

5521

RECEIVED  
LEGISLATIVE AUDITOR  
97 MAR 13 AM 9:13

DO NOT SEND OUT  
(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

OFFICIAL  
FILE COPY

DO NOT SEND OUT

(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

**LOUIS JETSON FOUNDATION, INC.**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 1996 AND 1995**

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 4-2-97

**HALL & THOMAS, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS

# LOUIS JETSON FOUNDATION, INC.

## TABLE OF CONTENTS

---

### AUDITOR'S REPORTS AND FINANCIAL STATEMENTS

Independent Auditor's Report On Financial Statements and Supplemental Data	2-3
Independent Auditor's Report on Internal Control Structure in Accordance with Government Auditing Standards	4-6
Independent Auditor's Report on Internal Control Structure used in Administering Federal Awards Assistance	7-10
Independent Auditor's Report on Compliance with Laws and Regulations	11
Independent Auditor's Report on Compliance with General Requirements Applicable to Major Federal Awards Programs	12-13
Independent Auditor's Report on Compliance with Specific Requirements Applicable to Major Federal Awards Programs	14-15
Statement of Assets, Liabilities and Fund Balance - Modified Cash Basis	16
Statement of Receipts, Expenditures and Changes In Fund Balance - Modified Cash Basis	17
Statement of Cash Flows - Modified Cash Basis	18
Notes to Financial Statements	19-20

### SUPPLEMENTAL INFORMATION

Schedule of Total Financial Assistance	22
Independent Auditor's Report on Schedule of Federal Financial Assistance	23
Schedule of Federal Financial Assistance	24
Schedule of Findings and Recommendations	25-27

**AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS**

**HALL & THOMAS, INC.  
Certified Public Accountants**

**HALL & THOMAS, INC.**  
**Certified Public Accountants**

RECEIVED  
LEGISLATIVE AUDITOR

97 MAR 03 AM 9:13  
Baton Rouge, La. 70898  
(504) 927-1884

4919 Jamestown Ave.  
Suite 204  
Baton Rouge, La. 70808

TERRY R. HALL, CPA

DARRYL D. THOMAS, CPA

**INDEPENDENT AUDITOR'S REPORT  
ON FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA**

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

We have audited the accompanying statement of assets, liabilities, and fund balance - modified cash basis of Louis Jetson Foundation, Inc. (a non-profit corporation), as of June 30, 1996 and 1995, and the related statements of receipts, expenditures, and changes in fund balance - modified cash basis, and cash flows - modified cash basis for the years then ended. These financial statements are the responsibility of Louis Jetson Foundation, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 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 audits provide a reasonable basis for our opinion.

As described in note 1, Louis Jetson Foundation, Inc., (a non-profit corporation) prepares its financial statements on the modified cash basis of accounting. This is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balance of Louis Jetson Foundation, Inc., as of June 30, 1995 and 1994, and its receipts, expenditures and changes in fund balance and cash flows for the years then ended in conformity with the basis of accounting described in note 1.

Receipt Acknowledged  
Legislative Auditor

By \_\_\_\_\_

In accordance with Government Auditing Standards, we have also issued a report dated February 19, 1997, on our consideration of Louis Jetson Foundation, Inc., internal control structure and a report dated February 19, 1997, on its compliance with laws and regulations.

Our audits were made for the purpose of forming an opinion on the basic financial statements of Louis Jetson Foundation, Inc. (a non-profit corporation) taken as a whole. The accompanying schedules of financial awards are presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in these schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Hall & Thomas, Inc.  
Certified Public Accountants

Baton Rouge, Louisiana  
February 19, 1997

**HALL & THOMAS, INC.**  
**Certified Public Accountants**

---

4919 Jamestown Ave.  
Suite 204  
Baton Rouge, La. 70808

TERRY R. HALL, CPA

P. O. Box 80151  
Baton Rouge, La. 70898  
(504) 927-1884

DARRYL D. THOMAS, CPA

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

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

We have audited the financial statements of Louis Jetson Foundation, Inc. (a non-profit organization), as of and for the years ended June 30, 1996 and 1995, and have issued our report thereon dated February 19, 1997.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audits of the financial statements of Louis Jetson Foundation, Inc. for the years ended June 30, 1996 and 1995, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

The management of Louis Jetson Foundation, Inc., 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, 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, or another comprehensive basis of accounting used by the organization. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance, 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.

In planning and performing our audit of the financial statements of Louis Jetson Foundation, Inc. for the years ended June 30, 1996 and 1995, 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 an opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions noted are as follows:

- o Certain tasks integral to internal control were not performed in every instance on a routine basis:
  - o Contracting with individuals for personal services versus hiring and paying individuals as employees.
  - o Petty cash disbursements and documentations
  - o Recording minutes of the meetings of the board of directors with subsequent board of directors' approval
- o In a small organization it is difficult to attain a complete separation of duties and independent check and review over every transaction.

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 or 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

The reportable conditions presented above, as well as, other matters involving the internal control structure and its operation have been discussed in the Findings and Recommendations section of this report.

This report is intended for the information of the board of directors and management of Louis Jetson Foundation, Inc., the Louisiana Department Health and Hospitals. However, this is not a restriction on the distribution of this report, which is a matter of public record.

Hall & Thomas, Inc.  
Certified Public Accountants

Baton Rouge, Louisiana  
February 19, 1997



**HALL & THOMAS, INC.**  
Certified Public Accountants

---

4919 Jamestown Ave.  
Suite 204  
Baton Rouge, La. 70808

TERRY R. HALL, CPA

P. O. Box 80151  
Baton Rouge, La. 70898  
(504) 927-1884

DARRYL D. THOMAS, CPA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL AWARDS**

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

We have audited the financial statements of Louis Jetson Foundation, Inc. (a nonprofit organization), as of and for the years ended June 30, 1996 and 1995, and have issued our report thereon dated February 19, 1997. We have also audited the organization's compliance with requirements applicable to major federal award programs and have issued our report thereon dated February 19, 1997.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the organization complied with laws and regulations, and noncompliance with which would be material to a major federal program.

In planning and performing our audits for the years ended June 30, 1996 and 1995, we considered the internal control structure of Louis Jetson Foundation, Inc. in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements of Louis Jetson Foundation, Inc. and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal award programs. We have addressed internal control structure policies and procedures relevant to our audit on the financial statements in a separate report dated February 19, 1997.

The management of Louis Jetson Foundation, Inc., 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, 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, or another comprehensive basis of accounting used by the organization, and that federal award programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance 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.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal award programs in the following categories:

#### INTERNAL ACCOUNTING CONTROLS

- o Cash
- o Receivables and cash receipts
- o Payroll and related liabilities
- o Property and equipment
- o Expenditures for goods and services and accounts payable
- o Debt and other liabilities

#### ADMINISTRATIVE CONTROLS

- o Governmental financial assistance programs
  - o General requirements
    - o Civil rights
    - o Cash management
    - o Federal financial reports
    - o Allowable costs/cost principles
    - o Drug-free workplace
    - o Political activity
    - o Administrative requirements
  - o Specific requirements
    - o Types of services allowed and not allowed
    - o Eligibility
    - o Matching, level of effort, or earmarking
    - o Federal Financial Reports and claims for advances and reimbursements
    - o Special reporting requirements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the years ended June 30, 1996 and 1995, Louis Jetson Foundation, Inc., expended 100% of its total federal award under one major federal award program.

We performed tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements and general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the organization's major federal financial award programs, which is identified in the accompanying Schedule of Federal Awards. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to administer federal award programs in accordance with applicable laws and regulations. Reportable conditions noted are as follows:

- o Certain tasks integral to internal control were not performed in every instance on a routine basis:
  - o Contracting with individuals for personal services versus hiring and paying individuals as employees
  - o Petty cash disbursements and documentations
  - o Recording minutes of the meetings of the board of directors with subsequent board of directors' approval
- o In a small organization it is difficult to attain a complete separation of duties and independent check and review over every transaction.

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 noncompliance with laws and regulations that would be material to a federal award program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal awards would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

The reportable conditions presented above, as well as, other matters involving the internal control structure and its operation have been discussed more fully in the Findings and Recommendations section of this report.

This report is intended for the information of the board of directors and management of Louis Jetson Foundation, Inc., the Louisiana Department Health and Hospitals. However, this is not a restriction on the distribution of this report, which is a matter of public record.

Hall & Thomas, Inc.  
Certified Public Accountants

Baton Rouge, Louisiana  
February 19, 1997

**HALL & THOMAS, INC.**  
**Certified Public Accountants**

---

4919 Jamestown Ave.  
Suite 204  
Baton Rouge, La. 70808

TERRY R. HALL, CPA

P. O. Box 80151  
Baton Rouge, La. 70898  
(504) 927-1884

DARRYL D. THOMAS, CPA

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

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

We have audited the financial statements of Louis Jetson Foundation, Inc., (a non-profit corporation) as of and for the years ended June 30, 1996 and 1995, and have issued our report thereon dated February 19, 1997.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Louis Jetson Foundation, Inc., is the responsibility of the Louis Jetson Foundation, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Louis Jetson Foundation, Inc.'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 under government auditing standards.

This report is intended for the information of the board of directors and management of Louis Jetson Foundation, Inc. and the Louisiana Department of Health and Hospital. However, this is not a restriction on the distribution of this report, which is a matter of public record.

Hall & Thomas, Inc.  
Certified Public Accountants

Baton Rouge, Louisiana  
February 19, 1997

# HALL & THOMAS, INC.

## Certified Public Accountants

---

4919 Jamestown Ave.  
Suite 204  
Baton Rouge, La. 70808

TERRY R. HALL, CPA

P. O. Box 80151  
Baton Rouge, La. 70898  
(504) 927-1884

DARRYL D. THOMAS, CPA

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH GENERAL REQUIREMENTS APPLICABLE TO MAJOR FEDERAL AWARD PROGRAMS

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

We have audited the financial statements of Louis Jetson Foundation, Inc. (a non-profit organization), as of and for the years ended June 30, 1996 and 1995, and have issued our report thereon dated February 19, 1997.

We have applied procedures to test Louis Jetson Foundation, Inc.'s compliance with the following requirements applicable to its federal award program, which is identified in the accompanying Schedule of Federal Awards, for the years ended June 30, 1996 and 1995:

- o Civil rights
- o Cash management
- o Federal financial reports
- o Allowable costs/cost principles
- o Drug-free workplace
- o Political activity
- o Administrative requirements
- o Matching, level of effort, or earmarking

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of Educational Institutions and Other Nonprofit Organizations." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Louis Jetson Foundation, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Louis Jetson Foundation, Inc., had not complied, in all material respects, with those requirements.

This report is intended for the information of the board of directors and management of Louis Jetson Foundation, Inc. and the Louisiana Department Health and Hospital. However, this is not a restriction on the distribution of this report, which is a matter of public record.

Hall & Thomas, Inc.  
Certified Public Accountants

Baton Rouge, Louisiana  
February 19, 1997

**HALL & THOMAS, INC.**  
**Certified Public Accountants**

---

4919 Jamestown Ave.  
Suite 204  
Baton Rouge, La. 70808

TERRY R. HALL, CPA

P. O. Box 80151  
Baton Rouge, La. 70898  
(504) 927-1884

DARRYL D. THOMAS, CPA

**INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE  
TO MAJOR FEDERAL AWARD PROGRAMS**

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

We have audited the financial statements of Louis Jetson Foundation, Inc. (a nonprofit organization), as of and for the years ended June 30, 1996 and 1995, and have issued our report thereon dated February 19, 1997.

We have also audited Louis Jetson Foundation, Inc.'s compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the years ended June 30, 1996 and 1995. The management of Louis Jetson Foundation, Inc., is responsible for the Organization's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audits.

We conducted our audits of compliance with those requirements in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the organization's compliance with those requirements. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, Louis Jetson Foundation, Inc., complied, in all material respects, with the requirements referred to above, in the second paragraph, that are applicable to each of its major federal award programs for the years ended June 30, 1996 and 1995.



This report is intended for the information of the board of directors, management and the Louisiana Department Of Health and Hospital. However, this report is a matter of public record.

Hall & Thomas, Inc.  
Certified Public Accountants

Baton Rouge, Louisiana  
February 19, 1997

LOUIS JETSON FOUNDATION, INC.  
STATEMENT OF ASSETS , LIABILITIES  
AND FUND BALANCE  
MODIFIED CASH BASIS  
AS OF JUNE 30, 1996 And 1995

<u>ASSETS</u>	<u>1996</u>	<u>1995</u>
Current assets:		
Cash	\$4,212	\$8,543
Short term investment	4,945	
Prepaid taxes	-	624
	-----	-----
Total	9,157	9,167
Property and equipment:		
Office equipment	7,104	5,089
Computer equipment	6,700	1,400
Office furniture	1,445	1,278
	-----	-----
Total	15,249	7,767
Accumulated depreciation	3,695	1,472
	-----	-----
Total property and equipment, net	11,554	6,295
Property held for resale	-	10,325
	-----	-----
Total Assets	20,711	25,787
	=====	=====

LIABILITIES AND FUND BALANCE

Accounts payable	400	-
Obligation under capital lease	-	1,013
Accrued payroll tax liability	867	230
	-----	-----
Total Liabilities	1,267	1,243
Fund balance	19,444	24,545
	-----	-----
Total Liabilities and Fund Balance	\$20,711	\$25,788
	=====	=====

The accompanying notes are an integral part of these financial statements

**LOUIS JETSON FOUNDATION, INC.  
STATEMENT OF RECEIPTS, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 1996 And 1995**

	<b>1996</b>	<b>1995</b>
<b>RECEIPTS:</b>		
State of Louisiana contracts	\$137,605	\$129,175
Governor's office	10,000	10,000
Other cash receipts	1,126	592
	-----	-----
<b>TOTAL RECEIPTS</b>	<b>148,731</b>	<b>139,767</b>
<b>EXPENDITURES</b>		
<b>SALARIES:</b>		
Executive director	27,923	25,914
Staff	53,656	41,755
Payroll taxes	7,478	6,519
Consultant fees	17,323	14,108
Supplies and expenses	14,917	10,056
Rent expense, building	3,055	4,381
Rent expense, equipment	976	488
Accounting fees	5,800	6,100
Telephone	2,632	2,379
Utilities	2,661	2,580
Insurance	4,680	3,678
License and fees	105	130
Legal fees	15	15
Repairs and maintenance	2,141	3,235
Travel	347	1,090
Penalties	1,760	1,297
Bank service charges	99	190
Depreciation	2,224	1,122
Training	660	500
Property Taxes	0	262
	-----	-----
<b>TOTAL EXPENDITURES</b>	<b>148,452</b>	<b>125,799</b>
	-----	-----
<b>EXCESS OF RECEIPTS OVER EXPENDITURES</b>	<b>279</b>	<b>13,968</b>
Loss on sale of property	(5,380)	-
	-----	-----
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) EXPENDITURES AND LOSS ON SALE OF PROPERTY</b>	<b>(5,101)</b>	<b>13,968</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>24,545</b>	<b>10,577</b>
	-----	-----
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$19,444</b>	<b>\$24,545</b>
	=====	=====

The accompanying notes are an integral part of these financial statements

LOUIS JETSON FOUNDATION, INC.  
STATEMENT OF CASH FLOWS  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 1996 And 1995

---

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>1996</u>	<u>1995</u>
Excess (deficiency) of receipts over (under) expenditures and contributions	(5,101)	13,968
Adjustments to reconcile excess (deficiency) in receipts over (under) expenditures to net cash provided by operating activities:		
Loss on sale of property	5,380	
Depreciation	2,224	1,122
Changes in working capital asset and liability accounts:		
(Increase) decrease in short term investments	(4,945)	
(Increase) decrease in prepaid taxes	624	(624)
Increase (decrease) in accounts payable	400	(313)
Increase (decrease) in obligation under capital lease	(1,013)	1,013
Increase (decrease) in payroll tax liabilities	637	(8,182)
Net cash provided by operating activities	<u>(1,794)</u>	<u>6,984</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of fixed assets	(7,482)	(3,750)
Net proceeds from sale of property	4,945	(325)
Net cash used in investing activities	<u>(2,537)</u>	<u>(4,075)</u>
 NET (DECREASE) INCREASE IN CASH	(4,331)	2,909
 CASH, BEGINNING OF THE YEAR	8,543	5,634
 CASH, END OF THE YEAR	<u>\$4,212</u>	<u>\$8,543</u>

The accompanying notes are an integral part of these financial statements

LOUIS JETSON FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
MODIFIED CASH BASIS  
FOR THE YEAR JUNE 30, 1996 And 1995

---

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Louis Jetson Foundation, Inc. is a non-profit corporation, which has been organized to establish and operate a youth enrichment program for a segment of the inner city youth population of Baton Rouge, La., who have been identified as "At Risk". The organization's primary focus is the prevention of alcohol and drug abuse among children, ages 6 through 19 years old with the intention of improving their quality of life and self esteem.

The organization is funded through federal grants, state grants and contracts, and private contributions and donations.

Basis of Presentation

The financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Revenues are recognized when received rather than when earned, and expenses and other costs are recognized when disbursed rather than when incurred, with the exception of payroll taxes and depreciation. This basis of accounting is adequate to meet the reporting needs of the organization.

Contributions

Contributed and donated property, equipment, materials, and services are recorded when received, at fair market value.

Cash Flows

For Cash the purpose of reporting cash flows, cash equivalents include certificates of deposit and all highly liquid financial instruments with original maturities of three months or less. Certificates of deposits with original maturities in excess of three months are classified as short-term investments.

Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

LOUIS JETSON FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
MODIFIED CASH BASIS  
FOR THE YEAR JUNE 30, 1996 And 1995

---

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Property and Equipment

The organization records purchases of property and equipment at cost. Donations of property and equipment are recorded at fair market value. Depreciation is calculated on the straight line method over the useful lives of the respective assets ranging from three to seven years.

NOTE 2 - SHORT TERM INVESTMENT

Short-term investment consist of a certificate of deposit, with an original maturity of eight months, a rate of interest of 5.15%, and maturity date of November 21, 1996.

NOTE 3 - PROPERTY HELD FOR RESALE

The organization sold the Frey St. property received as an unrestricted contribution during 1994, which had a value of \$10,325. Net proceeds from the sale was \$4,945, which resulted in a loss on the sale of \$5,380.

NOTE 4 - GRANT AWARD

The organization was awarded a contract for \$130,922 from the Louisiana Department of Health and Hospitals for each of its fiscal years 1996 and 1995, respectively. At June 30, 1996 and 1995, approximately \$7,461 and \$13,599 remained to be disbursed under the contracts, respectively. This contract is the organization's primary source of funding.

NOTE 5 - INCOME TAXES

The organization is a non-profit corporation, exempt under section 501(c)(3). No provision for corporate income taxes have been included in the financial statements.

NOTE 6 - FUNDING INCREASE

Subsequent to June 30, 1996, the organization was awarded an increase in funding for its grant with the Governors Office, State of Louisiana, Office of Urban Affairs & Development, in the amount \$105,000, for its fiscal year 1996-97.

**SUPPLEMENTAL INFORMATION**

**HALL & THOMAS, INC.**  
**Certified Public Accountants**

LOUIS JETSON FOUNDATION, INC.  
 SCHEDULE OF TOTAL FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED JUNE 30, 1996 And 1995

---

GRANTOR	FEDERAL CFDA NUMBER	GRANT TYPE	GRANT FISCAL YEAR ENDING	FISCAL YEAR EXPENDITURES
<b>FEDERAL PROGRAMS</b>				
-----				
U. S. Department Of Health And Human Services				
Passed through State of La. Department of Health and Hospitals – Office of Alcohol Drug Abuse				
	93.959	Alcohol and Drug Abuse Prevention for Youth	6-30-96	\$137,605 =====
	93.959	Alcohol and Drug Abuse Prevention for Youth	6-30-95	\$115,799 =====
<b>STATE OF LOUISIANA PROGRAM</b>				
-----				
Governor's Office	N/A	Alcohol and Drug Abuse Prevention for Youth	6-30-96	\$10,000 =====
	N/A	Alcohol and Drug Abuse Prevention for Youth	6-30-95	\$10,000 =====
Other Financial Assistance			6-30-96	\$847 =====
<b>TOTAL FINANCIAL ASSISTANCE</b>				
June 30, 1996				\$148,452 =====
June 30, 1995				\$125,799 =====

The accompanying notes are an integral part of the financial statements



**HALL & THOMAS, INC.**  
**Certified Public Accountants**

---

4919 Jamestown Ave.  
Suite 204  
Baton Rouge, La. 70808

TERRY R. HALL, CPA

P. O. Box 80151  
Baton Rouge, La. 70898  
(504) 927-1884

DARRYL D. THOMAS, CPA

**INDEPENDENT AUDITOR'S REPORT ON  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

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

We have audited the financial statements of Louis Jetson Foundation, Inc., (a non-profit corporation), for the years ended June 30, 1996 and 1995, and have issued our report thereon dated February 19, 1997. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations." Those standards and OMB Circular A-133 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 audits provide a reasonable basis for our opinion.

Our audits were made for the purpose of forming an opinion on the basic financial statements of Louis Jetson Foundation, Inc., taken as a whole. The information in the schedule of federal financial assistance has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Hall & Thomas, Inc.  
Certified Public Accountants

Baton Rouge, Louisiana  
February 19, 1997

LOUIS JETSON FOUNDATION, INC.  
 SCHEDULE OF FEDERAL AWARD  
 FOR THE YEAR ENDED JUNE 30, 1996 And 1995

---

GRANTOR	FEDERAL CFDA NUMBER	GRANT TYPE	GRANT FISCAL YEAR ENDING	FISCAL YEAR EXPENDITURES
FEDERAL PROGRAMS				
U. S. Department Of Health And Human Services				
Passed through State of LA. Department of Health and Hospitals – Office of Alcohol Drug Abuse	93.959	Alcohol and Drug Abuse Prevention for Youth	6-30-96	\$137,605 =====
	93.959	Alcohol and Drug Abuse Prevention for Youth	6-30-95	\$115,799 =====

The accompanying notes are an integral part of the financial statements

LOUIS JETSON FOUNDATION, INC.  
FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR JUNE 30, 1996 And 1995

---

PRIOR YEAR COMMENTS

FINDING

There is no segregation of duties. In an organization of this size, segregation of duties and independent check and review over accounting an administrative procedures is an inherent problem as well as impractical.

Recommendation

Duties and responsibilities should be evaluated continuously as the organization expands, to reallocate job functions, where necessary, in order to attain the most appropriate internal control and check over its assets and funds.

Management's Response

The organization regularly reviews job descriptions while comparing them with actual duties and performance in relation to program goals and objectives. Some job duties have already been reassigned.

Follow-Up

We find this situation unchanged

FINDING

The organization entered into contracts with individuals as consultants, for positions of outreach workers, instead employing them in the organization. A liability could exist for payroll taxes, if the Internal Revenue Service declares the contracts invalid.

Recommendation

The organization should evaluate all contracts for personal and professional services in accordance with the Internal Revenue Service's Form SS-8, Determination of Employee Work Status for Purposes Of Federal Employment Taxes and Income Tax Withholding, when Determining Independent Contractor Status.

Management's Response

The organization will take this comment under advisement, and closely evaluate all future personal service contracts.

Follow-Up

We find that this practice continues

LOUIS JETSON FOUNDATION, INC.  
FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR JUNE 30, 1996 And 1995

---

FINDING

The organization uses a "Cash Dispensation Voucher" to reimburse its employees for travel expense, primarily, and other expenses. The content of this document does not provide enough details of the transaction.

Recommendation

The organization should adopt a different prescribed document which covers the basic recurring expenditures by employees, such as travel. There should be written instructions for preparation of this report, including required documentation, and submitting it, in order to obtain reimbursement for expenses.

Management's Response

The organization is already in the process of developing a more accountable employee expense reporting system. Detail expense report forms have been or is in the process of development for this purpose.

Follow-Up

We have found that the organization has instituted procedures to more fully document transactions of this nature.

CURRENT YEAR COMMENTS

FINDING

A check was made payable to cash, but supporting documentation for the cash expenditures could not be found. Additional procedures are needed to strengthen independent check and review over cash transactions.

QUESTIONED COSTS      1995-96 = \$500

Recommendation

The procedure of writing checks to cash should be discontinued. Checks should be written payable to a vendor with supporting documentation at hand. This will improve internal control and check over assets and funds.

Management's Response

The organization will discontinue writing checks to cash. We are currently in the process of incorporating this procedure where all checks will be payable to a vendor.

**HALL & THOMAS, INC.**  
**Certified Public Accountants**

---

4919 Jamestown Ave.  
Suite 204  
Baton Rouge, La. 70808

TERRY R. HALL, CPA

March 27, 1997

P. O. Box 80151  
Baton Rouge, La. 70898  
(504) 927-1884

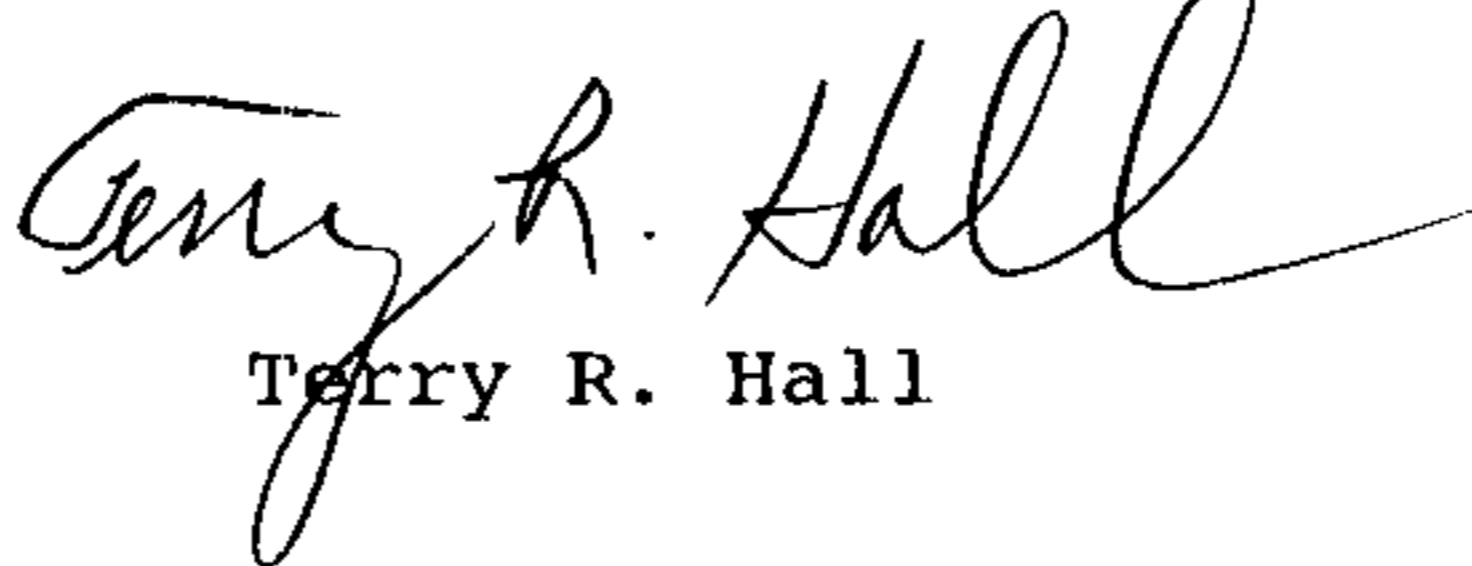
DARRYL D. THOMAS, CPA

Ms. Kay Dischler  
Legislative Auditor  
1600 Riverside N.  
P. O. Box 94397  
Baton Rouge, La. 70804-9397

Dear Ms. Dischler:

The delay in completing the audit was due to scheduling and timing problems on the part of the independent auditor.

Sincerely,  
Hall & Thomas, Inc. CPAs



Terry R. Hall

RECEIVED  
LEGISLATIVE AUDITOR  
97 APR -1 AM 8:57