

RAYVILLE REACH PROGRAM, INCORPORATED
Rayville, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 1996

	CURRENT OPERATING FUND (STATE GRANT)

EXPENSES	
Salaries	\$ 23,475
Fringe Benefits	1,796

TOTAL	25,271
Related Expenses	
Travel	589
Operating Services	1,526
Supplies	3,667
Professional Services	3,947

Total Expenses before Depreciation	9,729
Depreciation	-

TOTAL EXPENSES	\$ 35,000
	=====

The accompanying notes constitute an integral part of this statement.

SUPPLEMENTAL INFORMATION SECTION

RAYVILLE REACH PROGRAM, INCORPORATED
Rayville, Louisiana

Financial Statements
and Independent Auditor's Report
As of and for the Year Ended June 30, 1996

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FINANCIAL SECTION

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RAYVILLE REACH PROGRAM, INCORPORATED
Rayville, Louisiana

Financial Statements
With Independent Auditor's Reports
As of and for the Year ended June 30, 1996
With Supplemental Information

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 NOV 27 1996

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- Tax Services

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Society of Arkansas Certified Public Accountants • Monroe Chamber of Commerce

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
RAYVILLE REACH PROGRAM, INCORPORATED
Rayville, Louisiana

I have audited the accompanying Balance Sheet of the State Grant Fund of **RAYVILLE REACH PROGRAM, INCORPORATED** (a nonprofit organization) as of June 30, 1996, and the Related Statement of Support, Revenue, Expenditures, and Changes In Fund Balances for the year then ended. These financial statements are the responsibility of the **ORGANIZATION'S** management. My responsibility is to express an opinion on 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 provides 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 **RAYVILLE REACH PROGRAM, INCORPORATED** as of June 30, 1996, and the results of its operations and the changes in its cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 7, the financial statements being presented are only for the fund referred to above and do not include the assets, liabilities, and fund balances and the support, revenue, expenses, and capital additions of **RAYVILLE REACH PROGRAM, INCORPORATED**. Accordingly, the accompanying financial statements are not intended to present the financial position of **RAYVILLE REACH PROGRAM, INCORPORATED** as of June 30, 1996, or its results of operations for the year then ended in conformity with generally accepted accounting principles.

RAYVILLE REACH PROGRAM, INCORPORATED
Rayville, Louisiana

SUPPLEMENTAL INFORMATION

As of and for the Year Ended June 30, 1996

CURRENT OPERATING FUND (STATE GRANT FUND)

The current operating fund is a restricted fund used to account for a grant from the State of Louisiana, Department of Urban Affairs and Rural Development.

RAYVILLE REACH PROGRAM, INCORPORATED
Rayville, Louisiana

STATEMENT OF SUPPORT, REVENUE, EXPENSES,
AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 1995

	CURRENT OPERATING FUND (STATE GRANT) -----
REVENUES: -----	
State Grant	\$ 35,000

TOTAL REVENUES	\$ 35,000

EXPENSES: -----	
Program & Supporting Services: Counseling, Educational Services, Study Program and Management & General	\$ 35,000

TOTAL EXPENSES	\$ 35,000

REVENUES OVER (UNDER) EXPENSES	\$ -
FUND BALANCES, AT BEGINNING OF YEAR	-

FUND BALANCES, AT END OF YEAR	\$ -
	=====

The accompanying notes constitute an integral part of this statement.

RAYVILLE REACH PROGRAM, INCORPORATED
Rayville, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - STATE GRANT FUND

For the Year Ended June 30, 1996

REVENUES	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
State Grant	\$ 35,000	\$ 35,000	\$ -
TOTAL REVENUES	\$ 35,000	\$ 35,000	\$ -
EXPENDITURES			
Personal Services	\$ 22,296	\$ 23,475	\$ (1,179)
Related Benefits	1,775	1,796	(21)
Travel	600	589	11
Operating Services	1,967	1,526	441
Supplies	3,825	3,667	158
Professional Services	4,537	3,947	590
TOTAL EXPENDITURES	\$ 35,000	35,000	\$ -
Excess of Revenues over Expenditures	\$ -	\$ -	\$ -
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -

The accompanying notes constitute an integral part of this statement.

RAYVILLE REACH PROGRAM, INCORPORATED
Independent Auditor's Report
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My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information and schedules are presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



LOUIS R. BRADLEY
CERTIFIED PUBLIC ACCOUNTANT
INCORPORATED

Monroe, Louisiana
October 2, 1996

RAYVILLE REACH PROGRAM, INCORPORATED
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Page 2

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RAYVILLE REACH PROGRAM, INCORPORATED
Rayville, Louisiana

BALANCE SHEET

For the Year Ended June 30, 1996

	CURRENT OPERATING FUND (STATE GRANT)

ASSETS	

Cash	\$ 1,324
Property, Plant, and Equipment	5,245
Accounts Receivable	518

TOTAL ASSETS	\$ 7,087
	=====
LIABILITIES AND FUND BALANCE	

Liabilities:	
Accounts Payable	\$ 1,000
Payroll Taxable Payable	842

Total Liabilities	1,842

Fund Balance:	
Undesignated/Designated	5,245

Total Fund Balance	5,245

TOTAL LIABILITIES AND FUND BALANCE	\$ 7,087
	=====

The accompanying notes constitute an integral part of this statement.

RAYVILLE REACH PROGRAM, INCORPORATED
Rayville, Louisiana
Compliance with Laws and Regulations
Page 2

LOUIS R. BRADLEY
CERTIFIED PUBLIC ACCOUNTANT
INCORPORATED

Monroe, Louisiana
October 2, 1996

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
LAWS, REGULATIONS, CONTRACTS, AND GRANTS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
"GOVERNMENT AUDITING STANDARDS"

To the Board of Directors of
RAYVILLE REACH PROGRAM, INCORPORATED
Rayville, Louisiana

I have audited the financial statements of the State Grant Fund of RAYVILLE REACH PROGRAM, INCORPORATED as of and for the year ended June 30, 1996, and have issued my report thereon dated October 2, 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.

Compliance with laws, regulations, contracts, and grants applicable to the ORGANIZATION is the responsibility of the ORGANIZATION'S management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the ORGANIZATION'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 disclosed no instances of noncompliance that are required to be reported under GOVERNMENT AUDITING STANDARDS.

This report is intended for the information of the Board of Directors, Management, and Legislative Auditor's Office. However, this report is a matter of public record, and its distribution is not limited.

RAYVILLE REACH PROGRAM, INCORPORATED
Rayville, Louisiana
Internal Control Report
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LOUIS R. BRADLEY
CERTIFIED PUBLIC ACCOUNTANT
INCORPORATED

Monroe, Louisiana
October 2, 1996

RAYVILLE REACH PROGRAM, INCORPORATED
Rayville, Louisiana
Internal Control Report
Page 2

For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories: Cash, Receivables, Revenues, Accounts Payable, Expenditures, Payroll, and Fixed Assets.

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 no matter involving the internal control structure and its operation that I consider to be a reportable condition 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 statements 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.

This report is intended for the information of the Board of Directors, Management, and Legislative Auditor's Office. However, this report is a matter of public record, and its distribution is not limited.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
RELATED MATTERS NOTED IN A FINANCIAL STATEMENT AUDIT
CONDUCTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
RAYVILLE REACH PROGRAM, INCORPORATED
Rayville, Louisiana

I have audited the financial statements of the State Grant Fund of **RAYVILLE REACH PROGRAM, INCORPORATED** as of and for the year ended June 30, 1996, and have issued my report thereon dated October 2, 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 **RAYVILLE REACH PROGRAM, INCORPORATED** 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 provide assurance on the internal control structure.

The management of the **ORGANIZATION** 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 or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

NOTE 5. CONTRIBUTIONS

Contributions consist of personal donations and small fundraisers. All contributions are considered to be available for unrestricted use unless specifically restricted by the donors. The ORGANIZATION did not receive any donations or contributions during the fiscal year.

NOTE 6. GENERAL FIXED ASSETS

Fixed Assets used in the non-profit organization are accounted for in the State Grant Fund and are stated at cost. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer. A summary of changes in general fixed assets for the year ended June 30, 1996, follows:

	1996
Equipment	\$ 5,245.00
Land	0.00
Building	0.00

	\$ 5,245.00
	=====

NOTE 7. GOING CONCERN

The Board of Directors consist of the Executive Director, the spouse, and son of the Executive Director. While no specific related party transactions occurred between the Board of Directors and the Executive Director, SAS No. 45 requires that the particular relationship be disclosed.

C. Functional Expenses

Expenses are charged to each program based on direct expenditures incurred. Any expenditures not directly chargeable are allocated to a program based on related salary expenses. There were no indirect costs charged during the contract period.

D. Income Tax Status

The RAYVILLE REACH PROGRAM, INCORPORATED operates as a private, non-profit organization. The ORGANIZATION is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Service Code. Therefore, no provisions have been made for Federal Income Taxes.

NOTE 2. PENSION PLAN

No employees of the RAYVILLE REACH PROGRAM, INCORPORATED are members of a pension plan of the ORGANIZATION. The ORGANIZATION did withhold Federal Insurance Contributions Act (FICA) Taxes for the period under audit. The liability for FICA cost at June 30, 1996 was \$ 1,795.84.

NOTE 3. DONATED SERVICES

The value of donated services are recorded as in-kind contributions. The ORGANIZATION was not required to match funds in the current year.

NOTE 4. BUDGET PRACTICES

The ORGANIZATION prepares an annual budget which is approved by the Board of Directors prior to being submitted to the granting authority. As a result, "budgeted and actual" comparative statements are presented as supplemental information.

RAYVILLE REACH PROGRAM, INCORPORATED
Rayville, Louisiana

Notes To The Financial Statement
As of and for the Year Ended June 30, 1996

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The Organization follows standards of accounting and financial reporting for voluntary health and welfare organizations as described in the American Institute of Certified Public Accountants' "Industry Guide for Audits of Voluntary Health and Welfare Organizations". Accordingly, the financial statements are prepared on an accrual basis of accounting.

B. Nature of Operation

The RAYVILLE REACH PROGRAM, INCORPORATED is a private non profit organization chartered by the State of Louisiana on April 28, 1995. The Organization is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Service Code. The objective of the Organization is to reduce substance and drug abuse among youths ranging from grades 1 to 12. Their goals are achieved by providing tutorial, educational training and counseling to youths, and parental guidance and training to adults.

C. Fund Accounting

In order to comply contractual reporting requirements placed on grants, the principles of fund accounting are used. Accordingly, all assets, liabilities, and activities are stated on the modified accrual basis and are accounted for in the State Grant Fund.

Contributions are considered to be unrestricted funds unless restricted by the donor. All funds over which the Board of Directors has discretionary control have been included in the operating fund. The ORGANIZATION only used one fund (General Fund) for operations.

NONPROFIT ORGANIZATION AUDIT SECTION

FINANCIAL STATEMENTS