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**CHANEYVILLE COMMUNITY BUILDERS**  
**DBA: NORTHEAST COMMUNITIES CULTURAL AND TUTORIAL PROGRAM**  
**BATON ROUGE, LOUISIANA**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 1996**

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 FEB 26 1997

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CHANEYVILLE COMMUNITY BUILDERS  
DBA: NORTHEAST COMMUNITIES CULTURAL AND TUTORIAL PROGRAM  
BATON ROUGE, LOUISIANA  
FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1996

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*Bonnie S. Jackson, CPA*  
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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors  
Chaneyville Community Builders  
DBA: Northeast Communities Cultural  
and Tutorial Program  
Baton Rouge, Louisiana

I have audited the accompanying balance sheet of the Northeast Communities Cultural and Tutorial Program as of June 30, 1996, and the related statements of public support, revenue and expenses and changes in fund balances, and functional expenses for the year then ended. These financial statements are the responsibility of the Northeast Communities Cultural and Tutorial Program's management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. 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 statements referred to above present fairly, in all material respects, the financial position of the Northeast Communities Cultural and Tutorial Program as of June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Respectfully submitted,



Bonnie S. Jackson, CPA  
September 27, 1996

**CHANEYVILLE COMMUNITY BUILDERS**  
**DBA: NORTHEAST COMMUNITIES CULTURAL AND TUTORIAL PROGRAM**  
BALANCE SHEET  
JUNE 30, 1996

	<u>RESTRICTED</u>	<u>EQUIPMENT FUND</u>	<u>TOTALS</u>
<b>ASSETS</b>			
Cash	\$ 844	--	\$ 844
Furniture & Equipment, Net	--	\$ 4,686	4,686
TOTAL ASSETS	<u>844</u>	<u>4,686</u>	<u>5,530</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable	\$ 150	--	\$ 150
Payroll tax liability	382	--	382
TOTAL LIABILITIES	<u>532</u>	<u>--</u>	<u>532</u>
FUND BALANCES	<u>312</u>	<u>4,686</u>	<u>4,998</u>
TOTAL LIABILITIES & FUND BALANCES	<u>844</u>	<u>\$ 4,686</u>	<u>5,530</u>

The accompanying notes are an integral part of this statement.

CHANEYVILLE COMMUNITY BUILDERS  
DBA: NORTHEAST COMMUNITIES CULTURAL AND TUTORIAL PROGRAM  
STATEMENT OF SUPPORT, REVENUE AND EXPENSES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 1996

	<u>CURRENT RESTRICTED</u>	<u>EQUIPMENT FUND</u>	<u>TOTALS</u>
<b>PUBLIC SUPPORT:</b>			
Grants	\$75,000	--	\$75,000
	-----	-----	-----
TOTAL PUBLIC SUPPORT	<u>75,000</u>	<u>--</u>	<u>75,000</u>
 <b>EXPENSES:</b>			
Program Services	47,576	1,529	49,105
Management & General	28,072	--	28,072
	-----	-----	-----
TOTAL EXPENSES	<u>75,648</u>	<u>1,529</u>	<u>77,177</u>
 EXCESS OF PUBLIC SUPPORT & REVENUE OVER EXPENSES	 ( 648)	 ( 1,529)	 ( 2,177)
	-----	-----	-----
 FUND BALANCE, BEGINNING OF YEAR	 1,324	 5,850	 7,174
	-----	-----	-----
 FUND BALANCE, END OF YEAR	 <u>\$ 676</u>	 <u>\$ 4,321</u>	 <u>\$ 4,997</u>

The accompanying notes are an integral part of this statement.

CHANEYVILLE COMMUNITY BUILDERS  
DBA: NORTHEAST COMMUNITIES CULTURAL AND TUTORIAL PROGRAM  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 1996

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT &amp; GENERAL</u>	<u>TOTAL</u>
Salaries	\$33,988	\$24,837	\$58,825
Fringe benefits	3,462	2,235	5,697
	-----	-----	-----
<b>Total Salaries &amp;     Related Expenses</b>	37,450	27,072	64,522
Contract Labor	4,157	--	4,157
Operating Services	6,601	1,000	7,601
Supplies	2,099	--	2,099
	-----	-----	-----
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	50,307	28,072	78,379
Depreciation expense	1,529	--	1,529
	-----	-----	-----
<b>TOTAL EXPENSES</b>	<u>\$51,836</u>	<u>\$28,072</u>	<u>\$79,908</u>

The accompanying notes are an integral part of this statement.



CHANEYVILLE COMMUNITY BUILDERS  
DBA: NORTHEAST COMMUNITIES CULTURAL AND TUTORIAL PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

The Northeast Communities Cultural and Tutorial Program is designed to meet the needs of juveniles in the northeast portion of the East Baton Rouge Parish, who are functioning below grade level in one or more subject matters and are socially and culturally disadvantages. The program address a problematic need for remediation of cultural, academic and social needs of elementary, middle and high school students in approximate twenty square-mile area. The range of services is designed to upgrade the academic and social skills of students in an effort to prevent them from dropping out of school and to divert the students from penetrating into the juvenile justice system. A board of directors consisting of eight members governs Chaneyville Community Builders Northeast Communities Cultural and Tutorial Program. The program was funded by the Governors office of Urban Affairs and development for the year end June 30, 1996.

B. BASIS OF FINANCIAL STATEMENTS

Current Funds:

Restricted Fund - consists of assets available to meet current expenses, but only in compliance with restrictions specified by donors.

Land, Building and Equipment Funds:

Land, Building and Equipment Fund - consists of the fixed assets of Northeast Communities Cultural and Tutorial Program and amounts donated to assist with the acquisition, construction or renovation of fixed assets.

C. REVENUE RECOGNITION

All public support and revenue are considered to be restricted as specified by the granted.



CHANEYVILLE COMMUNITY BUILDERS  
DBA: NORTHEAST COMMUNITIES CULTURAL AND TUTORIAL PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

D. ACCOUNTS RECEIVABLE

Accounts receivable are written-off under 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 GAAP as it approximates the valuation method.

E. COMPENSATED ABSENCES

Northeast Communities Cultural and Tutorial Program board has not elected to grant leave pay to employees.

F. PROPERTY AND EQUIPMENT

Property and equipment has been recorded at cost. Expenditures for property costing in excess of \$75 or that materially increase the estimated useful life of assets are capitalized. Maintenance and repairs are charged to expense as incurred. Gains or losses on disposition of property are recognized in the land, building and equipment fund. Proceeds from the disposition of property are transferred to the current unrestricted fund unless restricted by the donor of the property.

G. DEPRECIATION

Depreciation is provided on the straight-line method over estimated useful lives of 5 to 10 years for equipment.

CHANEYVILLE COMMUNITY BUILDERS  
DBA: NORTHEAST COMMUNITIES CULTURAL AND TUTORIAL PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

NOTE 2: CASH

The carrying values of the cash accounts are as follows as of June 30, 1996.

	<u>BOOK VALUE</u>	<u>BANK BALANCE</u>	<u>FDIC INSURED</u>
Checking	<u>\$ 843</u>	<u>\$ 920</u>	<u>\$ 920</u>

NOTE 3: FIXED ASSETS

A summary of fixed asset as of June 30, 1996, follows

	<u>COST</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>BOOK VALUE</u>
Equipment	<u>\$8,870</u>	<u>\$4,184</u>	<u>\$4,686</u>

NOTE 4: INCOME TAX STATUS

Northeast Communities Cultural and Tutorial Program has received a letter of determination from the Internal Revenue Service advising it that it qualifies as a non-profit corporation under Section 501(c)(4) of the Internal Revenue Code, and therefore, is not subject to income tax.

NOTE 5: LITIGATION AND CLAIMS

At June 30, 1996, Northeast Communities Cultural and Tutorial Program is not involved in litigation nor is it aware of any possible unasserted claims.

CHANEYVILLE COMMUNITY BUILDERS  
DBA: NORTHEAST COMMUNITIES CULTURAL AND TUTORIAL PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

**NOTE 6: BOARD OF DIRECTORS' COMPENSATION**

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

**NOTE 7: CONTINGENCIES**

Northeast Communities Cultural and Tutorial Program receives all of its revenues from government 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 governments. 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.

**NOTE 8: RELATED PARTY TRANSACTIONS**

Don Knighton is a member of the Board of Directors of Chaneyville Community Builders and is the husband of Alma W. Knighton, Director of Northeast Communities Tutorial Program. Mr. Knighton was not compensated for any work related to Northeast Communities Tutorial Program for the year ended June 30, 1996.

Robert Williams is a member of the Board of Directors of Chaneyville Community Builders and served as Student Counselor for Northeast Communities Tutorial Program during the 1995-96 school year. Mr. Williams is currently employed by East Baton Rouge Parish School Board as a student counselor at Northeast Elementary School, and is therefore qualified for the position with Northeast Communities Tutorial Program. Mr. Williams received the same compensation as the other counselors in the program.

**Bonnie S. Jackson, CPA**  
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE**  
**IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"**

To the Board of Directors  
Chaneyville Community Builders  
DBA: Northeast Communities Cultural  
and Tutorial Program

I have audited the financial statements of the Chaneyville Community Builders Northeast Communities Cultural and Tutorial Program (a nonprofit organization) for the year ended June 30, 1996, and have issued my report thereon dated September 27, 1996.

I conducted my audit in accordance with generally accepted auditing standards and Government 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.

In planning and performing my audit of the financial statements of the Chaneyville Community Builders Northeast Communities Cultural and Tutorial Program for the year ended June 30, 1996, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provided assurance on the internal control structure.

The management of the Chaneyville Community Builders Northeast Communities Cultural and Tutorial Program 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 of disposition, and that transactions are recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the 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, I have classified significant internal control structure policies and procedures in the following categories: cash receipts and disbursements, purchasing and payroll.

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

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my 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.

A material weakness is a reportable condition in which the design or operation of the specific 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 statement is being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My 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, I believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the board of directors, management, and legislative or regulatory bodies. However, this report is a matter of public record, and its distribution is not limited.

**Bonnie S. Jackson, CPA**  
**A Professional Accounting Corporation**

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**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  
Chaneyville Community Builders  
DBA: Northeast Communities Cultural  
and Tutorial Program

I have audited the financial statements of the Chaneyville Community Builders Northeast Communities Cultural and Tutorial Program (a nonprofit organization) as of and for the year ended June 30, 1996, and have issued my report thereon dated September 27, 1996.

I conducted my audit in accordance with generally accepted auditing standards and GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States. Those standards required that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Chaneyville Community Builders Northeast Communities Cultural and Tutorial Program is the responsibility of Chaneyville Community Builders Northeast Communities Cultural and Tutorial Program's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Chaneyville Community Builder's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests indicate that, with respect to the items tested, Chaneyville Community Builders Northeast Communities Cultural and Tutorial Program complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused us to believe that Chaneyville Community Builders had not complied, in all material respects, with those provisions.

This report is intended for the information of the board of directors, management, and any regulatory bodies. However, this report is a matter of public record, and its distribution is not limited.

CHANEYVILLE COMMUNITY BUILDERS  
DBA: NORTHEAST COMMUNITIES CULTURAL AND TUTORIAL PROGRAM  
SCHEDULE OF FINDINGS  
JUNE 30, 1996

**REPORTABLE CONDITION:** The organization included \$4,137 of payments as contract wages. These amounts were paid to individuals who are employees and therefore, should have been reported as wages.

**CAUSE:** The reports were prepared by an outside agency that did not have all of the required data.

**EFFECT:** There is no material effect to these financial statements, since adjustments were made.

**RECOMMENDATION:** I recommend that the organization submit the required corrected reports.

**MANAGEMENT RESPONSE:** The Director states they will submit the required corrected reports.

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