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

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 1998 AND 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 JAN 13 1999

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# R. BROWN & COMPANY, APC

CERTIFIED PUBLIC ACCOUNTANTS

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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.  
(A Nonprofit Organization)  
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of North Baton Rouge Tutorial Program, Inc. (a nonprofit organization) as of June 30, 1998 and 1997, and the related statements of activities, functional expenses, and cash flows for the years 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 audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 audits provide 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, 1998 and 1997, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 18, 1998, on our consideration of North Baton Rouge Tutorial Program, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.



Baton Rouge, Louisiana  
December 18, 1998

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

STATEMENT OF FINANCIAL POSITION

	JUNE 30	
	1998	1997
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$574	\$757
Accounts receivable	21,375	28,134
Total current assets	21,949	28,891
PROPERTY AND EQUIPMENT		
Furniture, fixtures and equipment	15,450	13,090
Less accumulated depreciation	5,496	2,575
	9,954	10,515
Total assets	\$31,903	\$39,406
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$14,496	\$23,484
Salaries payable	15,937	6,847
Total current liabilities	30,433	30,331
NET ASSETS - UNRESTRICTED	1,470	9,075
Total liabilities and net assets	\$31,903	\$39,406

The accompanying notes are an integral part of this statement.

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

STATEMENT OF ACTIVITIES

	YEAR ENDED JUNE 30	
	1998	1997
<b>SUPPORT AND REVENUE</b>		
Grant from Governor's Office of Urban Affairs and Development	\$30,355	\$35,845
Grant from Louisiana Department of Health and Hospitals, Office of Alcohol and Drug Abuse	88,986	100,412
Grant from Louisiana Department of Education, Summer Enrichment program	26,152	-
Grant from Louisiana Department of Labor	22,129	-
Grant from Louisiana Department of Education, Latch Key program	-	5,518
Private funds	13,540	13,266
Total support and revenue	181,162	155,041
<b>EXPENSES</b>		
Program services		
Urban Affairs	36,231	36,799
Drug Prevention	92,913	96,715
Summer Enrichment	26,055	-
Department of Labor	22,725	-
Latch Key	-	6,187
Rhone-Poulenc	10,843	11,967
Total expenses	188,767	151,668
CHANGE IN NET ASSETS	(7,605)	3,373
Net assets - beginning of year	9,075	5,702
Net assets - end of year	\$1,470	\$9,075

The accompanying notes are an integral part of this statement.

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

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 1998

	<u>URBAN AFFAIRS</u>	<u>DRUG PREVENTION</u>	<u>SUMMER ENRICHMENT</u>	<u>DEPT. OF LABOR</u>	<u>RHONE- POULENC</u>	<u>TOTAL EXPENSES</u>
Salaries and wages						
Instructors	\$18,552	\$40,950	\$21,783	\$6,599	\$ -	\$87,884
Executive director	4,547	11,577	-	882	10,073	27,079
Program coordinator	2,450	14,088	1,446	858	-	18,842
Secretary	1,788	4,396	855	630	-	7,669
Employee benefits	1,577	5,123	1,876	687	770	10,033
Therapeutic and training						
office supplies	3,595	4,468	95	11,130	-	19,288
Mini grants	2,060	-	-	-	-	2,060
Bookkeeping/professional services	-	6,000	-	-	-	6,000
Field trips	876	415	-	768	-	2,059
Telephone	-	2,503	-	295	-	2,798
Depreciation	-	2,921	-	-	-	2,921
Travel	786	472	-	876	-	2,134
	<u>\$36,231</u>	<u>\$92,913</u>	<u>\$26,055</u>	<u>\$22,725</u>	<u>\$10,843</u>	<u>\$188,767</u>

The accompanying notes are an integral part of this statement.

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)  
BATON ROUGE, LOUISIANA

STATEMENT OF CASH FLOWS

	YEAR ENDED JUNE 30	
	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from government grants and private sources	\$187,921	\$126,907
Cash paid to suppliers and employees	(185,744)	(119,624)
Net cash provided by operating activities	2,177	7,283
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	(2,360)	(6,526)
Net cash used in investing activities	(2,360)	(6,526)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(183)	757
CASH AND CASH EQUIVALENTS - beginning of year	757	-
CASH AND CASH EQUIVALENTS - end of year	\$574	\$757
Schedule reconciling changes in net assets to net cash provided by operating activities:		
Changes in net assets	(\$7,605)	\$3,373
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,921	2,575
Decrease (increase) in accounts receivable	6,759	(28,134)
(Decrease) increase in accounts payable and accrued expenses	(8,988)	22,622
Increase in salaries payable	9,090	6,847
Net cash provided by operating activities	\$2,177	\$7,283

The accompanying notes are an integral part of this statement.



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

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998 AND 1997

1. Summary of Significant Accounting Policies

a. Operations

The 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 a nonprofit organization that 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)  
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998 AND 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, 1998, 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 presentation 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.

i. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, 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.

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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED 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. (a nonprofit organization) as of and for the year ended June 30, 1998, and have issued our report thereon dated December 18, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether North Baton Rouge Tutorial Program, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered North Baton Rouge Tutorial Program, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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 over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Directors, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*R. Blanton and Company*

Baton Rouge, Louisiana  
December 18, 1998