

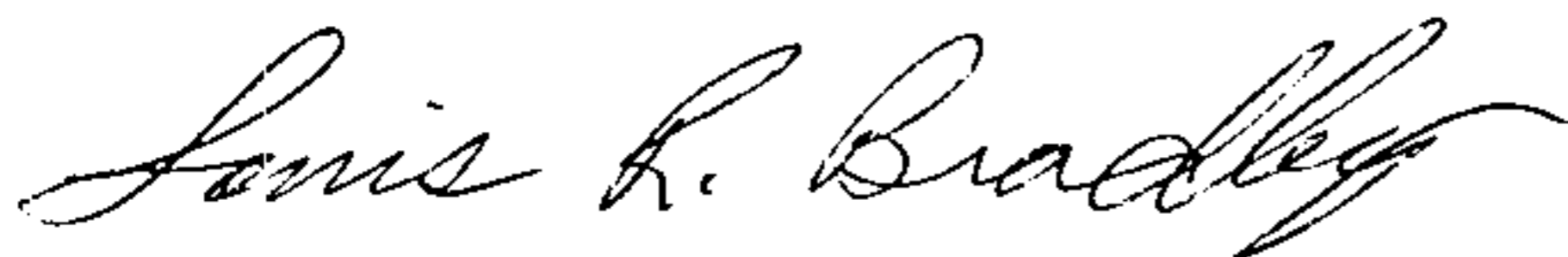
**NONPROFIT ORGANIZATION AUDIT SECTION**

**GENERAL PURPOSE FINANCIAL STATEMENTS**

INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE WITH LAWS,  
REGULATIONS, CONTRACTS, AND  
GRANTS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS

Page 4

This report is intended for the information of the Board of Directors, Management, and Legislative Auditor's Office. However, this report is a matter of public record, and its distribution is not limited.

A handwritten signature in cursive script that reads "Louis R. Bradley". The signature is written in dark ink and is positioned above the printed name and title.

LOUIS R. BRADLEY  
CERTIFIED PUBLIC ACCOUNTANT  
INCORPORATED

Monroe, Louisiana  
July 18, 1996

INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE WITH LAWS,  
REGULATIONS, CONTRACTS, AND  
GRANTS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS  
Page 3

3. FINDING

AUDIT SERVICES

Louisiana Revised Statute 24:513 requires that quasi-public and other nonprofit organizations that receives State or Federal assistance obtain audit services and submit an audit report within six (6) months from the end of the fiscal year. The ORGANIZATION completed their audit on June 30, 1996 within the six (6) months period, but did not submit the reports until after the six (6) months.

RECOMMENDATION:

All reports should be completed and submitted to the Legislative Auditor's Office within the six (6) months period.

MANAGEMENT'S RESPONSE:

All reports will be submitted within the due dates in the future.

I considered these material instances of noncompliance in forming my opinion on whether the ORGANIZATION'S 1995 financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated July 18, 1996, on those financial statements.

Except as described above, the results of my tests of compliance indicate that, with respect to the items tested, the ORGANIZATION complied, in all material respects, with the provisions referred to in the third paragraph of this report; and with respect to items not tested, nothing came to my attention that caused me to believe that the ORGANIZATION had not complied, in all material respects, with those provisions.

INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE WITH LAWS AND  
REGULATIONS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS

Page 2

1. FINDING:

ACCOUNTING SYSTEM

The ORGANIZATION did not maintain general ledgers and related accounting system on a current basis.

RECOMMENDATION:

The ORGANIZATION should maintain all accounting records on a current basis.

MANAGEMENT'S RESPONSE:

In the future, general ledgers and related accounting records will be maintained on a current basis.

2. FINDING:

PROPER DOCUMENTATION

While proper documentations were available for all disbursements in the State Grant Fund some documentations were not available for the General Fund.

RECOMMENDATION:

Proper documentation should be maintained for disbursements from all funds.

MANAGEMENT'S RESPONSE:

Proper documentation will be maintained on all disbursements in the future.

- Accounting Services
- Tax Services

# LOUIS R. BRADLEY

CERTIFIED PUBLIC ACCOUNTANT

(A Professional Corporation)

- Audit Services
- Computer Consultant

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Society of Arkansas Certified Public Accountants • Monroe Chamber of Commerce

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
LAWS, REGULATIONS, CONTRACTS, AND GRANTS 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 financial statements of I & I EDUCATIONAL SERVICES, INCORPORATED as of and for the year ended December 31, 1995, and have issued my report thereon dated July 18, 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 the ORGANIZATION is the responsibility of the ORGANIZATION'S management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the ORGANIZATION'S compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

Material instances of noncompliance are failures to follow requirements, or violations of prohibitions, contained in laws, regulations, contracts, or grants that cause me to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the financial statements. The results of my tests of compliance disclosed the following material instances of noncompliance:

INDEPENDENT AUDITOR'S REPORT  
ON INTERNAL CONTROL STRUCTURE  
RELATED MATTERS NOTED IN A  
FINANCIAL STATEMENT AUDIT  
CONDUCTED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS  
Page 4

A material weakness is a reportable condition in which the design or operation of the specific 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.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I believe all of the reportable conditions described above are material weaknesses.

This report is intended for the information of the Board of Directors, Management, and Legislative Auditor's Office. However, this report is a matter of public record, and its distribution is not limited.



LOUIS R. BRADLEY  
CERTIFIED PUBLIC ACCOUNTANT  
INCORPORATED

Monroe, Louisiana  
July 18, 1996



INDEPENDENT AUDITOR'S REPORT  
ON INTERNAL CONTROL STRUCTURE  
RELATED MATTERS NOTED IN A  
FINANCIAL STATEMENT AUDIT  
CONDUCTED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS  
page 3

. FINDING:

PROPER DOCUMENTATION

While proper documentation was available on all disbursements in the State Grant Fund some documentations were not available for the General Fund.

RECOMMENDATION:

Proper documentations should be maintained for disbursements from all funds.

MANAGEMENT'S RESPONSE:

Proper documentation will be maintained on all disbursements in the future.

. FINDING

AUDIT SERVICES

Louisiana Revised Statute 24:513 requires that quasi-public and other nonprofit organizations that receives State or Federal assistance obtain audit services and submit an audit report within six (6) months from the end of the fiscal year. The ORGANIZATION completed their audit on June 30, 1996 within the six (6) months period, but did not submit the reports until after the six (6) months.

RECOMMENDATION:

All reports should be completed and submitted to the Legislative Auditor's Office within the six (6) months period.

MANAGEMENT'S RESPONSE:

All reports will be submitted within the due dates in the future.



**E. Totals Columns**

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

**F. Cash and Cash Equivalents**

Under state law, the Organization 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. On December 31, 1995, I & I Educational Services, Incorporated, had cash totaling \$31,818.75 as follows:

Demand Deposits:		
Interest bearing		\$ 31,818.75
Non-Interest bearing		0.00
		-----
TOTAL		\$ 31,818.75
		=====

**2. 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 reports amount are immaterial.

**3. BUDGET PRACTICES**

The I & I Educational Services, Incorporated did not formally adopt a budget for it's General Fund for the year ended December 31, 1995. The financial statements does not reflect comparison of revenue and expenditures to budget as supplemental information.

- Accounting Services
- Tax Services

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE  
RELATED MATTERS NOTED IN A FINANCIAL STATEMENT AUDIT  
CONDUCTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
**I & I EDUCATIONAL SERVICES, INCORPORATED**  
Monroe, Louisiana

I have audited the financial statements of **I & I EDUCATIONAL SERVICES, INCORPORATED** as of and for the year ended December 31, 1995, and have issued my report thereon dated July 18, 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.

In planning and performing my audit of the financial statements of **I & I EDUCATIONAL SERVICES, INCORPORATED** for the year ended December 31, 1995, I considered its internal control structure 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 structure.

The management of the **ORGANIZATION** 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, and 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. Because of inherent limitations in any internal control structure, errors or 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.

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copy and PLACE  
BACK in FILE)

**I & I EDUCATIONAL SERVICES, INCORPORATED**  
Monroe, Louisiana

**Financial Statements  
With Independent Auditor's Reports  
As of and for the Year ended December 31, 1995**

**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 DEC 18 1996**

4. PROPERTY, PLANT, AND EQUIPMENT

Fixed Assets used in the Organization are accounted for in the Operating Fund-Unrestricted. Property, Plant and Equipment is stated at cost. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer. At December 31, 1995, I & I Educational Services, Incorporated had no fixed assets:

A. Basis of Presentation

The accompanying financial statements of I & I Educational Services, Incorporated have been prepared on the modified accrual basis of accounting. Contributions are recorded when received unless susceptible to accrual.

B. Fund Accounting

In order to comply with restrictions which donors place on grants and other gifts as well as designations made by its governing board, the principles of fund accounting are used. Accordingly, all assets, liabilities, and activities are stated on the modified accrual basis and are accounted for in the Current Funds - Restricted and Unrestricted. Contributions are considered to be unrestricted funds unless funds restricted by the donor. All funds over which the Board of Directors has discretionary control have been included in the operating fund.

C. Functional Expenses

Expenses are charged to each program based on direct expenditures incurred. Any expenditures not directly chargeable are allocated to a program based on related salary expenses. There were no indirect costs charged during the contract period.

D. Income Tax Status

The Organization has an application pending for a 501(c)(3) designation by the Internal Revenue Service retroactively to the first date of operations and, therefore, has no provision for federal income taxes.



I & I EDUCATIONAL SERVICES, INCORPORATED  
Monroe, Louisiana

STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES

Year Ended December 31, 1995

	RESTRICTED		TOTALS
	GENERAL FUND	SPECIAL REVENUE FUND	
REVENUES:			
-----			
State Grant	\$ -	\$ 8,925	\$ 8,925
TOTAL REVENUES	\$ -	\$ 8,925	8,925
-----			
EXPENDITURES:			
-----			
Personnel	\$ -	\$ 481	481
Supplies & Postage	4,048	1,234	5,282
Transportation & Travel	2,645	946	\$ 3,591
Misc. Admin. Expense	118	1,250	1,368
Workshops	915	1,414	2,329
Bank Service Charges	221	46	267
Repairs-Bldg. & Grounds	-	125	125
Repairs-Furn. & Equip.	-	637	637
Rental Expense	120	25	145
Utilities	1,130	-	1,130
Insurance	2,911	763	3,674
Donations	-	135	135
Professional Services	8,250	-	8,250
Other Taxes	968	-	968
Telephone	859	126	985
Interest Expense	482	-	482
Repairs-Automobile	968	13	981
Dues	-	1,730	1,730
TOTAL EXPENDITURES	\$ 23,635	\$ 8,925	\$ 32,560
-----			
EXCESS(DEF.) OF REV./EXPENDITURES	\$ (23,635)	\$ -	\$ (23,635)
OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ -
-----			
EXCESS (DEF.) OF REVENUES & OTHER SOURCES/EXPENDITURES	\$ (23,635)	\$ -	\$ (23,635)
FUND BALANCES - BEGINNING OF YEAR	5,347	-	5,347
-----			
FUND BALANCES - END OF YEAR	\$ (28,982)	\$ -	\$ (28,982)
=====			

The accompanying notes are an integral part of this statement.

- Accounting Services
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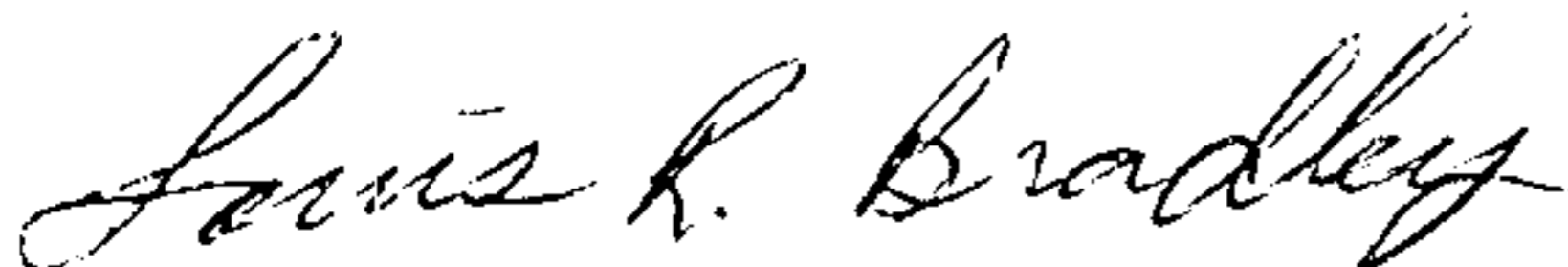
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
**I & I EDUCATIONAL SERVICES, INCORPORATED**  
Monroe, Louisiana

I have audited the accompanying Balance Sheet of I & I EDUCATIONAL SERVICES, INCORPORATED (a nonprofit organization) as of December 31, 1995, and the Related Statement of Revenue, Expenditures, and Changes In Fund Balances 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. 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 December 31, 1995, and the results of its operations and the changes in its cash flows for the year then ended in conformity with generally accepted accounting principles.



LOUIS R. BRADLEY  
CERTIFIED PUBLIC ACCOUNTANT  
INCORPORATED

Monroe, Louisiana  
July 18, 1996



**FINANCIAL SECTION**

**I & I EDUCATIONAL SERVICES, INCORPORATED**  
**Monroe, Louisiana**

**Financial Statements  
and Independent Auditor's Report  
As of and for the Year Ended December 31, 1995**

**C O N T E N T S**

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INDEPENDENT AUDITOR'S REPORT  
ON INTERNAL CONTROL STRUCTURE  
RELATED MATTERS NOTED IN A  
FINANCIAL STATEMENT AUDIT  
CONDUCTED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS  
Page 2

For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories: Cash, Receivables, Revenues, Accounts Payable, Expenditures, Payroll, and Fixed Assets.

For all of the control categories listed above, 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.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the ORGANIZATION'S ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

1. FINDING:

ACCOUNTING SYSTEM

The Organization did not maintain general ledgers and related accounting system on a current basis.

RECOMMENDATION:

The Organization should maintain all accounting records on a current basis.

MANAGEMENT'S RESPONSE:

In the future, general ledgers and related accounting records will be maintained on a current basis.

J & I EDUCATIONAL SERVICES, INCORPORATED  
Monroe, Louisiana

Notes To The Financial Statement  
As of and for the Year Ended December 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES & NATURE OF SERVICES

Nature of Services

J & I Educational Services, Incorporated is a private nonprofit organization exempted from income tax under Section 501(c)(3) of the Internal Revenue Service Code. The Organization provides a wide range of services such as:

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 organization and churched and 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 reduce wages of \$10.00 per hour.
2. HEALTH EDUCATION - Consist of outreach and referral service 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 engagement at local school, and disbursement of printed literature. Services are provided as grants are awarded.
3. COMMUNITY AWARENESS - (a) Attempt to develop small and minority owned business by making them aware of the various market potentials, starting, and financing a business. (b) Attempt to make the general public aware of the various benefits and services available to the general public at no cost to the public. Newsletters, advertisements and direct communication are methods utilized to achieve those objectives.

The Organization meet the criteria of a "Voluntary Health and Welfare Organization" as described in the Statement of Position (SOP) 92-9 published by the American Institute of Certified Public Accountant's.