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THINK OF FRANKLIN PARISH, INCORPORATED
Tying Awareness and Tasting Food
Winnifern, Louisiana

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTAL INFORMATION
As of And for The Year Ended June 30, 1997**

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 18 1998**

170
171
172
173
174
175
176
177
178
179
180

TRINK OF FRANKLIN PARISEL, INCORPORATED
Drug Awareness and Tutoring Fund

Winnipeg, Louisiana
Financial Statements
and Independent Auditor's Report
As of and for the Year Ended June 30, 1997

CONTENTS

	<u>STATEMENTS</u>	<u>PAGE NO.</u>
Independent Auditor's Report		1-3
Financial Statements		
Statement of Financial Position	A	4
Statement of Activities	B	5
Statement of Cash Flows	C	6
Statement of Functional Expenses	D	7
Notes to the Financial Statements		8-11
Independent Auditor's Report on Internal Control Structure Based on an Audit of Basic Financial Statements Performed in Accordance with Government Auditing Standards		12-13
Independent Auditor's Report on Compliance Based On an Audit of Basic Financial Statements Performed in Accordance with Government Auditing Standards		14-15
	<u>SCHEDULES</u>	<u>PAGE NO.</u>
Supplemental Information:		
Schedule of Supplemental Information		17
Schedule of Activities-Budget to Actual		18

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
THINK of Franklin Parish, Incorporated
Winniforo, Louisiana

I have audited the accompanying statement of financial position of the Drug Awareness and Tutoring Fund of THINK of Franklin Parish, Incorporated (a nonprofit organization) as of June 30, 1997, and the related statements of activities and cash flows 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 and Government 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 the Drug Awareness and Tutoring Fund of THINK of Franklin Parish, Incorporated as of June 30, 1997, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

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 are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

INDEPENDENT AUDITORS REPORT

Page 2

Louis R. Bradley

Louis R. Bradley
Certified Public Accountant

Monroe, Louisiana
September 12, 1997

FINANCIAL STATEMENTS

THINK OF FRANKLIN PARISH, INCORPORATED
Drug Awareness and Tutoring Fund

Statement of Financial Position
June 30, 1997

Assets

Cash and cash equivalents	\$	207
Grant receivable		12,658
Property, plant, and equipment		<u>27,238</u>
Total Assets		<u>\$4,103</u>

Liabilities and Net Assets

Liabilities:

Accrued liabilities		<u>12,658</u>
Total liabilities		<u>12,658</u>

Net Assets:

Unrestricted:

Operating		-
Investment in fixed assets		24,838
Total unrestricted		<u>24,838</u>

Temporarily restricted:

		<u>-</u>
Total net assets		<u>24,838</u>
Total liabilities and net assets		<u>\$4,103</u>

TRINK OF FRANKLIN PARISH, INCORPORATED
Drug Awareness and Tubing Fund

Statement of Activities
For the Year Ended June 30, 1987

UNRESTRICTED NET ASSETS:

Support

Grants

4

1

Other support

-

TOTAL UNRESTRICTED SUPPORT

4

1

Net assets released from restrictions

Restrictions satisfied by payments

55,750

TOTAL UNRESTRICTED SUPPORT AND

RECLASSIFICATION

55,750

1

Expenses

General and administrative expenses

-

Program expenses

55,750

Total expenses

55,750

Change in unrestricted net assets

4

1

TEMPORARILY RESTRICTED NET ASSETS

Grants

Drug Awareness/Tubing

55,750

Other revenue

507

Net assets released from restrictions

(55,750)

Restrictions satisfied by payments

(55,750)

Change in temporarily restricted net assets

4

1

Net assets as of beginning of year, as reported

77,024

Other changes in unrestricted net assets

Investment in fixed assets

4,700

Net assets as of end of year

\$ 81,724

1

See accompanying notes to financial statements.

THINE OF FRANKLIN PARISH, INCORPORATED

Drug Awareness and Tutoring Fund
Statement of Cash FlowsFor the Year Ended
June 30, 1987**Operating activities**

Change in net assets	\$ -
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease (increase) in accounts receivable	-
Decrease (increase) in grants receivable	(8,713)
Increase (decrease) in accounts payable/accrued liabilities	8,219
Increase (decrease) in deferred income	-
Total adjustments	<u>(484)</u>
Net cash provided by operating activities	<u>(484)</u>
Cash and cash equivalents as of beginning of year	748
Cash and cash equivalents as of the end of year	<u>\$ 264</u>

See accompanying notes to financial statements.

THINK OF FRANKLIN PARISH, INCORPORATED

Drug Awareness and Tutoring Fund

Statement of Functional Expenses
For the Year Ended
June 30, 1997

	<u>Program Services</u>
Personnel Costs	
Salaries and wages	26,004
Payroll taxes and other fringe benefits	2,551
Total personnel costs	<u>28,555</u>
Other expenses	
Capital Outlay	2,184
Insurance	1,246
Operating Services	2,244
Professional Fees	1,703
Supplies	213
Support Services	4,143
Telephones	1,177
Travel	480
Utilities	4,213
	<u>21,194</u>
Total other expenses	<u>21,194</u>
Total Functional Expenses	<u>49,749</u>

See accompanying notes to financial statements.

**TRINK of Franklin Parish, Incorporated
Drug Awareness and Tutoring Fund**

Winniford, Louisiana

**Notes to the Financial Statement
As of and for the Year Ended June 30, 1997**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Operations

The TRINK of Franklin Parish, Incorporated is a private non-profit organization domiciled in the State of Louisiana at Winniford, Louisiana. The Organization is recognized as a tax exempt (non-profit) organization under section 501 (c) (3) of the Internal Revenue Service Code. The Organization is supported primarily through state and private grants, contributions and donations from the public, and fund-raising. The organization is a community based drop-in and referral center which offers remedial education, tutoring and drug prevention counseling. The objective of the Center is (1) to reduce the annual incidence of drug abuse among 10 through 18 years of age in the Franklin Parish, (2) to enhance the self-image of each enrollee by reproducing experiences directly related to academic achievement, (3) to identify drug users and potential users for referral to appropriate agencies, and (4) to provide limited transportation into the Center. The Organization is governed by a Board of Directors consisting of six (6) members. The Board Members receive no compensation.

B. Basis of Presentation

Previously, the Organization followed 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 Organization." For the period ending June 30, 1997, the Organization adopted the provisions of Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations* by restating net assets as of June 30, 1995. Statement No. 116 requires the Organization to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. Statement No. 117 establishes standards for general purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows.

C. Public Support and Revenue

Revenue and public support consists mainly of state and private grants, fundraising, and contributions. Grants and other contributions of cash and other assets are reported as permanently restricted or temporarily restricted if they are received with donor restrictions or restrictions designated by the governing board. Contributions are considered to be unrestricted unless restricted by the donor. All assets over which the Board of Directors has discretionary control have been included in the General Fund.

D. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. The Organization had no estimates for the period ending June 30, 1997.

E. Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of twelve months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents. Under state law, the agency may deposit funds in demand accounts, interest bearing accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Organization had no cash equivalents during the audit period. On June 30, 1997, the Drug Awareness and Tutoring Fund of THINK of Franklin Parish, Incorporated had cash totaling \$ 252 as follows:

Unrestricted	\$ -
Temporarily Restricted	252
Total Cash	\$ 252

F. Total Columns

Total columns are presented to facilitate financial analysis. Data in these columns do not present financial position, results of operations and changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. CHANGES IN ACCOUNTING PRINCIPLES

The Organization adopted the provisions of Statement of Financial Accounting Standards No. 116, *Accounting for Contributions Received and Contributions Made* and No. 117, *Financial Statements of Not-for-Profit Organizations by Restating Net Assets as of June 30, 1997*. Statement No. 116 requires the Organization to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. Statement No. 117 establishes standards for general purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows. The Organization adopted Statement No. 116 by restating net assets as of June 30, 1997. The adoption of Statement No. 116 did not effect any change in net assets.

3. PENSION PLAN

The Organization does not have a retirement program for its employees and the employees are not members of the State of Louisiana Retirement System. All employees of the Organization's Drug Awareness and Tutoring Program are members of the Social Security System. In addition to the employees' contribution of 7.65 percent, the Drug Awareness and Tutoring Fund contributes an equal amount to the Social Security System. Pension cost for the year was \$ 2,229. The Organization does not guarantee the benefits granted by the Social Security System.

4. **FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

5. **GRANT RECEIVABLE**

At June 30, 1997, Drug Awareness and Tutoring Fund of had grant receivables as follows:

Drug Awareness/Tutoring	\$ 12,486
Total	<u>\$ 12,486</u>

6. **ACCRUED LIABILITIES**

At June 30, 1997, the Drug Awareness and Tutoring Fund of had accrued liabilities totaling \$ 12,688.

7. **GENERAL FIXED ASSETS**

Fixed Assets used in the Organization are accounted for in the General Fixed Asset Account Group 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, 1997, is as follows:

Beginning balance 7/01/97	\$ 11,734
Additions	9,894
Deletions	
Ending balance at 6/30/97	<u>\$ 21,628</u>

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Society of Arkansas Certified Public Accountants • Monroe Chapter of Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
THINK of Franklin Parish, Incorporated
Winnifree, Louisiana

I have audited the financial statements of the Drug Awareness and Tutoring Fund of THINK of Franklin Parish, Incorporated (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued my report thereon dated September 12, 1997.

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.

The management of the Drug Awareness and Tutoring Fund of Franklin Parish, Incorporated 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.

In planning and performing my audit of the financial statements of the Drug Awareness and Tutoring Fund of THINK of Franklin Parish, Incorporated for the year ended June 30, 1997, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control

INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL STRUCTURE BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Page 2

risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the 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. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

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

Louis R. Bradley

Louis R. Bradley
Certified Public Accountant

Monroe, Louisiana
September 12, 1997

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
THINK of Franklin Parish, Incorporated
Winabeno, Louisiana

I have audited the financial statements of the Drug Awareness and Tutoring Fund of THINK of Franklin Parish, Incorporated (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued my report thereon dated September 12, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

Compliance with laws, regulations, contracts, and grants applicable to the Drug Awareness and Tutoring Fund of THINK of Franklin Parish, Incorporated is the responsibility of the Drug Awareness and Tutoring Fund of THINK of Franklin Parish, Incorporated management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Drug Awareness and Tutoring Fund of THINK of Franklin Parish, Incorporated'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, the Louisiana Department of Education, and the Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

Page 2

Louis R. Bradley

Louis R. Bradley

Certified Public Accountant

Monroe, Louisiana

September 12, 1997

SUPPLEMENTAL INFORMATION

TRINK OF FRANKLIN FARM, INCORPORATED
Drug Awareness and Tutoring Fund

Schedule of Supplemental Information
June 30, 1967

TEMPORARILY RESTRICTED FUNDS

Drug Awareness/Tutoring

The Drug Awareness-Tutoring Fund accounts for the administration of funds provided by the Louisiana Department of Health and Hospitals, Office of Human Services, Division of Alcohol and Drug Abuse. Revenues are used to provide drug awareness, tutoring, skill development, research, study assistance, creative arts, educational games, cultural activities, recreational games, and direct and constant supervision.

TRUMP OF FRANKLIN PARISH, INCORPORATED

Drug Awareness/Testing Fund
Schedule of Activities - Budget to Actual

For the Year Ended December 31, 1995

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenue			
Grants	55,580	55,182	398
Other Income	-	587	(587)
Total Revenue	<u>55,580</u>	<u>55,769</u>	<u>(189)</u>
Personal Costs			
Salaries and wages	29,180	29,004	176
Payroll taxes and other fringe benefits	2,009	2,581	(572)
Total personal costs	<u>31,189</u>	<u>31,585</u>	<u>396</u>
Other expenses			
Capital Outlay	9,804	9,804	-
Insurance	1,150	1,240	(90)
Operating services	1,800	2,284	(544)
Professional Fees	5,715	1,755	3,960
Supplies	-	212	(212)
Support Services	4,308	4,143	165
Telephone	1,000	1,177	(180)
Travel	400	400	-
Utilities	2,800	4,213	(1,413)
Total other expenses	<u>24,867</u>	<u>25,184</u>	<u>(317)</u>
Total expenses	<u>56,056</u>	<u>56,769</u>	<u>(713)</u>
Change in net assets	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes to financial statements.