

ADOLESCENTS AT RISK, INCORPORATED  
 Statement of Cash Flows  
 For the Year Ended  
 June 30, 1997

<b>Operating activities</b>	
Change in net assets	\$ -
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease (Increase) in accounts receivable	(2,887)
Decrease (Increase) in grants receivable	-
Increase (Decrease) in accounts payable/accrued liabilities	7,612
Total adjustments	<u>4,725</u>
Net cash provided by operating activities	<u>4,725</u>
Cash and cash equivalents as of beginning of year	3,011
Cash and cash equivalents as of the end of year	<u>\$ 7,746</u>

See accompanying notes to financial statements.

## SAVE OUR SONS, INCORPORATED

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

	<u>General and Administrative</u>	<u>Program Services</u>	<u>Total Expenses</u>
<b>Personnel Costs</b>			
Salaries and wages	-	19,173	19,173
Payroll taxes and other fringe benefits	-	2,138	2,138
<b>Total personnel costs</b>	-	<u>21,311</u>	<u>21,311</u>
<b>Other expenses</b>			
Indirect Costs	-	1,033	1,033
Professional Services	1,708	-	1,708
Other Purchased Services	-	1,198	1,198
Supplies	-	849	849
Travel	-	-	-
<b>Total other expenses</b>	<u>1,708</u>	<u>3,079</u>	<u>4,787</u>
<b>Total Functional Expenses</b>	<u>1,708</u>	<u>24,390</u>	<u>26,098</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS  
AND  
OTHER AUDITOR REPORTS

**Adolescents At Risk, Incorporated**

**Monroe, 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 Adolescents At Risk, Incorporated is a private non-profit organization domiciled in the State of Louisiana at Monroe, Louisiana. The Organization is recognized as a tax exempt (non-profit) 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. The goals and objectives of the Organization are to reduce crime, poverty, and illiteracy in youths and young adults in the community. Adolescents at Risk operates with three part-time employees and trained volunteers who spend extensive time with each youth and his/her family in efforts to understand the problem that may have created the crime. The youth and the volunteers then write and sign a three month contract which may include hours of community service, restitution, and whatever is deemed appropriate. If the youth fulfills the contract, the charges against the youth are dropped. However, if the contract is not fulfilled, adjudication will be necessary. Since volunteers are such a crucial part of this organization, another goal of Adolescents at Risk is to train and recruit volunteers to act as mentors and supervisors, as well as to recognize violence, drug and alcohol abuse.

The Organization is governed by a Board of Directors consisting of four 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 Organizations." For the period ending June 30, 1997, the Organization adopted the provisions of Statement of Financial Accounting Standards No. 117, Financial Statements of Nonfor-Profit Organizations by ceasing 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 value. Statement No. 117 establishes standards for general purpose external financial statements of not-for-profit organizations and require 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, Adolescents At Risk, Incorporated had cash totaling \$ 7,758 as follows:

Unrestricted	\$ 3,796
Temporarily Restricted	-
Total Cash	<u>\$ 7,758</u>

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 require 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 are members of the Social Security System. In addition to the employees' contribution of 7.65 percent, the agency contributes an equal amount to the Social Security System. Pension cost for the year was \$ 1290.

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. ACCURED LIABILITIES

At June 30, 1997, the Organization had accrued liabilities totaling \$ 14,634.

6. 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.

- Accounting Services
- Tax Services

# LOUIS R. BRADLEY

CERTIFIED PUBLIC ACCOUNTANT

(A Professional Corporation)

- Audit Services
- Computer Consulting

Phone: (510) 819-6188 • Fax: (510) 823-8184 • P.O. Box 1188 • 141 DeSland Street, Suite 200 • Monroe, LA 71216-1188

American Institute of Certified Public Accountants • Society of Louisiana Certified Public Accountants  
Society of Arkansas Certified Public Accountants • Monroe Chamber of Commerce

## 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 of  
Adolescents At Risk, Incorporated  
Monroe, Louisiana

I have audited the statement of financial position of Adolescents At Risk, Incorporated and the related statements of activities, cash flows, and functional expenses as of and for the year ended June 30, 1997, and have issued my report thereon dated December 14, 1997. 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 Adolescents At Risk, Incorporated'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 these 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 Adolescents At Risk, Incorporated'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. However, I noted no certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect Adolescents At Risk, Incorporated's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.



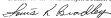
REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS

Page 3

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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

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



Louis E. Bradley  
Certified Public Accountant

December 14, 1997  
Monroe, Louisiana

## SUPPLEMENTAL INFORMATION

ADOLESCENTS AT RISK, INCORPORATED  
Monroe, Louisiana

SCHEDULE OF FUNDS-DESCRIPTION

As of and For the Year ended June 30, 1997

**RESTRICTED FUND**

The Restricted Fund is used to account for revenues provided by the State of Louisiana Governor's Safe and Drug-Free program. The funds are provided to monitor and educate first-time juvenile offenders of the dangers and abuse of alcohol and drugs.

OFFICIAL  
FILE COPY

**DO NOT REMOVE**

These materials  
come from this  
case and **PLEASE**  
KEEP IN FILE

STATE OF LOUISIANA  
LEGISLATIVE AUDITING  
AND ACCOUNTING  
OFFICE

**ADOLESCENTS AT RISK, INCORPORATED**  
MONROE, 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 2/18/98

**ADOLESCENTS AT RISK, INCORPORATED**  
 Monroe, 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		1-2
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 and other Independent Auditor's Reports:		
Notes to the Financial Statements		9-12
Independent Auditor's Report on Compliance And Internal Control Structure Over Financial Statements Performed in Accordance With Government Auditing Standards		13-14
Supplemental Information:		
Schedule of Fund Description		14
Schedule of Activities-Budget to Actual		17

- Accounting Services
- Tax Services

## LOUIS R. BRADLEY

CERTIFIED PUBLIC ACCOUNTANT

(A Professional Corporation)

- Audit Services
- Computer Consulting

Phone (214) 824-0892 • Fax (214) 825-4194 • P.O. Box 1358 • 141 DeSard Street, Suite 300 • Monroe, LA 71233-1358

American Institute of Certified Public Accountants • Society of Louisiana Certified Public Accountants  
Society of Arkansas Certified Public Accountants • Monroe Chamber of Commerce

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Adolescents At Risk, Incorporated  
Monroe, Louisiana

I have audited the accompanying statements of financial position of Adolescents At Risk, Incorporated (a nonprofit organization) 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. 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 governmental auditing standards. These 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 Adolescents At Risk, 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 AUDITOR'S REPORT

Page 2

A handwritten signature in cursive script that reads "Louis R. Bradley".

Louis R. Bradley  
Certified Public Accountant

Monroe, Louisiana  
December 14, 1987

FINANCIAL STATEMENTS



**ADOLESCENTS AT RISK, INCORPORATED**  
 Statement of Financial Position  
 As of June 30, 1997

<b>Assets</b>	
Cash and cash equivalents	\$ 3,768
Accounts Receivable	<u>5,879</u>
Total Assets	<u>96,524</u>
 <b>Liabilities and Net Assets</b>	
<b>Liabilities</b>	
Accrued Liabilities	<u>14,536</u>
Total liabilities	<u>14,536</u>
 <b>Net Assets:</b>	
Unrestricted	<u>          </u>
Total unrestricted	<u>          </u>
Temporarily restricted:	<u>          </u>
Total net assets	<u>          </u>
Total liabilities and net assets	<u>96,524</u>

See accompanying notes to financial statements.

**ADOLESCENTS AT RISK, INCORPORATED**  
**Statement of Activities**  
**For the Year Ended June 30, 1987**

**UNRESTRICTED NET ASSETS**

<b>Support</b>	
Grants	\$ -
Other support	-
<b>TOTAL UNRESTRICTED SUPPORT</b>	<u>-</u>
<b>Net assets released from restrictions</b>	
Revisions satisfied by payments	28,085
<b>TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATION</b>	<u>28,085</u>
<b>Expenses</b>	
General and administrative expenses	1,790
Program expenses	24,195
Total expenses	<u>25,985</u>
<b>Change in unrestricted net assets</b>	<u>-</u>

**TEMPORARILY RESTRICTED NET ASSETS**

<b>Grants</b>	
Louisiana Department of Education	28,085
<b>Net assets released from restrictions</b>	
Revisions satisfied by payments	<u>(28,085)</u>
<b>Change in temporarily restricted net assets</b>	<u>-</u>
<b>Net assets as of beginning of year, as restated</b>	<u>-</u>
<b>Net assets as of end of year</b>	<u>\$ -</u>

See accompanying notes to financial statements.

**ADOLESCENTS AT RISK, INCORPORATED**  
**Schedule of Activities - Budget to Actual**  
**For the Year Ended June 30, 1997**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenue</b>			
Grants	27,000	26,060	940
Other income	-	-	-
<b>Total revenue</b>	<u>27,000</u>	<u>26,060</u>	<u>940</u>
<b>Personnel Costs</b>			
Salaries and wages	18,000	19,173	(1,173)
Payroll taxes and other fringe benefits	<u>3,130</u>	<u>2,538</u>	<u>592</u>
<b>Total personnel costs</b>	<u>21,130</u>	<u>21,711</u>	<u>(581)</u>
<b>Other expenses</b>			
Indirect Costs	2,000	1,932	68
Professional Services	600	1,700	(1,100)
Other Purchased Services	1,752	1,180	572
Supplies	1,308	849	459
Travel	-	-	-
	<u>5,660</u>	<u>4,779</u>	<u>881</u>
<b>Total other expenses</b>	<u>5,660</u>	<u>4,779</u>	<u>881</u>
<b>Total expenses</b>	<u>27,000</u>	<u>26,060</u>	<u>940</u>
<b>Change in net assets</b>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes to financial statements.