

**COGNITIVE DEVELOPMENT CENTER OF MONROE
FREEDOM SCHOOL PROGRAM, INC.**

FINANCIAL STATEMENTS

DECEMBER 31, 2009

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 8/25/10

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FREEDOM SCHOOL PROGRAM, INC.**

DECEMBER 31, 2009

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**B&T BOND &
TOUSIGNANT, LLC**
CERTIFIED PUBLIC ACCOUNTANTS

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ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Cognitive Development Center of Monroe Freedom School Program, Inc.
Monroe, Louisiana

We have compiled the accompanying statement of financial position of Cognitive Development Center of Monroe Freedom School Program, Inc. (a not-for-profit organization) as of December 31, 2009, and the related statements of activities, functional expenses and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Bond & Tousignant, LLC

June 15, 2010

**COGNITIVE DEVELOPMENT CENTER OF MONROE
FREEDOM SCHOOL PROGRAM, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009**

Assets

Current Assets	
Cash and Cash Equivalents	\$ 3,485
Total Current Assets	<u>3,485</u>
Total Assets	<u>\$ 3,485</u>

Liabilities and Net Assets

Net Assets	
Unrestricted	3,485
Total Net Assets	<u>3,485</u>
Total Liabilities and Net Assets	<u>\$ 3,485</u>

See Accountants' Compilation Report.

**COGNITIVE DEVELOPMENT CENTER OF MONROE
FREEDOM SCHOOL PROGRAM, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Unrestricted	Total
Support and Revenue		
Federal		
Grant - TANF Freedom School	\$ 48,718	\$ 48,718
Total Support and Revenue	48,718	48,718
 Expenses		
Program Services		
Freedom School	49,534	49,534
Total Program Services	49,534	49,534
Supporting Services		
Management and General	686	686
Total Supporting Services	686	686
Total Expenses	50,220	50,220
 Increase (Decrease) in Net Assets	 (1,502)	 (1,502)
 Net Assets at Beginning of Year	 4,987	 4,987
 Net Assets at End of Year	 \$ 3,485	 \$ 3,485

See Accountants' Compilation Report.

**COGNITIVE DEVELOPMENT CENTER OF MONROE
FREEDOM SCHOOL PROGRAM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Freedom School</u>	<u>Management and General</u>	<u>Total</u>
Auto	\$ 620	\$ -	\$ 620
Bank Service Charge		136	136
Contract Services	22,977	-	22,977
Program Expense	12,027	-	12,027
Professional Services	-	550	550
Supplies - Food	7,895	-	7,895
Travel and Conferences	6,015	-	6,015
Total Expenses	\$ 49,534	\$ 686	\$ 50,220

See Accountants' Compilation Report.

**COGNITIVE DEVELOPMENT CENTER OF MONROE
FREEDOM SCHOOL PROGRAM, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Operating Activities	
Change in Net Assets	\$ <u>(1,502)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(1,502)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,502)
Cash and Cash Equivalents at Beginning of Year	4,987
Cash and Cash Equivalents at End of Year	\$ <u><u>3,485</u></u>

See Accountants' Compilation Report.

**COGNITIVE DEVELOPMENT CENTER OF MONROE
FREEDOM SCHOOL PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Cognitive Development Center of Monroe Freedom School Program, Inc. ("Freedom School") is a non-profit organization organized under the laws of the State of Louisiana on July 1, 2008. Freedom School's primary purpose is to promote improvement of children's developmental skills, academic success and life improvement through participation in the Children's Defense Fund's Freedom School Program for children primarily in the Ouachita Parish, Louisiana area.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Freedom School are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America where revenue is recognized in the period earned and expenditures are recorded in the period incurred and to which they pertain.

Uses of Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents represent cash and all highly liquid debt instruments purchased with original maturities of three months or less.

Concentration of Credit Risk

Freedom School's financial instruments that are exposed to concentrations of credit risk consist primarily of cash on deposit at a local financial institution. Freedom School places its financial instruments with a high credit quality bank. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Concentration of Contributions

Freedom School has contracted with the State of Louisiana Department of Social Services, Office of Family Support to provide the Children's Defense Fund "Freedom School" program to adolescents in the area. All of Freedom School's funding is generated from this annual contract.

**COGNITIVE DEVELOPMENT CENTER OF MONROE
FREEDOM SCHOOL PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

Freedom School incurred no advertising and promotion costs for the year ended December 31, 2009. Advertising costs are expensed when incurred.

Not-For-Profit Accounting

Freedom School reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted assets, and permanently restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The organization does not have any temporarily restricted assets and permanently restricted net assets at December 31, 2009.

Unrestricted Net Assets consist of assets and revenue available and used for current operations and expenditures for current programs, and amounts designated by the Board of Directors for long-term investment, equipment, or other specific purposes.

Income Taxes

Freedom School is in the process of preparing an application as a non-profit voluntary health organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under Section 121 (5) of Title 47 of the Louisiana Revised Statutes of 1950. Therefore, no provision for income taxes is necessary. If Freedom School's application is never completed or denied, then it will be taxed retroactively as a C Corporation since its inception.

NOTE 3 – FUNCTIONAL ALLOCATION OF EXPENSES

Expenses by function have been allocated among program and supporting services classifications on the basis of estimates made by Freedom School's management. Expenses are charged to each program based on direct expenditures incurred. There were no indirect costs charged during the contract period.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Freedom School's financial instruments, none of which are held for trading purposes, consist primarily of cash on deposit at financial institutions. Freedom School estimates that the fair value of all financial instruments at December 31, 2008 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

NOTE 5 – SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

There was no interest paid in 2009.

**COGNITIVE DEVELOPMENT CENTER OF MONROE
FREEDOM SCHOOL PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 6 – GOVERNMENT GRANTS AND CONTRACTS

Freedom School was awarded a Temporary Assistance for Needy Families (TANF) grant for a Children's Defense Fund Freedom School in 2009 through the State of Louisiana, Department of Social Services, Office of Family Support. For its services, Freedom School received \$48,718.