

**EAST BATON ROUGE TRUANCY ASSESSMENT, INC.**  
**BATON ROUGE, LOUISIANA**

**ANNUAL FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED**  
**JUNE 30, 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 1/27/10

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

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*Certified Public Accountant*



*Donald C. DeVille*

Member  
American Institute CPAs

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## **INDEPENDENT AUDITOR'S REPORT**

August 21, 2009

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, 2009 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, 2009, 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 August 21, 2009, 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.

Respectfully submitted

A handwritten signature in black ink, reading "Donald C. Neville". The signature is written in a cursive style with a large initial "D" and "N".

**EAST BATON ROUGE TRUANCY ASSESSMENT, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2009**

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**ASSETS:**

Cash	\$31,023
Grants Receivable	36,699
Prepaid Insurance	3,084
Fixed Assets, net	11,314
<b>Total Assets</b>	<u>82,120</u>

**LIABILITES AND NET ASSETS:**

**LIABILITIES:**

Line of Credit Payable	\$22,517
Accounts Payable	2,741
Payroll Withholdings Payable	2,822
Accrued Wages	10,684
Accrued Vacation Payable	6,852
Copier Lease Payable	139
<b>Total Liabilities</b>	<u>45,755</u>

**NET ASSETS**

Unrestricted	<u>36,365</u>
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<b>TOTAL LIABILITES AND NET ASSETS</b>	<u><u>\$82,120</u></u>
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See accompanying notes.

**EAST BATON ROUGE TRUANCY ASSESSMENT, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2009**

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**REVENUES:**

Grants	\$476,478
In-Kind Revenue	143,000
Interest Income	9
Miscellaneous	200
<b>Total Revenue</b>	<b><u>619,687</u></b>

**EXPENSES:**

Program Services	
Truancy	620,155
Supporting Services:	
<i>Management and General</i>	<u>14,262</u>
<b>Total Expenses</b>	<b><u>634,417</u></b>

**Increase (Decrease) in Net Assets** (14,730)

**NET ASSETS AT BEGINNING OF YEAR** 51,095

**NET ASSETS AT END OF YEAR** 36,365

See accompanying notes.

**EAST BATON ROUGE TRUANCY ASSESSMENT, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSE**  
**YEAR ENDED JUNE 30, 2009**

	<b><u>PROGRAM SERVICES</u></b>	<b><u>SUPPORT SERVICES</u></b>	
	<b><u>TRUANCY</u></b>	<b><u>MANAGEMENT AND GENERAL</u></b>	<b><u>TOTAL</u></b>
Salaries	\$517,470	\$11,424	\$528,894
Payroll Taxes	28,094	620	28,714
Advertising	481	0	481
Accounting	6,274	138	6,412
Bank Charges	446	0	446
Contract Labor	2,233	0	2,233
Depreciation	3,638	0	3,638
Insurance	12,523	0	12,523
Interest Expense	0	2,079	2,079
Occupancy	8,000	0	8,000
Miscellaneous	5	0	5
Payroll Fees	1,828	0	1,828
Postage	2,782	0	2,782
Printing	1,547	0	1,547
Repairs and Maintenance	76	0	76
Supplies	11,857	0	11,857
Travel	12,097	0	12,097
Telephone	10,316	0	10,316
Uniforms	65	0	65
Utilities	424	0	424
<b>Total Expenses</b>	<b>620,155</b>	<b>14,262</b>	<b>634,417</b>

See accompanying notes.

**EAST BATON ROUGE TRUANCY ASSESSMENT, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2008**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Increase (Decrease) in net assets	(\$14,730)
<b>Adjustments to reconcile increases in net assets to net cash provided by operating activities:</b>	
Depreciation	3,638
<b>(Increases) decreases in operating assets:</b>	
Grants Receivable	1,823
Prepaid Expense	166
<b>Increases (decreases) in operating liabilities:</b>	
Accounts Payable	235
Employee Payroll Deductions	(1,190)
Accrued Wages Payable	7,113
Accrued Vacation Payable	4,087
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1,142</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Payment of property and equipment	(1,332)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(1,332)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from Line of Credit	5,226
Payments on Lease Payable	(1,751)
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>3,475</u>

**BEGINNING CASH AND CASH EQUIVALENTS**

27,738

**ENDING CASH AND CASH EQUIVALENTS**

31,023

**Supplemental Data:**

Interest Expense

\$2,079

See accompanying notes.

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

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

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

**Public Support and Revenue**

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. Contributions and grants received with donor-imposed restrictions that are met in the same year in which the contributions or grants are received are classified as unrestricted contributions and grants.

The Organization uses 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 Generally Accepted Accounting Principles (GAAP) as it approximates the valuation method.

**Contributed Services**

During the year, the organization received \$143,000 in donated services and office space. Since the donations meet the criteria for recognition under SFAS No. 116, Accounting for Contributions Received and Contributions Made, these services have been reflected in the financial statements as follows: \$135,000 in salaries and \$8,000 in occupancy.

**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.

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

**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 over 5 years.

**Financial Statement Presentation**

The Organization is required to report 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.

**Income Tax**

The Organization is exempt from Federal Income Taxes under Section 502 (c) (3) of the Internal Revenue Code, and has been designated as an organization other than a private foundation.

**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.

**Prepaid**

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

**Concentration of Support**

The Organization derived approximately 98% of its revenue from the State of Louisiana and East Baton Rouge School System.

**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 one financial institution. The Organization's book balance as of June 30, 2009 was \$31,023. Cash in this institution is maintained in demand accounts. The \$52,401 bank balance in the operation account is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

**NOTE 3 - GRANTS RECEIVABLE**

**Grants receivable at year-end consist of:**

East Baton Rouge School Board	\$36,699
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**NOTE 4 - FIXED ASSETS**

**A summary of fixed assets follows:**

Equipment Cost	\$41,942
Accumulated Depreciation	<u>(30,628)</u>
Book Value	<u>\$11,314</u>

**NOTE 5 - LINE OF CREDIT PAYABLE**

The Organization has a \$20,000 line of credit available from Regions Bank. At year-end, \$22,517 was utilized. The line of credit matured May 25, 2010.

**NOTE 6 - LEASE COMMITMENTS**

The Organization has a \$1,890 capital lease obligation for its copier with CIT.

The monthly payments are \$139 per month.

The future minimum lease payments are as follows:

Year End June 30, 2010	\$ 139
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**EAST BATON ROUGE TRUANCY ASSESSMENT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – 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.

**NOTE 8 - 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 9 – 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 the of the opinion that no material liability will result from such audits.

**SUPPLEMENTAL INFORMATION**

*Certified Public Accountant*



*Donald C. DeVille*

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**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**

August 21, 2009

Members of the Board of Directors  
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, 2009, and have issued my report thereon dated August 21, 2009. 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 control deficiency 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 misstatement on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a

remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

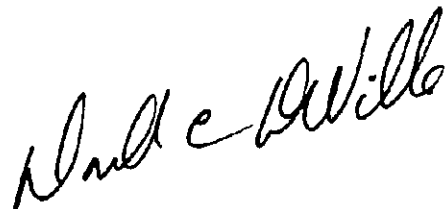
My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiency 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, state and local awarding agencies and pass-through entities. However, this report is a matter of public record and distribution is not limited.

Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, reading "Donald C. DeWillo". The signature is written in a cursive style and is located in the lower right quadrant of the page.

**EAST BATON ROUGE TRUANCY ASSESSMENT, INC.**  
**SCHEDULE OF PRIOR YEAR'S FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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

**EAST BATON ROUGE TRUANCY ASSESSMENT, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COST**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**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**

**No audit cost were paid with federal funds.**