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INNOVATIVE ENDEAVORS, INC.  
PROJECT ALERT TRAINING & TREATMENT PROGRAM  
11200 CHEF MENTUER HIGHWAY  
NEW ORLEANS, LA 70127

BASIC FINANCIAL STATEMENT  
AND AUDITOR'S REPORT  
FOR THE YEAR ENDED JUNE 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or other governmental 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 SEP 04 1996

CHARLES F. WEBB  
CERTIFIED PUBLIC ACCOUNTANT  
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NEW ORLEANS, LA 70113  
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INNOVATIVE ENDEAVORS, INC.  
NEW ORLEANS, LA 70127

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CHARLES F. WEBB

CERTIFIED PUBLIC ACCOUNTANT

REPORT ON BASIC FINANCIAL STATEMENTS

Innovative Endeavors, Inc.  
11200 Chef Mentuer Highway  
New Orleans, LA 70127

I have audited the accompanying balance sheets of Innovative Endeavors, Inc. as of June 30, 1996, and the related statements of changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of Innovative Endeavors, Inc. management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and 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 Innovative Endeavors, Inc. as of June 30, 1996 and the changes in its fund balances and cash flows for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated August 6, 1996 on my consideration of Innovative Endeavors, Inc.'s internal control structure and a reported dated August 6, 1996 on its compliance with laws and regulations.



Charles F. Webb  
Certified Public Accountant

August 6, 1996

FINANCIAL SECTION

INNOVATIVE ENDEAVORS, INC.  
BALANCE SHEET  
JUNE 30, 1996

ASSETS

Current Assets

Other Receivables	\$ 357	-----
Total Current Assets		357

Fixed Assets

Equipment	27,018	
Accumulated Depreciation	(8,475)	-----
Total Fixed Assets		18,543
Total Assets		\$18,900 =====

LIABILITIES AND FUND BALANCE

Liabilities

Cash Defecit	\$ 357	-----
Total Liabilities		357

Fund Balance

Property Fund Balance	18,543	
General Fund	-0-	-----
Total Fund Balance		18,543
Total Liabilities & Fund Balance		\$18,900 =====

See accountants notes to the financial statements.

INNOVATIVE ENDEAVORS, INC.  
STATEMENT OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR YEAR ENDED JUNE 30, 1996

Revenue:

Louisiana State Grant	\$225,000
	-----
Total Revenue	\$225,000
	=====

Expenditures

Salaries	156,618
Fringe Benefits	11,981
Supplies	7,404
Printing/Postage	446
Space Usage	16,667
Insurance	1,216
Worker's Compensation	772
Student Stipend	14,785
Audit	2,000
Seminar Workshop	449
Fees	5
	-----
Total Expenditures	212,343
	-----
Excess (Expenditures) over Revenue	12,657
	-----
Fund Balance beginning of year	-0-
	-----
Equipment Purchase	(12,657)
	-----
Fund Balance end of year	\$ -0-
	=====

See accountants notes to the financial statements.

INNOVATIVE ENDEAVORS, INC.  
STATEMENT OF CASH FLOWS  
FOR YEAR ENDED JUNE 30, 1996

Cash Flows from Operating Activities::		
Net Increase (decrease) in Fund Balance		\$( 0)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	\$ 5,403	
Change in accounts receivable	( 357)	
Change in accounts payable	(2,000)	
	-----	
Total Adjustments		3,046
		-----
Net Cash Provided by (Used by) Operating Activities		3,046
Cash Flows from Investment Activities:		
Investment in Equipment	(12,657)	
	-----	
Net Cash Provided by (Used by) Investing Activities		(12,657)
Cash Flows from Financing Activities:		
	7,254	
	-----	
Net Cash Provided by (Used by) Financing Activities		7,254
		-----
Net Increase (Decrease) in Cash		( 2,357)
Cash at Beginning of Period		2,000
		-----
Cash at End of Period		\$( 357)
		=====



INNOVATIVE ENDEAVORS, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the contractor's significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follow:

1) Presentation of Financial Statement

The financial statements are presented on the accrual basis of accounting.

2) Fixed Assets

Fixed assets are originally recorded at cost when acquired. Assets purchased with public funds are charged to current operation and transferred from the general fund account to the property fund.

3) Property Balance

Property Balance	\$27,018
Less Depreciation S/L 5 yrs.	(8,475)
	-----
Ending Balance	\$18,543
	=====

Management uses the straight-line method of computing its annual depreciation expense over the estimated useful life of the assets.

NOTE B - EXEMPT STATUS

The corporation is tax exempt under provisions of Section 501(c)(3) of the Internal Revenue Code and has met all of the applicable provisions of the law.

NOTE C - COMPENSATION TO OFFICERS

The members of the Board of Directors, received no compensation for services related to the governing of this corporation or any of its programs nor were there any accruals made for these activities during the period being audited.



The Board of Directors' President works as the administrative and academic consultant. The Board of Directors' Treasurer serves in the capacity of Senior Lab Instructor/Program Lab Coordinator. While the members of the Board of Directors receive no compensation for serving as board members, they do receive salaries as employees of the Project Alert program.

INTERNAL CONTROL REPORT

CHARLES F. WEBB

CERTIFIED PUBLIC ACCOUNTANT

REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GAS

Innovative Endeavors, Inc.  
11200 Chef Mentuer Highway  
New Orleans, LA 70127

I have audited the financial statements of Innovative Endeavors, Inc. as of and for the year ended June 30, 1996, and have issued my report thereon dated August 6, 1996.

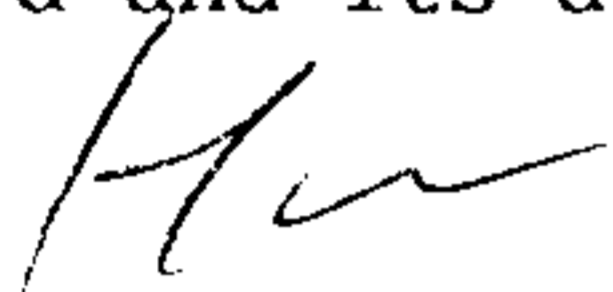
I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Innovative Endeavors, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the financial statements of Innovative Endeavors, Inc. for the year ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as define above.

This report is intended for the information of the audit committee, management and other within the organization and appropriate state and federal agencies. However, this report is a matter of public record and its distribution is not limited.



Charles F. Webb  
Certified Public Accountant

August 6, 1996

COMPLIANCE REPORTS

CHARLES F. WEBB

CERTIFIED PUBLIC ACCOUNTANT

REPORT ON COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS, AND GRANTS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GAS WHEN THE AUDITOR'S PROCEDURES DISCLOSE  
NO MATERIAL INSTANCES OF NONCOMPLIANCE

Innovative Endeavors, Inc.  
11200 Chef Mentuer Highway  
New Orleans, LA 70127

I have audited the financial statements of Innovative Endeavors, Inc. as of and for the year ended June 30, 1996, and have issued my report thereon dated August 6, 1996.

I conducted my audit in accordance with generally accepted auditing standards and 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.

Compliance with laws, regulations, contracts, and grants applicable to Innovative Endeavors, Inc. is the responsibility of Innovative Endeavors, Inc. management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Innovative Endeavors, Inc.'s compliance with certain provision of laws, regulations, contracts, and grants. However, my objective was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended for the information of the audit committee, management, and others within the organization and appropriate state and federal agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Charles F. Webb  
Certified Public Accountant

August 6, 1996