

**LOUISIANA INITIATIVE FOR EDUCATION, INC.  
MONROE, LOUISIANA**

**FINANCIAL STATEMENTS  
AND COMPILATION REPORT  
AND AGREED-UPON PROCEDURES  
WITH SUPPLEMENTAL INFORMATION  
As of And for The Year Ended June 30, 2005**

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 4-19-06

**LOUISIANA INITIATIVE FOR EDUCATION, INC.**  
**Monroe, Louisiana**

**Financial Statements  
and Compilation Report  
and Agreed-Upon Procedures  
with Supplemental Information  
As of and for the Year Ended June 30, 2005**

**CONTENTS**

	<u>STATEMENTS</u>	<u>PAGE NO.</u>
Compilation Report		1
Financial Statements:		
Statement of Financial Position	A	3
Statement of Activities and Changes in Net Assets	B	4
Statement of Cash Flows	C	5
Statement of Functional Expenses	D	6
Notes to the Financial Statements		7-8
Independent Accountant's Report on Applying Agreed-Upon Procedures		9-11
Supplemental Information:		
Schedule of Activities-Budget to Actual		13



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## Compilation Report

To the Board of Directors of  
Louisiana Initiative for Education, Inc.

I have compiled the accompanying statement of financial position for Louisiana Initiative for Education, Inc. (a nonprofit organization) as of June 30, 2005, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

Rosie D. Harper  
Certified Public Accountant

Monroe, Louisiana  
September 2, 2005

**FINANCIAL STATEMENTS**

LOUISIANA INITIATIVE FOR EDUCATION, INC.

Statement A

Statement of Financial Position  
June 30, 2005

**Assets**

Cash and Cash Equivalents \$ 2,010

Total Assets 2,010

**Liabilities and Net Assets**

**Liabilities:**

Accounts Payable 2,010

Total Liabilities 2,010

Net Assets -

Total Liabilities and Net Assets \$ 2,010

See Accountants' Compilation Reports and Notes to Financial Statements.

Statement of Activities and Changes in Net Assets  
For the Year Ended  
June 30, 2005

**UNRESTRICTED NET ASSETS****Net Assets Released from Restrictions**

Restrictions Satisfied by Payments	75,000
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TOTAL RECLASSIFICATION	75,000
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**Expenses**

Program Expenses	75,000
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Total Expenses	75,000
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Change in Unrestricted Net Assets	-
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**TEMPORARILY RESTRICTED NET ASSETS**

## Grants

State	75,000
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## Net Assets Released from Restrictions

Restrictions Satisfied by Payments	(75,000)
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Change in Temporarily Restricted Net Assets	-
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Change in Net Assets	-
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Net Assets as of Beginning of Year	-
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Net Assets as of End of Year	\$ -
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See Accountants' Compilation Reports and Notes to Financial Statements.

Statement of Cash Flows  
For the Year Ended  
June 30, 2005

<b>Operating Activities</b>	<b><u>All Funds</u></b>
Change in Net Assets	\$ -
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Increase in Accounts Payable	<u>2,010</u>
Total Adjustments	<u>2,010</u>
Net Cash Provided by Operating Activities	<u>2,010</u>
Cash and Cash Equivalents as of Beginning of Year	<u>-</u>
Cash and Cash Equivalents as of the End of Year	<u><u>\$ 2,010</u></u>

See Accountants' Compilation Reports and Notes to Financial Statements.

Statement of Functional Expenses  
For the Year Ended  
June 30, 2005

	<b>Program Services</b>
Contractual Services	\$ 3,017
Equipment	4,000
Personnel	66,010
Supplies	1,973
<b>Total Functional Expenses</b>	<b>\$ 75,000</b>

*See Accountants' Compilation Reports and Notes to Financial Statements.*



**Louisiana Initiative for Education, Inc.  
Monroe, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended June 30, 2005**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

Louisiana Initiative for Education, Inc. (a private non-profit organization) is domiciled in the State of Louisiana in Monroe, Louisiana. The State of Louisiana chartered the Organization on June 8, 2004. The Organization's recognition as a tax-exempt (non-profit) organization as a 501 (c) (3) of the Internal Revenue Service Code is currently pending. The goals of the Organization are as follows:

- To develop a system by which public schools in the Delta parishes engage, prepare and sustain continuous development of certified teachers whose content and instructive knowledge advance student learning.
- To gather and analyze relevant data for each objective that identifies the Delta parishes' strengths and needs.
- To increase the opportunities available, aimed at achieving instructional excellence, for all students in the Delta school districts.
- To develop a coherent recruitment plan for Delta school districts.
- To recruit certified teachers for hard-to-staff schools.

A Board of Directors governs the Organization. The Board Members receive no compensation.

**Basis of Presentation**

For the period ended June 30, 2005, the Organization followed the provisions of Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Statement No. 117 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.

**Public Support and Revenue**

In order to comply with restrictions that donors place on grants and other gifts as well as designations made by its governing board, the principles of reporting net assets are used. 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

**Louisiana Initiative for Education, Inc.**  
**Notes to Financial Statements (Continued)**

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.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments with maturity of three 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. At June 30, 2005, Louisiana Initiative for Education, Inc. had no cash equivalent and cash as follows:

Temporarily Restricted Cash	<u>\$ 2,010</u>
Total	<u>\$ 2,010</u>

**NOTE B. 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.

**NOTE C. ACCOUNTS PAYABLE**

At June 30, 2005, the Organization had accounts payable as follows:

Sundry Payable	<u>\$ 2,010</u>
Total	<u>\$ 2,010</u>

**NOTE D. BUDGET PRACTICES**

The Organization prepares an annual budget that is approved by the Board of Directors prior to being submitted to the granting authority.



**Independent Accountant's Report  
 on Applying Agreed-Upon Procedures**

To the Management of Louisiana Initiative for Education, Inc.

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management the Louisiana Initiative for Education, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Louisiana Initiative for Education, Inc.'s, compliance with certain laws and regulations during the year ended June 30, 2005 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

***Federal, State, and Local Awards***

1. Determine the amount of Federal, State and Local Award Expenditures for the fiscal year, by grant and grant year.

Louisiana Initiative for Education, Inc.'s State award expenditures for all State programs for the fiscal year is as follows:

State Grant Name	Grant Year	CFDA No.	Amount
State of Louisiana Department of Education	06/30/2005	NA	\$75,000
Total Expenditures			\$75,000

**Louisiana Initiative for Education, Inc.**

**Independent Accountant's Report on Applying Agreed-Upon Procedures (Continued)**

2. For each Federal, State, and Local Award, I randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.
3. For the items selected in Procedure 2, I traced the six disbursements to supporting documentation as to proper amount and payee.

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in Procedure 2, I determined if the six disbursements were properly coded to the correct fund and general ledger account.

All six of the payments were properly coded to the correct fund and general ledger account.

5. For the items selected in Procedure 2, I determined whether the six disbursements received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the board of directors.

6. For the items selected in Procedure 2: For federal awards, I determined whether the disbursements complied with the applicable specific program compliance requirements summarized in *the Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, I determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

I reviewed the previously listed disbursements for types of services allowed or not allowed. Each of the six disbursements did comply with the allowability requirements of the program.

Eligibility

I reviewed each of the previously six disbursements for eligibility requirements. Each of tested disbursements did comply with eligibility of the program.

Reporting

I reviewed each of the previously six disbursements for reporting requirements. Each of the tested disbursements did comply with the reporting requirements of the program.

7. For the programs selected for testing in procedure (2) that have been closed out during the period under review, compare the closeout report, when required, with the entity's financial records to determine whether the amounts agree.

**Louisiana Initiative for Education, Inc.  
Independent Accountant's Report on Applying Agreed-Upon Procedures (Continued)**

When each of the six items tested in procedure (2) were compared with the close out reports, the amount in the close out report agreed with the entity's financial records.

***Open Meetings***

8. N/A

***Comprehensive Budget***

9. For all grants exceeding five thousand dollars, I determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Louisiana Initiative for Education, Inc. provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

***Prior Comments and Recommendations***

10. N/A

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Louisiana Initiative for Education, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Rosie D. Harper  
Certified Public Accountant

September 2, 2005

**SUPPLEMENTAL INFORMATION**

Statement of Activities -Budget to Actual  
For the Year Ended  
June 30, 2005

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenue</b>			
State Grants	\$ 75,000	\$ 75,000	\$ -
Other Income	-	-	-
<b>Total Revenue</b>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
<b>Expenses</b>			
Contractual Services	4,000	3,017	983
Equipment	4,000	4,000	-
Travel	2,000	-	2,000
Personnel	63,000	66,010	(3,010)
Supplies	2,000	1,973	27
	<u>75,000</u>	<u>75,000</u>	<u>-</u>
<b>Total Functional Expenses</b>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
<b>Budget Excess (Deficit)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accountants' Compilation Reports and Notes to Financial Statements.