



JEFFERSON YOUTH FOUNDATION, INC.
Independent Auditor's Report and Financial Statements
For the Fiscal Year Ended June 30, 2023

Deemer CPA and Consulting Services, LLC

Jefferson Youth Foundation, Inc.
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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of Jefferson Youth Foundation, Inc., which comprise the Statement of Financial Position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Jefferson Youth Foundation as of June 30, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Jefferson Youth Foundation, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jefferson Youth Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal

control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Jefferson Youth Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jefferson Youth Foundation's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on page 14 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 20, 2023 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 solely 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 the effectiveness of Jefferson Youth Foundation'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 Jefferson Youth Foundation's internal control over financial reporting and compliance.

Wharton CPA, LLC

December 20, 2023
New Orleans, LA

Jefferson Youth Foundation, Inc.
Statement of Financial Position
As of June 30, 2023

Assets

Cash and cash equivalents	\$ 93,612
Grants receivable	174,913
Furniture and equipment, net	<u>458</u>
Total Assets	<u><u>\$ 268,983</u></u>

Liabilities

Current Liabilities

Accrued Salaries and Payroll Tax Liabilities	\$ 16,968
Accounts Payable and Accrued Expenses	<u>126,751</u>
Total Current Liabilities	<u>143,719</u>

Net Assets

Without Donor Restrictions:	125,264
With Donor Restrictions	<u>-</u>
Total Net Assets	<u>125,264</u>
Total Liabilities and Net Assets	<u><u>\$ 268,983</u></u>

The accompanying notes are an integral part of these financial statements

Jefferson Youth Foundation, Inc.
Statement of Activities
For the Fiscal Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND OTHER REVENUES:			
Government Grants	\$ -	\$ 514,480	\$ 514,480
Contributed Support	16,496	-	16,496
In-Kind Revenue-Rent	-	31,356	31,356
Net Assets Released from Restrictions	545,836	(545,836)	-
Total support and other revenues	<u>562,332</u>	<u>-</u>	<u>562,332</u>
Expenses			
Program Services	545,837	-	545,837
Management and General	5,466	-	5,466
Total Expenses	<u>551,303</u>	<u>-</u>	<u>551,303</u>
Change in Net Assets	11,029	-	11,029
Net Assets At Beginning of Year	114,235	-	114,235
Net Assets At End Of Year	<u>\$ 125,264</u>	<u>\$ -</u>	<u>\$ 125,264</u>

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

Jefferson Youth Foundation, Inc.
Statement of Functional Expenses
For the Fiscal Year Ended June 30, 2023

Expense	Program Services	Management and General	Total Expenses
Salaries & Wages	\$ 330,808	\$ -	\$ 330,808
Payroll Taxes	25,622	-	25,622
Employee Benefits	2,750	-	2,750
Contract Services	17,675	-	17,675
Facilities and Equipment	31,356	-	31,356
Office Expense	4,583	614	5,197
Program Supplies	18,491	-	18,491
Insurance	11,190	-	11,190
Bus Drivers	83,250	-	83,250
Field Trips	13,932	-	13,932
Workshops	6,180	-	6,180
Depreciation	-	4,578	4,578
Miscellaneous	-	274	274
Total Expenses	\$ 545,837	\$ 5,466	\$ 551,303

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, 2023

Cash Flows From Operating Activities:

Changes in Net Assets	\$	11,029
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation Expense		4,578
Unrealized and realized losses on investments		-
Changes in Operating Assets and Liabilities		
Grant Receivable		(44,971)
Accounts Payable and Accrued Expenses		86,574
Accrued Salaries and Payroll Tax Liabilities		6,421
		63,631
Net Cash Provided by Operating Activities		63,631

Cash Flows From Investing Activities:

(Purchase) of Furniture and equipment		0
		0
Net Cash Used by Investing Activities		0
Net Increase in Cash, Cash equivalents, and Restricted Cash		63,631
Cash, Cash Equivalents, and Restricted Cash-Beginning of year		29,981
		29,981
Cash, Cash Equivalents, and Restricted Cash-End of year	\$	93,612

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, 2023

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, 2023 was \$4,578.00.

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 2020, 2021, and 2022 remain open for potential examination of taxing authorities. The agency’s financial exposure would exist as it relates to potential unrelated business income.

Estimates – Management uses estimate and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Functional Expenses – The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. These expenses require allocation on a reasonable basis that is consistently applied. These expenses were allocated based on estimates of time and effort.

Statement of Cash Flow – For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and having original maturities of three months or less, and which are not held for investing purposes.

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

Jefferson Youth Foundation, Inc.
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

Public Support and Revenue – Contributions to the Organization are recognized when cash, securities of other assets, an unconditional promise to give, or notification of beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

All contributions are considered to be available for unrestricted use unless specifically restricted by donors.

For programs, consulting fees, and exchange-type grants and contracts, revenue is recognized when earned in accordance with ASC 606, *Revenue from Contracts with Customers*. Program fees and payments under exchange-type grants and contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Subsequent Events - The agency has evaluated its June 30, 2023 financial statements through the date that the financial statements were issued December 20, 2023 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.

Advertising- Advertising costs are expensed as incurred, however there were -0- in advertising costs for the fiscal year ended June 30, 2023.

2. Net Assets

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

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

Net Assets without donor imposed restrictions – Gifts of cash and other assets absent of donor imposed restrictions. As of June 30, 2023, Jefferson Youth Foundation, Inc. had net assets without donor imposed restrictions.

Jefferson Youth Foundation, Inc.
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2023

3. Grants Receivable

As of June 30, 2023 the agency's grant receivable in the amount of \$174,913 consisted of funds owed to the agency from 21st Century for program services.

4. Grant Revenue

Grant revenue consists of the following for the fiscal year of July 1, 2022 through June 30, 2023:

21 ST Century CCLC	\$ <u>514,480</u>
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5. In-Kind Donations

Jefferson Youth Foundation, Inc. is housed at Judge Lionel R Collins Montessori School which is the property of the Jefferson Parish Public School System. The School System provides the space rent-free for the purpose of operating the program. The value of occupying this space is estimated at \$31,356.00. The In-Kind Donation is recorded as revenue and has a corresponding expense.

6. Subsequent Events

The agency has evaluated its June 30, 2023 financial statements through the date that the financial statements were issued, December 20, 2023 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. In fiscal year ended 2023, 91% of total support was from one (1) funding source.

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.



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, 2023, 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 20, 2023.

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 20, 2023.

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 20, 2023

Jefferson Youth Foundation, Inc.
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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, 2023

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

SUPPLEMENTAL INFORMATION

JEFFERSON YOUTH FOUNDATION, INC.

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

Year Ended June 30, 2023

Agency Head Name: Audrey E. Warren

Purpose	Amount
Salary	\$77,200.00
Benefits-insurance	0.00
Benefits-retirement	\$2,750.00
Benefits-<list any other here>	0.00
Car allowance	0.00
Vehicle provided by government	0.00
Per diem	0.00
Reimbursements (Storage Fees)	\$3,360.00
Reimbursements (Supplies)	\$1,965.39
Reimbursements (Postage)	\$37.05
Travel *****Student Field Trip	0.00
Registration fees	0.00
Conference travel	0.00
Continuing professional education fees	0.00
Housing	0.00
Unvouchered expenses*	0.00
Special meals	0.00
TOTAL	\$85,312.44

*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, 2023 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 noted below as 2023-1.

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 20, 2023

P.O. Box 870847 • New Orleans, LA 70187
Phone: (504) 401-9581 • Email: Brendel@bwhartoncpa.com

JEFFERSON YOUTH FOUNDATION, INC.
LIST OF FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

1. 2023-1 – Organizational Structure

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

JEFFERSON YOUTH FOUNDATION, INC.

The Advent Program

21ST Century Community Learning Centers

P.O. Box 184

Marrero, LA 70073

December 20, 2023

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

This communication is in reference to and serves as a reply to the management letter addressed to Senior Management of Jefferson Youth Foundation, Inc., where the following underlying issues are concerned:

Organizational Structure: The majority of Jefferson Youth Foundation's funding comes from federal and state grants that limit administrative spending to 10% of the total grant expenditures. This restriction limits 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 (GAAP). Programmatic oversight is provided by administrative staff and program staff in conjunction with input from participants and is measured by an independent fiscal evaluator using 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 close 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 1writer4hire@gmail.com.

Respectfully,

JEFFERSON YOUTH FOUNDATION, INC.

Audrey E. Warren

Audrey E. Warren
Executive Director