Volunteers for Youth Justice

FINANCIAL STATEMENTS

June 30, 2019

Volunteers for Youth Justice
Table of Contents
June 30, 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Volunteers for Youth Justice
Shreveport, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Volunteers for Youth Justice (a nonprofit Organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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 auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Volunteers for Youth Justice 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.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As described in Note 2 to the financial statements, Volunteers for Youth Justice adopted ASU 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements for Not-for-Profit Entities* which resulted in reducing the number of classes of net assets from three to two: *net assets with donor restrictions and net assets without donor restrictions*, providing enhanced disclosures, and various other changes in presentation and disclosure that are described in Note 2. Our opinion is not modified with respect to that matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head is presented in accordance with Act 706 of the Louisiana Revised Statues ("LRS") 24:513(A)(3) on page 16 for purposes of additional analysis and is not a required part of the financial statements. The Schedule of Revenue and Expenditures – CASA Assistance Program Grant on page 17 is presented for the purpose of additional analysis and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head and the Schedule of Revenue and Expenditures – CASA Assistance Program Grant are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019, on our consideration of Volunteers for Youth Justice's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Volunteers for Youth Justice's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Volunteers for Youth Justice's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C

CARR, RIGGS & INGRAM, LLC
Shreveport, Louisiana
December 20, 2019

June 30,		2019
Assets		
Current assets		
Cash	$	95,311
Grants and contracts receivable		203,551
Total current assets		298,862
Property and equipment, net		22,755
Other non-current assets		
Beneficial interest in assets of foundation		285,002
Other		6,045
Total other non-current assets		291,047
Total assets	$	612,664
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$	33,346
Deferred revenue		35,000
Total current liabilities		68,346
Total liabilities		68,346
Net assets		
Without donor restrictions		204,316
With donor restrictions		340,002
Total net assets		544,318
Total liabilities and net assets	$	612,664

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

For the year ended June 30, 2019	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Support			
Contributions	$ 99,075	$ -	$ 99,075
Foundation and local grants	-	736,600	736,600
Federal and state grants	-	1,038,515	1,038,515
Local government contracts	-	641,162	641,162
In-kind rent	132,732	-	132,732
Fundraisers and special events	139,930	-	139,930
Other miscellaneous support	57,485	-	57,485
Total support	429,222	2,416,277	2,845,499
Operating revenue			
Program service fees	19,580	-	19,580
Total operating revenue	19,580	-	19,580
Other revenue			
Investment income	4,574	10,166	14,740
Total other revenue	4,574	10,166	14,740
Net assets released from restrictions	2,372,341	(2,372,341)	-
Total support and revenue	2,825,717	54,102	2,879,819
Expenses			
Program expenses	2,438,353	-	2,438,353
Supporting services	376,522	-	376,522
Total expenses	2,814,875	-	2,814,875
Change in net assets	10,842	54,102	64,944
Net assets, beginning of year	193,474	285,900	479,374
Net assets, end of year	$ 204,316	$ 340,002	$ 544,318

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

Volunteers for Youth Justice
Statement of Functional Expenses

For the Year Ended June 30, *2019*

	Program Services				Supporting Services			
	CASA	Court Programs	Youth Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries and benefits	$ 791,167	$ 700,917	$ 192,360	$ 1,684,444	$ 136,787	$ 40,233	$ 177,020	$ 1,861,464
Contract labor	7,500	45,462	13,359	66,321	7,500	-	7,500	73,821
Professional services	1,652	1,487	165	3,304	12,200	-	12,200	15,504
Rent expense	79,970	40,664	42,416	163,050	3,600	-	3,600	166,650
Dues and subscriptions	2,162	1,110	3,273	6,545	10,809	-	10,809	17,354
Depreciation	3,462	5,177	-	8,639	160	-	160	8,799
Program expense	94,010	125,378	36,790	256,178	550	-	550	256,728
Insurance	23,730	21,357	2,373	47,460	3,854	1,134	4,988	52,448
Postage	2,844	3,035	137	6,016	-	-	-	6,016
Printing	17,027	19,467	945	37,439	-	-	-	37,439
Repairs and maintenance	-	-	-	-	4,679	-	4,679	4,679
Technology	34,717	21,289	6,739	62,745	-	-	-	62,745
Training	1,629	684	100	2,413	75,710	-	75,710	78,123
Travel	52,098	11,390	2,354	65,842	750	-	750	66,592
Utilities	8,346	-	-	8,346	945	-	945	9,291
Meals and entertainment	-	-	-	-	1,296	-	1,296	1,296
Conference and meetings	7,134	1,122	129	8,385	1,120	-	1,120	9,505
Bank and credit card fees	426	490	121	1,037	140	-	140	1,177
Volunteer expenses	10,189	-	-	10,189	15,130	-	15,130	25,319
Fundraising and events	-	-	-	-	-	52,190	52,190	52,190
Other	-	-	-	-	7,735	-	7,735	7,735
Total Functional Expenses	$ 1,138,063	$ 999,029	$ 301,261	$ 2,438,353	$ 282,965	$ 93,557	$ 376,522	$ 2,814,875

For the year ended June 30,		2019
Cash flows from operating activities		
Change in net assets	$	64,944
Adjustments to reconcile change in net assets		
to net cash provided by operating activities		
Depreciation		8,799
Changes in assets and liabilities		
(Increase) decrease in grants and contracts receivable		(75,940)
(Increase) decrease in other assets		276
Increase (decrease) in accounts payable and accrued expenses		30,312
Increase (decrease) in deferred revenue		(233,000)
Net cash used by operating activities		(204,609)
Cash flows from investing activities		
Net increase in beneficial interest in assets of foundation		898
Purchase of fixed assets		(17,739)
Net cash used by investing activities		(16,841)
Net decrease in cash		(221,450)
Cash and cash equivalents, beginning of year		316,761
Cash and cash equivalents, end of year	$	95,311

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

NOTE 1: NATURE OF ACTIVITIES

Volunteers for Youth Justice (the "Organization") is a nonprofit organization exempt for Federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Volunteers for Youth Justice is a community volunteer based agency which provides services and resources to youth and their families who have come into contract with either area law enforcement or the courts. Volunteers for Youth Justice programs include the following:

CASA
Specially trained, volunteer Court Appointed Special Advocates (CASA) serve as officers of the court and "friends" to children in need. These volunteer advocates are assigned by judges to speak on behalf of children who have been placed in foster care due to abuse or neglect. Their primary objective is to ensure that each child is placed in a safe, permanent home.

Court Programs
TASC (Truancy Assessment Service Center) – The purpose of TASC is to provide early identification and assessment of truant children in grades K-5 and the prompt delivery of coordinated interventions to prevent continued unexcused absences.

Facts of Life Program – A character development curriculum. This program designed to provide adjudicated juvenile offenders from the age of 12-16 with a method of decision making. This program shows participants what is required for a rewarding quality of life and at the same time providing participants with a set of guidelines for making choices by which a good life can be obtained and maintained.

FINS (Families in Need of Services) – Programs for families on the verge of crisis due to the ungovernable behavior of a child. The primary goal of FINS is to secure appropriate services to remedy the family's dysfunction.

Truancy FINS – Specialized FINS officers work with the Caddo Parish school system, children and their families to identify the root cause of excessive unexcused absences and secure appropriate services to remedy the cause.

Youth Programs
Jumpstart – A diversion program providing educational workshops in a support group setting with volunteer facilitators trained to address the needs of at risk youth.

Gems & Gents Mentoring – A program that brings together young people with adult mentors who assist with their educational, relational, and emotional development through group sessions, recreational activities, and community service. The Leadership Academy is a program of Gems & Gents, to provide a safe and supportive environment, whereby students are encouraged to improve their academic achievement, develop life skills, and embrace the servant leadership model for giving back to their school and community.

Conflict Resolution – A collaborative effort between Volunteers for Youth Justice and the Caddo Parish School Board, designed to address the dynamics that lead to violent behavior, with the goal of preventing future school fight violations.

Teen Court – A program designed to offer non-violent, first-time juvenile offenders the opportunity to be judged by a jury of their peers, accept responsibility for their actions, and make restitution for their offenses.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in FASB Topic ASC 958-205 and subsections, *Not-for-Profit Entities*. In 2019, Volunteers for Youth Justice adopted Financial Accounting Standards Update ("ASU") 2016-14, which is effective for the year ended June 30, 2019. Under FASB ASC 958-205 and the ASU, Volunteers for Youth Justice is required to report information regarding its financial position and activities according to two classes of net assets:

> **Net assets without donor restrictions** - Net assets which are not subject to donor-imposed restrictions.
>
> **Net assets with donor restrictions** - Net assets subject to donor-imposed restrictions that may or will be met either by actions of the Organization and/or the passage of time.

Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents consist principally of demand deposits at commercial banks. There were no cash equivalents at June 30, 2019. The demand deposit balances, as reflected in the banks' records, are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. At June 30, 2019, Volunteers for Youth Justice's cash balances are fully insured by the FDIC.

Property and Equipment

Purchased property and equipment are stated at cost. Donated property and equipment are stated at their fair market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to seven years.

Revenue Recognition

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor-imposed restrictions. Donor-restricted contributions are reported as an increase in net assets with donor restrictions.

When a restriction expires (that is, when a stipulated time restriction or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as "net assets released from restrictions".

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants and Contracts Receivable

Grants and contracts receivable are recorded at the amount billed. The allowance for doubtful accounts is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the receivables in light of historical experience, the nature and type of account, adverse situations that may affect the payor's ability to pay and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available. Receivables deemed uncollectible are charged off against the allowance when management believes the uncollectability is confirmed. All receivables are considered to be fully collectible within one year; accordingly, no allowance for uncollectible receivables has been recognized as of June 30, 2019.

In-kind Contributions

Volunteers for Youth Justice receives in-kind contributions of office space donated by First Presbyterian Church, Caddo Parish School Board, Caddo Parish Commission, and Willis-Knighton Health System. The contributions of in-kind rent are recorded in the financial statements at their estimated values at the date of receipt. For the year ended June 30, 2019, $132,732 was recorded for in-kind contributions and rent expense.

Volunteers for Youth Justice also receives in-kind contributions of time donated by volunteer workers. Donated services are recognized as contributions in accordance with FASB ASC 958-605 and subsections, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Volunteers for Youth Justice. Many volunteers donate significant amounts of time to Volunteers for Youth Justice in furthering its programs and objectives. These services are not recognized as contributions in the financial statements because the recognition criteria under FASB ASC 958-605 and subsections were not met. It is impracticable to determine the fair market value of all donated services by volunteers beyond those required to be recognized as income.

Beneficial Interest in Assets of Foundation

Transfers of funds to the Community Foundation of North Louisiana, specifying Volunteers for Youth Justice as the beneficiary, are accounted for as an asset, in accordance with generally accepted accounting principles, and presented in the statement of financial position under the caption beneficial interest in assets of foundation.

Income Taxes

Volunteers for Youth Justice is nonprofit Organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law as a charitable Organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income tax. Volunteers for Youth Justice currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Volunteers for Youth Justice adopted the provisions of FASB ASC 740-10-25, Income Taxes - Recognition, on January 1, 2009. Under FASB ASC 740-10-25, an Organization must recognize the tax benefit associated with tax taken for tax return purposes when it is more likely than not the position will be sustained. Volunteers for Youth Justice does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. For the year ended June 30, 2019, there were no interest or penalties recorded or included in its financial statements.

Concentration of Risk

Financial instruments that are exposed to concentrations of credit risk consist of cash and grants and contracts receivables. Grant and contracts receivables are principally with federal, state, local agencies, and foundations within the geographic area. Realization of these items is dependent on various individual economic conditions, and Volunteers for Youth Justice does not require collateral or other security to support accounts receivable. Receivables are carried at estimated net realizable values. As of June 30, 2019, 95% of grants and contracts receivable were due from three funding sources.

Approximately 48% of Volunteers for Youth Justice's revenue, excluding in-kind contributions, was from three funding sources, for the year ended June 30, 2019. The current level of Volunteers for Youth Justice's operations and program services may be impacted or segments discontinued if the funding is not renewed.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cost Allocation

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation and benefits for management personnel, which are allocated based on the functions of the employee and on the number of personnel in each program; occupancy costs, which are allocated on a square footage basis; and supplies and depreciation, which are allocated based on the use of the asset; and utilities, which are allocated based on usage studies conducted annually.

Recently Adopted Accounting Standards

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements for Not-for-Profit Entities*, which changes the current guidance for assets classification, governing board designations, investment return, underwater endowment funds, expenses, liquidity and presentation of operating cash flows. Volunteers for Youth Justice has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively. The new standards change the following aspects of Volunteers for Youth Justice's financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources (Note 3)
- A summary of the net asset reclassifications driven by the adoption of ASU 2016-14 changed the beginning net assets for the year ended June 30, 2019, follows:

		Total
As originally stated:		
Unrestricted	$	193,474
Temporarily restricted		45,600
Permanently restricted		240,300
Total beginning net assets, July 1, 2018	$	479,374
As restated:		
Without donor restrictions	$	193,474
With donor restrictions		285,900
Total beginning net assets, July 1, 2018	$	479,374

Date of Management Review

Management of Volunteers for Youth Justice has evaluated all subsequent events through December 20, 2019, the date which the financial statements were available to be issued, concluding there were no events requiring disclosure.

NOTE 3: LIQUIDITY AND AVAILABILITY OF RESOURCES

Volunteers for Youth Justice's financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position are as follows:

Cash and cash equivalents	$	95,311
Grants and contracts receivable		203,551
Total	$	298,862

Volunteers for Youth Justice's beneficial interest in assets of foundation consist of donor-restricted gifts to be held in perpetuity. Income from the beneficial interest in assets of foundation is subject to an implicit time restriction and is not available for general expenditure.

As part of Volunteers for Youth Justice's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 4: GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable as of June 30, 2019, are as follows:

Louisiana Judicial Branch (CASA AP)	$	65,601
Louisiana Commission of Law Enforcement (TASC)		7,083
Louisiana Commission of Law Enforcement (Youth Diversion)		2,489
Louisiana Commission of Law Enforcement (CVA)		87,649
Louisiana Commission of Law Enforcement (Victim Assistance)		2,014
Juvenile Court of Caddo Parish (FINS)		12,449
Juvenile Court of Caddo Parish (Misdemeanor Referral Center)		13,750
Juvenile Court of Caddo Parish (Facts of Life)		2,083
Other		10,433
Allowance for uncollectible receivables		-
Total grants and contracts receivable	$	203,551

NOTE 5: BENEFICIAL INTEREST IN ASSETS OF FOUNDATION

In 2008, Volunteers for Youth Justice established a designated agency endowment fund agreement with the Community Foundation of North Louisiana (the "Foundation") called "The Carolyn Williams Beaird Endowment for Volunteers for Youth Justice Fund" (the "Fund"). As the initial gift to the Fund, Volunteers for Youth Justice deposited $110,300 from permanently restricted net assets. Later that year, an additional $30,000 of permanently restricted net assets was also deposited by Volunteers for Youth Justice into the Fund. The Community Foundation then provided a dollar-for-dollar match of $100,000 of endowment as a permanently restricted contribution into the Fund. The Foundation has ownership of the funds while the Organization retains a beneficial interest in the earnings and capital appreciation. Net investment income and/or capital appreciation of the endowment fund, as governed by the Foundation's spending policy, is distributed to Volunteers for Youth Justice at least annually for as long as Volunteers for Youth Justice is a qualified charitable Organization.

The value of the fund at June 30, 2019, was $285,002. For the year ended June 30, 2019, the Fund earned interest and dividends, which are reflected as net assets with donor restrictions in the financial statements. As of June 30, 2019, a distribution of $11,064 was received by the Organization from the fund and used for operations.

NOTE 5: BENEFICIAL INTEREST IN ASSETS OF FOUNDATION (Continued)

Activity of this beneficial interest is summarized as follows:

Balance at June 30, 2018	$	285,900
Interest and dividends		3,246
Net realized and unrealized gains		9,686
Distributions to Volunteers for Youth Justice		(11,064)
Administrative fees		(2,766)
Balance at June 30, 2019	$	285,002

NOTE 6: NET ASSETS

Net assets without donor restrictions consist of:

Undesignated	$	181,561
Invested in property and equipment		22,755
Total net assets without donor restrictions	$	204,316

Net assets with donor restrictions are restricted for the following purposes or periods:

Subject to time restrictions:		
Beneficial interest in assets of foundation to be held in perpetuity	$	240,300
Accumulated earnings on beneficial interest in assets of foundation		44,702
Subject to expenditure for a specific purposes:		
Grant from Christus Foundation for Truancy Program		50,000
Grant from the Louisiana Bar Foundation for Teen Court Program		5,000
Total net assets with donor restrictions	$	340,002

NOTE 7: NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during 2019 by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donors as follows:

Expiration of time restrictions:		
Distribution of beneficial interest in assets of foundation	$	11,064
Satisfaction of usage restrictions:		
Federal and state grants		1,038,515
Foundation, corporate and local grants		681,600
Local government contracts		641,162
Total net assets released from restrictions	$	2,372,341

NOTE 8: PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Furniture and equipment	$	45,456
Less accumulated depreciation		(22,701)
Property and equipment - net	$	22,755

For the year ended June 30, 2019, depreciation expense was $8,799.

NOTE 9: LEASE COMMITMENTS

Volunteers for Youth Justice has several operating leases for the rental of office space and office equipment that expire in various years through 2023.

The minimum annual commitments under non-cancelable operating leases are as follows:

Fiscal year ending June 30,		
2020	$	81,929
2021		51,976
2022		42,913
2023		1,459
2024		-
Total	$	178,277

NOTE 10: RETIREMENT PLAN

Volunteers for Youth Justice maintains a Simple IRA retirement plan for its employees. Volunteers for Youth Justice contributes 3% of eligible wages. Contributions for the year ended June 30, 2019 totaled $14,328.

NOTE 11: CONTINGENT LIABILITIES

Volunteers for Youth Justice receives grants that are subject to review and audit by the agency providing the funding. Such reviews and audits could result in expenses being disallowed under the terms and conditions of the grants. In the opinion of management, such disallowances, if any, would be immaterial.

Volunteers for Youth Justice is involved in litigation arising from the normal course of operations. While the final outcome cannot be determined at this time, management is of the opinion that the ultimate liability, if any, from the final resolution of these matters will not have a material effect on the Organization's financial statements.

Supplementary Information

Volunteers for Youth Justice
Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2019

Agency Head Name: Kelli Todd, Executive Director

Purpose		**Amount**
Salary	$	78,120
Payroll taxes	$	5,963
Retirement	$	2,249
Insurance (Heath)	$	9,743
Insurance (Life)	$	1,440
Cell phone	$	1,200
Reimbursements	$	882
Travel	$	1,741

See Independent Auditors' Report.

Schedule of Revenue and Expenditures – CASA Assistance Program Grant
For the Year Ended June 30, 2019

Revenue		
Federal - TANF	$	500,094
State - CASA AP		239,240
Total revenue		739,334
Expenditures		
Salaries		430,823
Fringe		82,562
Professional services		11,517
Operating services		68,945
Travel		31,256
Training		4,301
Equipment		12,175
Supplies		10,784
Printing and copying		1,615
Administrative costs		85,356
Total expenditures		739,334
Excess (deficiency) of revenues over expenditures	$	0

See Independent Auditors' Report.

Current Year Findings

None

Prior Year Findings

None

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Independent Auditors' 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
Volunteers for Youth Justice
Shreveport, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Volunteers for Youth Justice (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 20, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Volunteers for Youth Justice's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
December 20, 2019