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**I & I EDUCATIONAL SERVICES, INCORPORATED
MONROE, LOUISIANA**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTAL INFORMATION
As of And for The Year Ended June 30, 2000**

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 02/14/01

I & I EDUCATIONAL SERVICES, INCORPORATED
Monroe, Louisiana
Financial Statements
and Independent Auditor's Report
As of and for the Year Ended June 30, 2000

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ROSIE D. HARPER

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
I & I Educational Services, Incorporated
Monroe, Louisiana

I have audited the accompanying statement of financial position of I & I Educational Services, Incorporated, (a nonprofit organization) as of June 30, 2000, 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 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 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 I & I Educational Services, Incorporated as of June 30, 2000, 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 is 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 AUDITORS REPORT

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A handwritten signature in cursive script that reads "Rosie D. Harper".

Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
January 31, 2001

FINANCIAL STATEMENTS

I and I EDUCATIONAL SERVICES, INCORPORATED
Statement of Financial Position
June 30, 2000

Assets

Cash and Cash Equivalents	<u>\$ 2,582</u>
Total Assets	<u><u>2,582</u></u>

Liabilities and Net Assets

Liabilities:

Accrued Liabilities	<u>2,582</u>
Total liabilities	<u>2,582</u>

Net Assets:

Unrestricted:

Operating	-
Investment in Fixed assets	-
Total Unrestricted	<u>-</u>

Temporarily Restricted:

-

Total Liabilities and Net Assets	<u><u>\$ 2,582</u></u>
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See accompanying notes to financial statements.

I and I EDUCATIONAL SERVICES, INCORPORATED
Statement of Activities
For the Year Ended
June 30, 2000

UNRESTRICTED NET ASSETS**Net assets released from restrictions**

Restrictions Satisfied by Payments

50,000

TOTAL UNRESTRICTED SUPPORT AND
RECLASSIFICATION

50,000

Expenses

General and Administrative Expenses

6,459

Program Expense

43,541

Total Expenses

50,000

Change in Unrestricted Net Assets

-

TEMPORARILY RESTRICTED NET ASSETS

Grants

State

50,000

Net Assets Released from Restrictions

Restrictions Satisfied by Payments

(50,000)

Change in Temporarily Restricted Net Assets

-

Change in Net Assets

-

Net Assets as of beginning of Year

-

Net Assets as of end of Year

-

See accompanying notes to financial statements.

I and I EDUCATIONAL SERVICES, INCORPORATED
Statement of Cash Flows
For the Year Ended
June 30, 2000

Operating Activities	<u>All Funds</u>
Change in Net Assets	\$ -
Adjustments to Reconcile Change in Net Assets to Net	
Cash Provided by Operating Activities:	
Decrease (Increase) in Grants Receivable	-
Increase (Decrease) in Accounts Payable/Accrued Liabilities	(2,018)
Prior Period Adjustment	-
Total Adjustments	<u>(2,018)</u>
Net Cash Provided by Operating Activities	<u>(2,018)</u>
Cash and Cash Equivalents as of beginning of Year	4,600
Cash and Cash Equivalents as of the End of Year	<u><u>\$ 2,582</u></u>

See accompanying notes to financial statements.

I and I EDUCATIONAL SERVICES, INCORPORATED
Statement of Functional Expenses

For the Year Ended
June 30, 2000

	<u>General and Administrative</u>	<u>Program Services</u>	<u>Total Expenses</u>
Personnel Costs			
Wages and Salaries	6,459	7,436	13,895
Total Personnel Costs	<u>6,459</u>	<u>7,436</u>	<u>13,895</u>
 Other Expenses			
Equipment	-	4,200	4,200
Operating Services	-	3,356	3,356
Other Expenses	-	24,790	24,790
Supplies	-	2,488	2,488
Travel	-	1,271	1,271
	-	-	-
	<u>-</u>	<u>36,105</u>	<u>36,105</u>
Total Other Expenses	<u>-</u>	<u>36,105</u>	<u>36,105</u>
 Total Functional Expenses	<u><u>6,459</u></u>	<u><u>43,541</u></u>	<u><u>50,000</u></u>

See accompanying notes to financial statements.

**I & I Educational Services, Incorporated
Monroe, Louisiana**

**Notes to the Financial Statement
As of and for the Year Ended June 30, 2000**

NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The I & I Educational Services, Incorporated is a private non-profit organization domiciled in the State of Louisiana at Monroe, Louisiana. The Organization was chartered by the State of Louisiana on April 28, 1995. The Organization is recognized as a tax exempt (non-profit) organization under section 501 (c) (3) of the Internal Revenue Service Code. The Organization provides a wide range of services as follows:

1. **Remedial Education:** Remedial education involves tutorial and teaching assistance to youth for all school ages in need of assistance. Class rooms are provided by local organizations and churches funded by state grants. The activities started in 1983 and are currently being provided as grants are awarded. The services are provided by qualified and retired teachers who volunteer their time or work at reduced wages of \$10.00 per hour.
2. **Health Education:** Health education consists of outreach and referral services to inform the general public about the dangers of the HIV/AIDS disease, its causes, prevention and treatment. The services are delivered by providing seminars, public speaking engagements at local schools, and disbursement of printed literature. Services are provided as grants are awarded.
3. **Community Awareness:** Community awareness activities consists of (a) efforts to develop small and minority owned businesses by making them aware of the various opportunities for starting, financing and developing a market for a business.

The Organization is governed by a Board of Directors consisting of three (3) members. The Board Members receive no compensation.

Basis of Presentation

For the period ending June 30, 2000, 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 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 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, 2000, I & I Educational Services, Incorporated had cash totaling \$2,582 as follows:

Unrestricted	\$ -
Temporarily Restricted	<u>2,582</u>
Total Cash	<u>\$ 2,582</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- ACCRUED LIABILITIES

At June 30, 2000, the Organization had accrued liabilities totaling \$2,582.

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. Budgeted amounts are maintained by the Fiscal Officer to ensure the budget is not exceeded.



ROSIE D. HARPER

Certified Public Accountant

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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
I & I Educational Services, Incorporated
Monroe, Louisiana

I have audited the statement of financial position of the I & I Educational Services, Incorporated as of and for the year ended June 30, 2000, and have issued my report thereon dated January 31, 2001. 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 I & I Educational Services, 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 those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is reported separately in the *Schedule of Findings* as Finding 00-001.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the I & I Educational Services, 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 one matter involving the internal control over financial reporting and its operation that I consider to be reportable conditions which is reported separately in *Schedule of Finding* as Finding 00-001. 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 the I & I Educational Services, Incorporated's ability to record, process, summarize and report financial

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

(Continued)

data consistent with the assertions of management in the financial statements.

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. I do not consider the reportable condition referred to above as a material weakness.

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



Rosie D. Harper
Certified Public Accountant

January 31, 20001
Monroe, Louisiana

SUPPLEMENTAL INFORMATION

I & I EDUCATIONAL SERVICES, INCORPORATED
Monroe, Louisiana

SCHEDULE OF FUND DESCRIPTIONS

As of and for the Year Ended June 30, 2000

RESTRICTED FUND

The restricted fund is used to account for revenues provided by the Louisiana Governor's Office of Urban Affairs and Development Grant Program.

**I & I EDUCATIONAL SERVICES, INCORPORATED
SCHEDULE OF PRIOR YEAR'S FINDINGS
June 30, 2000**

FINDING: Number 00-01

AUDIT SERVICES

The Organization was awarded a grant from the Louisiana Governor's Office of Urban Affairs and Development Grant Programs. The grant contract required the Organization to have an audit completed within six months of the close of the Organizations fiscal year. The Organization failed to have the contractually required audit completed timely.

RECOMMENDATION:

The Organization should take the necessary steps to ensure a timely audit.

MANAGEMENT RESPONSE:

Due to illness, the Director was unable to provide all records to the auditor in a timely manner. Policies and procedures will be implemented to ensure a timely audit in the future.

I and I EDUCATIONAL SERVICES, INCORPORATED

(General Fund)
Statement of Activities -Budget to Actual
For the Year Ended June 30, 2000

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenue			
State Grants	\$ 50,000	\$ 50,000	\$ -
Total revenue	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Personnel Costs			
Salaries and wages	13,895	13,895	-
Total personnel costs	<u>13,895</u>	<u>13,895</u>	<u>-</u>
Other Expenses			
Personnel Travel	1,271	1,271	-
Operating Services	3,356	3,356	-
Equipment	4,200	4,200	-
Operating Supplies	2,488	2,488	-
Other Expenses	24,790	24,790	-
	<u>36,105</u>	<u>36,105</u>	<u>-</u>
Total other expenses	<u>36,105</u>	<u>36,105</u>	<u>-</u>
Total expenses	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>