

I & I EDUCATIONAL SERVICES, INCORPORATED
Monroe, Louisiana

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AUDIT REPORT

FOR

Fiscal Year Ended June 30, 1999

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.

BY

Release Date 1-12-2000

LOUIS R. BRADLEY
CERTIFIED PUBLIC ACCOUNTANT
(A Professional Corporation)

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, 1999

I & I EDUCATIONAL SERVICES, INCORPORATED
Monroe, Louisiana
Financial Statements
and Independent Auditor's Report
As of and for the Year Ended June 30, 1997

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- Accounting Services
- Tax Services

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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 ON FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION SCHEDULES

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, 1999, and the related statements of activities, and cash flows 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 the 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.

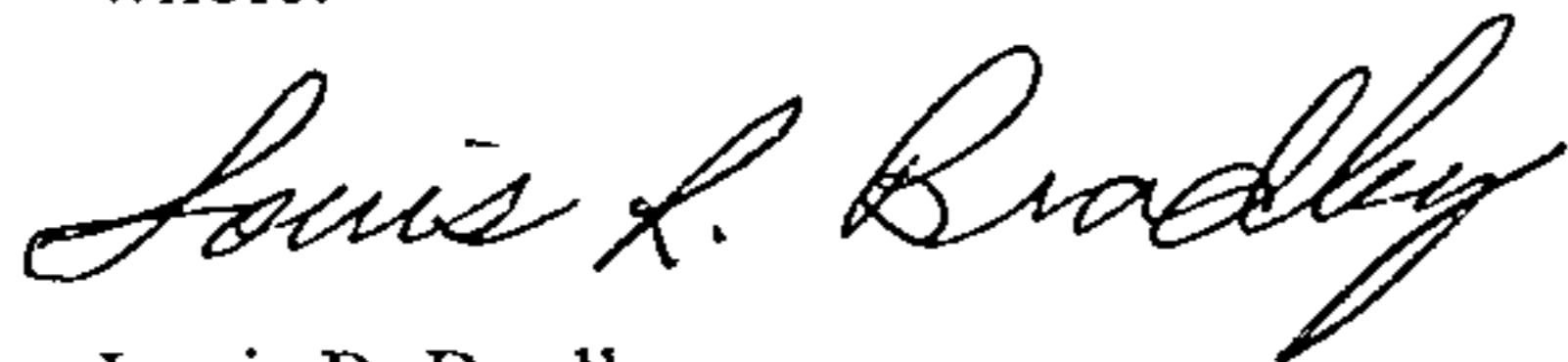
In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of I & I EDUCATIONAL SERVICES, Incorporated as of June 30, 1999, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted 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 in the table of contents 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

INDEPENDENT AUDITOR'S REPORT

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fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Louis R. Bradley
Certified Public Accountant

Monroe, Louisiana
December 3, 1999

FINANCIAL STATEMENTS

II EDUCATIONAL SERVICES, INCORPORATED
Statement of Financial Position
June 30, 1998

	1999
Assets	
Cash and cash equivalents	-
Property, plant, equipment	-
Accounts Receivable	4,600
Total Assets	4,600
 Liabilities and Net Assets	
Liabilities:	
Accrued Liabilities	4,600
Payroll Taxes Payable	-
Total liabilities	4,600
 Net Assets:	
Unrestricted:	
Investment in Fixed assets	-
Total unrestricted	-
Temporarily restricted:	-
Total net assets	-
Total liabilities and net assets	\$ 4,600

See accompanying notes to financial statements.

I I EDUCATIONAL SERVICES, INCORPORATED
Statement of Activities
For the Year Ended June 30, 1999

	1999
UNRESTRICTED NET ASSETS	
Support	
Grants	\$ -
Other support	-
TOTAL UNRESTRICTED SUPPORT	-
Net assets released from restrictions	
Restrictions satisfied by payments	40,000
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATION	40,000
Expenses	
General and administrative expenses	1,809
Program expense	38,191
Total expenses	40,000
Change in unrestricted net assets	-
TEMPORARILY RESTRICTED NET ASSETS	
Grants	
Louisiana Governor's Office of Rural Development	40,000
Net assets released from restrictions	
Restrictions satisfied by payments	40,000
Change in temporarily restricted net assets	-
Net assets as of beginning of year, as restated	-
Net assets as of end of year	\$ -

See accompanying notes to financial statements.

I I EDUCATIONAL SERVICES, INCORPORATED
 Statement of Cash Flows
 For the Year Ended
 June 30, 1999

	1998
Operating activities	
Change in net assets	\$ -
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease (increase) in accounts receivable	(3,315)
Decrease (increase) in grants receivable	-
Increase (decrease) in accounts payable/accrued liabilities	3,315
Total adjustments	-
Net cash provided by operating activities	-
Cash and cash equivalents as of beginning of year	-
Cash and cash equivalents as of the end of year	\$ -

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, 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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.

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 Organization." For the period ending June 30, 1999, the Organization adopted 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 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 a state grant, 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. Grant revenue was the only source of income for the audit period.

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, 1999.

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, 1999, I & I Educational Services, Incorporated had cash totaling \$0.00.

F. Total Columns

Total columns are presented to facilitate financial analysis. Data in these columns do not present financial position, results of operations and changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. 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 I & I Educational Services 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 \$428.00. The Organization does not guarantee the benefits granted by the Social Security System.

3. 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.

4. **DONATED SERVICES**

The value of donated services are not reflected in the accompanying financial statements since there is no objective basis available by which to measure the value of such services. However, for the purpose of this report, amounts are immaterial.

5. **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.

6. **GENERAL FIXED ASSETS**

Fixed Assets used in the non-profit organization are accounted for in the State Grant Fund and are stated at cost. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer. The Organization had no fixed assets for the year ended June 30, 1999.

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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 of
I & I EDUCATIONAL SERVICES, Incorporated
Monroe, Louisiana

I have audited the statement of financial position of I & I EDUCATIONAL SERVICES, Incorporated and the related statements of activities, and cash flows, as of and for the year ended June 30, 1999 and have issued my report thereon dated December 3, 1998. 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 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

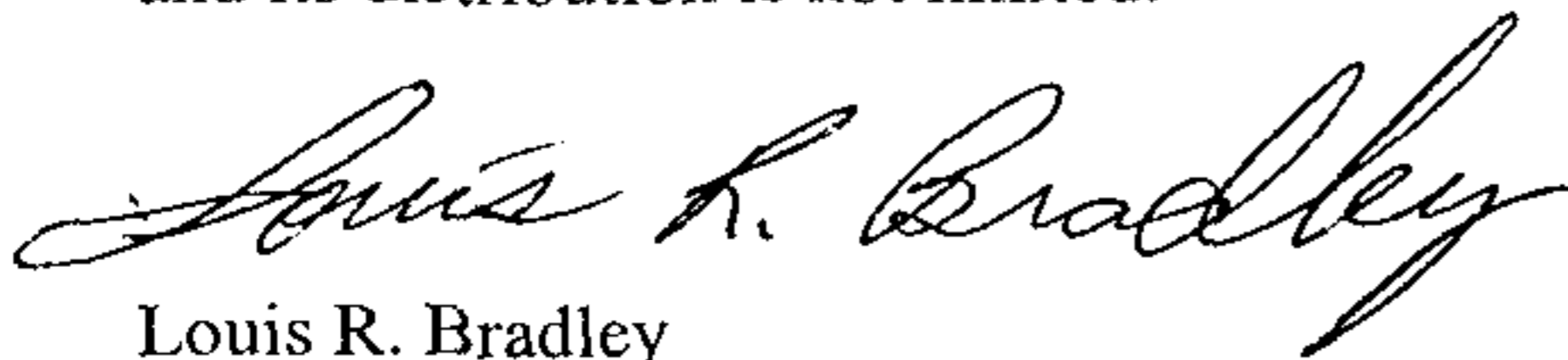
In planning and performing my audit, I considered I & I EDUCATIONAL SERVICES, Incorporated's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted no 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 I & I EDUCATIONAL SERVICES, 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 2

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 auditor, and the Louisiana Department of Urban Affairs and Development. However, this report is a matter of public record and its distribution is not limited.



Louis R. Bradley
Certified Public Accountant

December 5, 1999
Monroe, Louisiana

SUPPLEMENTAL INFORMATION

I & I EDUCATIONAL SERVICES, INCORPORATED
Monroe, Louisiana

SCHEDULE OF FUND DESCRIPTION

As of and for the Year ended June 30, 1999

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.

II EDUCATIONAL SERVICES, INCORPORATED
 Schedule of Functional Expenses
 For the Year Ended
 June 30, 1999

	<u>General and Administrative</u>	<u>Program Services</u>	<u>Total Expenses</u>
Personnel Costs			
Salaries and wages	1,680	3,920	5,600
Payroll taxes and other fringe benefits	128	300	428
Total personnel costs	<u>1,808</u>	<u>4,220</u>	<u>6,028</u>
Other expenses			
Travel	-	2,025	2,025
Payroll Tax Expense	-	321	321
Telephone	-	1,188	1,188
Liability Insurance	-	2,711	2,711
Vehicle Repair and Maintenance	-	14	14
Supplies	-	4,494	4,494
Bank Service Charges	-	24	24
Printing	-	15	15
Rentals	-	-	-
Professional Services-Accountant	-	5,600	5,600
Professional Services-Consultants	-	17,580	17,580
Equipment	-	-	-
Total other expenses	<u>-</u>	<u>33,972</u>	<u>33,972</u>
Total Functional Expenses	<u><u>1,808</u></u>	<u><u>38,192</u></u>	<u><u>40,000</u></u>

See accompanying notes to financial statements.

SAVE OUR SONS, INCORPORATED
 Schedule of Activities -Budget to Actual
 For the Year Ended June 30, 1999

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenue			
Grants	40,000	40,000	-
Other Income	-	-	-
Total revenue	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Personnel Costs			
Salaries and wages	8,400	5,600	2,800
Payroll taxes and other fringe benefits	895	428	467
Total personnel costs	<u>9,295</u>	<u>6,028</u>	<u>3,267</u>
Other expenses			
Travel	1,271	2,025	(754)
Payroll Tax Expense		321	(321)
Telephone	996	1,188	(192)
Liability Insurance	980	2,711	(1,731)
Vehicle Repair And Maintenance	900	14	886
Supplies	2,488	4,494	(2,006)
Bank Service Charges		24	
Printing	480	15	465
Rentals	1,200	-	1,200
Professional Services-Accountant	4,600	5,600	(1,000)
Professional Services-Consultants	17,790	17,580	210
Equipment			-
			-
Total other expenses	<u>30,705</u>	<u>33,972</u>	<u>(3,267)</u>
Total expenses	<u>40,000</u>	<u>40,000</u>	<u>-</u>
			-
Change in net assets	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes to financial statements.

**I & I EDUCATIONAL SERVICES , INCORPORATED
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 1999**

A. SUMMARY OF AUDITOR'S RESULTS

1. An unqualified opinion was issued on the financial statements.
2. No reportable condition in internal controls was disclosed by the audit of the financial statements.
3. The audit disclosed no noncompliance which would have been material to the financial statements.
4. No reportable condition in internal controls over a major program was disclosed by the audit. There were no major programs.
5. No Circular A-133 reports were issued.
6. The audit disclosed no audit finding which are required to be disclosed under OMB Circular A-133.
7. There was no major program audit.
8. I & I Educational Services, Incorporated was not classified as to audit risk in the context of OMB Circular A-133.

B. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS.

Not Applicable.

C. FINDING AND QUESTIONED COSTS OF FEDERAL AWARDS

Not Applicable.

SAVE OUR SONS, INCORPORATED
STATUS OF PRIOR YEAR FINDINGS
JUNE 30, 1999

FINDING: Number 98-1

AUDIT SERVICES

Louisiana Revised Statue 24:513 require that quasi-public and other nonprofit organizations that receive State or Federal assistance obtain audit services and submit a report within Six (6) months from the end of the fiscal year. The audit engagement was completed prior to the December 31, 1998 deadline but was not submitted by the auditor until after the above mentioned date, due to a delay in the CPA Firm's audit review process. (CLEARED).