

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

Board of Directors
North Baton Rouge Tutorial Program, Inc.

We have audited the financial statements of North Baton Rouge Tutorial Program, Inc. as of and for the year ended June 30, 1997, and have issued our report thereon dated December 22, 1997.

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

Compliance with laws, regulations, and contracts applicable to North Baton Rouge Tutorial Program, Inc. is the responsibility of the Organization's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Organization's compliance with certain provisions of laws, regulations, and contracts. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our 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 and management. However, this report is a matter of public record, and its distribution is not limited.

R. Brown & Company

December 22, 1997
Baton Rouge, Louisiana

Our 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 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Directors and management. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

R. Brown + Company

Baton Rouge, Louisiana
December 22, 1997

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
North Baton Rouge Tutorial Program, Inc.

We have audited the financial statements of North Baton Rouge Tutorial Program, Inc. for the year ended June 30, 1997, and have issued our report thereon dated December 22, 1997.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of North Baton Rouge Tutorial Program, Inc. 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 our audit of the financial statements of North Baton Rouge Tutorial Program, Inc. for the year ended June 30, 1997, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

NORTH BATON ROUGE TUTORIAL PROGRAM, INC.
(A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

1. Summary of Significant Accounting Policies (continued)

f. Cash and Cash Equivalents

Cash and cash equivalents consist of items having maturities of three months or less from the date of acquisition.

g. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of trade accounts receivable. As of June 30, 1997, substantially all of the Organization's trade receivables are due from governmental agencies of the State of Louisiana.

The Organization maintains its cash balances in a financial institution located in Baton Rouge, Louisiana. The balances are insured by the Federal Deposit Insurance Corporation up to \$100,000.

h. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NORTH BATON ROUGE TUTORIAL PROGRAM, INC.
(A NONPROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

1. Summary of Significant Accounting Policies

a. Operations

North Baton Rouge Tutorial Program, Inc. provides tutorial instruction, computer literacy courses, health education services, and drug prevention information for local youths and their families. Tutoring of students is performed by certified teachers and teacher aides. Teachers also train students in computer terminology, operations and software applications. Services are provided to meet the needs of "at risk" youths who are performing below grade level or who are failing in traditional settings.

b. Revenue and Cost Recognition

Revenue is recognized when services are provided. Expenses are recognized as incurred.

c. Property and Equipment

Property and equipment are recorded at cost. Expenditures for maintenance, repairs, and minor renewals are charged against earnings as incurred. Major expenditures for renewals and betterments are capitalized. When items are retired or otherwise disposed of, the cost of the asset and the related accumulated depreciation are removed from the books. Any resulting gain or loss is credited to or charged against income.

Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives (5 to 7 years for furniture and equipment), using the straight-line method.

d. Income Taxes

The Organization is exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code.

e. Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is based on prior experience and management's assessment of the collectibility of accounts receivable. Due to the nature of the receivables, all amounts are considered to be collectible and, therefore, an allowance for uncollectible accounts has not been established.

NORTH BATON ROUGE TUTORIAL PROGRAM, INC.
(A NONPROFIT ORGANIZATION)

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 1997

	<u>URBAN AFFAIRS</u>	<u>DRUG PREVENTION</u>	<u>LATCHKEY</u>	<u>RHONE- POULENC</u>	<u>TOTAL EXPENSES</u>
Salaries and wages					
Instructors	\$14,283	\$38,063	\$ -	\$ -	\$52,346
Executive director	4,821	14,440	5,100	10,944	35,305
Program coordinator	2,296	13,465	-	-	15,761
Secretary	1,823	4,486	-	-	6,309
Employee benefits	2,122	6,845	375	859	10,201
Therapeutic and training office supplies	3,603	5,135	712	164	9,614
Mini grants	6,575	-	-	-	6,575
Bookkeeping/professional services	-	6,000	-	-	6,000
Field trips	-	2,813	-	-	2,813
Telephone	625	1,779	-	-	2,404
Depreciation	-	2,575	-	-	2,575
Travel	651	1,114	-	-	1,765
	<u>\$36,799</u>	<u>\$96,715</u>	<u>\$6,187</u>	<u>\$11,967</u>	<u>\$151,668</u>
Total expenses					

The accompanying notes are an integral part of this statement.

NORTH BATON ROUGE TUTORIAL PROGRAM, INC.
(A NONPROFIT ORGANIZATION)

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1997

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from government grants and private sources	\$126,907
Cash paid to suppliers and employees	(119,624)
Net cash provided by operating activities	<u>7,283</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of equipment	(6,526)
Net cash used in investing activities	<u>(6,526)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 757

CASH AND CASH EQUIVALENTS - July 1, 1996

CASH AND CASH EQUIVALENTS - June 30, 1997 \$757

Schedule reconciling changes in net assets to net cash provided by operating activities:

Changes in net assets	\$3,373
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	2,575
(Increase) in accounts receivable	(28,134)
Increase in accounts payable and accrued expenses	22,622
Increase in salaries payable	6,847
Net cash provided by operating activities	<u><u>\$7,283</u></u>

The accompanying notes are an integral part of this statement.

NORTH BATON ROUGE TUTORIAL PROGRAM, INC.
(A NONPROFIT ORGANIZATION)

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 1997

SUPPORT AND REVENUE

Grant from Governor's Office of Urban Affairs and Development	\$35,845
Grant from Louisiana Department of Health and Hospitals, Office of Alcohol and Drug Abuse	100,412
Grant from Louisiana Department of Education, Latch Key program	5,518
Private funds	<u>13,266</u>
Total support and revenue	<u>155,041</u>

EXPENSES

Program services	
Urban Affairs	36,799
Drug Prevention	96,715
Latch Key	6,187
Rhone-Poulenc	<u>11,967</u>
Total expenses	<u>151,668</u>

CHANGE IN NET ASSETS

Net assets - July 1, 1996	<u>5,702</u>
Net assets - June 30, 1997	<u>\$9,075</u>

The accompanying notes are an integral part of this statement.

NORTH BATON ROUGE TUTORIAL PROGRAM, INC.
(A NONPROFIT ORGANIZATION)

STATEMENT OF FINANCIAL POSITION
JUNE 30, 1997

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$757
Accounts receivable	28,134
Total current assets	<u>28,891</u>

PROPERTY AND EQUIPMENT

Furniture, fixtures and equipment	13,090
Less accumulated depreciation	2,575
	<u>10,515</u>

Total assets	<u>\$39,406</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$23,484
Salaries payable	6,847
Total current liabilities	<u>30,331</u>

NET ASSETS - UNRESTRICTED

Total liabilities and net assets	<u>\$39,406</u>
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The accompanying notes are an integral part of this statement.

R. BROWN & COMPANY, APC

CERTIFIED PUBLIC ACCOUNTANTS

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E-Mail: REBCPA@worldnet.att.net

Richard E. Brown, C.P.A.
Christy C. Erb, C.P.A.

Independent Auditors' Report

To the Board of Directors
North Baton Rouge Tutorial Program, Inc.
Baton Rouge, Louisiana

We have audited the accompanying statement of financial position of North Baton Rouge Tutorial Program, Inc. as of June 30, 1997 and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our 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 we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Baton Rouge Tutorial Program, Inc. 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.

R. Brown & Company

Baton Rouge, Louisiana
December 22, 1997

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NORTH BATON ROUGE TUTORIAL PROGRAM, INC.
(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS

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

MAR 04 1998

Release Date _____