



WHARTON CPA, LLC

Brendel Wharton, CPA

JEFFERSON YOUTH FOUNDATION, INC.

Independent Auditor's Report and Financial Statements  
For the Fiscal Year Ended June 30, 2018

Deemer CPA and Consulting Services, LLC

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

Brendel Wharton, 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, 2018, 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, 2018, 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 22, 2018 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.

*Wharton CPA, LLC*

New Orleans, Louisiana

December 22, 2018

**Jefferson Youth Foundation, Inc.  
Statement of Financial Position  
As of June 30, 2018**

<u><b>Assets</b></u>	
Cash	\$ 54,994
Grant Receivable	<u>132,878</u>
<b>Total Assets</b>	<b>\$ 187,872</b>
<b>Fixed Assets (Net)</b>	
Equipment	\$ 55,012
Accumulated Depreciation	<u>(17,944)</u>
<b>Total Fixed Assets (Net)</b>	<b>37,068</b>
<b>Total Assets</b>	<b><u><u>\$ 224,940</u></u></b>
<u><b>Liabilities and Net Assets</b></u>	
Accounts Payable & Accrued Expenses	\$ 30,999
Accrued Salaries and Payroll Tax Liabilities	30,477
Line of Credit	<u>23,251</u>
<b>Total Liabilities</b>	<b>\$ 84,727</b>
<u><b>Net Assets</b></u>	
Unrestricted	<u>140,213</u>
<b>Total Net Assets</b>	<b><u>140,213</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u><u>\$ 224,940</u></u></b>

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, 2018**

	<u>Unrestricted</u>
<b>Revenues</b>	
Grant revenue	\$ 333,378
In-kind Donations	31,360
Contributions	27
Interest	37
Registration fees	22,214
<b>Total revenues</b>	<b>387,016</b>
 <b>Expenses</b>	
Program Services	\$ 330,760
Support Services	29,948
<b>Total Expenses</b>	<b>360,708</b>
<b>Change In Net Assets</b>	<b>\$ 26,308</b>
<b>Net Assets At Beginning Of Year</b>	<b>113,905</b>
<b>Net Assets At End Of Year</b>	<b>\$ 140,213</b>

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, 2018**

**Cash Flows From Operating Activities:**

Changes in Net Assets	\$ 26,308
Adjustments to Reconcile Net Revenues over Expenditures to Net Cash Provided by Operating Activities	
Depreciation Expense	4,895
Changes in Operating Assets and Liabilities	
Grant Receivable	22,659
Accounts Payable and Accrued Expenses	(9,540)
Accrued Salaries and Payroll Tax Liabilities	<u>(9,433)</u>
Net Cash Provided/(Used) by Operating Activities	34,889

**Cash Flows From Investing Activities:**

Net Cash Provided by Investing Activities	(41,186)
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**Cash Flows From Financing Activities:**

Net Cash Provided/(Used) by Financing Activities	6,784
Net Cash Increase for Period	487
Cash, At Beginning of Period July 1, 2017	<u>54,507</u>
Cash, At End of Period June 30, 2018	<u><u>\$ 54,994</u></u>

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, 2018**

**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, 2018 was \$4,895.00.

**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 2015, 2016, and 2017 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**

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

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

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

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

As of June 30, 2018, Jefferson Youth Foundation, Inc. had unrestricted net assets, however there were no temporarily or permanently restricted net assets.

### **3. Grants Receivable**

As of June 30, 2018 the agency's grant receivable in the amount of \$132,878 consisted of funds owed to the agency from 21<sup>st</sup> Century.

### **4. Grant Revenue**

Grant revenue consists of the following for the fiscal year of July 1, 2017 through June 30, 2018:

Arts Council of New Orleans	\$ 1,100
21 <sup>ST</sup> Century CCLC	<u>332,228</u>
Total Grant Revenue	\$ <u>333,328</u>

### **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 \$31,360. The In-Kind Donation is recorded as revenue and has a corresponding expense.

### **6. Subsequent Events**

The agency has evaluated its June 30, 2018 financial statements through the date that the financial statements were issued, December 22, 2018 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, 2018**

	<b>Program Services</b>	<b>Support Services</b>	<b>Total</b>
Salaries	\$ 194,076	\$ 9,292	\$ 203,368
Payroll Taxes	13,146	0	13,146
Fringe Benefits	5,500	0	5,500
Contractual Services	46,594	13,325	59,919
Telephone	1,875	0	1,875
Printing	1,088	0	1,088
Storage	2,531	0	2,531
Office Expense	123	0	123
Supplies	17,649	0	17,649
Insurance	8,758	0	8,758
Workshops	2,600	0	2,600
Travel	0	57	57
Field Trips	5,460	0	5,460
In-Kind Donations -Rent	31,360	0	31,360
Depreciation	0	4,895	4,895
Miscellaneous	0	2,379	2,379
	<hr/>	<hr/>	<hr/>
<b>Total Expenses</b>	<b>\$ 330,760</b>	<b>\$ 29,948</b>	<b>\$ 360,708</b>
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See Independent Auditor's Report.



WHARTON CPA, LLC

Brendel Wharton, CPA

**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, 2018, 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 22, 2018.

**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 22, 2018.

## **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 22, 2018

**Jefferson Youth Foundation, Inc.**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2018**

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, 2018**

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, 2018**

**Agency Head Name:** Audrey Warren

<b>Purpose</b>	<b>Amount</b>
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	\$6,103.65
Travel	\$57.00
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
	\$71,660.65

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



WHARTON CPA, LLC

Brendel Wharton, CPA

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, 2018 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 **2018-1**.

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 22, 2018

**JEFFERSON YOUTH FOUNDATION, INC.**  
**LIST OF FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**1. 2018-1 – 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**  
**21<sup>st</sup> Century Community Learning Centers**  
**P.O. Box 184**  
**Marrero, LA 70073**

December 28, 2018

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](mailto:cmypoetry@yahoo.com) .

Respectfully,

JEFFERSON YOUTH FOUNDATION, INC.

*Audrey E. Warren*  
Audrey E. Warren  
Executive Director

mpc