

TABLE OF CONTENTS

| | PAGE |
|---|------|
| INDEPENDENT AUDITORS' REPORT | 1 |
| BALANCE SHEET AT JUNE 30, 1996 | 2 |
| STATEMENT OF SUPPORT, REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 1996 | 3 |
| NOTES TO THE FINANCIAL STATEMENTS | 4 |
| INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS | 7 |
| INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS | 8 |

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Jefferson Youth Foundation, Inc.

We have audited the accompanying balance sheet of Jefferson Youth Foundation, Inc. (a non-profit corporation) as of June 30, 1996 and the related statement of support, revenue, expenditures and changes in fund balances for the year then ended. These financial statements are the responsibility of Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, and Governmental Auditing Standards issued by the Controller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jefferson Youth Foundation as of June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Governmental Auditing Standards, we have also issued a report dated December 20, 1996 on our consideration of Jefferson Youth Foundation's internal control structure and a report dated December 20, 1996 on its compliance with laws and regulations.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

December 20, 1996

JEFFERSON YOUTH FOUNDATION INC.
BALANCE SHEET
JUNE 30, 1994

| | IRMS AFFAIRS AND DEVELOPMENT GRANT- MONEY PROGRAM | PROPERTY TRUST | TOTAL MEMORANDUM ONLY 1994.6.31 |
|--|---|-------------------|--|
| Current Assets | | | |
| Cash (NOTE 1) | 585,831 | \$ 0.00 | 585,831 |
| Fixed Assets | | | |
| Equipment, net of accumulated depreciation of \$18,488 (NOTE 1) | 0.00 | 85,805 | 85,805 |
| Total assets | 585,831 | 85,805 | 671,636 |
| Current liabilities | | | |
| Accounts payable | 227,849 | \$ 0.00 | \$ 227,849 |
| Payroll taxes payable | 8,091 | 0.00 | 8,091 |
| Salaries payable | 23,293 | 0.00 | 23,293 |
| Deferred revenue (NOTE 1) | 4,728 | 0.00 | 4,728 |
| Total current liabilities | 263,961 | 0.00 | 263,961 |
| Fund balances | 321,670 | 85,805 | 407,475 |
| Total liabilities and fund balances | 585,631 | 85,805 | 671,436 |

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

JEFFERSON YOUTH FOUNDATION, INC.
STATEMENT OF SUPPORT, REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDING JUNE 30, 1996

| | Urban Affairs and Development Grant- Advent Program | Property Fund | Total Memorandum Only (NOTE 2) |
|--|---|------------------|---|
| Support and Reserves: | | | |
| Louisiana State Grant (NOTE 4) | \$330,373 | \$ -0- | \$330,373 |
| Public support | 121 | -0- | 121 |
| Interest | 3,881 | -0- | 3,881 |
| Total support and revenue | 334,374 | -0- | 334,374 |
| Expenditures: | | | |
| Salaries and benefits | 148,338 | -0- | 148,338 |
| Travel | 6,314 | -0- | 6,314 |
| Telephone | 1,834 | -0- | 1,834 |
| Student activities | 5,381 | -0- | 5,381 |
| Rent | 1,400 | -0- | 1,400 |
| Postage and expenses | 202 | -0- | 202 |
| Copying | 1,088 | -0- | 1,088 |
| Insurance | 1,809 | -0- | 1,809 |
| Stamps | 6,308 | -0- | 6,308 |
| Office supplies and miscellaneous | 1,280 | -0- | 1,280 |
| Arts and crafts supplies | 7,315 | -0- | 7,315 |
| Computer supplies and software | 5,733 | -0- | 5,733 |
| Professional services | 17,330 | -0- | 17,330 |
| Depreciation (NOTE 2) | -0- | 11,786 | 11,786 |
| Total expenditures | 282,331 | 11,786 | 294,117 |
| Excess of support and revenue over (under) expenditures before transfers | 14,963 | (11,786) | 3,177 |
| Transfer in (out) of equipment | 118,963 | 16,963 | -0- |
| Fund balance, beginning of year | 1,470 | 44,548 | 46,018 |
| Fund balance, end of year | \$ 1,470 | \$ 49,825 | \$ 51,295 |

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

JEFFERSON YOUTH FOUNDATION, INC.
NOTE TO THE FINANCIAL STATEMENTS

NOTE 1 - Organization:

The Jefferson Youth Foundation, Inc. (the Foundation) was organized to provide a variety of social, educational, cultural, health and nutritional services to disadvantaged youth and their families. These services are provided through the administration of the Advent Program, an afterschool program and summer camp.

NOTE 2 - Summary of Significant Accounting Policies:

Principles of Accounting

Jefferson Youth Foundation (the Foundation) is a non-profit, community based organization whose financial statements are prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Fund Accounting

Each program and grant administered by the Foundation is accounted for as a separate fund. Accordingly, resources for various programs are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund.

Equipment

Equipment of the Foundation are recorded as assets and are stated at historical costs if purchased, or at fair market value at the date of the gift, if donated. Addition, improvements and expenditures that significantly extend the useful life of an asset are capitalized.

JEPFERSON YOUTH FOUNDATION, INC.
NOTE TO THE FINANCIAL STATEMENTS. CONTINUED

NOTE 2 - Summary of Significant Accounting Policies. Continued:

Equipment. Continued

Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

| | |
|-----------|---------|
| Equipment | 5 years |
|-----------|---------|

Depreciation expense for the year totaled \$11,366.

Deferred Revenue

This amount represents the amount of grant receipts in excess of the related grant expenditures as of the end of the audit period.

Support and Revenues

Revenues received under government grant programs are recognized when earned.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor or the board of directors.

Total-Memorandum Only

The total column on the financial statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Such data is not comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

NOTE 3 - Cash:

Cash consists of the interest bearing and non-interest bearing checking accounts.

JEFFERSON YOUTH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - State of Louisiana Grants:

The Foundation is the recipient of a grant award from the Governor's Office of Urban Affairs and Development in the amount of \$375,000.

NOTE 5 - Income Taxes:

The Foundation is exempt from federal income taxes under code section 501(c)(13) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

NOTE 6 - Contingency:

The Foundation is a recipient of a grant from the State of Louisiana. The grant is governed by various State guidelines, regulations, and contractual agreements.

The administration of the program and activities funded by the grant is under the control and administration of the Foundation and are subject to audit and/or review by the applicable funding source. Any grant funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of Jefferson Youth Foundation, Inc. (the Foundation) (a nonprofit corporation), as of and for the year ended June 30, 1994 and have issued our report thereon dated December 20, 1994.

We conducted our audit in accordance with generally accepted auditing standards and 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 of material misstatement.

The management of the Foundation is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors, or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

INDEPENDENT AUDITORS REPORT ON THE INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS
(CONTINUED)

In planning and performing our audit of the financial statements of the Foundation for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Directors, management, and the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

December 20, 1996

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS AND
REGULATIONS BASED ON AN ASPECT OF THE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of Jefferson Youth Foundation, Inc. (the Foundation) as of and for the year ended June 30, 1996, and have issued our report thereon dated December 20, 1996.

We conducted our audit in accordance with generally accepted auditing standards, and 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 of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Foundation is the responsibility of the Foundation's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Foundation's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein, under Government Auditing Standards.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS AND
REGULATIONS BASED ON AN AUDIT OF THE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

(CONTINUED)

This report is intended for the information of the Board of Directors, management and the State of Louisiana. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Foundation is a matter of public record.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

December 20, 1996

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JEFFERSON YOUTH FOUNDATION, INC.

FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 1996

Under provisions of state law, this report is a public document. A copy of this report has been distributed to the auditor, or reviewer, entity and other appropriate public officials. This report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

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CERTIFIED PUBLIC ACCOUNTANTS

Reference Date: JUN 19 1996

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