivalents	<u>364,851</u>	<u>295,497</u>
 Ending cash and cash equivalents	<u><u>\$ 399,949</u></u>	<u><u>\$ 364,851</u></u>

See Notes to Financial Statements

YOUTH SERVICE BUREAU OF ST. TAMMANY

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Bureau

Youth Service Bureau of St. Tammany (Bureau) is a nonprofit Bureau established in 1981 and currently serves the St. Tammany and Washington parishes. The Youth Service Bureau provides advocacy, counseling, education, and intervention for at-risk youth and their families, helping them reach their full potential.

The Bureau's major programs include the following:

Court Appointed Special Advocates (CASA). Volunteers are trained volunteers who help judges find safe and permanent homes for abused and neglected children in state custody. CASA volunteers focus on one child or sibling group at a time and represent the best interest of the child. Volunteer advocates offer judges critical information to ensure that each child's rights and needs are being attended to while in foster care. During the fiscal year 2020-2021, 224 children were served by 129 CASA volunteers through Youth Service Bureau, and 20 new CASA volunteers were trained and sworn in.

Crossroads is a juvenile delinquency intervention program that offers non-violent offenders the opportunity to choose a new direction while holding them accountable for their actions. Case managers leverage a Balanced and Restorative Justice Model to encourage responsibility while maintaining a focus on victims and families. There were 494 clients assisted during the 2020-2021 fiscal year. Case managers oversee community service requirements and victim restitution where appropriate. Clients are supported through group classes that teach internet safety, law related education, anger management, and drivers' improvement. Clients are further supported through parental training and referrals for counseling when appropriate.

Families in Need of Services (FINS) is a delinquency prevention program that focuses on helping youth and families to remedy self-destructive behavior through education and family counseling. There were 237 clients assisted through FINS during the 2020-2021 fiscal year. FINS case managers encourage positive parental involvement and improves skills to counter ungovernable behavior.

Options is a clinical substance abuse treatment program that provides family focused licensed outpatient treatment for adolescents who are experiencing problems with alcohol and or drugs. Assessment and treatment was provided for 215 clients during the 2020-2021 fiscal year.

Truancy Assessment and Service Center (TASC) is a truancy reduction program that provides resources and support to children and their families for children from the grades of kindergarten through 5th grade. Truancy intervention was provided for 482 students during the 2020-2021 fiscal year.

YOUTH SERVICE BUREAU OF ST. TAMMANY

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting. Accordingly, revenue is recognized when earned and expenses are recorded when incurred.

Financial Statement Presentation

The Bureau follows the financial statement presentation recommended by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic 958, Not-for-Profit Entities. The Bureau reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Bureau. These net assets may be used at the discretion of the Bureau's management and the board of directors. The revenues received in conducting the mission of the Bureau's are included in the category.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Bureau or by the passage of time. Other donor restrictions are perpetual in nature, whereby, the donor has stipulated these funds be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Bureau is a not-for-profit Bureau that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private Bureau. The Bureau's Form 990, *Return of Bureau Exempt from Income Tax*, for the years ending June 30, 2018 - 2021 are subject to examination by the IRS, generally for three years after they were filed.

YOUTH SERVICE BUREAU OF ST. TAMMANY

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Bureau considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, unless the investments are held for meeting restrictions for purchase of property and equipment, payment of long-term debt, or endowment.

The Bureau had restricted cash of \$230,885 and \$135,894 included in cash and cash equivalents for the years ended June 30, 2021 and 2020, respectively. The restricted cash is the unused portion of the loan proceeds from the Paycheck Protection Program and will be used for allowable expenditures in accordance with the loan restrictions.

Depreciation

Property, furniture, equipment and leasehold improvements are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, approximately five to seven years for furniture and equipment and forty years for real property and leasehold improvements. Donations of property and equipment are recorded at the estimated fair market value on the date of donation. These assets are recorded as unrestricted net assets unless the donor imposes a restriction.

Receivables

The receivables are stated at the amount management expects to collect from outstanding balances. The financial statements do not include an estimate for allowance for doubtful accounts. Management believes that all receivables are collectible.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Bureau that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in without donor restriction 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 to the with donor restriction net assets depending on the nature of the restrictions. When a restriction expires, with donor restricted net assets are reclassified to without donor restricted net assets. The Bureau uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. There was no allowance for the years ended June 30, 2021 and 2020.

Employee Vacation Benefits

Employee vacation benefits are accrued and expensed in the period earned by the employee.

YOUTH SERVICE BUREAU OF ST. TAMMANY

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Revenue

The Bureau is the recipient of grants that require expenditure for specified activities before the Bureau is reimbursed by the grantor for the costs incurred. Documentation showing actual costs expended is included when submitting a monthly or quarterly report for reimbursement. Certain grantors pay in advance of incurring the specified costs; in those cases, the amount received in excess of amounts spent on reimbursable costs is reported as deferred revenue.

Revenue Recognition

The Bureau reports public support contributions as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Support and revenue that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized.

The Bureau reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Bureau reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Funds with donor restrictions are used to differentiate the resources whose use is restricted by donors or grantors from the resources on which donors or grantors have placed no restriction or the resources that arise as a result of the operations of the Bureau for a stated purpose.

Revenue is recognized for services provided to our clients. Revenue for these services is measured based on the amount charged for the service. Revenue is recognized and considered earned at the time of completion of the services.

Payroll Protection Plan loan amount is recorded as revenue when it is ultimately forgiven (i.e., the entity is legally released from being the loan's primary obligor in accordance with ASC 405-20, Extinguishment of Debt) then income would be recognized in the income statement as a gain on loan extinguishment.

YOUTH SERVICE BUREAU OF ST. TAMMANY

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations

The Bureau's primary support is grants received from federal, state and local government agencies, which make up \$1,013,054 or 56% and \$1,043,703 or 69% of total revenue for the years ended June 30, 2021 and 2020, respectively. Fundraising events make up \$248,034 or 14% and \$231,745 or 16% of total revenue and the United Way is responsible for \$92,072 and \$85,860 or 5% of the support for the years ended June 30, 2021 and 2020, respectively. The remaining revenue is obtained through contributions, program service fees, board generated revenue and other income.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated based on estimates of time and effort, as well as depreciation and occupancy, which are allocated on a square footage basis.

Pending Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires that lessees to recognize right-of-use assets and lease liabilities for all leases with terms longer than 12 months. The adoption of this standard is expected to result in the Bureau's recognizing right-of-use assets and lease liabilities for some leases currently accounted for as operating leases under the legacy lease accounting guidance. Management is evaluating the impact of this standard on the Bureau's financial statements. Organizations may apply the guidance of Update No. 2016-02 to annual reporting periods beginning after December 15, 2021.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU amends the existing accounting standards for revenue recognition, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. Organizations may apply the guidance to annual reporting periods beginning after December 15, 2021.

NOTE 2. CONCENTRATIONS OF CREDIT RISK

The Bureau maintains several bank accounts at various banks located in Covington, Louisiana. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash at these institutions did not exceed FDIC limits at June 30, 2021 and 2020.

YOUTH SERVICE BUREAU OF ST. TAMMANY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 3. UNCONDITIONAL PROMISES TO GIVE

The Bureau had the following unconditional promises to give for the years ended June 30, 2021 and 2020. The long-term portion of the assets were discounted using a 5% rate.

	2021	2020
United Way allocation	\$ 85,000	\$ 80,000
United Way designation	107,072	5,860
Baptist Community Ministries	234,739	-
Total unconditional promise to give	\$ 426,811	\$ 85,860
Unamortized discount	6,416	-
Unconditional promises to give, net	\$ 420,395	\$ 85,860
Current portion	\$ 292,072	\$ -
Long-term	128,323	-
Total	\$ 420,395	\$ -

Future maturities of unconditional promises to give are as follows:

2022	\$ 292,072
2023	125,481
2024	9,258
Discount	(6,416)
Total	\$ 420,395

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	2021	2020
Land	\$ 101,000	\$ 101,000
Buildings	818,946	818,946
Building improvements	1,120,466	1,099,410
Furniture and equipment	94,540	75,645
	\$ 2,134,952	\$ 2,095,001
Less accumulated depreciation	(752,288)	(693,655)
Total	\$ 1,382,664	\$ 1,401,346

For the years ended June 30, 2021 and 2020, depreciation expense was \$58,633 and \$54,587, respectively.

YOUTH SERVICE BUREAU OF ST. TAMMANY

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 5. DEFFERED REVENUE

The Bureau had unearned grant revenue of \$0 and \$3,788 for the years ended June 30, 2021 and 2020, respectively.

NOTE 6. LINE OF CREDIT

The Bureau has a \$350,000 line of credit bearing interest at a rate of 4.50% and is secured by a collateral real estate mortgage. As of June 30, 2021 and 2020, \$350,000 was available. There was no interest expense for the years ended June 30, 2021 and 2020.

NOTE 7. COMPENSATED ABSENCES

First year employccs may accrue two weeks of personal leave that begins after two weeks of employment. Employees may begin to use the personal leave after ninety days of continuous employment. Three weeks of leave are then available to employees who have been employed two to five years. After five years of employment, employees may accrue four weeks of personal leave per year. Personal leave is used to cover sick and vacation leave as well. Employees may accrue up to 150 hours of personal leave per year. Any balance greater than 150 hours, will be rolled into the employcc's sick leave. Accumulated personal leave was \$46,106 and \$45,662 for the years ended June 30, 2021 and 2020.

NOTE 8. PAYCHECK PROTECTION PROGRAM-LOAN

The Bureau received two rounds of loan proceeds in the amount of \$267,240 and \$261,100 under the Paycheck Protection Program ("PPP") for the years ended June 30, 2021 and 2020, respectively. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business.

The loans and associated accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four week period.

During 2020, the Bureau completed an application to the Small Business Administration (SBA) for complete forgiveness of both the initial PPP loan of \$261,100, as well as any accrued interest. As anticipated, the SBA forgave the initial loan amount and all accrued interest prior to year-end and is presented as Gain from PPP loan extinguishment.

YOUTH SERVICE BUREAU OF ST. TAMMANY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 8. PAYCHECK PROTECTION PROGRAM-LOAN (Continued)

For the proceeds received during the 2021 fiscal year, the unforgiven portion of the PPP loan is payable over five years at an interest rate of 1%, with a deferral of payments until 10 months after the covered period. The Bureau intends to use the proceeds for purposes consistent with the PPP forgiveness requirements. At June 30, 2021, if the loan was to be paid in accordance with the terms of the note, then monthly payments of \$4,568 including interest would begin on May 18, 2023 and be paid through March 18, 2026. The loan balance would increase \$4,474 for accrued interest. Principle payments of \$8,877 and \$106,620 would be paid for the years ended June 30, 2023 and 2024, respectively.

NOTE 9. NET ASSETS WITH RESTRICTIONS

At June 30, 2021 and 2020 the Bureau had \$345,876 and \$85,860 in net assets with restrictions. The funds are restricted for use in various programs in subsequent years and are comprised of the following:

United Way	\$ 92,072	\$ 85,860
Baptist Community Ministries	253,804	-
Total	<u>\$ 345,876</u>	<u>\$ 85,860</u>

NOTE 10. RETIREMENT PLAN

The Bureau has a 401(k) retirement plan covering all employees of the Bureau who have completed the service requirements. The plan allows employees to contribute the maximum amount allowed by the Internal Revenue Service Code. The Bureau may make a discretionary contribution to the plan annually. The Bureau elected not to make any contributions for the years ended June 30, 2021 and 2020.

NOTE 11. OPERATING LEASES

The Bureau leases its Franklinton office facilities under a month-to-month lease that requires monthly payments of \$800 and utility payments of \$300.

The Bureau also has a lease agreement with the City of Covington for \$1 per year. The lease covers a portion of land owned by the City of Covington located at the Covington office.

Total rental expense for these facilities for the years ended June 30, 2021 and 2020 was \$13,201.

YOUTH SERVICE BUREAU OF ST. TAMMANY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 11. OPERATING LEASES (Continued)

The Bureau leases its Slidell office space under a month-to-month lease that requires monthly payments of \$1,000 and utility payments of \$200. Total Slidell rental expense for this facility for the years ended June 30, 2021 and 2020 was \$14,400. The tenant is also responsible for an additional agreed upon amount for utilities phone and internet. The Bureau has secured a \$1,200 security deposit from the tenant for the leased space.

NOTE 12. NET ASSETS - BOARD DESIGNATED

The Board of Directors has established a goal of maintaining a “prudent reserve” of approximately three months expenditures in a board designated cash account. At June 30, 2021 and 2020 no net assets have been designated for this purpose by the Board.

NOTE 13. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Bureau had the following financial assets available within one year of the statement of financial position date for general expenditures for the years ended June 30, 2021 and 2020:

Cash	\$ 399,949
Accounts receivable	154,038
Unconditional promise to give	<u>192,072</u>
	<u>\$ 746,059</u>

Youth Service Bureau of St. Tammany, Inc. has \$746,059 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of substantially cash of \$399,949, accounts receivable of \$154,038, and unconditional promises to give of \$192,072. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position. The Bureau has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. As described in Note 6, the Bureau also has a line of credit in the amount of \$350,000, which it could draw upon in the event of an unanticipated liquidity need.

NOTE 14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 5, 2021, the date which the financial statements were available for use. Management's evaluation revealed no subsequent events that require adjustment to or disclosure in the financial statements.



BERNARD & FRANKS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

NICHOLAS W. LAFRANZ III, C.P.A.

JAMES L. WHITE, C.P.A.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Youth Service Bureau of St. Tammany (a Nonprofit Organization), which comprise the statement of financial position as of June 30, 2021 and 2020, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 5, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Youth Service Bureau of St. Tammany's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Youth Service Bureau of St. Tammany's internal control. Accordingly, we do not express an opinion on the effectiveness of Youth Service Bureau of St. Tammany's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Youth Service Bureau of St. Tammany financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bureau's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bureau's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bernard A. Franko

Metairie, Louisiana
October 5, 2021

YOUTH SERVICE BUREAU OF ST. TAMMANY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED JUNE 30, 2021 AND 2020

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Youth Service Bureau of St. Tammany, which was prepared in accordance with generally accepted accounting principles.
2. No significant deficiencies or material weaknesses in internal control were disclosed during the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Youth Service Bureau of St. Tammany were disclosed in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in accordance with *Government Auditing Standards*.
4. No management letter was issued for the years ended June 30, 2021 and 2020.
5. Youth Service Bureau of St. Tammany did not expend more than \$750,000 in federal awards during the years ended June 30, 2021 and 2020, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

FINDINGS-FINANCIAL STATEMENTS

There were no findings in the years ended June 30, 2021 and 2020.

FINDINGS-FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This is not applicable to the Bureau for the years ended June 30, 2021 and 2020.

YOUTH SERVICE BUREAU OF ST. TAMMANY

**SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021**

There were no prior year findings.

SUPPLEMENTARY INFORMATION

**YOUTH SERVICE BUREAU OF ST. TAMMANY
UNITED WAY PURPOSES FOR WASHINGTON PARISH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021**

	Program Services					Supporting Services			
	CASA	Crossroads	FINS	Options	TASC	Total	General and Administrative	Fundraising	Total
Compensation and related expenses:									
Compensation	\$ 99,430	\$ -	\$ 55,635	\$ -	\$ 95,442	\$ 250,507	\$ 61,050	\$ 6,150	\$ 317,707
Employee benefits									
Health	9,834	-	9,786	-	21,637	41,257	10,592	-	51,849
Other	825	-	638	-	1,126	2,589	470	-	3,059
Workers' compensation	1,611	-	836	-	1,497	3,944	1,489	-	5,433
Payroll taxes	7,219	-	3,494	-	5,772	16,485	4,921	453	21,859
Total compensation and related expenses	\$ 118,919	\$ -	\$ 70,389	\$ -	\$ 125,474	\$ 314,782	\$ 78,522	\$ 6,603	\$ 399,907
Accreditation	\$ -	\$ -	\$ 267	\$ -	\$ 174	\$ 441	\$ -	\$ -	\$ 441
Depreciation and amortization	6,016	-	2,451	-	2,673	11,140	-	-	11,140
Drug screens and lab fees	-	-	-	-	-	-	-	-	-
Dues, subscriptions, publications and ads	2,004	-	181	-	58	2,243	981	-	3,224
Equipment rental and service	43	-	43	-	43	129	-	-	129
Insurance									
Directors and officers	164	-	91	-	157	412	-	-	412
Community service workers	104	-	58	-	99	261	-	-	261
Occupancy	4,441	-	2,467	-	4,268	11,176	-	-	11,176
Miscellaneous	-	-	-	-	-	-	-	-	-
Occupancy									
Building maintenance and repairs	3,841	-	3,841	-	3,841	11,523	-	-	11,523
Rent	4,400	-	4,400	-	4,400	13,200	-	-	13,200
Utilities	1,268	-	1,268	-	1,268	3,804	-	-	3,804
Postage and delivery	594	-	98	-	149	841	-	-	841
Printing and production	299	-	-	-	-	299	-	-	299
Professional fees	2,916	-	704	-	1,084	4,704	898	-	5,602
Slidell rental expenses	-	-	-	-	-	-	-	-	-
Special events									
Chef Soiree and other events	-	-	-	-	-	-	-	13,538	13,538
Supplies	4,012	-	474	-	2,444	6,930	2,605	-	9,535
Telephone	4,184	-	4,184	-	4,184	12,552	-	-	12,552
Travel	2,369	-	331	-	614	3,314	-	-	3,314
Total expenses	\$ 155,574	\$ -	\$ 91,247	\$ -	\$ 150,930	\$ 397,751	\$ 83,006	\$ 20,141	\$ 500,898

**YOUTH SERVICE BUREAU OF ST. TAMMANY
UNITED WAY PURPOSES FOR ST. TAMMANY PARISH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021**

	Program Services					Supporting Services			
	CASA	Crossroads	FINS	Options	TASC	Total	General and Administrative	Fundraising	Total
Compensation and related expenses									
Compensation	\$ 208,252	\$ 129,719	\$ 99,743	\$ 114,810	\$ 55,274	\$ 607,798	\$ 148,167	\$ 29,701	\$ 785,666
Employee benefits									
Health	20,598	26,582	17,543	2,406	12,537	79,666	25,708	-	105,374
Other	1,722	1,449	1,145	689	645	5,650	1,143	-	6,793
Workers' compensation	3,372	1,985	1,500	1,568	867	9,292	3,615	-	12,907
Payroll taxes	15,104	8,011	6,263	7,967	3,344	40,689	11,949	2,191	54,829
Total compensation and related expenses	\$ 249,048	\$ 167,746	\$ 126,194	\$ 127,440	\$ 72,667	\$ 743,095	\$ 190,582	\$ 31,892	\$ 965,569
Accreditation	\$ -	\$ 1,202	\$ 936	\$ 8,590	\$ 284	\$ 11,012	\$ -	\$ -	\$ 11,012
Depreciation and amortization	15,673	5,224	6,174	4,274	9,024	40,369	7,124	-	47,493
Drug screens and lab fees	-	196	372	1,717	-	2,285	-	-	2,285
Dues, subscriptions, publications and ads	3,045	476	636	1,445	610	6,212	2,381	-	8,593
Equipment rental and service	1,115	601	645	383	610	3,354	-	-	3,354
Insurance									
Directors and officers	441	314	269	200	184	1,408	-	-	1,408
Community service workers	546	500	(58)	-	(99)	889	-	-	889
Occupancy	12,141	8,282	7,382	5,282	5,082	38,169	-	-	38,169
Miscellaneous	-	-	-	-	-	-	1,789	-	1,789
Occupancy									
Building maintenance and repairs	10,828	7,610	4,923	5,060	4,431	32,852	-	-	32,852
Rent	-	-	-	-	-	-	-	-	-
Utilities	4,511	3,013	2,182	1,921	2,007	13,634	-	-	13,634
Postage and delivery	902	385	342	337	243	2,209	-	-	2,209
Printing and production	453	-	-	879	-	1,332	-	-	1,332
Professional fees	4,429	2,718	2,469	7,961	1,760	19,337	2,181	-	21,518
Slidell rental expenses	-	-	-	-	-	-	8,215	-	8,215
Special events									
Chef Soiree and other events	-	-	-	-	-	-	-	32,858	32,858
Supplies	6,095	3,077	1,661	15,331	3,970	30,134	6,322	-	36,456
Telephone	6,002	4,966	1,502	3,167	1,214	16,851	-	-	16,851
Travel	9,212	147	653	416	78	10,506	153	-	10,659
Total expenses	\$ 324,441	\$ 206,457	\$ 156,282	\$ 184,403	\$ 102,065	\$ 973,648	\$ 218,747	\$ 64,750	\$ 1,257,145

YOUTH SERVICE BUREAU OF ST. TAMMANY

**SCHEDULE OF COMPENSATION AND BENEFITS RELATED
TO FINSAP FUNDS-REQUIRED BY GRANTOR
JUNE 30, 2021**

Compensation and benefits	
Case managers	\$ 27,225
Program assistant	9,350
Benefits	8,855
Total compensation and benefits	<u>\$ 45,430</u>
Rent	\$ 4,033
Utilities	2,941
Audit	2,172
Insurance	6,996
Total FINSAP funds for professional services	<u><u>\$ 61,572</u></u>

YOUTH SERVICE BUREAU OF ST. TAMMANY

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Agency Head Name:</u>	<u>Cleveland Wester</u>
Salary	\$ 89,423
Benefits-Insurance, health	4,875
Benefits-Insurance, life	567
	<u>\$ 94,865</u>

YOUTH SERVICE BUREAU OF ST. TAMMANY

**SCHEDULE OF CASA ASSISTANCE PROGRAM FEDERAL TANF
REVENUE AND EXPENDITURE ACTIVITY
JUNE 30, 2021**

REVENUE

Federal TANF	\$ 227,694
State CASA AP	138,860
Total revenue	<u>\$ 366,554</u>

EXPENSES

Salaries	\$ 252,758
Payroll taxes and benefits	52,948
Insurance, liability	13,321
Office supplies	9,336
Travel	3,686
Communication	9,777
Utilities	5,791
Rent	4,400
Conferences	1,095
Audit	2,300
Software and computer backups	4,835
Professional background checks and dues	1,793
Volunteer recruitment and training	1,116
Postage	1,488
Copier	1,158
Printing	752
Total expenses	<u>\$ 366,554</u>
Total	<u><u>\$ -</u></u>

**LOUISIANA COMPLIANCE QUESTIONNAIRE
(For Audit Engagements of Quasi-Public Agencies)**

_____ (Date Transmitted)

Bernard & Franks, A Corporation of CPA's (CPA Firm Name)

4141 Veterans Memorial Boulevard, Suite 313 (CPA Firm Address)

Metairie, Louisiana 70002 (City, State Zip)

In connection with your audit of our financial statements as of June 30, 2021 and for July 1, 2020- June 30, 2021 (period of audit) for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with accounting principles generally accepted in the United States of America, to assess our internal control structure as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of August 17, 2021 (date completed/date of the representations).

PART I. Agency Profile

1. Name and address of the organization.

Youth Service Bureau of St. Tammany
430 N New Hampshire Street
Covington, LA 70433

2. List names, addresses, and telephone numbers of entity officials. Include elected/appointed members of the governing board, chief executive and fiscal officer, and legal counsel.

See attachment

3. Period of time covered by this questionnaire.

July 1, 2020 - June 30, 2021

4. The entity has been organized under the following provisions of the Louisiana Revised Statute(s) (R.S.) and, if applicable, local resolutions/ordinances.

501 (C)(3)

5. Briefly describe the public services provided.

Youth Service Bureau of St. Tammany (Bureau) is a nonprofit Bureau established in 1981 and currently serves the St. Tammany and Washington parishes. The Youth Service Bureau provides advocacy, counseling, education, and intervention for at-risk youth and their families, helping them reach their full potential.

6. Expiration date of current elected/appointed officials' terms.

See attachment

Part II. Federal, State, and Local Awards

7. We have detailed for you the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes No N/A

8. All transactions relating to federal grants have been properly recorded within our accounting records and reported to the appropriate federal grantor officials.

Yes No N/A

9. All transactions relating to state grants have been properly recorded within our accounting records and reported to the state grantor officials.

Yes No N/A

10. All transactions relating to local grants have been properly recorded within our accounting records and reported to the appropriate local grantor officials.

Yes No N/A

11. The reports filed with federal agencies are properly supported by books of original entry and supporting documentation.

Yes No N/A

12. The reports filed with state agencies are properly supported by books of original entry and supporting documentation.

Yes No N/A

13. The reports filed with local agencies are properly supported by books of original entry and supporting documentation.

Yes No N/A

14. We have complied with all applicable compliance requirements of all federal programs we administer,

Yes No N/A

15. We have complied with all applicable specific requirements of all state programs we administer, to include matters contained in the grant awards.

Yes No N/A

16. We have complied with all applicable specific requirements of all local programs we administer, to include matters contained in the grant awards.

Yes No N/A

17. We have provided you with all communications from grantors concerning noncompliance with or deficiencies in administering grant programs.

Yes No N/A

Part III. Public Records

18. We are familiar with the Public Records Act and have made available to the public those records as required by R.S. 44:33.

Yes No N/A

Part IV. Open Meetings

19. Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication “Open Meeting FAQs,” available on the Legislative Auditor’s website to determine whether a non-profit agency is subject to the open meetings law.**

NOT APPLICABLE

Yes No N/A

Part V. Budget

20. For each federal grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes No N/A

21. For each grant received from the state, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose, duration, specific goals and objectives, and measures of performance.

Yes No N/A

22. For each local grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes No N/A

Part VI. Reporting

23. We have had our financial statements audited in a timely manner in accordance with R.S. 24:513.

Yes No N/A

24. We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No N/A

25. We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No N/A

26. We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes No N/A

The previous responses have been made to the best of our belief and knowledge. We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur subsequent to the issuance of your report.

<u><i>J. Anonson</i></u>	Secretary	<u>8.18.21</u>	Date
<u><i>David Baudouin</i></u>	Treasurer	<u>8/18/21</u>	Date
<u><i>Melanie Donahue</i></u>	President	<u>8/18/21</u>	Date



**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

The Board of Directors
Youth Service Bureau of St. Tammany
Covington, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the Youth Service Bureau of St. Tammany (a nonprofit organization), and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Youth Service Bureau of St. Tammany's compliance with certain laws, regulations, and best practices during the fiscal year ended June 30, 2021. The Youth Service Bureau of St. Tammany's management is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget:

Results:

Written policies and procedures were obtained from management regarding budgeting, and the written policies and procedures address the preparation, adoption, monitoring, and amendment of the budget.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; and (3) the preparation and approval process of purchase requisitions and purchase orders.

Results:

Written policies and procedures were obtained for the purchasing process, and the purchase policies address the initiation of purchases by use of purchase order forms. Employees and administrators can request that material or services be purchased. The employee or administrator initiating a purchase must complete a purchase requisition form. The purchase requisition form requires the approval of the Program Director, Finance Director, and Executive Director. If the Executive Director initiates a purchase, the Program Director or vocational Director performs the approval function. The written policies and procedures address how vendors are added to the approved vendor list, the preparation and approval process of check requests, vendor invoices.

- c) **Disbursements**, including processing, reviewing, and approving:

Results:

The accounting policies and procedures of the Youth Service Bureau of St. Tammany for disbursements were obtained and addressed the processing, reviewing, and approval of disbursements. The policies and procedures require prior authorization to initiate a purchase. The purchase order is completed by the person creating the acquisition and is approved by the Program Director, Chief Financial Officer, and the Executive Director. The process requires that approved purchase orders and vendor invoices be in place to process vendors' payments. Vendor invoices are matched to approved purchase requisition forms. The purchase package is approved by the Chief Financial Officer and the Executive Director. Checks under \$10,000 require one authorized signature. Expenditures over \$10,000 require the signature of two authorized signers.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties).

Results:

Written policies and procedures were obtained from the management of the Bureau for the cash receipts process, and the policies and procedures do address receiving, recording, and preparation of deposits. The large grant funders pay the Bureau through ACH deposits directly into the bank. The Chief Financial Officer opens the mail and stamps all checks received with "for deposit only." The Administrative Assistant is responsible for preparing the documentation for the deposit. The Business Operations Manager makes the daily deposit in the bank. The CFO obtains a copy of the deposit slip and compares the documentation and cash receipts listings to the deposit in the bank and entries in the accounting system.

- c) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules:

Results:

Written policies and procedures for payroll and personnel were obtained and did address the payroll processing process, the review and approval of time and attendance records, including leave and overtime worked. Payroll is processed on a semi-monthly basis. Employee manuals are provided for each employee that details the leave policy and other terms of employment. Time and attendance records are maintained for all hourly employees. The Board of Directors approves the rates of pay or salary for each employee annually.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.:

Results:

Written policies and procedures for contracting were obtained. The guidelines addressed the types of services requiring written contracts, standard terms and conditions, the criteria requiring legal review, contract approval process, and monitoring. The Board of Directors provides authority to the Executive Director to execute contracts on behalf of the organization. The Board of Directors approves any contract over \$5,000. The organization's legal counsel will review contracts involving significant liability risks or value.

- g) **Credit Cards** (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases):

Results:

Written policies and procedures for credit cards were obtained and addressed how credit cards are controlled and allowable business use. The policies also address documentation requirements, required approvers, and monitoring card usage procedures.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers:

Results:

Written policies and procedures were obtained regarding travel and expense reimbursement. The policies address types of expenses reimbursable by the Bureau, dollar thresholds by category of cost, documentation requirement, and required approvers.

Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results:

Youth Service Bureau of St. Tammany's information technology follows the recommendations of its qualified consultant. The critical data is backed up daily. The backups are located in the cloud and are isolated from the network. Antivirus software is active on all systems.

Collections

2. Obtain a listing of deposit sites¹ for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5)

Results

We obtained a listing of the cash collection location for the operations of the Bureau. Cash collections are received in the Covington and Slidell locations. Management provided us with representations that the listing is complete.

3. For each deposit site selected, obtain a listing of collection locations² and management's representation that the listing is complete. Randomly choose one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.

¹ A deposit site is a physical location where a deposit is prepared and reconciled.

² A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and subsidiary ledgers, by revenue source and agency fund additions, are not responsible for collecting cash unless another employee/official verifies the reconciliation.

Results:

The Covington deposit site has two collection locations. The Slidell deposit site has one collection location. Management represents that this was a complete list of collection locations.

The Slidell location has one employee; therefore, no separation of duties is possible at that site. Management overcomes this separation of duties weakness with complete reconciliation and review of all the collections by the Administrative personnel. The Administrative Office reviews the Slidell location collections. The review includes accounting for the consecutively numbered receipts and reconciling the receipts to the deposit slip. The amounts collected at the Slidell site are small in quantity.

The Covington office has multiple individuals involved in the collections process. The CFO opens the mail and stamps "for deposit only" on all checks received through the mail. The Administrative Assistant accepts the checks and prepares the deposit slip. The Business Operations Manager verifies the amount and delivers the deposit to the bank. The deposit slip is returned, and the administrative assistant enters the deposit into the accounting system. CFO checks the entries, and the deposit paperwork is filed away by bank account and month.

- 4. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the period under review.

Results:

We examined the Crime and Fidelity insurance policies in force for the year under review.

- 5. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Randomly select two deposit dates for each of the 5 bank accounts (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the ten deposits and:
 - a) Observe that receipts are sequentially pre-numbered.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

Results:

We selected March 2021 and examined five deposits for each bank account. The PPP account only had the deposit of the first and second round funds received for the PPP program. The savings account did not have any funds deposited during the year under review other than monthly interest income.

The deposited funds were made timely, usually on the next business day. The client's income was documented with pre-numbered receipts. Other receipts, such as grant collections, included the remittance advice. The deposits were in good order and adequately supported. All deposit slips examined were agreed to the bank statements and the general ledger posting. No exceptions were noted.

Due from employees

- 1. Obtain from management documentation related to any amounts shown on the Statements of Financial Position as "Due from employees" and:
 - a) Observe that "Due from employees" amounts agree to written policies and procedures guidelines for the Youth Service Bureau of St. Tammany; and
 - b) Compare "Due from employees" amounts to Article VII, Section XIV(A) of the Louisiana Constitution of 1974 and report any exceptions.³

Results:

The Bureau has a flexible spending plan. Employees make an election at the beginning of each year as to how much their salary is designated each pay period towards the flexible spending plan. The flexible spending plan pays for medical expenses on a pre-tax basis up to the amount committed to by each employee.

The amounts due from employees were the accounting for the Flexible Spending Plan. We examined the plan, and it is a qualified plan under the Internal Revenue Code Section 125.

³ Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private. Except as otherwise provided in this Section, neither the state nor a political subdivision shall subscribe to or purchase the stock of a corporation or association or for any private enterprise.

The committed amounts by the employee are properly being withheld on each payroll check. The employees spend the amount of unreimbursed medical expense up to the amount they had designated at the beginning of the year. At any moment, the employee account can have more spent than collected or more collected from the employees than paid, resulting in a balance in the account. This account should be called a prepaid flexible spending expense (asset) or deposits held for flexible spending account (liability) and not "due from employees."

Conclusion

We were not engaged to perform and did not perform an audit, the objective of which would be to express an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report is intended solely for the use of management of Youth Service Bureau of St. Tammany and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

BERNARD & FRANKS

A Corporation of Certified Public Accountants

A handwritten signature in cursive script that reads "Bernard & Franks".

Metairie, Louisiana
December 17, 2021