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LOUIS JETSON FOUNDATION, INC.

BATON ROUGE, LOUISIANA

YEAR ENDED JUNE 30, 1999

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 NOV 24 1999

## TABLE OF CONTENTS

Independent Auditor's Report	Page 3
Financial Statements	
Statement of Financial Position	Page 4
Statement of Activities	Page 5
Statement of Functional Expenses	Page 6
Statement of Cash Flows	Page 7
Notes to Financial Statements	Page 8
Supplemental Information	
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards	Page 13
Prior Year's Findings	Page 15
Schedule of Current Year's Findings	Page 16

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MEMBER  
AMERICAN INSTITUTE CPAs  
LOUISIANA SOCIETY CPAs

## INDEPENDENT AUDITOR'S REPORT

October 18, 1999

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

I have audited the accompanying statement of financial position of the Louis Jetson Foundation, Inc. (a non-profit organization) as of June 30, 1999, 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 Jetson 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. Those 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 Jetson Foundation, Inc. as of June 30, 1999, 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 October 18, 1999, on our consideration of Louis Jetson 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 JETSON FOUNDATION, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 1999

(With Comparative Totals for 1998)

	<u>JUNE 30,</u>	
	<u>1999</u>	<u>1998</u>
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$5,034	\$13,035
Grants Receivable	13,448	8,033
Prepaid Expenses	3,514	2,937
Fixed Assets, Net	21,923	18,209
Deposit-LWCC	272	224
	<u>44,191</u>	<u>42,438</u>
	<u>44,191</u>	<u>42,438</u>
 <b>LIABILITIES &amp; NET ASSETS:</b>		
<b>LIABILITIES:</b>		
Credit Line	\$7,662	\$-0-
Bank Overdrafts	828	-0-
Accounts Payable	-0-	-0-
Accrued Vacations Payable	7,826	5,575
	<u>16,316</u>	<u>5,575</u>
	<u>16,316</u>	<u>5,575</u>
 <b>NET ASSETS</b>		
Unrestricted	27,875	36,863
	<u>27,875</u>	<u>36,863</u>
	<u>27,875</u>	<u>36,863</u>
 <b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u>44,191</u>	<u>42,438</u>
	<u>44,191</u>	<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, 1999**

(With Comparative Totals for 1998)

	<u>1999</u>	<u>JUNE 30,</u> <u>1998</u>
<b>SUPPORT AND REVENUE:</b>		
Grant Revenue		
Capital Area Human Services	\$117,000	\$116,999
Urban Affairs And Development	160,853	154,750
Baton Rouge Foundation	3,000	-0-
Donations	4,285	-0-
Interest and Other Investment Income	37	6
Miscellaneous Income & Refunds	2,675	2,466
	<hr/>	<hr/>
<b>TOTAL SUPPORT AND REVENUE</b>	<b>287,850</b>	<b>274,221</b>
	<hr/>	<hr/>
<b>EXPENSES:</b>		
Support Services		
Capital Area Human Services	141,579	116,999
Urban Affairs	110,897	154,186
General & Administration	44,362	-0-
	<hr/>	<hr/>
<b>TOTAL EXPENSES</b>	<b>296,838</b>	<b>271,185</b>
	<hr/>	<hr/>
INCREASE (DECREASE) IN NET ASSETS	(8,988)	3,036
NET ASSETS, Beginning of Year	36,863	33,827
	<hr/>	<hr/>
NET ASSETS, End of Year	27,875	36,863
	<hr/>	<hr/>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

LOUIS JETSON FOUNDATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 1999

	<u>PROGRAM SERVICES</u>			<u>TOTALS</u>	
	<u>URBAN</u> <u>AFFAIRS</u>	<u>CAPITAL</u> <u>AREA</u>	<u>OTHER</u>	<u>JUNE 30,</u> <u>1999</u>	<u>1998</u>
Accounting	\$3,750	\$3,200	-0-	\$6,950	\$6,526
Advertising	1,557	337	-0-	1,894	445
Awards	-0-	-0-	-0-	-0-	71
Bank Processing Fees	55	17	114	186	226
Contract Labor	434	80	9,442	9,956	-0-
Contributions	456	551	16	1,023	2,000
Depreciation	-0-	-0-	6,468	6,468	5,081
Dues & Subscriptions	257	-0-	-0-	257	50
Field Trips	-0-	150	5	155	-0-
Food & Snacks	1,079	2,158	735	3,972	7,391
Insurance	3,458	1,407	229	5,094	7,978
Interest	-0-	-0-	145	145	-0-
Janitorial	1,519	579	-0-	2,098	1,334
Leased Copier	2,778	952	-0-	3,730	-0-
Legal Services	-0-	-0-	-0-	-0-	390
Licenses	500	110	-0-	610	-0-
Miscellaneous	-0-	-0-	-0-	-0-	1,443
Office Expense	4,579	2,363	568	7,510	6,037
Payroll Taxes	-0-	-0-	19,945	19,945	11,399
Postage	130	260	4	394	417
Program Activities	339	530	3,460	4,329	-0-
Rent	4,150	1,500	-0-	5,650	9,479
Repairs & Maintenance	1,714	1,807	914	4,435	3,167
Salaries	103,725	87,630	-0-	191,355	184,792
Supplies	3,272	1,418	1,548	6,238	7,106
Security	118	217	-0-	335	220
Taxes, Licenses & Fees	-0-	-0-	-0-	-0-	110
Telephone	3,127	1,923	429	5,479	4,136
Travel & Conferences	4,582	3,708	340	8,630	6,449
Utilities	-0-	-0-	-0-	-0-	4,938
<b>TOTAL EXPENSES</b>	<b>141,579</b>	<b>110,897</b>	<b>44,362</b>	<b>296,838</b>	<b>271,185</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

**LOUIS JETSON FOUNDATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 1999**

(With Comparative Totals for 1998)

	<u>JUNE 30,</u>	
	<u>1999</u>	<u>1998</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Increase (Decrease) In Net Assets	\$(8,988)	\$3,036
Adjustments To Reconcile Increase In Net Assets To Net Cash Provided By Operating Activities:		
Depreciation	6,468	5,081
<b>(Increase) Decrease In Operating Assets:</b>		
Receivable	(5,415)	7,907
Prepaid Expenses	(577)	(2,936)
Deposits	(48)	(224)
Other Assets	-0-	2,000
<b>Increase (Decrease) In Operating Liabilities:</b>		
Payroll Taxes	-0-	(2,471)
Accrued Vacations	2,251	5,575
Other Liabilities	-0-	25,048
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>(6,309)</b>	<b>43,016</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Purchase of Equipment	(10,182)	(9,914)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>		
Proceeds from Loans	7,662	-0-
<b>NET INCREASES (DECREASES) IN CASH AND CASH EQUIVALENTS</b>	<b>(8,829)</b>	<b>(33,102)</b>
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	<b>13,035</b>	<b>46,137</b>
<b>CASH AND BANK OVERDRAFTS, End of Year</b>	<b>4,206</b>	<b>13,035</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.



**LOUIS JETSON FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 1999**

**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 habilitative and rehabilitation processes of growing up alcohol, tobacco and other drugs free, without violence and other anti-social behaviors 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**

Amounts 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 individual possessing those skills and would typically need to be purchased if not provided by donation.

**REVENUE RECOGNITION**

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

**Conditions** - Contributions are recorded as 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, 1999**

**REVENUE 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 not-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 JETSON FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

**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.

**COMPARATIVE DATA**

Comparative data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the Clubs' financial position and operations. However, presentation of comparative data by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

**NOTE #2. CASH AND CASH EQUIVALENTS**

The carrying value of the Organizations cash and cash equivalents is as follows as of **June 30, 1999**:

	<u>BOOK VALUE</u>	<u>BANK BALANCE</u>	<u>INSURED</u>	<u>AT RISK</u>
Demand Accounts	<u>\$4,206</u>	<u>\$11,126</u>	<u>\$11,126</u>	<u>-0-</u>

**NOTE #3. RECEIVABLES**

Grants receivable at **June 30, 1999**, consist of reimbursements for expenses incurred under the following programs:

<u>PROGRAM</u>	<u>AMOUNT</u>
Capital Area Human Services	<u>\$13,448</u>

Accounts 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.

LOUIS JETSON FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

**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	\$40,616
Less: Accumulated Depreciation	(18,693)
	<hr/>
Equipment Book Value	21,923
	<hr/> <hr/>

**NOTE #5. LINE OF CREDIT**

The Foundation has a \$20,000 revolving line of credit with a local bank. As of June 30, 1999, the Foundation had \$7,662 outstanding and payable.

**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 \$5,650 for the year ended June 30, 1999.

**NOTE #7: YEAR 2000 ISSUE**

The Louis Jetson Foundation has evaluated the potential affects of the Year 2000 (Y2K) issue related to computer hardware and software and determined that both the hardware and software could be affected. The only mission critical software of the organization is the accounting software packages. The organization's Certified Public Accountant who provides bookkeeping services has stated that there accounting software is Y2K compliant.

**SUPPLEMENTAL INFORMATION**



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

October 18, 1999

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

I have audited the financial statements of the Louis Jetson Foundation Inc. as of and for the year ended June 30, 1999, and have issued my report thereon dated October 18, 1999. 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 Jetson 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 Jetson 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 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. 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.

A handwritten signature in black ink, appearing to read "Mark R. A." with a stylized flourish at the end.



LOUIS JETSON FOUNDATION, INC.  
SCHEDULE OF PRIOR YEARS FINDINGS  
YEAR ENDED JUNE 30, 1999

<u>REF NO.</u>	<u>FISCAL YEAR FINDING INITIALLY OCCURRED</u>	<u>DESCRIPTION OF FINDING</u>	<u>CORRECTIVE ACTION TAKEN (YES, NO, PARTIALLY)</u>	<u>CORRECTIVE ACTION/PARTIAL CORRECTIVE ACTION TAKEN</u>
1.	6-30-97	Recording of Petty Cash Transactions Need Improvement	Partially	The Outside CPA Has Established Procedures To Record Petty Cash Expenses.
2.	6-30-97	There Is No Segregation Of Duties	Partially	The Outside CPA Has Taken Over Some Conflicting Duties.
3.	6-30-97	Documenting Miscellaneous Cash Receipts Need To Be Improved.	No	There Is A \$7,193 Unknown Deposit.
4.	6-30-98	There Was No General Ledger, Cash Receipts or Cash Disbursement Journals.	Yes	The Foundation Has Hired An Outside CPA.
5.	6-30-98	Checks Were Issued For Higher Amounts Than The Invoice and Excess Was Received In Cash.	Yes	Checks Are Now Issued For The Invoiced Amount
6.	6-30-98	Two Bankstatements Along With Cancelled Checks Were Missing.	Yes	All Bankstate-ments Were Accounted For.
7.	6-30-98	Only One Signature Is Required.	Yes	Dual Signatures Are Now Required.

LOUIS JETSON FOUNDATION, INC.  
SCHEDULE OF CURRENT YEARS'S FINDINGS  
YEAR ENDED JUNE 30, 1999

COMPLIANCE & INTERNAL CONTROL

**Reportable Condition:** The Foundation issues checks for \$50 to replenish Petty Cash.

**Criteria:** Checks should be adequately supported with invoices attached.

**Cause:** The Foundation was unaware of the proper procedures.

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

**Recommendation:** When the petty cash fund is depleted, invoices should be added up and reimbursed for that amount only. The invoices should be cancelled and attached to the check copy.

\* \* \* \* \*



# **Louis Jetson Foundation, Inc.**

## **Youth Enrichment Program**

### Corrective Action Plan

Donald C. DeVille  
Certified Public Accountant  
7829 Bluebonnet Blvd.  
Baton Rouge, LA 70810

Pursuant to your June 30, 1999, audit findings we present the proposed corrective action plan.

Petty Cash reimbursements will be on the imprest system. As the petty cash fund needs replenishing, a check is drawn to the petty cash custodian covering the exact amount that has been disbursed out of it, bring the total back to the original balance.

**“Where good things are happening, one day at a time.”**