

**AUDIT REPORT
OF THE
NEBRASKA HEALTH AND HUMAN
SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION
AND TREATMENT CENTER**

JULY 1, 2000 THROUGH JUNE 30, 2001

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER

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NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER

BACKGROUND

The Geneva Youth Rehabilitation and Treatment Center (Geneva - YRTC) serves female juvenile delinquents for staff-secure residential custody. The rated capacity of the facility is 86 juveniles. Females adjudicated as delinquent by the courts and under the age of 18 may be committed to the center. They must be released on or before their 19th birthday.

The Office of Juvenile Services was created in 1994 within the Department of Corrections to administer state juvenile correctional facilities. On January 1, 1997, the Office of Juvenile Services was transferred to the Health and Human Services System.

The philosophy of the Geneva - YRTC is to prepare and train each youth for a productive, law-abiding life. Each youth is taught that respect must be earned and that they are responsible for the choices they make.

Several treatment programs are available to the youth in Geneva. Treatment programs for drug and alcohol problems, as well as chemical dependency are provided along with the primary counseling program called Positive Peer Culture. This program guides the youth in modifying and managing their daily behaviors in a group setting. Geneva – YRTC provides formal education through Geneva North High, where students can earn credits toward a high school diploma or general education diploma. Recreational and religious programs are also offered at Geneva – YRTC. Medical services, food services, maintenance, and community volunteers aid in fulfilling the mission of the Geneva - YRTC.

MISSION STATEMENT

To protect society through the various component areas that will help each youth to substitute socially acceptable behavior for previous delinquent conduct.

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NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER

INDEPENDENT AUDITORS' REPORT

Deann Haeffner, CPA
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We have audited the financial statements of the Nebraska Health and Human Services System - Program 371 - Geneva Youth Rehabilitation and Treatment Center as of and for the fiscal year ended June 30, 2001, as listed in the Table of Contents. These financial statements are the responsibility of the Program's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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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.

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As discussed in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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Also as discussed in Note 1, the financial statements present only the Nebraska Health and Human Services System - Program 371 - Geneva Youth Rehabilitation and Treatment Center, and are not intended to present fairly the fund balances and the receipts and disbursements of the State of Nebraska in conformity with the cash receipts and disbursements basis of accounting.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund balances of the Nebraska Health and Human Services System - Program 371 - Geneva Youth Rehabilitation and Treatment Center as of June 30, 2001, and the receipts and disbursements for the fiscal year then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated February 19, 2002, on our consideration of the Nebraska Health and Human Services System - Program 371 - Geneva Youth Rehabilitation and Treatment Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying combining statements and schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Nebraska Health and Human Services System – Program 371 - Geneva Youth Rehabilitation and Treatment Center. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, except for that portion marked “unaudited,” on which we express no opinion, and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Pat Reding, CPA

Manager

February 19, 2002

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER
COMBINED STATEMENT OF ASSETS AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
ALL FUND TYPES
June 30, 2001

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	
	<u>Special Revenue</u>	<u>Trust and Agency</u>	Totals (Memorandum Only)
<u>Assets</u>			
Cash in State Treasury	<u>\$ 154,586</u>	<u>\$ 31,467</u>	<u>\$ 186,053</u>
Total Assets	<u><u>\$ 154,586</u></u>	<u><u>\$ 31,467</u></u>	<u><u>\$ 186,053</u></u>
<u>Fund Balances</u>			
Unreserved, Undesignated	<u>\$ 154,586</u>	<u>\$ 31,467</u>	<u>\$ 186,053</u>
Total Fund Balances	<u><u>\$ 154,586</u></u>	<u><u>\$ 31,467</u></u>	<u><u>\$ 186,053</u></u>

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

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER
**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES**
For the Fiscal Year Ended June 30, 2001

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Trust and Agency</u>	
RECEIPTS:				
Appropriations	\$ 3,666,136	\$ -	\$ -	\$ 3,666,136
Intergovernmental	-	167,373	-	167,373
Sales and Charges	207	3,764	5,016	8,987
Miscellaneous	1,020	6,772	627	8,419
Juvenile Accounts	-	-	77,410	77,410
TOTAL RECEIPTS	<u>3,667,363</u>	<u>177,909</u>	<u>83,053</u>	<u>3,928,325</u>
DISBURSEMENTS:				
Personal Services	2,768,735	49,783	-	2,818,518
Operating	880,191	155,901	2,687	1,038,779
Travel	14,391	1,173	-	15,564
Capital Outlay	2,819	-	-	2,819
Juvenile Accounts	-	-	52,497	52,497
TOTAL DISBURSEMENTS	<u>3,666,136</u>	<u>206,857</u>	<u>55,184</u>	<u>3,928,177</u>
Excess of Receipts Over (Under) Disbursements	<u>1,227</u>	<u>(28,948)</u>	<u>27,869</u>	<u>148</u>
OTHER FINANCING SOURCES (USES):				
Deposits to State General Fund	(1,227)	-	-	(1,227)
Distributive Activity:				
Ins	-	190	-	190
Outs	-	(308)	-	(308)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,227)</u>	<u>(118)</u>	<u>-</u>	<u>(1,345)</u>
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	-	(29,066)	27,869	(1,197)
FUND BALANCE, JULY 1, 2000	<u>-</u>	<u>183,652</u>	<u>3,598</u>	<u>187,250</u>
FUND BALANCE, JUNE 30, 2001	<u>\$ -</u>	<u>\$ 154,586</u>	<u>\$ 31,467</u>	<u>\$ 186,053</u>

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

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL, CASH, AND FEDERAL FUND
For the Fiscal Year Ended June 30, 2001

	GENERAL FUND			CASH FUND		
		ACTUAL	VARIANCE		ACTUAL	VARIANCE
	BUDGET	(BUDGETARY BASIS)	FAVORABLE (UNFAVORABLE)	BUDGET	(BUDGETARY BASIS)	FAVORABLE (UNFAVORABLE)
RECEIPTS:						
Appropriations		\$ 3,666,136			\$ -	
Intergovernmental		-			-	
Sales and Charges		207			3,764	
Miscellaneous		<u>1,020</u>			<u>2,247</u>	
TOTAL RECEIPTS		<u>3,667,363</u>			<u>6,011</u>	
DISBURSEMENTS:						
Personal Services		2,768,735			-	
Operating		880,191			6,869	
Travel		14,391			-	
Capital Outlay		<u>2,819</u>			<u>-</u>	
TOTAL DISBURSEMENTS		<u>\$ 3,675,204</u>	<u>\$ 9,068</u>		<u>\$ 6,869</u>	<u>\$ -</u>
Excess of Receipts Over (Under) Disbursements		<u>1,227</u>			<u>(858)</u>	
OTHER FINANCING SOURCES (USES):						
Deposit to State General Fund		(1,227)			-	
Distributive Activity:						
Ins		-			190	
Outs		<u>-</u>			<u>(308)</u>	
TOTAL OTHER FINANCING SOURCES (USES)		<u>(1,227)</u>			<u>(118)</u>	
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses		-			(976)	
FUND BALANCES, JULY 1, 2000		<u>-</u>			<u>55,440</u>	
FUND BALANCES, JUNE 30, 2001		<u>\$ -</u>			<u>\$ 54,464</u>	

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

(Continued)

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL, CASH, AND FEDERAL FUND
For the Fiscal Year Ended June 30, 2001

	FEDERAL FUND			TOTALS (MEMORANDUM ONLY)		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
		(BUDGETARY BASIS)	FAVORABLE (UNFAVORABLE)		(BUDGETARY BASIS)	FAVORABLE (UNFAVORABLE)
RECEIPTS:						
Appropriations		\$ -			\$ 3,666,136	
Intergovernmental		167,373			167,373	
Sales and Charges		-			3,971	
Miscellaneous		4,525			7,792	
TOTAL RECEIPTS		<u>171,898</u>			<u>3,845,272</u>	
DISBURSEMENTS:						
Personal Services		49,783		\$ 2,896,103	2,818,518	\$ 77,585
Operating		149,032		971,624	1,036,092	(64,468)
Travel		1,173		14,350	15,564	(1,214)
Capital Outlay		-		-	2,819	(2,819)
TOTAL DISBURSEMENTS		<u>\$ 200,003</u>	<u>\$ 15</u>	<u>3,882,077</u>	<u>3,872,993</u>	<u>9,084</u>
Excess of Receipts Over (Under) Disbursements		<u>(28,090)</u>			<u>(27,721)</u>	
OTHER FINANCING SOURCES (USES):						
Deposit to State General Fund		-			(1,227)	
Distributive Activity:						
Ins		-			190	
Outs		-			(308)	
TOTAL OTHER FINANCING SOURCES (USES)		<u>-</u>			<u>(1,345)</u>	
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses		<u>(28,090)</u>			<u>(29,066)</u>	
FUND BALANCES, JULY 1, 2000		<u>128,212</u>			<u>183,652</u>	
FUND BALANCES, JUNE 30, 2001		<u>\$ 100,122</u>			<u>\$ 154,586</u>	

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

(Concluded)

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2001

1. Summary of Significant Accounting Policies

The accounting policies of the Nebraska Health and Human Services System - Program 371 - Geneva Youth Rehabilitation and Treatment Center are on the basis of accounting as described in the Nebraska Accounting System Manual.

- A. Reporting Entity.** The Nebraska Health and Human Services System - Program 371 - Geneva Youth Rehabilitation and Treatment Center (Program) is a Program within the Nebraska Health and Human Services System. The Nebraska Health and Human Services System consists of three State agencies established under and governed by the laws of the State of Nebraska. As such, the Program is exempt from State and Federal income taxes. The financial statements include all funds of the Program.

The Nebraska Health and Human Services System - Program 371 - Geneva Youth Rehabilitation and Treatment Center is part of the primary government for the State of Nebraska's reporting entity.

- B. Basis of Accounting.** The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The accounting records of the Program are maintained and the Program's financial statements were prepared on the basis of cash receipts and disbursements. As such, the measurement focus includes only those assets and fund balances arising from cash transactions on the Combined Statement of Assets and Fund Balances for all funds of the Program. This differs from governmental generally accepted accounting principles (GAAP) which require all governmental funds and expendable trust funds to be accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Under the cash receipts and disbursement basis of accounting, revenues are recognized when received and expenditures are recognized when paid. This presentation differs from governmental generally accepted accounting principles (GAAP), which requires the use of the modified accrual basis for governmental and expendable trust fund types. Under the modified accrual basis of accounting, revenues are recognized when they are considered susceptible to accrual and expenditures are recognized when the liability is incurred.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER

NOTES TO FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Fund Accounting. The accounts and records of the Program are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts which records receipts, disbursements, and the fund balance. The fixed asset account group is a financial reporting device designed to provide accountability over fixed assets. The fund types presented on the financial statements are those required by GAAP, and include:

General Fund. Reflects transactions related to resources received and used for those general operating services traditionally provided by state government and which are not accounted for in any other fund.

Special Revenue Funds. Reflect transactions related to resources received and used for restricted or specific purposes.

Trust and Agency Funds. Reflect transactions related to assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

This fund type classification differs from the budgetary fund types used by the Nebraska Accounting System.

The fund types established by the Nebraska Accounting System that are used by the Program are:

1000 - General Fund - accounts for all financial resources not required to be accounted for in another fund.

2000 - Cash Funds - account for receipts generated by specific activities from sources outside of State government and the disbursements directly related to the generation of the receipts.

4000 - Federal Funds - account for all federal grants and contracts received by the State.

6000 - Trust Funds - account for assets held by the State in a trustee capacity. Disbursements are made in accordance with the terms of the trust. No appropriation control is established for this fund type.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Process. The State's biennial budget cycle ends on June 30 of the odd-numbered years. By September 15, prior to a biennium, the Program and all other State agencies must submit their budget request for the biennium beginning the following July 1. There are no annual budgets prepared for Trust funds. The requests are submitted on forms that show estimated funding requirements by programs, sub-programs, and activities. The Executive Branch reviews the requests, establishes priorities, and balances the budget within the estimated resources available during the upcoming biennium.

The Governor's budget bill is submitted to the Legislature in January. The Legislature considers revisions to the bill and submits the revised appropriation bill to the Governor for signature. The Governor may: a) approve the appropriations bill in its entirety, b) veto the bill, or c) line item veto certain sections of the bill. Any vetoed bill or line item can be overridden by a three-fifths vote of the Legislature.

The appropriations that are approved will generally set spending limits for a particular program within the agency. Within the agency or program, the Legislature may provide funding from one to five budgetary fund types. Thus, the control is by fund type, within a program, within an agency. The central accounting system maintains this control. A separate publication entitled "Annual Budgetary Report" shows the detail of this level of control. This publication is available from the Department of Administrative Services, Accounting Division.

Appropriations are usually made for each year of the biennium with unexpended balances being reappropriated at the end of the first year of the biennium. For most appropriations, balances lapse at the end of the biennium.

All State budgetary disbursements for the general, cash, and federal fund types are made pursuant to the appropriations which may be amended by the Legislature, upon approval by the Governor. State agencies may reallocate the appropriations between major object of expenditure accounts, except that the Legislature's approval is required to exceed the personal service limitations contained in the appropriations bill. Increases in total general and cash appropriations must also be approved by the Legislature as a deficit appropriations bill. Appropriations for programs funded in whole or in part from federal funds may be increased to the extent that receipts of federal funds exceed the original budget estimate.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

The Program utilizes encumbrance accounting to account for purchase orders, contracts, and other disbursement commitments. However, State law does not require that all encumbrances be recorded in the State's centralized accounting system and as a result, the encumbrances that were recorded in the accounting system have not been included in the accompanying financial statements, except for the impact as described below.

Under State budgetary procedures, appropriation balances related to outstanding encumbrances at the end of the biennium are lapsed and reappropriated in the first year of the next biennium. The effect of the Program's current procedure is to include in the budget columns, Total Disbursement line, of the Statement of Receipts, Disbursements, and Changes in Fund Balances - Budget and Actual the current year's appropriations plus the amounts reappropriated for encumbrances outstanding at the end of the prior biennium. This procedure indicates the Program's intention to honor the encumbrances at the end of a biennium. The disbursements columns of the Statement include cash payments related to the appropriated and reappropriated amounts. For the year ended June 30, 2001, there were no budgetary funds in which disbursements exceeded appropriations.

Budgets for object of expenditure accounts are included in the Nebraska Department of Administrative Services Budget Status Report. They are budgeted at the program level and not within separate budgetary fund types for the program. As a result, for financial reporting purposes, budget amounts for object of expenditure accounts are shown only for total budgeted funds.

Receipts are not budgeted. Therefore, there are no budgeted amounts shown on the Budget and Actual Statement.

There are no annual budgets prepared for Trust Funds, and, as a result, no budgetary comparisons are presented.

There is no difference between the fund balance of the Budgetary Statement and the Financial Statement. The cash and federal funds on the Budgetary Statement are appropriately classified as special revenue funds for Financial Statement purposes.

- E. Fixed Assets.** General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as disbursements in governmental funds. Under GAAP, the cost of general fixed assets would be recorded in the General Fixed Asset Account Group.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

- F. Cash in State Treasury.** Cash in the State Treasury represents the cash balance of a fund as reflected on the Nebraska Accounting System. Investment of all available cash is made by the State Investment Officer, on a daily basis, based on total bank balances. Investment income is distributed based on the average daily book cash balance of funds designated for investment. Determination of whether a fund is considered designated for investment is done on an individual fund basis. All of the funds of the Program were designated for investment during fiscal year 2001.
- G. Distributive Activity.** Distributive Activity transactions are those recorded directly to a fund's liability accounts rather than through a receipt or disbursement account. These transactions represent funds received by the Program which are owed to some individual, organization, or other government agency, or are deposits which will be returned on completion of some specified requirement.
- H. Inventories.** Disbursements for items of an inventory nature are considered expended at the time of purchase rather than at the time of consumption.
- I. Compensated Absences.** All permanent employees working for the Program earn sick and annual leave and are allowed to accumulate compensatory leave rather than being paid overtime. Temporary and intermittent employees and Board and Commission members are not eligible for paid leave. Under GAAP, the vested portion of the employee's compensated absences is recorded in the Long Term Debt Account Group for governmental funds. Under the receipts and disbursements basis of accounting, the balances which would otherwise be reported in the Long Term Debt Account Group are not reported since they do not represent balances arising from Cash Transactions.
- J. Receipts.** The major account titles and descriptions as established by the Nebraska Accounting System that are used by the Program are:

Appropriations. Appropriations are granted by the Legislature to make disbursements and to incur obligations. The amount of appropriations reported as receipts is the amount spent.

Intergovernmental. Receipts from other governments in the form of grants, entitlements, shared revenues, payments in lieu of taxes, or reimbursements.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER

NOTES TO FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Concluded)

Sales and Charges. Income derived from sales of merchandise and commodities, compensation for services rendered, and charges for various licenses, permits, and fees.

Miscellaneous. Receipts from sources not covered by other major categories.

Juvenile Accounts. Receipt of juvenile funds from various sources.

K. Disbursements. The major account titles and descriptions as established by the Nebraska Accounting System that are used by the Program are:

Personal Services. Salaries, wages, and related employee benefits provided for all persons employed by a government.

Operating. Disbursements directly related to a program's primary service activities.

Travel. All travel disbursements for any state officer, employee, or member of any commission, council, committee, or board of the State.

Capital Outlay. Disbursements which result in the acquisition of or an addition to fixed assets. Fixed assets are resources of a long-term character, owned or held by the government.

Juvenile Accounts. Personal disbursements for juveniles residing at the facility from their personal accounts being held in trust by the facility.

2. Totals

The Totals "Memorandum Only" column represents an aggregation of individual account balances. The column is presented for overview informational purposes and does not present consolidated financial information since interfund balances and transactions have not been eliminated.

3. Contingencies and Commitments

Risk Management. The Program is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors or omissions, injuries to employees, and natural disasters. The Program, as part of the primary government for the State,

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. Contingencies and Commitments (Continued)

participates in the State's risk management program. The Nebraska Department of Administrative Services (DAS) Division of Risk Management is responsible for maintaining the insurance and self-insurance, programs for the State. The State generally self-insures for general liability and workers compensation. The State has chosen to purchase insurance for:

- A. Motor vehicle liability, which is insured for the first \$5 million of exposure per accident. Insurance is also purchased for medical payments, physical damage, and uninsured and underinsured motorists with various limits and deductibles. State Agencies have the option to purchase coverage for physical damage to vehicles.
- B. The DAS-Personnel Division maintains health care and life insurance for eligible employees.
- C. Crime coverage, with a limit of \$1 million for each loss, and a \$10,000 retention per incident.
- D. Real and personal property on a blanket basis for losses up to \$250,000,000, with a self-insured retention of \$200,000 per loss occurrence. Newly-acquired properties are covered up to \$1,000,000 for 60 days or until the value of the property is reported to the insurance company. The perils of flood and earthquake are covered up to \$10,000,000.
- E. State Agencies have the option to purchase building contents and inland marine coverage.

No settlements exceeded commercial insurance coverage in any of the past three fiscal years. Health care insurance is funded in the Compensation Insurance Trust Fund through a combination of employee and State contributions. Workers' compensation is funded in the Workers' Compensation Internal Service Fund through assessments on each agency based on total agency payroll and past experience. Tort claims, theft of, damage to, or destruction of assets, errors or omissions, and natural disasters would be funded through the State General Fund or by individual agency assessments as directed by the Legislature, unless covered by purchased insurance. No amounts for estimated claims have been reported in the Nebraska Health and Human Services System - Program 371 - Geneva Youth Rehabilitation and Treatment Center's financial statements.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. Contingencies and Commitments (Concluded)

Litigation. The potential amount of liability involved in litigation pending against the Program, if any, could not be determined at this time. However, it is the Program's opinion that final settlement of those matters should not have an adverse effect on the Program's ability to administer current programs. Any judgment against the Program would have to be processed through the State Claims Board and be approved by the Legislature.

4. State Employees Retirement Plan (Plan)

The Plan is a single-employer defined contribution plan administered by the Public Employees Retirement Board in accordance with the provisions of the State Employees Retirement Act and may be amended by legislative action. In the defined contribution plan, retirement benefits depend on total contributions, investment earnings, and the investment options selected. Membership in the Plan is mandatory for all permanent full-time employees on reaching the age of thirty and completion of twenty-four months of continuous service. Full time employee is defined as an employee who is employed to work one-half or more of the regularly scheduled hours during each pay period. Voluntary membership is permitted for all permanent full-time or permanent part-time employees upon reaching age twenty and completion of twelve months of permanent service within a five-year period. Any individual appointed by the Governor may elect to not become a member of the Plan.

Employees contribute 4.33% of their monthly compensation until such time as they have paid during any calendar year a total of eight hundred sixty four dollars, after which time they shall pay a sum equal to 4.8% of their monthly compensation for the remainder of such calendar year. The Program matches the employee's contribution at a rate of 156% of the employee's contribution.

The employee's account is fully vested. The employer's account is vested 100% after five years participation in the plan or at retirement.

For the Fiscal Year Ended June 30, 2001, employees contributed \$83,084 and the Program contributed \$129,611.

5. Distributive Activity

The Program's distributive activity for the audit period consists of sales tax collections and remittances to the Nebraska Department of Revenue.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. Full Accountability of the General Fund

Only the cash transactions are reported on the financial statements for this fund. They do not show appropriations. To show the full accountability over this fund the following schedule reflect appropriations. Appropriations do not represent cash transactions.

General Fund	
Beginning (Reappropriated) Balance July 1, 2000	\$ 84,437
New Appropriations	3,590,767
Total Appropriations	<u>3,675,204</u>
Disbursements	<u>(3,666,136)</u>
Ending (Appropriations) Balance June 30, 2001	<u>\$ 9,068</u>

7. GASB 34

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. The State of Nebraska is planning to implement the Statement for the fiscal year ending June 30, 2002. The new accounting and reporting standards will impact the State’s revenue and expenditure recognition, and assets, liabilities, and fund equity reporting. The financial statements will be reformatted to reflect the new standards.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER
COMBINING STATEMENT OF ASSETS AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
ALL SPECIAL REVENUE FUNDS
June 30, 2001

	HHS Cash Fund 2255	HHS OJS Federal Fund 4252	Total Special Revenue Funds
<hr/>			
Assets			
Cash in State Treasury	\$ 54,464	\$ 100,122	\$ 154,586
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 54,464</u>	<u>\$ 100,122</u>	<u>\$ 154,586</u>
<hr/>			
Fund Balances			
Unreserved, Undesignated	\$ 54,464	\$ 100,122	\$ 154,586
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>\$ 54,464</u>	<u>\$ 100,122</u>	<u>\$ 154,586</u>

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES**
ALL SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2001

	HHS Cash Fund 2255	HHS OJS Federal Fund 4252	Total Special Revenue Funds
RECEIPTS:			
Intergovernmental	\$ -	\$ 167,373	\$ 167,373
Sales and Charges	3,764	-	3,764
Miscellaneous	2,247	4,525	6,772
TOTAL RECEIPTS	6,011	171,898	177,909
DISBURSEMENTS:			
Personal Services	-	49,783	49,783
Operating	6,869	149,032	155,901
Travel	-	1,173	1,173
TOTAL DISBURSEMENTS	6,869	199,988	206,857
Excess of Receipts Over (Under) Disbursements	(858)	(28,090)	(28,948)
OTHER FINANCING SOURCES (USES):			
Distributive Activity:			
Ins	190	-	190
Outs	(308)	-	(308)
TOTAL OTHER FINANCING SOURCES (USES)	(118)	-	(118)
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	(976)	(28,090)	(29,066)
FUND BALANCE, JULY 1, 2000	55,440	128,212	183,652
FUND BALANCE, JUNE 30, 2001	\$ 54,464	\$ 100,122	\$ 154,586

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER
COMBINING STATEMENT OF ASSETS AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
ALL TRUST FUNDS
June 30, 2001

	Youth Welfare Fund HHS F&S Store/Canteen Fund 6251	Youth Trust (not on NAS)	Total Trust Funds
<hr/>			
Assets			
Cash in State Treasury	\$ (313)	\$ 31,780	\$ 31,467
Total Assets	<u>\$ (313)</u>	<u>\$ 31,780</u>	<u>\$ 31,467</u>
<hr/>			
Fund Balances			
Unreserved, Undesignated	\$ (313)	\$ 31,780	\$ 31,467
Total Fund Balances	<u>\$ (313)</u>	<u>\$ 31,780</u>	<u>\$ 31,467</u>

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES**
ALL TRUST FUNDS
For the Fiscal Year Ended June 30, 2001

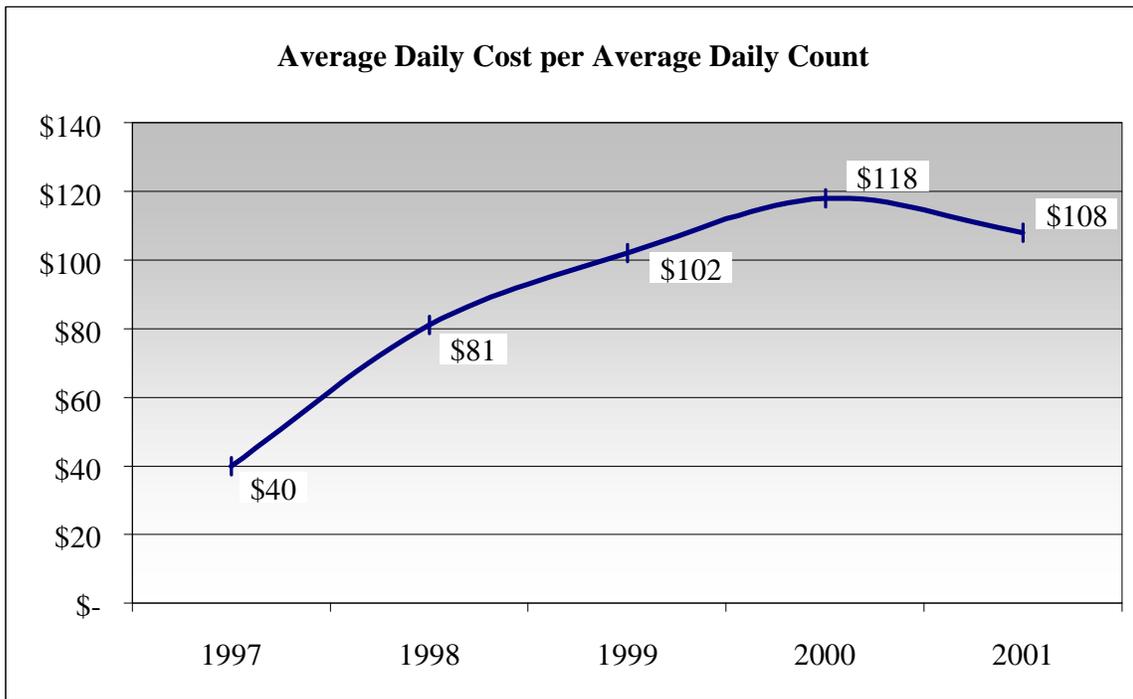
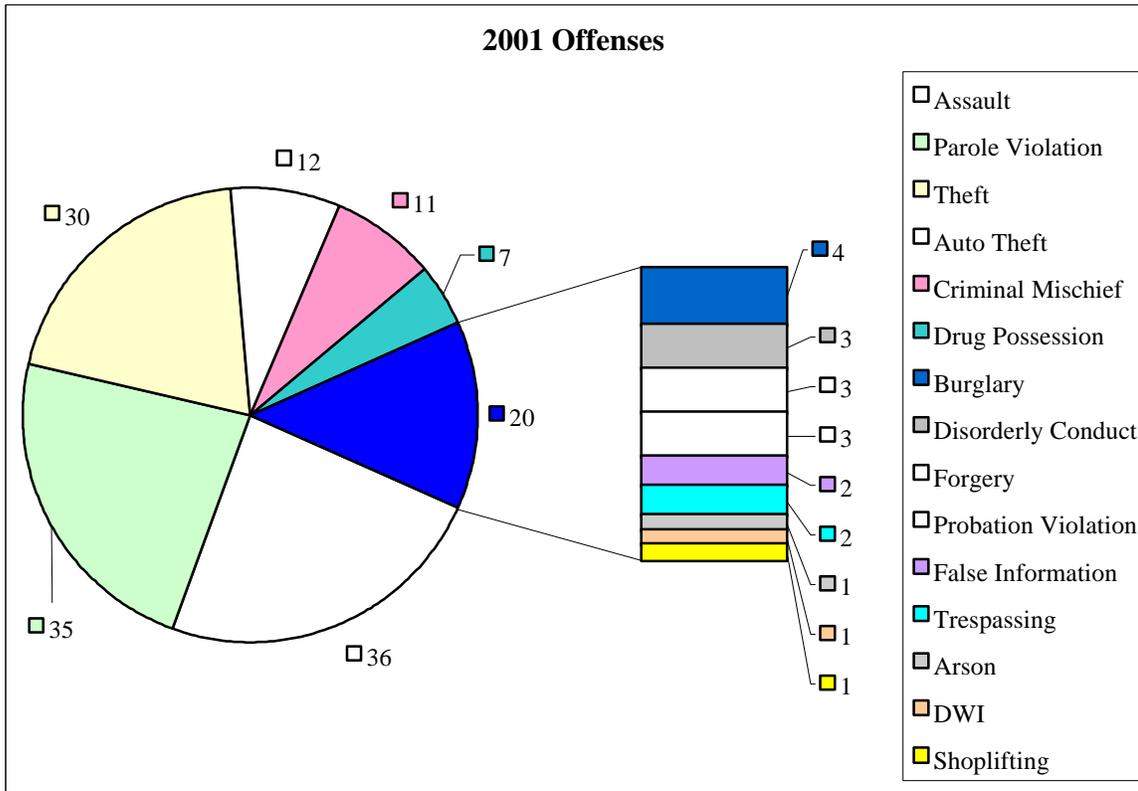
	Youth Welfare Fund		Total Trust Funds
	HHS Store/ Canteen Fund 6251	Youth Trust (not on NAS)	
RECEIPTS:			
Sales and Charges	\$ 5,016	\$ -	\$ 5,016
Miscellaneous	627	-	627
Juvenile Accounts	-	77,410	77,410
TOTAL RECEIPTS	5,643	77,410	83,053
DISBURSEMENTS:			
Operating	2,687	-	2,687
Juvenile Accounts	-	52,497	52,497
TOTAL DISBURSEMENTS	2,687	52,497	55,184
Excess of Receipts Over (Under) Disbursements	2,956	24,913	27,869
FUND BALANCE, JULY 1, 2000	(3,269)	6,867	3,598
FUND BALANCE, JUNE 30, 2001	\$ (313)	\$ 31,780	\$ 31,467

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER
SCHEDULE OF STATISTICS 1997-2001
UNAUDITED

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
Rated Capacity	92	92	92	88	86
Average Daily Count	110	114	98	92	98
Authorized Staff*	82	82	85.8	87.5	87.5
Average Staff per Average Daily Count	0.75	0.72	0.88	0.95	0.89
Program 371 Disbursements	\$ 1,587,107	\$ 3,366,270	\$ 3,641,889	\$ 3,970,941	\$ 3,872,995
Average Annual Cost per Average Daily Count	\$ 14,428	\$ 29,529	\$ 37,162	\$ 43,162	\$ 39,520
Average Daily Cost per Average Daily Count	\$ 40	\$ 81	\$ 102	\$ 118	\$ 108
Average Length of Stay				7 months	8 months
Average Age at Admission				16 years	16 years
School - Average Daily Students	90	88	88	91	85
Admissions:					
Commitments		126	121	92	91
Recommitments		6	8	12	8
Direct Commitments				5	17
Parole Revocations		55	36	34	26
Safekeepers		40	17	16	9
		<u>227</u>	<u>182</u>	<u>159</u>	<u>151</u>
Offenses:					
Arson	1		1	2	1
Assault	34	28	34	24	36
Auto Theft	12	12	10	9	12
Breaking and Entering			5		
Burglary	3	4	4	2	4
Concealed Weapon		1			
Criminal Mischief	11	10	8	10	11
Disorderly Conduct	5	2	2	4	3
Distribution of Drugs				1	
Driving Without a License		1	1	1	
Drug Possession	6	6	3	8	7
Driving While Intoxicated			2		1
False Information	5	4	2	6	2
Forgery	2	5	5	3	3
Minor in Possession	2	3	6	3	
Parole Violation		95	53	50	35
Possession of a Firearm	1		1		
Probation Violation	1	5	1	2	3
Prostitution			1		
Resisting Arrest		4		2	
Robbery		1		1	
Sexual Assault		1			
Shoplifting					1
Theft	35	41	42	30	30
Trespassing	1		1	1	2
Violating Court Order	1	4			
	<u>120</u>	<u>227</u>	<u>182</u>	<u>159</u>	<u>151</u>

*Staff does not include 2 business office or maintenance personnel.

NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM
 PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER
 UNAUDITED



STATE OF NEBRASKA AUDITOR OF PUBLIC ACCOUNTS



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NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM PROGRAM 371 - GENEVA YOUTH REHABILITATION AND TREATMENT CENTER

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

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We have audited the financial statements of the Nebraska Health and Human Services System - Program 371 - Geneva Youth Rehabilitation and Treatment Center as of and for the year ended June 30, 2001, and have issued our report thereon dated February 19, 2002. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and was modified to emphasize that the financial statements present only the funds of the Nebraska Health and Human Services System - Program 371 - Geneva Youth Rehabilitation and Treatment Center. 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.

Compliance

As part of obtaining reasonable assurance about whether the Nebraska Health and Human Services System - Program 371 - Geneva Youth Rehabilitation and Treatment Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Nebraska Health and Human Services System - Program 371 - Geneva Youth Rehabilitation and Treatment Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Program, the appropriate Federal and regulatory agencies and citizens of the State of Nebraska, and is not intended to be and should not be used by anyone other than these specified parties.

Pat Reding, CPA

Manager

February 19, 2002