

**WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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

2/16/11

WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
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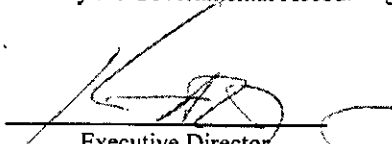
WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

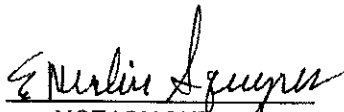
AFFIDAVIT

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Personally came and appeared before the undersigned authority, Kenneth Loftin, Executive Director of the Ware Youth Center, who duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the Ware Youth Center at June 30, 2010 and the results of its operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

  
Executive Director

Sworn to and subscribed before me, this 30<sup>th</sup> day of November, 2010.

  
NOTARY PUBLIC  
E. Merisa Sguytes, ID# 033769

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# HINES, SHEFFIELD & SQUYRES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS  
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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Ware Youth Center  
Rt. 1, Box 6000  
Coushatta, Louisiana 71019

We have audited the accompanying basic financial statements of the Ware Youth Center, Coushatta, Louisiana, as of and for the year ended June 30, 2010, as listed in the table of contents. These basic financial statements are the responsibility of the Ware Youth Center's management. 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Ware Youth Center as of June 30, 2010, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated November 30, 2010, on our consideration of the Ware Youth Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 3 through 7 and 23, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Ware Youth Center's basic financial statements. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The financial information for the year ended June 30, 2009, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated December 3, 2009, on the basic financial statements of the Ware Youth Center.

*Hines, Sheffield & Squyres*  
Natchitoches, Louisiana  
November 30, 2010

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-MEMBERS-

American Institute of Certified Public Accountants Society of Louisiana Certified Public Accountants

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**WARE YOUTH CENTER**  
**COUSHATTA, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2010**

The Management's Discussion and Analysis of the Ware Youth Center's financial performance presents a narrative overview and analysis of Ware Youth Center's financial activities for the year ended June 30, 2010. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the Ware Youth Center's financial statements, which begin on page 8.

**FINANCIAL HIGHLIGHTS**

- 1) The Ware Youth Center had cash and investments of \$1,025,927 at June 30, 2010 which represents an increase of \$699,28 from prior year end.
- 2) The Ware Youth Center had accounts receivable of \$454,434 at June 30, 2010 which represents a decrease of \$728,326 from prior year end.
- 3) The Ware Youth Center had accounts payable and accruals of \$580,025 at June 30, 2010 which represents a decrease of \$368,082 from prior year end.
- 4) The Ware Youth Center had total revenues of \$10,476,592 for the year ended June 30, 2010 which represents a decrease of \$206,389 from prior year.
- 5) The Ware Youth Center had intergovernmental revenues of \$7,720,506 for the year ended June 30, 2010 which represents a decrease of \$578,635 from prior year.
- 6) The Ware Youth Center had charges for service of \$1,803,376 for the year ended June 30, 2010 which represents a decrease of \$311,896 from prior year.
- 7) The Ware Youth Center had personal services expenses of \$5,268,922 for the year ended June 30, 2010 which represents an increase of \$1,449,603 from prior year.
- 8) The Ware Youth Center had operating services expenses of \$879,585 for the year ended June 30, 2010 which represents an increase of \$311,899 from prior year.
- 9) The Ware Youth Center had capital asset purchases of \$2,430,424 for the year ended June 30, 2010 which represents a decrease of \$2,749,031 from prior year.
- 10) The Ware Youth Center had debt services payments of \$0 for the year ended June 30, 2010 which represents a change of \$0 from prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for the Ware Youth Center as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2010

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information  
(Other than MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

**Basic Financial Statements**

This annual report consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 8 and 9) provide information about the activities of the Ware Youth Center as a whole and present a longer-term view of the Center's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the Center's net assets and changes in them. You can think of the Center's net assets, the difference between assets and liabilities, as one way to measure the Center's financial health, or financial position. Over time, increases or decreases in the Center's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 10. All of the Center's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Center's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Center's activities as well as what remains for future spending.

WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2010

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Assets  
As of Year End

|   | <u>2010</u>                 | <u>2009</u>                 |
|---|-----------------------------|-----------------------------|
| Current and other assets                          | \$ 1,528,729                | \$ 1,541,752                |
| Capital assets, net                               | <u>12,072,350</u>           | <u>10,108,130</u>           |
| <b>Total Assets</b>                               | <b><u>\$ 13,601,079</u></b> | <b><u>\$ 11,649,882</u></b> |
| Other liabilities                                 | \$ 580,025                  | \$ 948,107                  |
| Compensated absences payable                      | <u>152,808</u>              | <u>131,573</u>              |
| <b>Total Liabilities</b>                          | <b>732,833</b>              | <b>1,079,680</b>            |
| Net assets  |                             |                             |
| Investment in capital assets, net of related debt | 12,072,350                  | 10,108,130                  |
| Unrestricted                                      | <u>795,896</u>              | <u>462,072</u>              |
| <b>Total Net Assets</b>                           | <b><u>12,868,246</u></b>    | <b><u>10,570,202</u></b>    |
| <b>Total Liabilities and Net Assets</b>           | <b><u>\$ 13,601,079</u></b> | <b><u>\$ 11,649,882</u></b> |

Net assets of the Ware Youth Center increased by \$2,298,044 or 21.74% from the previous fiscal year. The increase is the result of operating and nonoperating revenues exceeding expenses during the fiscal year ended 2010 (See table below).

Statement of Activities  
For the Year Ended

|  | <u>2010</u>                | <u>2009</u>                |
|--|----------------------------|----------------------------|
| General government                             |                            |                            |
| Expenses                                       | \$ (8,178,548)             | \$ (5,580,798)             |
| Program revenues                               |                            |                            |
| Charges for services                           | 1,803,376                  | 2,115,272                  |
| Operating and capital grants and contributions | <u>7,720,506</u>           | <u>8,299,141</u>           |
| <b>Subtotal</b>                                | <b>1,345,334</b>           | <b>4,833,615</b>           |
| General revenues                               | <u>952,710</u>             | <u>268,568</u>             |
| <b>Change in net assets</b>                    | <b><u>\$ 2,298,044</u></b> | <b><u>\$ 5,102,183</u></b> |

The Ware Youth Center's total revenues decreased by \$206,389 or 1.93% from the previous year. The total cost of all programs and services increased by \$2,597,750 or 46.55% from the previous year.

WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2010

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

At the end of 2010, the Ware Youth Center had \$12,072,350, net of depreciation, invested in a broad range of capital assets (See table below). This amount represents a net increase (including additions and deductions) of \$1,964,220 or 19.43% from the previous year.

Capital Assets at Year End  
(Net of Depreciation)

|                                     | 2010          | 2009          |
|-------------------------------------|---------------|---------------|
| Land                                | \$ 175,017    | \$ 175,017    |
| Construction in-progress            | 169,510       | 5,597,441     |
| Buildings and building improvements | 11,359,159    | 4,204,072     |
| Automobiles and equipment           | 368,664       | 131,600       |
| Total                               | \$ 12,072,350 | \$ 10,108,130 |

This year's major additions included:

|                                     |              |
|-------------------------------------|--------------|
| Construction in-progress            | \$ 169,510   |
| Buildings and building improvements | \$ 1,936,152 |
| Automobiles and equipment           | \$ 324,762   |

This year's major retirements included:

|                           |           |
|---------------------------|-----------|
| Automobiles and equipment | \$ 58,060 |
|---------------------------|-----------|

Debt

The Ware Youth Center had \$152,808 in compensated absences payable at year end compared to \$131,573 at the previous year end, an increase of \$21,235 or 16.14% as shown in the table below.

Outstanding Debt at Year End

|                              | 2010       | 2009       |
|------------------------------|------------|------------|
| Compensated absences payable | \$ 152,808 | \$ 131,573 |
| Totals                       | \$ 152,808 | \$ 131,573 |

New debt during the year included:

None.



WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2010

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Actual revenues were \$72,098 less than budgeted amounts due to intergovernmental revenues being less than expected.

Actual expenditures were \$287,060 more than budgeted amounts due to personal services being more than expected.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Ware Youth Center's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Intergovernmental revenues
- 2) Charges for services
- 3) Interest income

The Ware Youth Center does not expect any significant changes in next year's results as compared to the current year.

**CONTACTING THE WARE YOUTH CENTER'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Ware Youth Center's finances and to show the Ware Youth Center's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kenneth Loftin, Executive Director, Rt. 1 Box 6000, Coushatta, Louisiana 71019.

EXHIBIT A

WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
STATEMENT OF NET ASSETS  
JUNE 30, 2010 AND 2009

|   | <u>2010</u>          | <u>2009</u>          |
|---|----------------------|----------------------|
| <b>ASSETS</b>                                     |                      |                      |
| Current Assets                                    |                      |                      |
| Cash  | \$ 509,122           | \$ 326,719           |
| Investments                                       | 516,805              | 0                    |
| Accounts receivable, net                          | 454,434              | 1,182,760            |
| Prepaid insurance                                 | <u>47,613</u>        | <u>31,518</u>        |
| Total Current Assets                              | 1,527,974            | 1,540,997            |
| Noncurrent Assets                                 |                      |                      |
| Capital assets, net                               | 12,072,350           | 10,108,130           |
| Utility deposits                                  | <u>755</u>           | <u>755</u>           |
| Total Assets                                      | <u>\$ 13,601,079</u> | <u>\$ 11,649,882</u> |
| <b>LIABILITIES AND NET ASSETS</b>                 |                      |                      |
| <b>LIABILITIES</b>                                |                      |                      |
| Current Liabilities                               |                      |                      |
| Accounts payable and accruals                     | <u>\$ 580,025</u>    | <u>\$ 948,107</u>    |
| Total Current Liabilities                         | 580,025              | 948,107              |
| Noncurrent Liabilities                            |                      |                      |
| Compensated absences payable                      | <u>152,808</u>       | <u>131,573</u>       |
| Total Liabilities                                 | 732,833              | 1,079,680            |
| <b>NET ASSETS</b>                                 |                      |                      |
| Investment in capital assets, net of related debt | 12,072,350           | 10,108,130           |
| Unrestricted                                      | <u>795,896</u>       | <u>462,072</u>       |
| Total Net Assets                                  | <u>12,868,246</u>    | <u>10,570,202</u>    |
| Total Liabilities and Net Assets                  | <u>\$ 13,601,079</u> | <u>\$ 11,649,882</u> |

The accompanying notes are an integral part of this statement.

EXHIBIT B

WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

|                               | 2010         |                      |                                    | 2009                             |                                   |
|-------------------------------|--------------|----------------------|------------------------------------|----------------------------------|-----------------------------------|
|                               | Expenses     | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Changes in Net Assets |
| General Government            | \$ 5,268,922 | \$ 1,232,031         | \$ 4,010,602                       | \$ 0                             | \$ 14,846                         |
| Personal services             | 66,813       | 15,623               | 50,857                             | 0                                | 188                               |
| Travel                        | 879,585      | 205,673              | 669,523                            | 0                                | 2,207                             |
| Operating services            | 975,607      | 228,126              | 742,613                            | 0                                | 2,385                             |
| Supplies                      | 521,417      | 121,923              | 396,893                            | 0                                | 1,160                             |
| Professional services         | 466,204      | 0                    | 0                                  | 1,850,018                        | 4,812,829                         |
| Depreciation                  | 8,178,548    | 1,803,376            | 5,870,488                          | 1,850,018                        | 4,833,615                         |
| Total General Government      |              |                      |                                    |                                  |                                   |
| General Revenues              |              |                      |                                    |                                  |                                   |
| Fines and forfeitures         |              |                      |                                    |                                  | 207,632                           |
| Investment income             |              |                      |                                    |                                  | 1,087                             |
| Royalties and Leases          |              |                      |                                    |                                  | 0                                 |
| Miscellaneous                 |              |                      |                                    |                                  | 59,849                            |
| Total General Revenues        |              |                      |                                    |                                  | 268,568                           |
| Change in Net Assets          |              |                      |                                    |                                  | 5,102,183                         |
| Net Assets, Beginning of year |              |                      |                                    |                                  | 10,570,202                        |
| Net Assets, End of year       |              |                      |                                    |                                  | 12,868,246                        |
|                               |              |                      |                                    |                                  | 10,570,202                        |

The accompanying notes are an integral part of this statement.

EXHIBIT C

WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010 AND 2009

|  | <u>2010</u>         | <u>2009</u>         |
|--|---------------------|---------------------|
| <b>ASSETS</b>                            |                     |                     |
| Cash                                     | \$ 509,122          | \$ 326,719          |
| Investments                              | 516,805             | 0                   |
| Accounts receivable                      | 454,434             | 1,182,760           |
| Prepaid insurance                        | 47,613              | 31,518              |
| Utility deposits                         | <u>755</u>          | <u>755</u>          |
| Total Assets                             | <u>\$ 1,528,729</u> | <u>\$ 1,541,752</u> |
| <br><b>LIABILITIES AND FUND BALANCES</b> |                     |                     |
| <b>LIABILITIES</b>                       |                     |                     |
| Accounts payable and accruals            | \$ 580,025          | \$ 948,107          |
| Total Liabilities                        | 580,025             | 948,107             |
| <br><b>FUND BALANCES</b>                 |                     |                     |
| Unrestricted                             | <u>948,704</u>      | <u>593,645</u>      |
| Total Fund Balances                      | <u>948,704</u>      | <u>593,645</u>      |
| Total Liabilities and Fund Balances      | <u>\$ 1,528,729</u> | <u>\$ 1,541,752</u> |

The accompanying notes are an integral part of this statement.

EXHIBIT D

WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2010

Total Fund Balances for Governmental Funds (Exhibit C) \$ 948,704

Total Net Assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

|   |                   |            |
|---|-------------------|------------|
| Land  | \$ 175,017        |            |
| Construction in-progress  | 169,510           |            |
| Buildings and building improvements, net of \$2,533,463 in accumulated depreciation | 11,359,159        |            |
| Automobiles and equipment, net of \$342,950 in accumulated depreciation             | <u>\$ 368,664</u> |            |
| Total Capital Assets  |                   | 12,072,350 |

Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the fund liabilities.

(152,808)

Total Net Assets of Governmental Activities (Exhibit A) \$ 12,868,246

WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

|   | <u>2010</u>       | <u>2009</u>       |
|---|-------------------|-------------------|
| <b>REVENUES</b>                                   |                   |                   |
| Intergovernmental                                 | \$ 7,720,506      | \$ 8,299,141      |
| Charges for services                              | 1,803,376         | 2,115,272         |
| Fines and forfeitures                             | 193,546           | 207,632           |
| Investment income                                 | 30,546            | 1,087             |
| Royalties and leases                              | 609,122           | 0                 |
| Miscellaneous                                     | <u>119,496</u>    | <u>59,849</u>     |
| Total Revenues                                    | 10,476,592        | 10,682,981        |
| <b>EXPENDITURES</b>                               |                   |                   |
| General government                                |                   |                   |
| Personal services                                 | 5,247,687         | 3,803,760         |
| Travel  | 66,813            | 48,386            |
| Operating services                                | 879,585           | 567,686           |
| Supplies  | 975,607           | 613,438           |
| Professional services                             | 521,417           | 298,617           |
| Capital outlay                                    | <u>2,430,424</u>  | <u>5,179,455</u>  |
| Total Expenditures                                | <u>10,121,533</u> | <u>10,511,342</u> |
| Excess/(Deficiency) Of Revenues Over Expenditures | 355,059           | 171,639           |
| Fund Balance, Beginning of year                   | <u>593,645</u>    | <u>422,006</u>    |
| Fund Balance, End of year                         | <u>\$ 948,704</u> | <u>\$ 593,645</u> |

The accompanying notes are an integral part of this statement.

WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010

|  |                     |
|--|---------------------|
| Net Change in Fund Balances-Total Governmental Funds (Exhibit E)   | \$ 355,059          |
| The change in Net Assets reported for governmental activities in the statement of activities is different because:   |                     |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$2,430,424) exceeds depreciation (\$466,204) in the current period. | 1,964,220           |
| Some expense reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.  | <u>(21,235)</u>     |
| Change in Net Assets of Governmental Activities (Exhibit B)  | <u>\$ 2,298,044</u> |

WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010

**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 Bienville and Claiborne Parishes to withdraw from membership and participation in the Center during the period beginning September 1, 1991 and ending December 31, 1991. These parishes elected to withdraw from participation in the Center. At June 30, 2010, 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 pre-adjudicatory and post-adjudicatory 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 Center 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.

**A.      Basis of Accounting**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Ware Youth Center consist only of the transactions and activity of the Ware Youth Center as authorized by Louisiana statutes.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Ware Youth Center are maintained in accordance with applicable statutory provisions as follows:

Revenue Recognition - revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.



WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A.      Basis of Accounting (Continued)**

Expense Recognition - expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**B.      Budgetary Accounting**

Formal budgetary accounting is employed as a management control. The Ware Youth Center prepares and adopts a budget prior to July 1 of each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Ware Youth Center amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

**C.      Cash and Cash Equivalents**

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**D.      Investments**

Investments are limited by Louisiana Revised Statute and the Ware Youth Center's investment policy. Under state law, the Sheriff may invest in obligations of the U. S. Treasury and U. S. Agencies, or certificates of deposit. Investments are carried at fair market value as of the balance sheet date.

**E.      Receivables**

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

**F.      Bad Debts**

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2010, \$0 were considered to be uncollectible.

**G.      Capital Assets**

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Ware Youth Center are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 20 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

**NOTE 1        SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H.        Compensated Absences**

The Ware Youth Center employees earn annual leave at various rates depending on the number of years in service. The maximum amount of annual leave that may be accumulated by each employee is 160. Upon termination, an employee is compensated for up to 160 hours of unused annual leave at the employee's hourly rate of pay at the time of termination.

**I.        Fund Equity**

*In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.*

**J.        Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the sheriff, which are either unusual in nature or infrequent in occurrence.

**K.        Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2        DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**A.        Deposits with Financial Institutions**

For reporting purposes, deposits with financial institutions including savings, demand deposits, time deposits, and certificates of deposit. Under state law the Ware Youth Center may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the Commission may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. 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 pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts mutually acceptable to both parties.* The deposits at June 30, 2010 were secured as follows:

**WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010**

**NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)**

**A. Deposits with Financial Institutions(Continued)**

|   | <u>Cash</u>       | <u>Certificates<br/>of Deposit</u> | <u>Total</u>      |
|---|-------------------|------------------------------------|-------------------|
| Deposits in bank accounts per balance sheet   | \$ 508,472        | \$ 0                               | \$ 508,472        |
|   |                   |                                    |                   |
|   | <u>Cash</u>       | <u>Certificates<br/>of Deposit</u> | <u>Total</u>      |
| Bank Balances (Category 3 Only, If Any)   |                   |                                    |                   |
| a. Uninsured and uncollateralized   | \$ 0              | \$ 0                               | \$ 0              |
| b. Uninsured and uncollateralized with securities held by<br>the pledging institution   | 0                 | 0                                  | 0                 |
| c. Uninsured and uncollateralized with securities held by<br>the pledging institution's trust department or agent<br>but not in the entity's name | 0                 | 0                                  | 0                 |
| Total Category 3 Bank Balances  | <u>\$ 0</u>       | <u>\$ 0</u>                        | <u>\$ 0</u>       |
|   |                   |                                    |                   |
| Total Bank Balances (All Categories Including Category<br>3 Reported Above)   | <u>\$ 590,168</u> | <u>\$ 0</u>                        | <u>\$ 590,168</u> |

The following is a breakdown by banking institution and amount of the balances shown above:

| <u>Banking Institution</u>      | <u>Amount</u>     |
|---------------------------------|-------------------|
| American Bank and Trust Company | <u>\$ 590,168</u> |
| Total                           | <u>\$ 590,168</u> |

**B. Investments**

The Natchitoches Tax Commission maintains investment accounts as authorized by the Louisiana Revised Statutes. Under state law, the Commission may invest in obligations of the U. S. Treasury and U. S. Agencies, or certificates of deposit. Investments are carried at fair market value as of the balance sheet date.

Investments can be classified according to the level of risk to the entity. Investments made by the Natchitoches Tax Commission as of June 30, 2010 are summarized below by the category of risk.

|            |  |
|------------|--|
| Category 1 | Insured or registered in the entity's name, or security held by the entity or its agent in the entity's name.                          |
| Category 2 | Uninsured or registered with securities held by the counterparty's trust department or agent in the entity's name.                     |
| Category 3 | Unsecured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name. |

WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

**NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

| <u>Type of Investments</u>  | <u>Amount Reported in Risk</u><br><u>Category 3, If Any</u> |   | <u>Total Reported</u><br><u>Amount - All</u><br><u>Categories</u><br><u>(Including</u><br><u>Category 3)</u> | <u>Total Fair</u><br><u>Value - All</u><br><u>Categories</u><br><u>(Including</u><br><u>Category 3)</u> |
|-----------------------------|---|---|--|---|
|                             | <u>Held By</u><br><u>Counterparty</u>                       | <u>Held By</u><br><u>Counterparty's</u><br><u>Trust Dept. Or</u><br><u>Agent Not In</u><br><u>Entity's Name</u> |  |   |
| Money market accounts       | \$ 0  | \$ 0  | \$ 5,084   | \$ 5,084  |
| U. S. Government securities | 0   | 0   | 511,721  | 511,721   |
| Total                       | <u>\$ 0</u>   | <u>\$ 0</u>   | <u>\$ 516,805</u>  | <u>\$ 516,805</u>   |

**NOTE 3 ACCOUNTS RECEIVABLE**

The following is a summary of accounts receivable at June 30, 2010:

| <u>Class of Receivable</u> |                   |
|----------------------------|-------------------|
| State of Louisiana         | \$ 318,350        |
| Police Juries              | 95,739            |
| Local Governments          | 27,357            |
| Other                      | 12,988            |
| Total                      | <u>\$ 454,434</u> |

**NOTE 4 CAPITAL ASSETS**

A summary of Ware Youth Center's capital assets at June 30, 2010 follows:

|   | <u>Balance</u><br><u>June 30, 2009</u> | <u>Additions</u>    | <u>Retirements</u>    | <u>Balance</u><br><u>June 30, 2010</u> |
|---|--|---------------------|-----------------------|--|
| Capital Assets, not being depreciated       |  |                     |                       |  |
| Land  | \$ 175,017                             | \$ 0                | \$ 0                  | \$ 175,017                             |
| Construction in-progress                    | <u>5,597,441</u>                       | <u>169,510</u>      | <u>(5,597,441)</u>    | <u>169,510</u>                         |
| Total Capital Assets, not being depreciated | 5,772,458                              | 169,510             | (5,597,441)           | 344,527                                |
| Capital Assets, being depreciated           |  |                     |                       |  |
| Buildings and Building Improvements         | 6,359,029                              | 7,533,593           | 0                     | 13,892,622                             |
| Less accumulated depreciation               | <u>(2,154,957)</u>                     | <u>(378,506)</u>    | <u>0</u>              | <u>(2,533,463)</u>                     |
| Total Buildings and Building Improvements   | 4,204,072                              | 7,155,087           | 0                     | 11,359,159                             |
| Automobiles and Equipment                   | 444,912                                | 324,762             | (58,060)              | 711,614                                |
| Less accumulated depreciation:              | <u>(313,312)</u>                       | <u>(87,698)</u>     | <u>58,060</u>         | <u>(342,950)</u>                       |
| Total Automobiles and Equipment             | <u>131,600</u>                         | <u>237,064</u>      | <u>0</u>              | <u>368,664</u>                         |
| Total Capital Assets, being depreciated     | <u>4,335,672</u>                       | <u>7,392,151</u>    | <u>0</u>              | <u>11,727,823</u>                      |
| Total Capital Assets, net                   | <u>\$ 10,108,130</u>                   | <u>\$ 7,561,661</u> | <u>\$ (5,597,441)</u> | <u>\$ 12,072,350</u>                   |

WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

**NOTE 5      ACCOUNTS PAYABLE AND ACCRUALS**

The following is a summary of accounts payable at June 30, 2010:

| <u>Class of Payable</u> |    |                |
|-------------------------|----|----------------|
| Vendor                  | \$ | 303,243        |
| Salaries and benefits   |    | 239,352        |
| Other                   |    | <u>37,430</u>  |
| Total                   | \$ | <u>580,025</u> |

**NOTE 6      COMPENSATED ABSENCES**

At June 30, 2010, employees of the Ware Youth Center had accumulated \$152,808 in annual leave benefits which were computed in accordance with GASB Codification Section C 60. The following is a summary of the changes in accumulated annual leave benefits for the year ended June 30, 2010.

|   |    |                 |
|---|----|-----------------|
| Compensated absences payable, beginning of year | \$ | 131,573         |
| Additions                                       |    | 116,059         |
| Deletions                                       |    | <u>(94,824)</u> |
| Compensated absences payable, end of year       | \$ | <u>152,808</u>  |

**NOTE 7      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: 1) thirty years or more service at any age, 2) twenty-five years or more service at age fifty-five, and 3) Ten years or more service at age sixty.

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, 2010

**NOTE 7      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 8.0% of their annual covered salary and the Ware Youth Center is required to contribute at an actuarially determined rate. The current rate is 18.6% 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 Ware Youth Center's contributions to the System for the years ending June 30, 2010, 2009 and 2008 were \$581,873, \$410,431 and \$435,314, respectively, equal to the required contribution for each year.

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 ½) 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% of their annual covered salary and the Ware Youth Center is required to contribute at an actuarially determined rate. The current rate is 15.5% 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 Ware Youth Center's contributions to the System for the years ending June 30, 2010, 2009 and 2008 were \$33,584, \$28,438 and \$37,393, equal to the required contribution for each year.

WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

**NOTE 8        LEASE OBLIGATIONS**

The Ware Youth Center was not obligated under any capital or operating lease commitments at June 30, 2010.

**NOTE 9        LITIGATION**

The Ware Youth Center is a defendant in one lawsuit (workmen's compensation claim) as of the close of business on June 30, 2010. Although the outcomes of this lawsuit is not presently determinable, in the opinion of management and legal counsel, resolution of this matter would not create a liability in excess of insurance coverage that would have a material adverse effect on the financial condition of the Ware Youth Center.

**NOTE 10       RISK MANAGEMENT**

The Ware Youth 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 Center 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 11       CLAIMS AND JUDGMENTS**

The Ware Youth Center 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.

**NOTE 12       COMPENSATION PAID TO BOARD MEMBERS**

The members of the Board of Commissioners of the Ware Youth Center receive no compensation for their services. As of June 30, 2010, the members of the Board were as follows:

Charles Adams  
John C. Campbell  
Derrell Cassell  
Scotty Hill  
Lem C. Jones, President  
Ronnie Land  
Schuyler Marvin  
Sammy Nix  
Warren Perkins  
Judson Rives  
Charles Walker  
Rob Walsworth

**REQUIRED SUPPLEMENTARY INFORMATION**



## SCHEDULE 1

WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010

|  | <u>Original Budget</u> | <u>Amended Budget</u> | <u>Actual</u>     | <u>Variance<br/>Fav./((Unfav.)</u> |
|--|------------------------|-----------------------|-------------------|------------------------------------|
| <b>REVENUES</b>                                      |                        |                       |                   |                                    |
| Intergovernmental                                    | \$ 8,940,639           | \$ 7,815,187          | \$ 7,720,506      | \$ (94,681)                        |
| Charges for services                                 | 1,864,140              | 1,822,015             | 1,803,376         | (18,639)                           |
| Fines and forfeitures                                | 212,720                | 193,000               | 193,546           | 546                                |
| Investment income                                    | 869                    | 2,900                 | 30,546            | 27,646                             |
| Royalties and leases                                 | 0                      | 609,122               | 609,122           | 0                                  |
| Miscellaneous  | <u>61,293</u>          | <u>106,466</u>        | <u>119,496</u>    | <u>13,030</u>                      |
| Total Revenues                                       | <u>11,079,661</u>      | <u>10,548,690</u>     | <u>10,476,592</u> | <u>(72,098)</u>                    |
| <b>EXPENDITURES</b>                                  |                        |                       |                   |                                    |
| General government                                   |                        |                       |                   |                                    |
| Personal services                                    | 5,497,154              | 4,956,164             | 5,247,687         | (291,523)                          |
| Travel   | 44,869                 | 52,541                | 66,813            | (14,272)                           |
| Operating services                                   | 895,262                | 839,806               | 879,585           | (39,779)                           |
| Supplies   | 848,585                | 857,510               | 975,607           | (118,097)                          |
| Professional services                                | 405,928                | 470,900               | 521,417           | (50,517)                           |
| Capital outlay                                       | <u>3,383,000</u>       | <u>2,657,552</u>      | <u>2,430,424</u>  | <u>227,128</u>                     |
| Total Expenditures                                   | <u>11,074,798</u>      | <u>9,834,473</u>      | <u>10,121,533</u> | <u>(287,060)</u>                   |
| Excess/(Deficiency) Of Revenues<br>Over Expenditures | 4,863                  | 714,217               | 355,059           | (359,158)                          |
| Fund Balance, Beginning of year                      | <u>593,645</u>         | <u>593,645</u>        | <u>593,645</u>    | <u>0</u>                           |
| Fund Balance, End of year                            | <u>\$ 598,508</u>      | <u>\$ 1,307,862</u>   | <u>\$ 948,704</u> | <u>\$ (359,158)</u>                |

**OTHER SUPPLEMENTARY INFORMATION**

WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010

**SECTION #1**

**SUMMARY OF AUDITORS' RESULTS**

FINANCIAL STATEMENTS

- |    |  |               |
|----|--|---------------|
| 1. | Type of auditors' report issued:   | Unqualified   |
| 2. | Internal control over financial reporting:   |               |
|    | a) Material weakness(es) identified?   | No            |
|    | b) Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 3. | Noncompliance material to financial statements noted?  | No            |

**SECTION #2**

FINANCIAL STATEMENT FINDINGS

None reported.

# HINES, SHEFFIELD & SQUYRES, L.L.C.

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## 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

Board of Commissioners  
Ware Youth Center  
Rt. 1, Box 6000  
Coushatta, Louisiana 71019

We have audited the accompanying basic financial statements of the Ware Youth Center, Coushatta, Louisiana, as of and for the year ended June 30, 2010, and have issued our report thereon dated November 30, 2010. We conducted our audit in accordance with 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Ware Youth Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ware Youth Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Ware Youth Center's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

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 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.

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This report is intended solely for the information and use of the Ware Youth Center, management and the Louisiana State Legislative Auditor and is not intended to be, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Hines, Sheffield & Squyres***

Natchitoches, Louisiana

November 30, 2010

WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2010

| <u>Ref. No.</u> | <u>Fiscal Year<br/>Finding<br/>Initially<br/>Occurred</u> | <u>Description of Finding</u> | <u>Corrective<br/>Action Taken<br/>(Yes, No,<br/>Partially)</u> | <u>Planned<br/>Action/Partial<br/>Corrective<br/>Action Taken</u> |
|-----------------|---|-------------------------------|---|---|
|-----------------|---|-------------------------------|---|---|

Nothing came to our attention that would require disclosure under Government Auditing Standards.

WARE YOUTH CENTER  
COUSHATTA, LOUISIANA  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2010

| <u>Ref. No.</u> | <u>Description of Finding</u> | <u>Corrective Action Planned</u> | <u>Name(s) of<br/>Contact Person(s)</u> | <u>Anticipated<br/>Completion Date</u> |
|-----------------|-------------------------------|----------------------------------|---|--|
|-----------------|-------------------------------|----------------------------------|---|--|

Nothing came to our attention that would require disclosure under Government Auditing Standards.