



WHARTON CPA, LLC

Member of Wharton CPA, LLC

JEFFERSON YOUTH FOUNDATION, INC.

**Independent Auditor's Report and Financial Statements
For the Fiscal Year Ended June 30, 2019**

Deemer CPA and Consulting Services, LLC

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**Jefferson Youth Foundation, Inc.
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WHARTON CPA, LLC

Member of the Wharton Group, CPA

Independent Auditor's Report

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

Report on the Financial Statements

I have audited the accompanying financial statements of Jefferson Youth Foundation, Inc., which comprise the statement of financial position as of June 30, 2019, and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jefferson Youth Foundation, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information such as the schedule of functional expenditures as required by Audits of States, Local Governments, and Non-Profit Organizations is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated December 16, 2019 on my consideration of Jefferson Youth Foundation's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jefferson Youth Foundation's internal control over financial reporting and compliance.

Whactor CPA, LLC
New Orleans, Louisiana

December 16, 2019

Jefferson Youth Foundation, Inc.
Statement of Financial Position
As of June 30, 2019

<u>Assets</u>	
Cash	\$ 62,251
Grant Receivable	<u>191,427</u>
Total Assets	\$ 253,678
Fixed Assets (Net)	
Equipment	\$ 57,307
Accumulated Depreciation	<u>(26,411)</u>
Total Fixed Assets (Net)	30,896
Total Assets	<u><u>\$ 284,574</u></u>
<u>Liabilities and Net Assets</u>	
Accounts Payable & Accrued Expenses	\$ 122,708
Accrued Salaries and Payroll Tax Liabilities	<u>23,607</u>
Total Liabilities	\$ 146,315
<u>Net Assets</u>	
Without Donor Imposed Restrictions	<u>138,259</u>
Total Net Assets	<u>138,259</u>
Total Liabilities and Net Assets	<u><u>\$ 284,574</u></u>

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, 2019

	<u>Unrestricted</u>
Revenues	
Grant revenue	\$ 417,340
In-kind Donations	31,355
Contributions	20,859
Interest	59
Other Income	637
Total revenues	470,250
 Expenses	
Program Services	\$ 435,611
Support Services	36,593
Total Expenses	472,204
Change In Net Assets	\$ (1,954)
Net Assets At Beginning Of Year	140,213
Net Assets At End Of Year	\$ 138,259

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, 2019

Cash Flows From Operating Activities:

Changes in Net Assets	\$ (1,954)
Adjustments to Reconcile Net Revenues over Expenditures to Net Cash Provided by Operating Activities	
Depreciation Expense	8,467
Changes in Operating Assets and Liabilities	
Grant Receivable	(58,549)
Accounts Payable and Accrued Expenses	91,709
Accrued Salaries and Payroll Tax Liabilities	<u>(6,870)</u>
Net Cash Provided/(Used) by Operating Activities	32,803

Cash Flows From Investing Activities:

Net Cash Provided by Investing Activities	(2,295)
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Cash Flows From Financing Activities:

Net Cash Provided/(Used) by Financing Activities	(23,251)
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Net Cash Increase for Period	7,257
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Cash, At Beginning of Period July 1, 2018	<u>54,994</u>
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Cash, At End of Period June 30, 2019	<u><u>\$ 62,251</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, 2019

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 in the amount of 1,500 or more 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. Depreciation Expense for the year ended June 30, 2019 was \$8,467.00.

Income Taxes – Jefferson Youth Foundation, Inc. has been determined to be tax exempt under Section 501 (c) 3 of the Internal Revenue Code. Tax years 2016, 2017, and 2018 remain open for potential examination of taxing authorities. The agency’s financial exposure would exist as it relates to potential unrelated business income.

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

2. Net Assets

Financial Accounting Standards Board (FASB) Accounting Standards Codification “ASC” 958, Not-for-Profit Entities, requires net assets and changes in net assets be reported for in two classifications. A description of the two types of Net Assets categories is described below:

Net Assets with donor imposed restrictions – Gifts of cash and other assets which have donor imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified as unrestricted net assets.

Net Assets without donor imposed restrictions – Gifts of cash and other assets absent of donor imposed restrictions. As of June 30, 2019, Jefferson Youth Foundation, Inc. had net assets without donor imposed restrictions.

3. Grants Receivable

As of June 30, 2019 the agency’s grant receivable in the amount of \$191,427 consisted of funds owed to the agency from 21st Century for program services.

4. Grant Revenue

Grant revenue consists of the following for the fiscal year of July 1, 2018 through June 30, 2019:

21 ST Century CCLC	\$ <u>417,340</u>
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5. In-Kind Donations

Jefferson Youth Foundation, Inc. is housed at Judge Lionel R Collins Montessori 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 \$31,355. The In-Kind Donation is recorded as revenue and has a corresponding expense.

6. Subsequent Events

The agency has evaluated its June 30, 2019 financial statements through the date that the financial statements were issued, December 16, 2019 and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

7. Economic Dependency

Jefferson Youth Foundation, Inc. receives the majority of its revenue from grants. The agency’s ability to acquire grant funds each year significantly impacts their revenues and operations.

8. Board of Directors’ Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for any out-of-pocket costs they might incur on behalf of the agency in accordance with its’ applicable reimbursement policy.

SUPPLEMENTAL INFORMATION

Jefferson Youth Foundation, Inc.
Schedule of Functional Expenses
For the Fiscal Year Ended June 30, 2019

	Program Services	Support Services	Total
Salaries	\$ 222,257	\$ 11,946	\$ 234,203
Payroll Taxes	22,342	0	22,342
Fringe Benefits	5,500	0	5,500
Contractual Services	77,322	13,325	90,647
Telephone	775	0	775
Printing	-	0	0
Storage	2,741	0	2,741
Office Expense	232	0	232
Supplies	32,648	0	32,648
Insurance	4,430	0	4,430
Workshops	3,000	0	3,000
Travel	0	0	0
Field Trips	33,009	0	33,009
In-Kind Donations -Rent	31,355	0	31,355
Depreciation	0	8,467	8,467
Miscellaneous	0	2,855	2,855
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Total Expenses	\$ 435,611	\$ 36,593	\$ 472,204
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See Independent Auditor's Report.



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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*

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Jefferson Youth Foundation, Inc., as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Jefferson Youth Foundation's basic financial statements, and have issued my report thereon dated December 16, 2019.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Jefferson Youth Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jefferson Youth Foundation's internal control. Accordingly, I do not express an opinion on the effectiveness of Jefferson Youth Foundation's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson Youth Foundation's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

I noted certain matters that I reported to management of Jefferson Youth Foundation, Inc. in a separate letter dated December 16, 2019.

Purpose of this Report

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


New Orleans, Louisiana

December 16, 2019

Jefferson Youth Foundation, Inc.
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

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, 2019

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

JEFFERSON YOUTH FOUNDATION, INC.

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer

Year Ended June 30, 2019

Agency Head Name: Audrey E. Warren

Purpose	Amount
Salary	\$60,000.00
Benefits-insurance	0.00
Benefits-retirement	\$5,500.00
Benefits-<list any other here>	0.00
Car allowance	0.00
Vehicle provided by government	0.00
Per diem	0.00
Reimbursements	\$6,203.25
Travel *****Student Field Trip	0.00
Registration fees	0.00
Conference travel	0.00
Continuing professional education fees	0.00
Housing	0.00
Unvouchered expenses*	0.00
Special meals	0.00
	\$71,703.25

*an example of an unvouchered expense would be a travel advance



WHARTON CPA, LLC

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To the Senior Management and
The Board of Directors of
Jefferson Youth Foundation, Inc.

In planning and performing my audit of the financial statements of Jefferson Youth Foundation, Inc. as of and for the year ended June 30, 2019 in accordance with auditing standards generally accepted in the United States of America, I considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, I do not express an opinion on the effectiveness of the Agency's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

However, during my audit, I became aware of a deficiency in internal control as noted below at 2019-1.

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 Agency's financial statements will not be prevented, or detected and corrected, on a timely basis.

This communication is intended solely for the information and use of management, Board of Director's, and others within the Agency, and is not intended to be, and should not be, used by anyone other than these specified parties.

Wharton CPA, LLC

New Orleans, Louisiana
December 16, 2019

JEFFERSON YOUTH FOUNDATION, INC.
LIST OF FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

1. 2019-1- Organizational Structure

The size of the agency's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Directors' remain involved in the financial affairs of the agency to provide oversight and independent review functions.

JEFFERSON YOUTH FOUNDATION, INC.
The Advent Program
21st Century Community Learning Centers
P.O. Box 184
Marrero, LA 70073

December 18, 2019

Wharton, CPA, LLC
P.O. Box 870847
New Orleans, LA 70187

This communication serves as the reply to the management letter addressed to Senior Management of Jefferson Youth Foundation, Inc., in reference to the following underlined issues:

Organizational Structure: The majority of Jefferson Youth Foundation's funding comes from federal, state, local and private grants that limit administrative spending to 10% of the total grant expenditures. This restricts the accounting and administrative staff size, but does not negatively affect the administration of grant funds. The organization's current resources are directed, monitored and measured continually by standard procedures set in place by funding partners and approved by an active governing board. Fiscal oversight is provided by a certified public accountant that follows the directives contained within each contract's budgetary regulations and uses generally accepted accounting procedures. Programmatic oversight is provided by administrative staff in conjunction with input from participants and is measured by the contents in the programs' goals, objectives and outcomes in its evaluation framework. As it has in the past, the board will continue to maintain a close and firm oversight of program performances and operations to ensure quality control and fiscal accountability.

Should you require any additional information, please do not hesitate to contact us at the address above, by phone at 504-782-4965, or by email at cmypoetry@yahoo.com.

Respectfully,

JEFFERSON YOUTH FOUNDATION, INC.

Audrey E. Warren
Audrey E. Warren
Executive Director

mpc