

**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, 2007**

BY

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 11/28/07

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MONROE, LOUISIANA**

**FINANCIAL STATEMENTS
AND COMPILATION REPORT
AND AGREED-UPON PROCEDURES
WITH SUPPLEMENTAL INFORMATION
As of and for the Year Ended June 30, 2007**

**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, 2007**

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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, 2007, 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
October 22, 2007

FINANCIAL STATEMENTS

LOUISIANA INITIATIVE FOR EDUCATION, INC.

Statement A

Statement of Financial Position
June 30, 2007

Assets

Cash \$ 7,226

Total Assets 7,226

Liabilities and Net Assets

Liabilities:

Deferred Revenue 7,226

Total Liabilities 7,226

Net Assets -

Total Liabilities and Net Assets \$ 7,226

See Accountants' Compilation Reports and Notes to Financial Statements.

Statement of Activities and Changes in Net Assets
For the Year Ended
June 30, 2007

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

Restrictions Satisfied by Payments	\$ 42,774
TOTAL RECLASSIFICATION	42,774

Expenses

Program Expenses	42,774
Total Expenses	42,774
Change in Unrestricted Net Assets	-

TEMPORARILY RESTRICTED NET ASSETS

Grants	
State	42,774
Net Assets Released from Restrictions	
Restrictions Satisfied by Payments	(42,774)
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 Accountants' Compilation Reports and Notes to Financial Statements.

Statement of Cash Flows
For the Year Ended
June 30, 2007

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 in Accounts Payable	(2,010)
Increase in Deferred Revenue	<u>7,226</u>
Total Adjustments	<u>5,216</u>
Net Cash Provided by Operating Activities	<u>5,216</u>
Cash and Cash Equivalents as of Beginning of Year	<u>2,010</u>
Cash and Cash Equivalents as of the End of Year	<u><u>\$ 7,226</u></u>

See Accountants' Compilation Reports and Notes to Financial Statements.

Statement of Functional Expenses
For the Year Ended
June 30, 2007

	Program Services
Contractual Services	\$ 2,000
Personnel	40,000
Supplies	750
Operating Services	24
Total Functional Expenses	\$ 42,774

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, 2007**

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, 2007, 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, 2007, Louisiana Initiative for Education, Inc. had no cash equivalent and cash as follows:

Temporarily Restricted Cash	\$	<u>7,226</u>
Total	\$	<u><u>7,226</u></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. DEFERRED REVENUE

At June 30, 2007, the Organization had deferred revenue totaling \$7,226 consisting of the following:

State of Louisiana		
Department of Education	\$	<u>7,226</u>
Total	\$	<u><u>7,226</u></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.



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**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, 2007 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
<u>State of Louisiana Department of Education</u>	06/30/2007	NA	\$42,774
Total Expenditures			\$42,774

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.

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

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.

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

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

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

Monroe, Louisiana
October 22, 2007

SUPPLEMENTAL INFORMATION

Statement of Activities -Budget to Actual
For the Year Ended
June 30, 2007

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenue			
State Grants	\$ 50,000	\$ 42,774	\$ 7,226
Other Income	-	-	-
Total Revenue	<u>50,000</u>	<u>42,774</u>	<u>7,226</u>
Expenses			
Contractual Services	2,000	2,000	-
Personnel	44,000	40,000	4,000
Travel	2,000	-	2,000
Supplies	1,000	750	250
Operating Services	1,000	24	976
	<u>50,000</u>	<u>42,774</u>	<u>7,226</u>
Total Functional Expenses	<u>50,000</u>	<u>42,774</u>	<u>7,226</u>
Budget Excess (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accountants' Compilation Reports and Notes to Financial Statements.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)

October 22, 2007

Rosie D. Harper, CPA, LLP
141 DeSiard Street, Suite 325
Monroe, Louisiana 71201

In connection with your compiling of our financial statements as of June 30, 2007 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of October 22, 2007.

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes [] No []

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes [] No []

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes [] No []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes [] No []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes [] No []

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [] No []

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

Secretary _____ Date

Treasurer _____ Date

L. Keith Roberts

President 11/08/07 Date