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EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
BATON ROUGE, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
JUNE 30, 2008

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 12/17/08

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Certified Public Accountant



Donald C. DeVille

Member
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INDEPENDENT AUDITOR'S REPORT

July 29, 2008

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, 2008 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, 2008, 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 July 29, 2008, 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

David C. DeVille

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30,2008

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ASSETS:

Cash	\$27,738
Grants Receivable	38,522
Prepaid Insurance	3,250
Fixed Assets, net	13,619
Total Assets	<u>83,129</u>

LIABILITES AND NET ASSETS:

LIABILITIES:

Line of Credit Payable	\$17,291
Accounts Payable	\$2,505
Payroll Withholdings Payable	4,012
Accrued Wages	3,571
Accrued Vacation Payable	2,765
Copier Lease Payable	1,890
	<u>32,034</u>

NET ASSETS

Unrestricted	<u>51,095</u>
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TOTAL LIABILITES AND NET ASSETS	<u><u>\$83,129</u></u>
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See accompanying notes.

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.

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STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

REVENUES:

Grants	\$396,693
Contributions	\$200
In-Kind Revenue	169,000
Interest Income	9
Miscellaneous	5,471
Total Revenue	<u>571,373</u>

EXPENSES:

Program Services	
Truancy	562,540
Supporting Services:	
Management and General	11,125
Total Expenses	<u>573,665</u>

Increase in Net Assets (2,292)

NET ASSETS AT BEGINNING OF YEAR 53,387

NET ASSETS AT END OF YEAR 51,095

See accompanying notes.

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
STATEMENT OF FUNCTIONAL EXPENSE
YEAR ENDED JUNE 30, 2008

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	<u>PROGRAM SERVICES</u>	<u>SUPPORT SERVICES</u>	
	<u>TRUANCY</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL</u>
Salaries	\$429,817	\$9,502	\$439,319
Payroll Taxes	23,811	727	24,538
Advertising	705	0	705
Accounting	5,198	896	6,094
Bank Charges	177	0	177
Contract Labor	7,908	0	7,908
Depreciation	2,949	0	2,949
Insurance	8,945	0	8,945
Interest Expense	1,746	0	1,746
Occupancy	8,000	0	8,000
Miscellaneous	871	0	871
Payroll Fees	1,683	0	1,683
Postage	1,405	0	1,405
Printing	5,352	0	5,352
Supplies	24,111	0	24,111
Summer Camp	5,739	0	5,739
Taxes	5	0	5
Travel	10,809	0	10,809
Telephone	23,095	0	23,095
Utilities	214	0	214
Total Expenses	562,540	11,125	573,665

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 (\$2,292)

Adjustments to reconcile increases in net assets to net cash provided by operating activities:

Depreciation 2,949

(Increases) decreases in operating assets:

Grants Receivable 43,520

Prepaid Expense (3,250)

Increases (decreases) in operating liabilities:

Accounts Payable 2,436

Employee Payroll Deductions 622

Accrued Wages Payable (1,890)

Accrued Vacation Payable 464

NET CASH PROVIDED BY OPERATING ACTIVITIES 42,559

CASH FLOWS FROM INVESTING ACTIVITIES

Payment of property and equipment (5,442)

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES (5,442)

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on Line of Credit (612)

Payments on Line of Credit (1,522)

NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES (2,134)

BEGINNING CASH AND CASH EQUIVALENTS

(7,245)

ENDING CASH AND CASH EQUIVALENTS

27,738

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 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 \$169,000 in donated services. 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: \$139,000 in salaries, \$1,000 in printing, \$1,000 in travel, \$20,000 in telephone and \$8,000 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.

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 one bank account at one financial institution. The Organization's book balance as of June 30, 2008 was \$27,738. Cash in this institution is maintained in a demand account. The \$40,668 bank balance in the operation account is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000.

NOTE 3 - GRANTS RECEIVABLE

Grants receivable at year-end consist of:

East Baton Rouge School Board	\$38,522
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NOTE 4 - FIXED ASSETS

A summary of fixed assets follows:

Equipment Cost	\$40,610
Accumulated Depreciation	<u>(26,991)</u>
Book Value	<u>\$13,619</u>

NOTE 5 - LINE OF CREDIT PAYABLE

The Organization has a \$20,000 line of credit available from Regions Bank. At year-end, \$17,291 was utilized. The line of credit matured May 25, 2008.

NOTE 6 - LEASE COMMITMENTS

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

The monthly payments are \$140 per month.

The future minimum lease payments are as follows:

Year End June 30, 2009	\$ 1,890
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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 of the opinion that no material liability will result from such audits.

SUPPLEMENTAL INFORMATION

Certified Public Accountant

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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**

July 29, 2008

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, 2008, and have issued my report thereon dated July 29, 2008. 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.

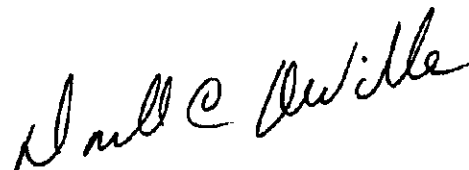
My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiency 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 cursive script, reading "Paul C. DeWille". The signature is written in dark ink and is positioned 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, 2008

<u>Re</u>	<u>Fiscal Year</u> <u>Finding</u> <u>Initially</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>
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None

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED JUNE 30, 2008

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