

7108

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.

Baton Rouge, Louisiana
Annual Financial Report

As of and for the Year Ended
June 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 JAN 25 2012

DONALD C. De VILLE
Certified Public Accountant
7829 Bluebonnet Boulevard
Baton Rouge, Louisiana 70810

TABLE OF CONTENTS

Independent Auditor's Report	Page 3
Financial Statements	
Statement of Financial Position	Page 5
Statement of Activities	Page 6
Statement of Functional Expenses	Page 7
Statement of Cash Flows	Page 8
Notes to Financial Statements	Page 9
Supplemental Information	
Report on Internal Control over Financial Statements And Compliance and other Matters Based on an Audit Of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u> .	Page 15
Schedule of Prior Year's Findings	Page 17
Schedule of Current Year's Findings	Page 18

Certified Public Accountant



Donald C. DeVille

Member
American Institute CPAs

Member
Louisiana Society CPAs

7829 BLUEBONNET BLVD.
BATON ROUGE, LA 70810
(225) 767-7829

INDEPENDENT AUDITOR'S REPORT

November 11, 2011

Members of the Board of Directors
East Baton Rouge Truancy Assessment, Inc.
Baton Rouge, Louisiana

I have audited the accompanying Statement of Financial Position of East Baton Rouge Truancy Assessment, Inc. (a non-profit organization) as of June 30, 2011 and the related Statements of Activities, Functional Expenses and Cash Flows for the year then ended. The financial statements are the responsibility of East Baton Rouge Truancy Assessment, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. 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 statement referred to above present fairly, in all material respects, the financial position of East Baton Rouge Truancy Assessment, Inc. as of June 30, 2011, and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated November 11, 2011, on my consideration of East Baton Rouge Truancy Assessment, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

Wm J C Deville

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011

ASSETS:

Cash	\$34,301
Prepaid Insurance	3,247
Fixed Assets, net	25,316
Total Assets	<u>62,864</u>

LIABILITES AND NET ASSETS:

LIABILITIES:

Line of Credit Payable	\$3,895
Accounts Payable	4,184
Employee Withholding Payable	558
Accrued Wages Payable	11,169
Accrued Vacation Payable	2,878
Total Liabilities	<u>22,684</u>

NET ASSETS

Unrestricted	<u>40,180</u>
--------------	---------------

TOTAL LIABILITES AND NET ASSETS	<u>\$62,864</u>
--	------------------------

See accompanying notes.

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

REVENUES:

Grants and Contracts	\$457,760
In-Kind Revenue	153,000
Interest Income	31
Miscellaneous	<u>0</u>
Total Revenue	<u>610,791</u>

EXPENSES:

Program Services	
Truancy	
Supporting Services:	601,698
Management and General	
Total Expenses	<u>12,688</u>
	<u>614,386</u>

Increase (Decrease) in Net Assets (3,595)

NET ASSETS AT BEGINNING OF YEAR **43,775**

NET ASSETS AT END OF YEAR **40,180**

See accompanying notes.

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
STATEMENT OF FUNCTIONAL EXPENSE
YEAR ENDED JUNE 30, 2011

	PROGRAM SERVICES	SUPPORT SERVICES	
		MANAGEMENT AND GENERAL	TOTAL
	<u>TRUANCY</u>		
Salaries	\$501,398	\$11,069	\$512,467
Payroll Taxes	28,011	618	28,629
Accounting	7,764	171	7,935
Bank Charges	278	0	278
Contract Labor	1,996	0	1,996
Depreciation	3,278	0	3,278
Equipment Expense	9,666	0	9,666
Insurance	12,872	0	12,872
Interest Expense	0	829	829
Miscellaneous	191	0	191
Occupancy	8,000	0	8,000
Payroll Fees	3,762	0	3,762
Postage	1,792	0	1,792
Printing	4,563	0	4,563
Refund To EBR School System	3,446	0	3,446
Supplies	7,113	0	7,113
Taxes and Licenses	5	0	5
Travel	7,564	0	7,564
Total Expenses	601,698	12,688	614,386

See accompanying notes.

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase (Decrease) in net assets	(\$3,595)
Adjustments to reconcile increases in net assets to net cash provided by operating activities:	
Depreciation	3,278
(Increases) decreases in operating assets:	
Prepaid Expense	(116)
Increases (decreases) in operating liabilities:	
Accounts Payable	4,185
Employee Payroll Deductions	(496)
Accrued Wages Payable	6,548
Accrued Vacation Payable	0
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>9,804</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Payment of property and equipment	(21,411)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(21,411)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on Line of Credit	(17,291)
Payments on Lease Payable	0
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(17,291)</u>
Net Increase (Decrease) In Cash	(28,898)
BEGINNING CASH AND CASH EQUIVALENTS	<u>63,199</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>34,301</u></u>

Supplemental Data:

Interest Expense	<u><u>\$829</u></u>
-------------------------	---------------------

There were no non-cash investing or financing activities.

See accompanying notes.

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The East Baton Rouge Truancy Assessment, Inc. (Organization) is a Louisiana non-profit voluntary health organization, incorporated on February 21, 2001, for the purpose of combating truancy in East Baton Rouge.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis. The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Currently the Organization has no temporarily or permanently restricted net assets.

Revenue Recognition

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

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions and grants are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. There were no allowances for uncollectible because the receivables consist of grants and contracts receivable.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
NOTES TO FINANCIAL STATEMENTS

Prepaid

Insurance and similar services which extend benefit over more than one accounting period have been recorded as prepaid.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions 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 contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

Income Tax Status

The Organization is exempt from Federal Income Taxes under Section 501 (c) (3) of the Internal Revenue Code. In addition, the Organization has been classified as an entity that is not a private foundation within the meaning of Section 509 (a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). Accordingly, no provision has been made for income taxes in the financial statements.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to tax return examinations for the years prior to 2008.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the various program and activities has been summarized on a functional basis in the statement of activities. Accordingly, certain cost have been allocated amount the programs and supporting services benefited.

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK

The Organization maintains two bank accounts at financial institutions. The Organization's book balance as of June 30, 2011 was \$34,301. Cash in these institutions were maintained in a demand accounts. The \$41,575 bank balances were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

NOTE 3 - FIXED ASSETS

A summary of fixed assets follows:

Equipment Cost	\$63,354
Accumulated Depreciation	<u>(38,038)</u>
Book Value	<u>25,316</u>

NOTE 4 - LINE OF CREDIT

The Organization has a commercial line of credit of \$20,000 at 6% from Regions Bank. At year end, the line of credit outstanding was \$3,895.

NOTE 5 - VACATION PAYABLE

At year-end the Organization's accumulated vacation payable totaled \$2,878.

NOTE 6 - IN-KIND CONTRIBUTIONS

During the year the Organization received \$143,000 in-kind contributions as follows:

Salaries from East Baton Rouge School System -	\$120,000
Salaries from East Baton Rouge Juvenile Court -	25,000
Office Space from East Baton Rouge School System -	8,000

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - RELATED PARTY TRANSACTIONS

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE 8 - CONCENTRATIONS

The Organization receives 99% of its revenue from state and local governments.

NOTE 9 - ECONOMIC DEPENDENCY

The Organization receives the majority of its funds provided through government grants and contracts. If significant budget cuts are made at the federal/state level the amount of funds the Organization receives could be reduced significantly and have an impact on its operations. Management is aware of budget cuts and is making the necessary reductions in expenses and exploring additional funding sources that hopefully not adversely affect the amount of funds the Organization will receive in the next fiscal year.

NOTE 10 - RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Organization has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No claims were made during the year.

NOTE 11 - CONTINGENCIES

The Organization receives a portion of its revenues from governmental grants and contracts, all of which are subject to audit by the governments. The ultimate determination of amounts received under these programs generally is based upon allowable cost reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable cost. Management is of the opinion that no material liability will result from such audits.

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – SUBSEQUENT EVENTS

The Organization did not have any subsequent events through November 11, 2011, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended June 30, 2011.

SUPPLEMENTAL INFORMATION

Certified Public Accountant



Donald C. DeVille

Member
American Institute CPAs

Member
Louisiana Society CPAs

7829 BLUEBONNET BLVD.
BATON ROUGE, LA 70810
(225) 767-7829

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

November 11, 2011

Members of the Board of Director
East Baton Rouge Truancy Assessment, Inc.
Baton Rouge, Louisiana

I have audited the financial statements of the East Baton Rouge Truancy Assessment, Inc. as of and for the year ended June 30, 2011, and have issued my report thereon dated November 11, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered East Baton Rouge Truancy Assessment, Inc.'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

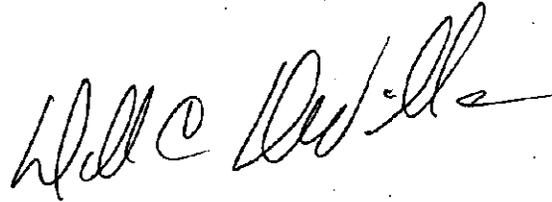
A deficiency in internal control exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatement on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiency in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether East Baton Rouge Truancy Assessment, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my test disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document and distribution is not limited.

A handwritten signature in black ink, appearing to read "W. C. DeWitt", is written in a cursive style.

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
SCHEDULE OF PRIOR YEAR'S FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

<u>Re</u> <u>No.</u>	<u>Fiscal Year</u> <u>Finding</u> <u>Initially</u> <u>Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u> <u>(Yes, No, Partially)</u>	<u>Corrective</u> <u>Action</u> <u>Taken</u>
		None		

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED JUNE 30, 2011

A. Summary of Auditor's Result

Financial Statements

Type of auditor's report issued: Unqualified

- **No material weaknesses identified.**
- **No significant deficiencies identified that are not considered to a material weakness.**

No noncompliance material to financial statements noted.

Federal Awards: Not Applicable

B. Findings – Financial Statement Audit

None