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LOUIS JETSON FOUNDATION, INC.

DATON BOUGH, LOUISIANA

YEAR ENDED JUNE 30, 1968

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The 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.

Release Date — 808 2-6-69 —

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Donald C. DeVille

CERTIFIED PUBLIC ACCOUNTANT
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BAYTON BOULEVARD, SUITE 100
BAYTON, LOUISIANA 70301
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INDEPENDENT AUDITOR'S REPORT

August 13, 1998

Members of the Board of Directors
Louis Jackson Foundation, Inc.
Baton Rouge, Louisiana

I have audited the accompanying statement of financial position of the Louis Jackson Foundation, Inc. (a non-profit organization) as of June 30, 1998, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Louis Jackson Foundation, Inc.'s management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. These standards require that I 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. I believe that my audit provided a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louis Jackson Foundation, Inc. as of June 30, 1998, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated August 13, 1998, on our consideration of Louis Jackson Foundation's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants.

Respectfully submitted



Certified Public Accountant

LOUIS JEWSON FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1988

ASSETS:

Cash and Cash Equivalents	\$19,896
Grants Receivable	8,833
Prepaid Expenses	2,837
Fixed Assets, Net	18,209
Deposit-LAOC	324
TOTAL ASSETS	<u>42,439</u>

LIABILITIES & NET ASSETS:

LIABILITIES:

Accounts Payable	\$-0-
Accrued Vacations Payable	5,275
TOTAL LIABILITIES	<u>5,275</u>

NET ASSETS

Invested	16,953
TOTAL LIABILITIES & NET ASSETS	<u>42,438</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

LOUIS JETSON FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 1988

SUPPORT AND REVENUE:

Grant Revenue	
Capital Area Human Services	\$216,999
Urban Affairs And Development	254,758
Interest and Other Investment Income	8
Miscellaneous Income	2,455
TOTAL SUPPORT AND REVENUE	<u>474,220</u>

EXPENSES:

Support Services	
Capital Area Human Services	216,999
Urban Affairs	254,286
TOTAL EXPENSES	<u>471,285</u>

INCREASE IN NET ASSETS 3,935

NET ASSETS, beginning of Year **33,837**

NET ASSETS, End of Year **37,772**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

SOLO JETSON FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 1988

	PROGRAM SERVICES		TOTAL
	CAPITAL ASSETS	URBAN AFFAIRS	
Accounting	54,011	82,513	136,524
Advertising	55	388	443
Awards	71	-0-	71
Bank Processing Fees	224	12	236
Contributions	2,800	-0-	2,800
Depreciation	3,828	1,154	4,982
Dues & Subscriptions	35	15	50
Food & Snacks	1,269	6,833	8,102
Insurance	2,850	2,128	4,978
Janitorial	598	726	1,324
Legal Services	393	-0-	393
Miscellaneous	191	1,252	1,443
Office Expense	1,988	4,604	6,592
Payroll Taxes	5,478	4,604	10,082
Postage	224	183	407
Rent	3,125	4,284	7,409
Repairs and Maintenance	1,584	1,651	3,235
Salaries and Contract Labor	80,488	184,182	264,670
Supplies	1,118	4,974	6,092
Taxes, Licenses and Fees	310	-0-	310
Telephone	3,128	1,214	4,342
Travel & Conferences	1,350	5,284	6,634
Utilities	2,422	2,516	4,938
Security	160	80	240
TOTAL EXPENSES	118,998	184,186	271,184

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

LOWE JENKINS FOUNDATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1988

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase In Net Assets	\$3,036
Adjustments To Reconcile Increase In Net Assets To Net Cash Provided By Operating Activities:	
Depreciation	5,081
(Increase) Decrease In Operating Assets:	
Receivable	5,907
Prepaid Expenses	(2,888)
Deposits	(208)
Other Assets	2,099
Increase (Decrease) In Operating Liabilities:	
Payroll Taxes	(2,471)
Accrued Vacations	5,575
Other Liabilities	25,048
NET CASH PROVIDED BY OPERATING ACTIVITIES	43,016
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of Equipment	(9,914)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(33,182)
 CASH AND CASH EQUIVALENTS, Beginning of Year	46,137
 CASH AND CASH EQUIVALENTS, End of Year	13,015

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

LOUIS JETSON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DATE 10, 1998

NOTE #1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Louis Jetson Foundation, Inc. (Foundation) is a Louisiana non-profit corporation established in March 1993 and is duly licensed by the State Department of Health and Hospitals to operate various social services programs. The mission of the Foundation is to facilitate a segment of "At Risk" and potentially troubled youth in the habitative and rehabilitative processes of growing up alcohol, tobacco and other drugs free, without violence and other anti-social behavior patterns.

BASIS OF PRESENTATION

The financial statements are presented in accordance with Statement of Financial Accounting standards No. 116 (SFAS No. 116), Accounting for Contributions Received and Contributions Made and Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. SFAS No. 116 requires contributions to be recognized as revenue when they are received or unconditionally pledged. SFAS No. 117, which eliminates the utilization of fund accounting for financial reporting purposes, requires net assets to be classified as either 1) unrestricted, 2) temporarily restricted, or 3) permanently restricted depending on limitations placed on the net assets.

DONATED SERVICES

Services have not been reported in the statements for donated services because they do not meet the criteria for recognition under SFAS No. 116. A substantial number of volunteers have donated significant amounts of their time to the Organization.

Contributions of service shall be recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

REVERSE RECOGNITION

Contributions are recognized as revenue when they are received or unconditionally pledged.

Conditions - Contributions are recorded as unrestricted or unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

LOUIS JETSON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1978

REVERSE RECOGNITION, CONTRIBUTIONS - Continued...

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purposes restriction is accomplished), temporarily restricted net assets are classified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Contributions receivable represent amounts committed by donors that have not been received by the Organization.

INCOME TAXES

The Organization is a non-for-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code.

CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

USE OF ESTIMATES

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 for the period. Actual results could differ from those estimates.

PROPERTY AND EQUIPMENT

The purchase of property and equipment is recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Equipment and vehicles are depreciated using the straight-line method over the estimated useful lives of 5 to 10 years.

**LOUIS JETER FOUNDATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1998**

FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing Organization's various programs and supporting services have been summarized on a functional basis in the statement of support, revenue and expenses, and changes in fund balances. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE #2. CASH AND CASH EQUIVALENTS

The carrying value of the Organization's cash and cash equivalents is as follows as of June 30, 1998:

	<u>BOOK VALUE</u>	<u>CASH BALANCE</u>	<u>INVESTED</u>	<u>AT RISK</u>
Demand Accounts	\$11,035	\$21,154	\$21,154	-0-

NOTE #3. RECEIVABLES

Grants receivable at June 30, 1998, consist of reimbursements for expenses incurred under the following programs:

<u>PROGRAM</u>	<u>AMOUNT</u>
Capital Area Human Services	<u>\$8,233</u>

Advances receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income.

The direct charge-off method is not a material departure from GAAP as it approximates the valuation method.

NOTE #4. EQUIPMENT

Equipment is carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of five to ten years for equipment. Equipment consist of the following:

Equipment	\$30,424
Less: Accumulated Depreciation	<u>(12,225)</u>
Equipment Book Value	<u>18,200</u>

LOUIS JETSON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE #5. LINE OF CREDIT

The Foundation has a \$25,000 revolving line of credit with a local bank. There was no balance outstanding and due at June 30, 1998.

NOTE #6. LEASE OBLIGATIONS

The organization rents space from the Fourth District Baptist Association and Southern Inn on a six month basis at \$400 per month each. Rental expense was \$9,479 for the year ended June 30, 1998.

SUPPLEMENTAL INFORMATION

Donald C. DeSille

MEMBER OF THE PUBLIC ACCOUNTANTS
FIRM BLANCKENHUT BULL
REGISTERED ACCOUNTANTS
#440 167-7689

MEMBER
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

August 17, 1988

Members of the Board of Directors
Louis Jeter Foundation, Inc.
Nation Rouge, Louisiana

I have audited the financial statements of the Louis Jeter Foundation Inc. as of and for the year ended June 30, 1988, and have issued my report thereon dated August 17, 1988. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether Louis Jeter Foundation's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 instances of noncompliance that are required to be reported under Government Auditing Standards described in the accompanying schedule of current year's findings.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing my audit, I considered Louis Jeter Foundation's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operations that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect its ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of current year's findings.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in accounts 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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described in the Schedule of Current Year's Findings we considered the first finding to be material weaknesses.

This report is intended for the information of the management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and distribution is not limited.



LOUIS JETSON FOUNDATION, INC.
FRISK TEAM'S FINDINGS
YEAR ENDED JUNE 30, 1998

* * * * *

DESCRIPTION: The Foundation has entered into contracts with individuals as consultants instead of employing them as employees.

STATUS: The Foundation now treats all tutors and other instructional workers as employees.

* * * * *

DESCRIPTION: The Foundation reimbursed its employees for travel very informally.

STATUS: The Foundation now uses a travel reimbursement form.

* * * * *

DESCRIPTION: A check was made payable to cash without supporting documentation.

STATUS: There were no checks made payable to "cash".

* * * * *

DESCRIPTION: Procedures for receiving and recording miscellaneous cash receipts need to be improved.

STATUS: No Change.

* * * * *

DESCRIPTION: There is very little segregation of duties.

STATUS: No Change.

* * * * *

DESCRIPTION: Petty cash procedures include cash reimbursements for miscellaneous receipts for purchases of goods and services.

STATUS: No Change.

* * * * *

LOUIS JEWELL FOUNDATION, INC.
SCHEDULE OF CURRENT YEAR'S FINDINGS
YEAR ENDED JUNE 30, 1998

MATERIAL WEAKNESSES
COMPLIANCE & INTERNAL CONTROL

Reportable Condition: There was no general ledger, cash disbursement or cash receipts journal.

Criteria: Good accounting procedures require basic financial information.

Cause: They were not prepared.

Effect: The accounting records had to be reconstructed.

Recommendation: The Foundation has now contracted with another CPA to provide monthly accounting services.

* * * * *

INTERNAL CONTROL

Reportable Condition: Numerous checks were issued for higher amounts than the invoice indicate. The excess was refunded in cash. Current records do not specifically identify the deposit of specific cash refunds.

Criteria: Checks should be made out to the exact amount of the invoice.

Cause: The Foundation would bring checks issued to \$50 to \$150 to vendors and purchased supplies as close to that amount as possible.

Effect: This practice could lead to the loss of cash.

Recommendation: I recommend that all checks be issued to the invoice amount.

**LOUIS JETSON FOUNDATION, INC.
SCHEDULE OF CURRENT YEAR'S FINANCIAL
YEAR ENDED JUNE 30, 1988**

COMPLIANCE & INTERNAL CONTROL

Reportable Condition: Two bank statements along with the cancelled checks are missing.

Criteria: All documentation needs to be retained to support transactions.

Cause: The bank statements that are missing occur during the previous years audit by another CPA.

Effect: The bank statement had to be order from the Bank.

Recommendation: The Foundation needs technical assistance in accounting retention of records.

* * * * *

INTERNAL CONTROL

Reportable Condition: Only one signature is required on checks and one check cleared the bank with no signature. Also the executive director signs his own payroll check.

Criteria: Due to the lack of segregation of duties additional controls need to be implemented.

Cause: Dual signatures are hard to obtain.

Effect: There is no material effect to the financial statements.

Recommendation: I recommend dual signatures on all cash disbursements.

* * * * *



Louisa Jetson Foundation, Inc. Youth Enrichment Program

August 15, 1998

Donald C. DeVille
Certified Public Accountant
7629 Bluebonnet Blvd.
Baton Rouge, Louisiana 70810

Listed below is Louisa Jetson Foundation, Inc. plan of actions for the material weaknesses cited in the schedule of current year findings year ended June 30, 1998.

Reportable Condition: There was no general ledger, cash disbursement or cash receipt's journal.

Plan of Action: The Louisa Jetson Foundation, Inc. has contracted a bookkeeper (Mrs. Bonnie Jackson) to ensure that good accounting procedures are established and maintained.

Reportable Condition: Numerous checks were issued for higher amounts than the invoices indicate. The excess was refunded in cash. Current records do not specifically identify the deposit of specific cash refunds.

Plan of Action: Effective immediately, The Louisa Jetson Foundation, Inc. will cut checks only for the invoice amount. A deposit will be made for any cash refunds on the following business day.

Reportable Condition: Two bank statements along with the corrected checks are missing.

Plan of Action: The Louisa Jetson Foundation, Inc. has contracted a bookkeeper (Mrs. Bonnie Jackson) to ensure good accounting retention of records. This incident occurred during a previous administration.

Reportable Condition: Only one signature is required on checks and one check cleared the bank with no signature. Also, the executive director signs his own payroll check.

Plan of Action: Effective immediately, the Executive Director will obtain dual signatures on all cash disbursements totaling more than \$1,000.00.

Sincerely,


Chester L. Coker
Executive Director

"Where good things are happening, one day at a time."