

JEFFERSON YOUTH FOUNDATION, INC.

Independent Auditor's Report and Financial Statements
For the Fiscal Year Ended June 30, 2004

Deemer CPA and Consulting Services, LLC

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 1-12-05

Jefferson Youth Foundation, Inc.
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Independent Auditor's Report

To the Board of Directors of Jefferson Youth Foundation, Inc.:

I have audited the accompanying statement of financial position of Jefferson Youth Foundation, Inc. (a nonprofit organization) as of June 30, 2004, and the related statement of activities and cash flows for the fiscal year then ended. These financial statements are the responsibility of Jefferson Youth Foundation, Inc. management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jefferson Youth Foundation, Inc. and the results of operations and its cash flows for the fiscal year then ended June 30, 2004, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated December 13, 2004 on my consideration of Jefferson Youth Foundation, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contract, 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 my audit.

My audit was performed for the purpose of forming an opinion on the financial statements of Jefferson Youth Foundation, Inc. taken as a whole. The schedule of functional expenses is presented on page 9 for purposes of additional analysis and is not a required part of the financial statements of the organization. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Deemer CPA and Consulting Services, LLC

New Orleans, Louisiana

December 13, 2004

Jefferson Youth Foundation, Inc.
Statement of Financial Position
As of June 30, 2004

Assets

Cash	\$ 315
Grant Receivable	150,755

Fixed Assets

Equipment	35,192
Accumulated Depreciation	<u>(32,502)</u>

Total Fixed Assets (Net) 2,690

Total Assets \$ 153,760

Liabilities and Net Assets

Accounts Payable	\$ 32,073
Accrued Salaries & Benefits	73,820
Line of Credit	9,000
Payroll Liabilities	<u>7,424</u>

Total Liabilities 122,317

Net Assets

Unrestricted 31,443

Total Net Assets 31,443

Total Liabilities and Net Assets \$ 153,760

The accompanying notes are an integral part of these financial statements

Jefferson Youth Foundation, Inc.
Statement of Activities
For the Fiscal Year Ended June 30, 2004

	<u>Unrestricted</u>
Revenues	
Grant revenue	\$ 402,739
In-Kind Donations	25,710
Registration fees	<u>7,590</u>
Total revenues	<u>436,039</u>
Expenses	
Program Services	\$ 383,424
Support Services	<u>58,001</u>
Total Expenses	<u>441,425</u>
Change in Net Assets	\$ (5,386)
Net Assets At Beginning Of Year	<u>36,829</u>
Net Assets At End Of Year	<u><u>\$ 31,443</u></u>

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

Jefferson Youth Foundation, Inc.
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2004

Cash Flows From Operating Activities:

Changes in Net Assets	\$ (5,386)
Adjustments to Reconcile Net Revenues over Expenditures to Net Cash Provided by Operating Activities	
Depreciation Expense	6,720
Changes in Operating Assets and Liabilities	
Grant Receivable	(64,924)
Accounts Payable	22,035
Line of Credit	9,000
Accrued Salaries and Benefits	10,823
Payroll Liabilities	<u>982</u>
 Net Cash Provided by Operating Activities	 (20,750)

Cash Flows From Investing Activities:

Purchase/Sale of Investments and Securities	<u>0</u>
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Net Cash Provided by Investing Activities	0
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Cash Flows From Financing Activities:

Net Cash Provided by Financing Activities	0
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Net Cash Increase for Period	(20,750)
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Cash, At Beginning of Period July 1, 2003	<u>21,065</u>
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Cash, At End of Period June 30, 2004	<u><u>\$ 315</u></u>
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The accompanying notes are an integral part of these financial statements.

Jefferson Youth Foundation, Inc.
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2004

1. Summary of Significant Accounting Principles

General - Jefferson Youth Foundation, Inc. is a non-profit agency with a mission to provide students with educational, tutorial, cultural and health activities. The agency is committed to assisting local educational institutions in increasing overall academic performance for its program participants. The services are provided through the Advent Program, which is an after school program and summer camp.

Basis of Accounting – Jefferson Youth Foundation, Inc.’s financial statements are prepared on the accrual basis of accounting, whereby revenue is recorded when earned and expenses are recorded when incurred.

Property and Equipment – Improvements which significantly extend the useful life of an asset and purchases of equipment are capitalized. The straight line method of depreciation is used for the assets owned by Jefferson Youth Foundation, Inc. The estimated useful lives of these assets range from 3 to 40 years.

Income Taxes – Jefferson Youth Foundation, Inc. has been determined to be tax exempt under Section 501 (c) 3 of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

Cash - Cash is comprised of cash on hand and in banks.

2. Net Assets

A description of the three types of Net Assets categories is described below:

Unrestricted net assets are comprised of funds without donor-imposed restrictions. The revenues received by Jefferson Youth Foundation, Inc. and expenses incurred are included in this category.

Temporarily restricted net assets include income, gifts, and contributions which have temporary restrictions that have not been met.

Permanently restricted net assets include income, gifts, and contributions which have donor-imposed restrictions to be invested in perpetuity and only the income from those investments can be made available for program operations.

As of June 30, 2004, Jefferson Youth Foundation, Inc. had unrestricted net assets however there were no temporarily or permanently restricted net assets.

3. Property and Equipment

Property and Equipment consisted of the following at June 30, 2004:

Equipment	\$35,192
Less: Accumulated Depreciation	<u>(32,502)</u>
Total Property and Equipment	<u>\$ 2,690</u>

Current year depreciation expense was recorded at \$6,720.

4. Grants Receivable

As of June 30, 2004 grants receivable consists of the following:

State Department of Education – 21 st Century	\$ 84,880
State Department of Education – 21 st Century II	13,009
State Department of Education – TANF	48,979
The Louisiana Children’s Trust Fund – Positive Alternatives Parent Support Program	2,362
Arts Council of New Orleans	<u>1,525</u>
Total Grants Receivable	\$ <u>150,755</u>

5. Grant Revenue

Grant revenue consists of the following for the fiscal year of July 1, 2003, through June 30, 2004:

State Department of Education – 21 st Century	\$ 189,807
State Department of Education – 21 st Century II	13,009
State Department of Education – TANF	180,823
The Louisiana Children’s Trust Fund – Positive Alternatives Parent Support Program	13,000
Arts Council of New Orleans	<u>6,100</u>
Total Grant Revenue	\$ <u>402,739</u>

6. Economic Dependency

Jefferson Youth Foundation, Inc. receives its funding from federal, state, and local grants. The continuance of this program is dependent upon the agency's ability to gain renewal of contracts and grants as well as to obtain new funding.

7. In-Kind Donations

Jefferson Youth Foundation, Inc. is housed at Ames Elementary School which is the property of the Jefferson Parish Public School System. The School System provides the space rent-free for the purpose of operating the program. The value of occupying this space is estimated at \$25,710. The In-Kind Donation is recorded as revenue and has a corresponding expense.

SUPPLEMENTAL INFORMATION

Jefferson Youth Foundation, Inc.
Schedule of Functional Expenses
For the Fiscal Year Ended June 30, 2004

	Program Services	Support Services	Total
Payroll Expenses	\$ 199,167	\$ 28,139	\$ 227,306
Fringe Benefits	24,841	293	25,134
Contractual Services	27,494	20,350	47,844
Telephone	1,785	758	2,543
Supplies	62,146	1,257	63,403
Insurance	4,620	0	4,620
Workshops	16,070	0	16,070
Travel	793	0	793
Depreciation	0	6,720	6,720
Field Trips	19,798	0	19,798
Rent Expense	1,000	0	1,000
In-Kind Donations -Rent	25,710	0	25,710
Miscellaneous	0	484	484
Total Expenses	\$ 383,424	\$ 58,001	\$ 441,425

See Independent Auditor's Report.

***Independent Auditor's Report on Compliance and on Internal
Control Over Financial Reporting Based on an Audit of
Financial Statements Performed in
Accordance with Government Auditing Standards***

To the Board of Directors of Jefferson Youth Foundation, Inc.

I have audited the financial statements of Jefferson Youth Foundation, Inc. as of June 30, 2004, and for the year then ended, and have issued my report thereon dated December 13, 2004. I conducted my 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 Jefferson Youth Foundation, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Jefferson Youth Foundation Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of management, others within Jefferson Youth Foundation, Inc. and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Deemer CPA and Consulting Services

New Orleans, Louisiana

December 13, 2004

Jefferson Youth Foundation, Inc.
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2004

There are no current year findings or questioned costs.

Jefferson Youth Foundation, Inc.
Status of Prior Year Findings
For the Fiscal Year Ended June 30, 2004

There were no prior year findings and/or questioned costs.