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LOUISIANA LEADERSHIP INSTITUTE

FINANCIAL STATEMENTS

JUNE 30, 1999

(SEE ACCOUNTANTS' COMPILATION REPORT)

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 MAR 0 1 2000



Postlethwaite & Netterville

(A Professional Accounting Corporation)

CERTIFIED PUBLIC ACCOUNTANTS

BATON ROUGE • DONALDSONVILLE • GONZALES • NEW ORLEANS • ST. FRANCISVILLE
LOUISIANA



LOUISIANA LEADERSHIP INSTITUTE

FINANCIAL STATEMENTS

JUNE 30, 1999

(SEE ACCOUNTANTS' COMPILATION REPORT)



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Postlethwaite & Netterville

A Professional Accounting Corporation

8550 United Plaza Blvd., Suite 1001 • Baton Rouge, Louisiana 70809
Telephone (225) 922-4600 • FAX (225) 922-4611
www.pncpa.com

The Board of Directors
Louisiana Leadership Institute
Baton Rouge, Louisiana

We have compiled the accompanying statement of financial position as of June 30, 1999, of Louisiana Leadership Institute, and the related statement of activities and cash flows for the year ended June 30, 1999, 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. We have not audited or reviewed the accompanying financial statements, and, accordingly, do not express an opinion or any other form of assurance on them.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 20, 1999



Baton Rouge • Donaldsonville • Gonzales • New Orleans • St. Francisville
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LOUISIANA LEADERSHIP INSTITUTE
BATON ROUGE, LOUISIANA

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 1999
(SEE ACCOMPANYING ACCOUNTANTS' REPORT)

ASSETS

ASSETS

Cash	\$ 4,128
Receivables	900
Total current assets	<u>5,028</u>
Property and equipment-net	<u>30,739</u>
Total Assets	<u>\$ 35,767</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 32
Total Liabilities	<u>32</u>

NET ASSETS

Unrestricted	1,077
Temporarily restricted	<u>34,658</u>
Total Net Assets	<u>35,735</u>
Total Liabilities and Net Assets	<u>\$ 35,767</u>

The accompanying notes are an integral part of this statement.



LOUISIANA LEADERSHIP INSTITUTE
BATON ROUGE, LOUISIANA

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STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1999
(SEE ACCOMPANYING ACCOUNTANTS' REPORT)

	1999		
	Unrestricted	Temporarily Restricted	Total
<u>REVENUE AND SUPPORT</u>			
Grant received	\$ -	\$ 240,354	\$ 240,354
Fund-raising	10,950	-	10,950
Interest income	-	1,693	1,693
Total revenue	10,950	242,047	252,997
<u>NET ASSETS RELEASED FROM RESTRICTIONS</u>			
Total revenue and support	207,389	(207,389)	-
	218,339	34,658	252,997
<u>EXPENSES</u>			
<u>PROGRAM SERVICES</u>			
Salaries and benefits	105,385	-	105,385
Occupancy	19,636	-	19,636
Insurance	2,748	-	2,748
Telephone and utilities	7,866	-	7,866
Office operations and other	5,382	-	5,382
Supplies	8,611	-	8,611
Travel	600	-	600
Total Program Services	150,228	-	150,228
<u>SUPPORT SERVICES</u>			
Salaries and benefits	29,443	-	29,443
Occupancy	4,895	-	4,895
Insurance	1,131	-	1,131
Telephone and utilities	1,729	-	1,729
Depreciation	3,051	-	3,051
Office operations and other	18,583	-	18,583
Supplies	354	-	354
Dues and fees	1,026	-	1,026
Total Support Services	60,212	-	60,212

The accompanying notes are an integral part of this statement.



LOUISIANA LEADERSHIP INSTITUTE
BATON ROUGE, LOUISIANA

Page 2 of 2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1999
(SEE ACCOMPANYING ACCOUNTANTS' REPORT)

	1999		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>FUND RAISING COST</u>	<u>\$ 6,822</u>	<u>\$ -</u>	<u>\$ 6,822</u>
Total Expenses	<u>217,262</u>	<u>-</u>	<u>217,262</u>
<u>CHANGE IN NET ASSETS</u>	1,077	34,658	35,735
<u>NET ASSETS, beginning of year</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET ASSETS, end of year</u>	<u>\$ 1,077</u>	<u>\$ 34,658</u>	<u>\$ 35,735</u>

The accompanying notes are an integral part of this statement.



LOUISIANA LEADERSHIP INSTITUTE
BATON ROUGE, LOUISIANA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1999
(SEE ACCOMPANYING ACCOUNTANTS' REPORT)

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 35,735
Depreciation	3,051
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Net increase in receivables	(900)
Net increase in accounts payable	32
Net cash used in operating activities	<u>37,918</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisitions of property and equipment	<u>(33,790)</u>
Net cash used in investing activities	<u>(33,790)</u>

Net increase in cash 4,128

Cash balance, beginning of year -

Cash balance, end of year \$ 4,128

The accompanying notes are an integral part of this statement.



LOUISIANA LEADERSHIP INSTITUTE
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies

The Louisiana Leadership Institute (the Institute) is a private not-for-profit organization located in Baton Rouge, Louisiana. The Institute was created to provide the opportunity for students to develop leadership skills, improve academics, heighten self-esteem, and instill motivation while building a strong work ethic and positive outlook for the professional world. The Institute fulfills this by operating four programs: the Louisiana Leadership Classroom, the Professional Career Internship, the Educational Computer Lab, and the Youth Culture and Recreation Program. These programs are funded by a grant received from the State of Louisiana Governor's Office of Urban Affairs and Development.

The accounting and reporting policies of the Institute conform to generally accepted accounting principles. The significant accounting policies used by the Institute in preparing and presenting its financial statements are summarized as follows:

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and cash equivalents

Cash and cash equivalents includes all checking accounts and savings accounts.

Statement of cash flows

For purposes of the statement of cash flows, cash includes unrestricted and undesignated cash.

Allowance for doubtful accounts

All receivables have been deemed collectible by management. Therefore, no allowance account has been created.

Property and equipment

Property and equipment are stated at historical cost. Donated property is recorded at its estimated fair value on the date of receipt, which is then treated as cost. Additions, renewals, and betterments that extend the life of assets are capitalized. Maintenance and repair expenditures are expensed as incurred.

LOUISIANA LEADERSHIP INSTITUTE
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

Depreciation has been calculated using the straight-line method over the estimated useful lives of the related assets, which range from 5 to 7 years.

Temporarily and permanently restricted net assets

Temporarily restricted net assets are those whose use by the Institute has been limited by donors to a specific time or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Institute in perpetuity. The Institute does not have any permanently restricted net assets.

2. Temporarily restricted net assets

Temporarily restricted net assets were available for the following purposes at June 30, 1999:

Program services	\$ 34,658
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3. Property and equipment

Property and equipment at June 30, 1999 consisted of the following:

Computer equipment	\$ 22,324
Office equipment	<u>11,466</u>
	33,790
Less: Accumulated depreciation	<u>(3,051)</u>
Property and equipment, net	<u>30,739</u>

Total depreciation expense for the year ended June 30, 1999 was \$3,051.

4. Leases

The Institute leases operating facilities under a three-year operating lease which expires June 30, 2001. Total rental (occupancy) expense for the year ended June 30, 1999 was \$24,531.

The following is a schedule by year of future minimum lease payments required under the operating lease which has non-cancelable lease terms in excess of one year:

<u>Year ending</u> <u>June 30,</u>	<u>Amount</u>
2000	\$ 19,200
2001	<u>20,800</u>
	<u>\$ 40,000</u>



LOUISIANA LEADERSHIP INSTITUTE
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

4. Leases (continued)

The above lease terms are contingent upon the Institute's ability to secure State funds on an annual basis. In the event the Institute is unable to secure said funds on an annual basis, the lease terms shall expire one year from the last successful acquisition of State funding.



AGREED-UPON PROCEDURES





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Independent Accountant's Report
On Applying Agreed-Upon Procedures

Board of Directors
Louisiana Leadership Institute
Baton Rouge, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Louisiana Leadership Institute, the Legislative Auditor, State of Louisiana, and the State of Louisiana Governor's Office of Urban Affairs and Development solely to assist the users in evaluating management's assertions about Louisiana Leadership Institute's compliance with certain laws and regulations during the year ended June 30, 1999 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. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we 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 purpose.

With respect to your representations included within the *Louisiana Attestation Questionnaire*, as of June 30, 1999 and for the year then ended, we applied the following agreed-upon procedures:

Procedures

1. Determined the amount of Federal, State, and local award expenditures for the fiscal year, by grant and grant year:

<u>Grant Name</u>	<u>Grant Year</u>	<u>Amount</u>
Louisiana Leadership Institute (state grant)	1999	<u>\$ 207,389</u>

2. For each state award, we randomly selected 6 disbursements from each award administered during the period under examination.
3. For the items selected in procedure 2, we traced the six disbursements to supporting documentation to verify proper amount and payee.
4. For the items selected in procedure 2, we determined that the six disbursements were properly coded to the correct fund and general ledger account.
5. For the items selected in procedure 2, we determined that the six disbursements received approval from proper authorities.



6. For the items selected in procedure 2: For state awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed: We reviewed the previously listed disbursements for types of services allowed or not allowed.

Eligibility: We reviewed the previously listed disbursements for eligibility requirements

Reporting: We reviewed the previously listed disbursements for reporting requirements.

7. We inquired concerning evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).
8. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agencies 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.

There were no exceptions noted in the above procedures with the exception of the following finding.

Finding

1. The Board of Directors was provided with a *Louisiana Attestation Questionnaire* before fiscal year end, June 30, 1999. However, the Board did not properly approve and complete the questionnaire in a timely manner. Subsequent to year end, we received a copy of the questionnaire signed by the Assistant Director. It is our understanding that signatures by all of the Board Members are in process.

Due to this finding, we increased our testing to include 10 more disbursements and performed steps 2 through 6 of the procedure list above. No exceptions were noted.

We were 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, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Louisiana Leadership Institute, the Legislative Auditor (State of Louisiana), and the State of Louisiana Governor's Office of Urban Affairs and Development and is not intended to be 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. However, this report is a matter of public record and its distribution is not limited.

Postlethwaite & Netterville

Baton Rouge, Louisiana
February 21, 2000



LOUISIANA LEADERSHIP INSTITUTE

1208 FLORIDA BOULEVARD, BATON ROUGE, LOUISIANA 70802
(225) 387-8000 • (225) 387-0700 (FAX)



Corrective Action Plan

February 21, 2000

Legislative Auditor
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

Louisiana Leadership Institute respectfully submits the following corrective action plan for the year ended June 30, 1999.

Name and address of independent public accounting firm:

Postlethwaite and Netterville
8550 United Plaza Blvd., Suite 1001
Baton Rouge, Louisiana 70809

Compilation Period: July 1, 1998- June 30, 1999

The finding from the February 21, 2000 Independent Accountant's Report on Applying Agreed-Upon Procedures are discussed below.

FINDING- AGREED- UPON PROCEDURES

REPORTABLE CONDITIONS

Louisiana Attestation Questionnaire

Condition: The Board of Directors did not properly approve and complete the *Louisiana Attestation Questionnaire* before or at June 30, 1999.

Recommendation: The Institute should have a Board of Directors meeting either before or shortly after fiscal year end to approve and complete the questionnaire.

Action Taken: The Institute has agreed to convene a Board of Directors meeting to discuss and approve the questionnaire prior to or shortly after fiscal year end, June 30, 2000.

Sincerely,

A handwritten signature in black ink, appearing to read "John Murphy".

John Murphy, Chairman of The Board

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

February 21, 2000 (Transmitted)

~~Postlethwaite & Netterville CPAs~~
~~8550 United Plaza Boulevard, Suite 1001~~
~~Baton Rouge, Louisiana 70809~~ (Auditors)

In connection with your compilation of our financial statements as of June 30, 1999 and for the period 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 (date of completion/representation).

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 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.

No 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

President _____ Date

Larry O. Belliveau

Ass't Director

2/21/00