

RECEIVED
04 NOV -3 AM 11:

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
BATON ROUGE, LOUISIANA
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 11-17-04

TABLE OF CONTENTS

Independent Auditor's Report	Page 3
Financial Statements	
Statement of Financial Position	Page 4
Statement of Activities	Page 5
Statement of Functional Expenses	Page 6
Statement of Cash Flows	Page 7
Notes to Financial Statements	Page 8
SUPPLEMENTAL INFORMATION	
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards	Page 13
Schedule of Prior Years Findings	Page 15
Schedule of Current Years Findings	Page 16

Certified Public Accountant



Donald C. DeVille

Member
American Institute CPAs

Member
Louisiana Society CPAs

7829 BLUEBONNET BLVD.
BATON ROUGE, LA 70810
(225) 767-7829

INDEPENDENT AUDITOR'S REPORT

July 20, 2004

Members of the Board of Directors
East Baton Rouge Truancy Assessment, Inc.
Baton Rouge, Louisiana

I have audited the accompanying statement of financial position of the East Baton Rouge Truancy Assessment, Inc., a non-profit organization, as of June 30, 2004, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the East Baton Rouge Truancy Assessment, Inc.'s management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America 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 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 East Baton Rouge Truancy Assessment, Inc. as of June 30, 2004, and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated July 20, 2004, on our consideration of East Baton Rouge Truancy Assessment, Inc.'s internal control over financial reporting and our tests of its compliance with laws and regulations. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2004

(With Comparative Totals for 2003)

	TOTALS	
	<u>JUNE 30,</u>	
	<u>2004</u>	<u>2003</u>
ASSETS:		
Cash and Cash Equivalents	\$10,846	\$22,994
Grants Receivable	41,708	33,171
Fixed Assets, Net	11,565	14,609
	<hr/>	<hr/>
TOTAL ASSETS	64,119	70,774
	<hr/> <hr/>	<hr/> <hr/>
 LIABILITIES & NET ASSETS:		
LIABILITIES:		
Accounts Payable	\$367	\$1,933
Accrued Wages	11,332	9,500
Vacations Payable	10,063	4,957
	<hr/>	<hr/>
TOTAL LIABILITIES	21,762	16,390
	<hr/>	<hr/>
 NET ASSETS		
Unrestricted	42,357	54,384
	<hr/>	<hr/>
TOTAL LIABILITIES & NET ASSETS	64,119	70,774
	<hr/> <hr/>	<hr/> <hr/>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004
(With Comparative Totals for 2003)

	TOTALS	
	<u>JUNE 30,</u>	
	<u>2004</u>	<u>2003</u>
REVENUE AND OTHER SUPPORT:		
Grants	\$371,171	\$337,937
Contribution - In Kind	83,860	126,160
Interest Income	5	40
Miscellaneous Income	-0-	1,002
	<hr/>	<hr/>
TOTAL REVENUE	455,036	465,139
	<hr/>	<hr/>
EXPENSES:		
PROGRAM SERVICES		
Program Services	408,855	419,818
Management and General	58,208	60,189
	<hr/>	<hr/>
TOTAL EXPENSES	467,063	480,007
	<hr/>	<hr/>
INCREASE (DECREASE) IN NET ASSETS	(12,027)	(14,868)
NET ASSETS, Beginning of Year	54,384	69,252
	<hr/>	<hr/>
NET ASSETS, End of Year	42,357	54,384
	<hr/> <hr/>	<hr/> <hr/>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2004
(With Comparative Totals for 2003)

	<u>PROGRAM</u> <u>SERVICES MANAGEMENT</u>		<u>TOTALS</u>	
			<u>JUNE 30,</u> <u>2004</u>	<u>2003</u>
Salaries	\$298,977	\$53,238	\$352,215	\$361,756
Payroll Taxes	18,333	3,235	21,568	20,975
Accounting	4,263	752	5,015	4,535
Advertising & Promotion	-0-	-0-	-0-	150
Bank Charges	779	-0-	779	460
Contract Labor	15,143	-0-	15,143	27,842
Flexible Client Account	-0-	-0-	-0-	1,197
Depreciation	3,806	671	4,477	4,358
Education Material	-0-	-0-	-0-	3,293
Insurance	11,941	-0-	11,941	8,773
Occupancy-In Kind	12,300	-0-	12,300	12,350
Miscellaneous	446	-0-	446	317
Payroll Fees	1,771	312	2,083	-0-
Postage	1,781	-0-	1,781	1,190
Printing	-0-	-0-	-0-	940
Supplies	19,678	-0-	19,678	6,443
Summer Camp	1,966	-0-	1,966	5,568
Taxes, Licenses	18	-0-	18	25
Travel	14,539	-0-	14,539	9,084
Telephone	2,292	-0-	2,292	8,645
Uniforms	822	-0-	822	2,106
TOTAL EXPENSES	<u>408,855</u>	<u>58,208</u>	<u>467,063</u>	<u>480,007</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (Decrease) in Net Assets	\$(12,027)
Adjustments To Reconcile Increase In Net Assets To Net Cash Provided By Operating Activities:	
Depreciation	4,477
(Increase) Decrease In Operating Assets:	
Grants Receivable	(8,537)
Increase (Decrease) In Operating Liabilities:	
Accounts Payable	(1,566)
Accrued Wages Payable	1,832
Accrued Vacations Payable	5,106
NET CASH PROVIDED BY OPERATING ACTIVITIES	(10,715)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Equipment	(1,433)
-----------------------	---------

NET INCREASES IN CASH AND CASH EQUIVALENTS	(12,148)
CASH AND CASH EQUIVALENTS, Beginning of Year	22,994
CASH AND CASH EQUIVALENTS, End of Year	10,846

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE #1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The East Baton Rouge Truancy Assessment, Inc. (Organization) is a Louisiana non-profit corporation, incorporated on February 21, 2001, for the purpose of combating truancy in East Baton Rouge Parish.

BASIS OF PRESENTATION

The financial statements are presented in accordance with Statement of Financial Accounting Standards No. 116 (SFAS No. 116), "Accounting for Contributions Received and Contributions Made" and Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." SFAS No. 116 requires contributions to be recognized as revenue when they are received or unconditionally pledged. SFAS No. 117, which eliminates the utilization of fund accounting for financial reporting purposes, requires net assets to be classified as either 1) unrestricted, 2) temporarily restricted, or 3) permanently restricted depending on limitations placed on the net assets.

DONATED SERVICES

Amounts have not been reported in the statements for donated services because they do not meet the criteria for recognition under SFAS No. 116.

Contributions of service shall be recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individual possessing those skills and would typically need to be purchased if not provided by donation.

REVENUE RECOGNITION

Contributions are recognized as revenue when they are received or unconditionally pledged.

Conditions - Contributions are recorded as unrestricted as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

REVENUE RECOGNITION: CONTRIBUTIONS - Continued...

All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purposes restriction is accomplished), temporarily restricted net assets are classified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

Contributions receivable represent amounts committed by donors that have not been received by the Organization.

INCOME TAXES

The Organization is a not-for-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code.

CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

PREPAID

Insurance and similar services which extend over more than one accounting period have been recorded when paid.

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.

USE OF ESTIMATES

The preparation of financial statements in-conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

PROPERTY AND EQUIPMENT

The purchase of property and equipment is recorded at cost. It is the Organization's policy to capitalize expenditures for these items in excess of \$500. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Equipment is depreciated using the straight-line method over the estimated useful lives of 5 years.

CONCENTRATION OF SUPPORT

During the year ended June 30, 2004, the Organization derived approximately 99% of its revenue from the State of Louisiana and the East Baton Rouge School System.

COMPARATIVE DATA

Comparative data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the Clubs' financial position and operations. However, presentation of comparative data by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE #2. CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK

The Organization maintains a bank account at a financial institutions. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000.

As of **June 30, 2004**, the Organization had cash and cash equivalent (book balances) totaling **\$10,826**. These deposits are stated at cost, which approximates market. At **June 30, 2004**, the Organization had **\$11,640** in deposits (collected bank balances) which was secured by FDIC insurance.

NOTE #3. GRANTS RECEIVABLE

Grants receivable as of June 30, 2004, consist of:

Louisiana State University	\$41,708
----------------------------	----------



EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE #4. EQUIPMENT

Equipment, as well as furnishing, are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of five to ten years for equipment. Equipment consist of the following:

Equipment	\$23,220
Less: Accumulated Depreciation	(11,655)
	<hr/>
Equipment Book Value	11,565
	<hr/> <hr/>

NOTE #5. IN KIND DONATIONS

The Organization receives in-kind salaries, office space and utilities from the East Baton Rouge Parish School System valued at \$83,860 per year.

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 - RISK MANAGEMENT

The East Baton Rouge Truancy Assessment is exposed to various risks of loss related to torts, theft of, damage of and destruction of assets; errors and omissions and natural disasters for which the organization carries commercial insurance. There have been no significant reductions in coverage from prior year and settlements have not exceeded coverage in the past three years.

NOTE #8. CONTINGENCIES

The East Baton Rouge Truancy Assessment receives a portion 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 government. 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.

SUPPLEMENTAL INFORMATION

Certified Public Accountant



Donald C. DeVille

Member
American Institute CPAs

Member
Louisiana Society CPAs

7829 BLUEBONNET BLVD.
BATON ROUGE, LA 70810
(225) 767-7829

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

July 20, 2004

Members of the Board of Directors
East Baton Rouge Truancy Assessment, Inc.
Baton Rouge, Louisiana

I have audited the financial statements of the East Baton Rouge Truancy Assessment, Inc. as of and for the year ended June 30, 2004, and have issued my report thereon dated July 20, 2004. I conducted my 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 the Organization's financial statements are free of material misstatement, I 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 financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, 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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing my audit, I considered East Baton Rouge Truancy Assessment, Inc.'s internal control over financial reporting 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 over financial reporting. My 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. I 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 management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and distribution is not limited.

Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.



EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
SCHEDULE OF PRIOR YEARS AUDIT FINDINGS
FOR YEAR ENDED JUNE 30, 2004

<u>REF</u>	<u>FISCAL YEAR</u> <u>FINDING</u> <u>INITIALLY</u>	<u>DESCRIPTION OF FINDING</u>	<u>CORRECTIVE</u> <u>ACTION TAKEN</u>	<u>CORRECTIVE</u> <u>ACTION/PARTIAL</u> <u>CORRECTIVE</u> <u>ACTION TAKEN</u>
<u>NO.</u>	<u>OCCURRED</u>		<u>(YES,NO,PARTIALLY)</u>	

NONE

EAST BATON ROUGE TRUANCY ASSESSMENT, INC.
SCHEDULE OF CURRENT YEARS FINDINGS
YEAR ENDED JUNE 30, 2004

NONE