

Volunteers for Youth Justice

FINANCIAL STATEMENTS

June 30, 2020



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Volunteers for Youth Justice
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June 30, 2020

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Carr, Riggs & Ingram, LLC
1000 East Preston Avenue
Suite 200
Shreveport, LA 71105

Mailing Address:
P.O. Box 4278
Shreveport, LA 71134-0278

(318) 222-2222
(318) 226-7150 (fax)
CRIcpa.com

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, 2020, 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, 2020, 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

Other Information

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 and the Schedule of Revenue and Expenditures – CASA Assistance Program Grant are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also 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 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*, we have also issued our report dated December 30, 2020, 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 the 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 30, 2020

**Volunteers for Youth Justice
Statement of Financial Position**

<i>June 30,</i>	2020
Assets	
Current assets	
Cash	\$ 486,836
Grants and contracts receivable	228,544
Total current assets	715,380
Non-current assets	
Property and equipment, net	17,480
Beneficial interest in assets of foundation	265,856
Other	5,144
Total non-current assets	288,480
Total assets	\$ 1,003,860
Liabilities and Net Assets	
Current liabilities	
Accounts payable	\$ 2,536
Accrued expenses	30,550
Deferred revenue	35,000
Total current liabilities	68,086
Long-term liabilities	
Note payable	308,800
Total long-term liabilities	308,800
Total liabilities	376,886
Net assets	
Without donor restrictions	329,518
With donor restrictions	297,456
Total net assets	626,974
Total liabilities and net assets	\$ 1,003,860

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

**Volunteers for Youth Justice
Statement of Activities**

<i>For the year ended June 30,</i>	Without Donor	With Donor Restrictions	2020 Total
Revenue and Other Support			
Contributions	\$ 101,609	\$ -	\$ 101,609
Foundation and local grants	-	625,233	625,233
Federal and state grants	-	1,345,034	1,345,034
Local government contracts	-	849,194	849,194
In-kind rent	111,132	-	111,132
Fundraisers and special events	88,138	-	88,138
Other miscellaneous support	84,935	-	84,935
Program service fees	14,780	-	14,780
Insurance proceeds	60,678	-	60,678
Interest income	6,426	-	6,426
Unrealized gains (losses)	(11,415)	-	(11,415)
Net assets released from restrictions	2,862,007	(2,862,007)	-
Total revenue and other support	3,318,290	(42,546)	3,275,744
Expenses			
Program services			
CASA	1,311,115	-	1,311,115
Court programs	1,199,032	-	1,199,032
Youth programs	168,033	-	168,033
Total program services	2,678,180	-	2,678,180
Supporting services			
General and administrative	453,646	-	453,646
Fundraising	61,262	-	61,262
Total supporting services	514,908	-	514,908
Total expenses	3,193,088	-	3,193,088
Change in Net Assets	125,202	(42,546)	82,656
Net assets at beginning of year	204,316	340,002	544,318
Net assets at end of year	\$ 329,518	\$ 297,456	\$ 626,974

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

Volunteers for Youth Justice Statement of Functional Expenses

<i>For the Year Ended June 30,</i>	Program Services				Supporting Services		2020 Total
	CASA	Court Programs	Youth Programs	Total Program Services	General and Administrative	Fundraising	
Salaries and benefits	\$ 974,812	\$ 877,331	\$ 97,481	\$ 1,949,624	\$ 172,707	\$ 41,577	\$ 2,163,908
Contract labor	45,270	43,685	18,169	107,124	15,090	-	122,214
Professional services	-	-	-	-	14,250	-	14,250
Rent expense	77,702	72,666	34,374	184,742	3,600	-	188,342
Dues and subscriptions	1,219	2,186	814	4,219	18,889	-	23,108
Depreciation	5,235	-	-	5,235	-	-	5,235
Program expense	101,701	144,096	10,849	256,646	-	-	256,646
Insurance	24,231	21,808	2,423	48,462	4,293	1,033	53,788
Postage	4,873	203	27	5,103	6,117	-	11,220
Printing	9,221	3,307	64	12,592	34,213	-	46,805
Repairs and maintenance	-	-	-	-	7,377	-	7,377
Technology	25,578	735	262	26,575	70,201	-	96,776
Training	-	-	-	-	68,265	-	68,265
Travel	26,121	23,509	2,612	52,242	1,797	-	54,039
Utilities	3,550	2,499	278	6,327	983	-	7,310
Meals and entertainment	-	-	-	-	1,029	-	1,029
Conference and meetings	4,804	888	-	5,692	105	-	5,797
Bank and credit card fees	-	-	-	-	2,480	-	2,480
Volunteer expenses	6,798	6,119	680	13,597	21,026	-	34,623
Fundraising and events	-	-	-	-	-	18,652	18,652
Other	-	-	-	-	11,224	-	11,224
Total Functional Expenses	\$ 1,311,115	\$ 1,199,032	\$ 168,033	\$ 2,678,180	\$ 453,646	\$ 61,262	\$ 3,193,088

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

Volunteers for Youth Justice
Statement of Cash Flows

<i>For the year ended June 30,</i>	2020
Cash Flows from Operating Activities	
Change in net assets	\$ 82,656
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	5,235
(Gain) loss on disposal of property and equipment	40
Changes in operating assets and liabilities	
Grants and contracts receivable	(24,993)
Other assets	901
Accounts payable	(7,066)
Accrued expenses	6,806
<hr/>	
Net cash provided by (used in) operating activities	63,579
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Cash Flows from Investing Activities	
Net decrease in beneficial interest in assets of foundation	19,146
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Net cash provided by (used in) investing activities	19,146
<hr/>	
Cash Flows from Financing Activities	
Proceeds from note payable	308,800
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Net cash provided by (used in) financing activities	308,800
<hr/>	
Net change in cash and cash equivalents	391,525
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Cash and cash equivalents, beginning of year	95,311
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Cash and cash equivalents, end of year	\$ 486,836
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SUPPLEMENTAL CASH FLOW INFORMATION	
Cash paid for interest	\$ -
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The accompanying notes are an integral part of these financial statements.

Volunteers for Youth Justice Notes to the Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

Volunteers for Youth Justice (the Organization), is a volunteer-based, community supported nonprofit organization whose mission is to provide a community caring for children, youth, and families in crisis. 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.

Volunteers for Youth Justice Notes to the Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Grants and Contracts Receivable

Grants and contracts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of patrons to meet their obligations.

Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at 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.

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.

Volunteers for Youth Justice Notes to the Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Revenue

Income from certain contracts received in advance is deferred and recognized over the periods to which the contracts relate.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

The Organization recognized revenue from certain program service fees related to the Jump Start Program, Teen Court and various workshops when persuasive evidence of an arrangement existed, delivery of services had occurred, the sales price was fixed or determinable and collectability was reasonably assured.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets with donor restrictions and net assets released from restrictions.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Volunteers for Youth Justice Notes to the Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

Donated services are recognized as contributions 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 the Organization. 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.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of employees in each functional area. Occupancy costs are allocated on a square footage basis. Supplies and depreciation are allocated based on the use of the related assets. Utilities are allocated based on usage studies conducted annually.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code and comparable state law, the Organization is exempt from taxes on income other than unrelated business income, as defined by Section 509(a)(1) of the Code. Volunteers for Youth Justice currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2020, the Organization has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements. The Organization believes it is no longer subject to income tax examinations for years prior to 2017.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 30, 2020, and determined there were no subsequent events that occurred that required disclosure.

Volunteers for Youth Justice Notes to the Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which will assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and (2) determining whether a contribution is conditional. During fiscal year 2020, the Organization adopted the guidance from the ASU regarding contributions received. The effect of the adoption of ASU 2018-08 had no effect on net assets or the change in net assets.

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry specific guidance. In June 2020, the FASB approved ASU 2020-05 which allowed a limited deferral of the effective date of the Topic 606. The effective date of Topic 606 for Volunteers for Youth Justice is the year ended June 30, 2021. The Organization is currently evaluating the impact of the guidance on its financial statements.

Note 3: FINANCIAL ASSET AVAILABILITY

The Organization maintains its financial assets primarily in cash and cash equivalents as well as grants and contract receivables due within one year to provide liquidity to ensure funds are available as the Organization's expenditures come due. The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

<i>June 30,</i>	2020
Financial assets, at year-end	\$ 981,236
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions	
Restricted by donor with time or purpose restrictions	(265,856)
Financial assets available to meet cash needs for general expenditures within one year	\$ 715,380

Financial assets at year-end as noted in the above schedule exclude property and equipment and other assets.

Volunteers for Youth Justice
Notes to the Financial Statements

Note 3: FINANCIAL ASSET AVAILABILITY (Continued)

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.

Note 4: GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consist of the following:

<i>June 30,</i>	2020
Louisiana Judicial Branch (CASA AP)	\$ 107,799
Louisiana Commission of Law Enforcement (Youth Diversion)	3,004
Louisiana Commission of Law Enforcement (CVA)	15,636
Louisiana Commission of Law Enforcement (TBRI VAP)	3,749
Office of Juvenile Justice (Misdemeanor Referral Center)	10,833
Office of Juvenile Justice (Youth Diversion)	12,500
City of Shreveport (Misdemeanor Referral Center)	10,000
Juvenile Court of Caddo Parish (FINS)	27,043
Juvenile Court of Caddo Parish (Misdemeanor Referral Center)	13,750
Juvenile Court of Caddo Parish (Compliance Officer/Social Worker)	12,147
Juvenile Court of Caddo Parish (Facts of Life)	2,083
Juvenile Court of Caddo Parish (Tutoring)	10,000
Total grants and contracts receivable	228,544
Allowance for uncollectible receivables	-
Grants and contracts receivable, net	\$ 228,544

Note 5: PROPERTY AND EQUIPMENT

Property and equipment - net consists of the following:

<i>June 30,</i>	2020
Furniture and equipment	\$ 44,656
Less accumulated depreciation	(27,176)
Property and equipment, net	\$ 17,480

For the year ended June 30, 2020, depreciation expense was \$5,235.

Volunteers for Youth Justice Notes to the Financial Statements

Note 6: 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, 2020, was \$265,856. For the year ended June 30, 2020, the Fund earned interest and dividends, which are reflected as net assets with donor restrictions in the financial statements. As of June 30, 2020, a distribution of \$11,290 was received by the Organization from the fund and used for operations.

Activity of this beneficial interest is summarized as follows:

<u>June 30,</u>	<u>2020</u>
Balance, beginning of year	\$ 285,002
Interest and dividends	5,811
Net realized and unrealized gains	(10,845)
Distributions to Volunteers for Youth Justice	(11,290)
Administrative fees	(2,822)
Balance, end of year	\$ 265,856

Volunteers for Youth Justice
Notes to the Financial Statements

Note 7: NOTE PAYABLE

At June 30, 2020, Volunteers for Youth Justice had the following note payable:

<i>June 30,</i>	2020
Unsecured Paycheck Protection Program note payable in the original amount of \$308,800, dated April 8, 2020, administered by the U.S. Small Business Administration (SBA), serviced by Carter Credit Union. Interest accrues at 1%, payments are deferred for 6 months, interest only payments are due monthly over a period of 17 months commencing on November 8, 2020, and the last installment of all unpaid principal and interest is due on April 8, 2022. The note payable is forgivable by the SBA if certain criteria are met.	\$ 308,800
Less: current portion	-
Note payable, less current portion.	\$ 308,800

Interest expense related to the note payable was \$702 for the year ended June 30, 2020.

Following are principal maturities for subsequent fiscal years ended June 30, based on the terms of the note payable:

<i>For the years ended June 30,</i>	Amount
2021	\$ -
2022	308,800
Total	\$ 308,800

Note 8: NET ASSETS

A summary of net assets without donor restrictions follows:

<i>June 30,</i>	2020
Undesignated	\$ 312,038
Invested in property and equipment	17,480
Total net assets without donor restrictions	\$ 329,518

Volunteers for Youth Justice
Notes to the Financial Statements

Note 8: NET ASSETS (Continued)

A summary of net assets with donor restrictions follows:

<u>June 30,</u>	<u>2020</u>
Time restricted	\$ 265,856
Purpose restricted	
CASA	25,000
Close Up	6,600
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Total net assets with donor restrictions	<u>\$ 297,456</u>

Net assets were released from donor restrictions during 2020 by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donors as follows:

<u>For the year ended June 30,</u>	<u>2020</u>
Expiration of time restrictions	\$ 19,146
Satisfaction of purpose restrictions	
Grants and contracts	2,842,861
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Total net assets released from restrictions	<u>\$ 2,862,007</u>

Note 9: DONATED ASSETS

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. For the year ended June 30, 2020, \$111,132 was recorded for in-kind contributions and rent expense.

Note 10: RISKS AND UNCERTAINTIES

Concentrations of Credit 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, 2020, 86% of grants and contracts receivable were due from three funding sources.

Volunteers for Youth Justice Notes to the Financial Statements

Note 10: RISKS AND UNCERTAINTIES (Continued)

Concentrations of Credit Risk (Continued)

Approximately 53% of Volunteers for Youth Justice's revenue, excluding in-kind contributions, was from three funding sources for the year ended June 30, 2020. 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.

The Organization maintains cash with a financial institution in excess of the FDIC limit of \$250,000 by \$338,426 at June 30, 2020.

Uncertainties

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of Volunteers for Youth Justice. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

Note 11: COMMITMENTS

Volunteers for Youth Justice has several operating leases for the rental of office space and office equipment that expire in various years through 2024. The minimum annual commitments under non-cancelable operating leases are as follows:

<i>For the years ending June 30,</i>	Amount
2021	\$ 71,801
2022	51,976
2023	1,704
2024	1,459
Total	\$ 126,940

Rent expense for the year ended June 30, 2020 was \$188,342.

Note 12: DEFINED CONTRIBUTION 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, 2020 totaled \$138,617.

Volunteers for Youth Justice Notes to the Financial Statements

Note 13: CONTINGENCIES

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, 2020**

Agency Head Name: Kelli Todd, Executive Director

Purpose		Amount
Salary	\$	81,590
Payroll taxes	\$	6,202
Retirement	\$	2,443
Insurance (Heath)	\$	12,483
Insurance (Life)	\$	1,440
Cell phone	\$	1,200
Reimbursements	\$	250
Travel	\$	1,025

See Independent Auditors' Report.

Volunteers for Youth Justice
Schedule of Revenue and Expenditures – CASA Assistance Program Grant
For the Year Ended June 30, 2020

Revenue	
Federal - TANF	\$ 505,093
State - CASA AP	320,682
<hr/>	
Total revenue	825,775
<hr/>	
Expenditures	
Salaries	439,545
Fringe	94,221
Professional services	11,007
Operating services	123,208
Travel	19,435
Training	1,819
Equipment	7,121
Supplies	32,673
Printing and copying	12,878
Administrative costs	83,868
<hr/>	
Total expenditures	825,775
<hr/>	
Excess (deficiency) of revenues over expenditures	\$ -
<hr/> <hr/>	

See Independent Auditors' Report.

Reports on Internal Control and Compliance Matters



Carr, Riggs & Ingram, LLC
1000 East Preston Avenue
Suite 200
Shreveport, LA 71105

Mailing Address:
P.O. Box 4278
Shreveport, LA 71134-0278

(318) 222-2222
(318) 226-7150 (fax)
CRlcpa.com

**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
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, 2020, 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 30, 2020.

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) as a basis for designing 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 the 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 financial statements. 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 30, 2020

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited Volunteers for Youth Justice's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Volunteers for Youth Justice's major federal programs for the year ended June 30, 2020. Volunteers for Youth Justice's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Volunteers for Youth Justice's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Volunteers for Youth Justice's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Volunteers for Youth Justice's compliance.

Opinion on Each Major Federal Program

In our opinion, Volunteers for Youth Justice complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of Volunteers for Youth Justice is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Volunteers for Youth Justice's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Volunteers for Youth Justice's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
December 30, 2020

**Volunteers for Youth Justice
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020**

SECTION I—SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified? ___ yes X none noted

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(es) identified? ___ yes X none noted

Type of auditors’ report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a)? ___ yes X none noted

Identification of major federal programs:

Federal CFDA Number	Federal Program or Cluster
93.558	Temporary Assistance for Needy Families (TANF)

Dollar threshold used to distinguish between type A and B programs was \$750,000 for major federal programs.

Auditee qualified as a low-risk auditee for federal purposes? ___ yes X no

**Volunteers for Youth Justice
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020**

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Summary of Prior Year Findings

None

**Volunteers for Youth Justice
Schedule of Expenditures and Federal Awards
For the Year Ended June 30, 2020**

Federal Agency Pass-through Grantor Program Title	CFDA Number	Contract/ Grant Number	Expenditures	Payments to Subrecipients
Federal Awards				
Department of Health and Human Services				
Passed through the State of Louisiana Supreme Court				
Temporary Assistance for Needy Families (TANF)	93.558		\$ 505,093	\$ -
Total Department of Health and Human Services			505,093	-
Department of Justice				
Passed through the Louisiana Commission on Law Enforcement				
Juvenile Justice and Delinquency Prevention	16.540	2018-JF-22-4792	36,048	
		2018-VA-03-5155, 2018-VA-03-5151 &		
Crime Victim Assistance	16.575	2017-VA-03-4282	212,514	-
Total Department of Justice			248,562	-
Total Expenditures of Federal Awards			\$ 753,655	\$ -

See Independent Auditors' Report.

Volunteers for Youth Justice
Notes to Schedule of Expenditures and Federal Awards
For the Year Ended June 30, 2020

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal spending of Volunteers for Youth Justice (the Organization) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the financial statements. Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not represent the financial position of the Organization.

Note 2: INDIRECT COST RATE

The Uniform Guidance allows an organization to elect a 10% de minimis indirect cost rate. For the year ended June 30, 2020, Volunteers for Youth Justice did not elect to use this rate.

Note 3: LOAN / LOAN GUARANTEE OUTSTANDING BALANCES

Volunteers for Youth Justice did not have any federal loans or loan guarantees outstanding during the year ended June 30, 2020.

Note 4: SUBRECIPIENTS

During the year ended June 30, 2020, Volunteers for Youth Justice had no subrecipients.

Note 5: NONCASH ASSISTANCE AND OTHER

Volunteers for Youth Justice did not receive any noncash assistance or federally funded insurance during the year ended June 30, 2020.

Note 6: CONTINGENCIES

Grant monies received and disbursed by Volunteers for Youth Justice are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, Volunteers for Youth Justice does not believe that such disallowance, if any, would have a material effect on the financial position of Volunteers for Youth Justice.

See Independent Auditors' Report.

Volunteers for Youth Justice
Notes to Schedule of Expenditures and Federal Awards
For the Year Ended June 30, 2020

Note 7: FEDERAL PASS-THROUGH FUNDS

Volunteers for Youth Justice is also the subrecipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as pass-through are considered to be direct.