APTENZA APTENZA

⁵⁵ REWOOD EASE EDUCATIONAL TALENT MEASCH PROCEAM, INC. 4215 S. CLAIBORNE AVENUE NEW ORLEANS, LA 2025



DO NOT MIND OUT

«. 39 18402664

AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 1997

CARL R. JOHNSON CERTIFIED FURLIC ACCOUNTANT 2642 TULANE AVE NEW ORLEANS, LA 19129 (504) 822-6477

Under provisions of state law, this report is a patier document. A copy of the easter law been submit, and to me audited, or reviewerd, eastly earl other approxime rables officials. The report is writelishe for position impactions at the Batton Review Other augustriate, at the automatic where augustriate, at the other with a particulate, at the

NEW OBLEANS EDUCATIONAL TALENT SEARCH PROGRAM, INC.

TABLE OF CONTENTS

Independent Auditor's Report	1
PINANCIAL STATEMENTS	
Statement of Financial Position Statement of Antivitian Statement of Cash Hows	3
News to the Financial Statements INTERNAL CONTROL REPORTS	0
Report on the Internal Control Structure Based on an Audit. Of Francial Statement Performed in Accordance with GAS	9
Report or Internal Control Structure Used in Administering Federal Assume	
COMPLIANCE REPORTS	
Bepart on Domphaner with Laws, Regulations, Contracts and Crunte Based on an Audit of Basic Financial Stationents Performed in Accordance with GAS	
Report on Compliance with Specific Requirement Applicable To Major Program Transaction	2
Report on Compliance with Specific Requirement Applicable To Non-Major Program Transaction	2
Report on Compliance with General Requirements Net Material Neurosumbance MeetFiel	,

SUPPLEMENTARY INFORMATION

Finding and Baconemendation	36
Schedule of Endmal Awards	22

CARL B. JOHNSON

2642 Talone Jun. Suite B New Decens, La. 70119 Confided Fability Accounting

(504) 553 0842, Pager (504) 553 0842, Pager Latest correct/dead.com

REPORT ON BASIC FINANCIAL STATEMENTS AND SCHEDULE OF FEDERAL AWARDS

New Orleans Educational Talent Search Program, Inc. 4215 S. Claiborne Average New Orleans, LA 2025

1 here sudded the accompanying balance short of New Obtanci Educational Taken Search Program, Soc. as of Jones 30, 1997, and the related statements of survivies and out-flower for the years then ended. These financial statements are the responsibility of New Obtance Educational Takent Social Program, Inc., management. My responsibility is to cancer any coldware on these financial statements have for an endel.

1 conclused ray and it is according with geometry accorded ratificity matcheds and concentration of the state of the st

In any opinion, the fituated intervents referred to showe present fairly, in all material respects, the fituated position New Orleans Educational Taket Search Program, i.e. as of Jane 30, 1997, and its cash flows for the year than ended in conformity with generally accordin according mixeden.

As discussed in Nets G to the Branchi statement, the organization does not maintain proper controls of cart allocations. These uncertainties may cause problems with these reservicent service.

In accordance with Government Andring Standards, I have issued a report dated June 25, 1998 on my coasideration of New Orleans Educational Talent Search Program, Inc.'s instead coasted arcetare and report dated June 25, 1998 on compliance with laws and regulation.

5

My and your rands for the propose of fouring as sprins on the basis fluorest in structure of New Oskins Ministrational Televis Structure Program. Inc., to them as which. The accompanying Salvahike of Fielden Avende for the press meted hare Structure of proposed for proposed with Ministration and its print angular print and framed interprets. The information is furth Scholds has been analyzed pro of the hand for the structure of the structure of the formation attement and, is may existent, in furthy structure of the structure of the formation attement and, is may existent is furthy structure of the structure of the basis formation attements taken as a while.

Carl R Johnstei Ceriffed Public Accountse

June 25, 1998

NEW DRALLAWS THREE ATTRACT TALENT WARDEN PROBABILIES, STATEMENT OF PROJECTAL POSITION WITH THE VERY DATA STATEMENT OF STATE

AMOUNTS

DOPODIUS AND NO ASSESS

110010145215

Cards Causes Bacolicaldo Ellas Boun Othics	9,875 1,885 36,785	
YOTAL CLIMBERT ASSETS		13,263
EIKHLANKES		
Fieldings Michinery and Equipment Legis Accounterst Dependentian	240,000 20,054 (350,354,050	
NUT FIRED ASSESS		
ASSE15	-	9,36

1500-LUES	
Pagnali Tanas Pagnhie Nonas Pagnhie	16,406
81.45933	\$265
Anathicked Anamandy Restricted	
TOTAL LANGE FILES AND NOT ASSESS	87,269

has builded, based additions to be threaded Mathematics

NIV BELOW EXCLUSION DALOT RESILT PERSON, INC. IEADNEY OF ACTIVITIES

FOR THE TOTAL POLY A MY IS, PL

MONT

	Ganeral	23 Pages	Dag Par	397-0
Eran Reserve	Li de jati	PHI,620	47,396	615,40
	9	SAINSDRY	583	
lidem.	1000	175424	24,290	29,291
			3,000	10,264
Opening Topone				
Examine				
Test (posing lispone)				
Charge in Net Americ	•		•	•
Fend Roberts Disploying				
Famil Balance Karley				

Non-Addition Report and Name Exchanged Reportants

NEW DELEASE REPORTIONAL TALENT MARKET PROCEASE, INC. STRUCTURENT OF CASE FLOWS FOR THE TEAK FORD JUNE 26, 1997

Cash Horn, Jion Operating Activities Net Journe Adjustments to Sciencific net instance to net each provided by operating archivites: Change in account product Change in account product Change in other convert failulities	21,471 (14,940 36,042	1	0
Tatel Adjustments			26,312
Not Cash Previded by Operating Antivision			26,812
Cash Horn, Iour Financing, Autorities Repayment of long term date	CM.2959		
Not Cash Psevided by Timeding Activities			05260
Net human Elevenne's in Cards			7.811
Cash at Degening of Period			0,00
Cash at End of Parial.		1	9,613

.

NEW ORLEANS EDICATIONAL TALENT SEARCH PROGRAM, INC. NOTES TO FINANCIAL STATEMENTS For Test Ended Jane 30, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Oquiczian

New Ostanos Educational Talent South Program, Inc., keynether referred to go "NOETS", is a New York Oppositesion middleled to provide social services to readents of New Octanos, La. The source of revenue corress from the Deparatment of Likela and Displack. Office of Alcohol and Drug Above and Department of Social Socials, Office of Landy Support.

Basis of Accounting

The accompanying financial statements have been presented in accordance with generally according principles. They are presented on the according basis of according.

Financial Statement Presentation and Contributions

In 1990, WAITS adopted Streament of Threach Accessing Standard (STAM) (so. 11); "Tanancia Streament of Defe for Portfo Constraintions". Under Staff Schwartz, Tanancia respirate on support Information regarding in Education and advision and advision accessing in the detection of the streament respiration of the streament production and advision accessing promotedy provided set streament in models. The stream of the streament and advision accessing and law, accessing in the streament production and advision accessing and accessing and law, accessing in relativistic and advision accessing and law accessing and law, accessing and law, accessing and law, accessing and law accessing accessing and law accessing and law accessing and law accessing and law accessing accessing accessing and law accessing acce

NOLTS who subpred 57458 No. 119 "Accounting for Canabasians Baseival and Canabasian Markin 10968: In accountance with 574 No. 116, constriktions seeined are reacted as constational subpression of any door previous. The adoption of depending on the contacous and to ration of any door previous. The adoption of ended laser 8, 1997. In addition, NOCTS has not reverind any constraints with the reacoust ender 50, 1997. In addition, NOCTS has not reverind any constraints with door and income whether the second second second second second second second second second sections where the second second second second second second second sections where the second second second second second second second sections and second second second second second second second second sections.

NOTE B - EXEMPT STATUS

The corporation is tax compt under provision of Souties 501 (c) (d) of the Internal Resource Code and have ract all of the applicable provisions of the low

NOTE C - LAND, BUILDING AND EQUIPMENT, NET

Final assuts are initial at cost. Designed property and optipment are initial at fair marker value at the date of destribut. Toppreciation is compared using the straight line method over the entipment satelli lines of the assuts.

Tetal fixed assets as of Jane 30, 1997 was valued at \$ -0-. Fixed assets consisted of the following integration:

Description	Life	Date Ace	Cost	Accom Depr	Emin 6-33-55
IBM System 38 and Peripheral	7393	1984	240,000	248,890	0
Funitors & Office Equipment	770	Vari	21,154	21,154	0

NOTE D - NOTE PAYABLE

Netes parable consisted of the following at June 30, 1997

Note payable to Liberty bank, interest at bank's prime sate (£25% due open doranad) Note receible to Whiteav bank, interest at bank's prime	\$ 28,857
mic (8.25% due spon demmed)	9,991

NOTE E - COMPENSATION TO IMRECTORS

The member of the Board of Directors received no compensation for services related to the governing of this agency or my of its programs nor were there any accuals made for these activities drains the period bolas method.

NOTE F - ECONOMIC DEPENDENCY

The again, sections the analysis of its revenue from Anda provided through passes advantanced by reviews must not do paperdise. If significant hadper can avail as the fadural, and nucleority lively, the answer of the fands the organization nucleoses could be modered significantly and how on a solver impact on its supervises. Management is not more of any nations that with adversely affect the answeries of fands it will received in the result flow.

NOTE G - CASH

The agong rankation only and checking account for the order supportation. Account recorcivals are disclosures and the hard depends do our inforts the earlier support of limits recorded from the cognition agency. Cons of heatering is showed by the general final which is not recorder. Additionally, the regurant cognitherms are not identified in a specific account is the general ledger. The lack of separate program account provides indicatance control of our and ereors earthwheation.

NOTE II - CONTINUENCIES

It has been discovered that the approxy field several of its informational and its returns into to the federal and static authorities. It is remeasibly possible that penalizes will be imposed for such transpussions. However, based on the approxy's experimers with such mattern along with the inducer difficulties in calculating rach penalizes (i.e., time fasters and reve of ensembles), we assure reasonably contained the amount of such transition. INTERNAL CONTROL REPORTS

CARL R JOHNSON

2842 Tuiseo Arc. Suite II New Driesrie, Lo. 70118 Conflord Public Accounting

(564) 922-5477 (564) 553 6042, Pager F. Mail: press/208.act.com

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

To the Doard of Directors New Orleans Educational Taluet Search Program, Inc. 4215 S. Clobume Avenue New Orleans, LA '19125

I have audited the fluxecial statements of New Orleans Educational Takes Search Program, Inc. as of and fair the years ended Jane 30, 1997, and have issued my report fluence there have 35, 1998.

I conducted my walk in accordance with generally accepted andring standards and Overement Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assumance about wholey the francoid statements are these of material modularement.

9

In plenning, and performing we audit of the fluctuation intersects of Neuro Universe Extensional Talem Neurol. Inc. for the year cardid Janes 30, 1997, I estimates and the intersection of the second second second second second second control of the second second second second second second second sector devices and the second second second second second second second sector sectors are also as a second second second second second second second sectors are also as a second second second second second second second sectors are also as a second second second second second second sectors and sectors are also as a second s

For the purpose of this report, I have classified the significant internal control view/over reducts and environment in the following categories:

Accounting Applications

- 1. Billings (in regards to scindbarroanted request)
- Cash Borgints
- 3. Cash Disberrements
- 4. Resonant and Reprivable
- Puchtaine
- Permit.
- T. Prevents and Equipment

Centrols steel in Administerion Federal Programs

General Requirements

- Polhical Advis
- Cost Nubs
- Cash Management
- Federal Financial Ecocity

Specific Requirements

- . Types of Services
- Ellability of Cost
- . Cast Allogrien
- Cast lacated in Approved Pariol.
- Crart Balacts and Revisions

Fee all of the langual control categories thered above, I obtained as understanding of the design of intervant policies and procedure and whether they have been place in sparacian and an event of control risks.

10

1 rend course nearest involving the internal coursed statutes and its spectros that its origination and the standards multiple high place data holds and of the standard multiple holds in the statute of Could hold by the Associations. Respectively and the statute of the sta

REPORTABLE CONDITIONS

1. Redut

The agency did not maintain budgets for active programs.

 recommanded the organization set up budgetay controls on all active programs and mentior these budgets on a mentally basis.

Cab.

The agency maintain one clucching account for the program funds and general account. It is after nucleor in to where the program expenditures should be applied to.

I recommend that reported checking accounts to maintain for all program finds and a persoil checking account be establish.

3. Repeting.

The regulation required ecledencement for cost is the operation of the program via a cost costool report or approval invoicing. A comparison of the cost report to the cognitioner approximate the general tadget reflected that general tadget balances source not in anterestere with the invitatement.

I recommend that separate accounts should be maintain for each programs.

A material weakness is a repetible condition in which the designs or operation of one or more of the insteaml control insteam effective does not refere to a relatively low level the risk that errors or irregularities in measure would be material in relation to the francial gamma being auditat rang occurs and not be detected within a threely period by employees in the normal source of performing the standard francises. My consideration of the immedia control spectrum would not messessivly disalises all matters in the internal control structure that might be reportable conditions and, screenbargh, would not recovery disolose all spectrable conditions that are considered inbe meterial weaknesses on defined above. However, it noted the following reportable conditions that before to be meterial weaknesses.

MATERIAL WEAKNESS

Sequential Order Check Number

During my review, it was noted that the shock anothers were rut of sequence. Clouds not readently use with no regard to the numeric sequential order.

I recommend that, number sequence of checks be enforce.

Single Signature on Checks

During new resilies, it was noted that only one signature was on the checks.

It is recommended that doal signatures should be required for internal central perpases.

This report is introduct for the information of the under committee, management, and others within the organizations and appropriate state and federal agencies. However, this report is a restore of public occerd and its distribution is not likelihed.

Carl R. Johison Certified Public Accountsed

Jane 25, 1998

CARL R. JOHNSON

Conillad Public Accommon

2842 Tulaho Ane. Stuto B New Drinnes, Le. 70118 (SOE) 822-6ET7 (ROE) 803-DOE7, Priger E-Mail: colora20/Basil.com

REPORT ON INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS

To the Board of Directors Niew Orleans Educational Talent Search Program, Ion., 4215 S. Chilborne Avenue New Orleans, LA: 70/25

I have and/od the basic financial anternets of New Orleans Educational Taking Sinsch Program, Inc. in of and for the years milited inau 30, 1997, and have learned my report therein details June 25, 1998.

L conclusion ray and/it is neveriners with generally accepted antifling, standards, concentration, Auding Sindards, Sancer My the Competition Consult of the United Nation, and Office of Management and Dalaper (OMB) Consult w-1333, Audits of Mantalianes (A)33 regions that Typics and profers the and its oddark massedule assumed and A)33 regions that Typics and profess the and its oddark massedule assumed as matching and the antipart of the antipart of the antipart of the antipart matching assumed assumed as a single state of the antipart of the antipart matching, measurements with which would be matching to a single format measurement matching, measurements with which would be matching to a single format measurement as a single state of the antipart measurement of the antipart of the antipart of the antipart of the antipart of the single state of the antipart of the antipart of the antipart of the antipart of the single state of the antipart of the antipart of the antipart of the single state of the antipart of the antipart of the antipart of the antipart of the single state of the antipart of the antipart of the antipart of the antipart of the single state of the antipart of the antipart of the antipart of the antipart of the single state of the antipart of the antipart of the antipart of the antipart of the single state of the antipart of the antipart of the antipart of the antipart of the single state of the antipart of the single state of the antipart of the antipart of the antipart of the single state of the antipart of the antipart of the antipart of the antipart of the single state of the antipart of the antipa

In planning and performing ary and for the year method hear 30, 1997 1 considered bleve Choisen Educational, Their Tench Prayma, inc., control tobuscus its order in derivation ray anding procedures for the proprior of segretaring ary option on New Obtain Educational Tables (note) Prayments, inc., Tencol Internets on on the complicator with complements applied to a negre program and to appet or the latered outed strateging as accounties: who NeW Creditor A-13. This poper addresses or proceedings of a segmentary applied to a negre program. This poper addresses or proceedings of programments applied in the first program. This provides and the segmentary of programments applied in the first program. This proceedings and the segmentary of providence and provide the segments. This is addressed polisies and providence relations and the segmentary in a segment result.

The messagement of New Drinnes Educational Talent Scoreh Program, Inc. in responsible for analyticing and maintaining an internal control structure. In 64/Elling this responsible, estimates and judgments by management are required to assum the sepected beardin and schemel corns of internal cortexio structures prediction and precedures. To enjoyings of an instance control statution are to provide ranagement with rescentible, but en the longer, means the transmission and an experimental provides the statution of the statution o

to future periods is subject to the risk that precedence may become indequate because of changes in conditions or that the effectiveness of the design and specifico of pulicies and reaconduces may detailer.

For the purpose of this report, I have classified the significant internal control structure policies and preseduces used in administering federal programs in the following contention:

Accounting Applications

- 1. Billings (in regards to reimbursement request)
- 2. Cash Receipts
- 3 Cash Disbarrements
- 4. Revenues and Receivable
- 5. Perchasing
- 6 People
- Property and Equipercont.

Controls used in Administering Federal Programs.

General Regularments

- Political Activity
- CivitRishts
- Cash Monopeneed
- Federal Financial Reports
- Data Free Workplace

Specific Requirements

- Types of Services
- . Xighildr of Cast
- Cost Allocation
- Cost Insured in Accessed Period.
- . Grant Badgets and Revisions

14

For all of the internal control structure sampning label above, 1 obtained an understanding of the design of relevant policies and procedures and scheduer they have been place in operation, and Lassaned consultrisi.

During the years ended Jane 30, 1997 New Orleans Educational Talent Search , Inc., expended 1895; ef its total federal awards under non-major programs.

I performed tout all contexts, are required by OME Contant A-133 to a contant the effectiveness of the design and operations of hermal contant harmonass policies and procedures that 1 considered inducent to solecant to proceedings or denoising associal monomitphica which specific requirements, general magianeous and means anoming that are gradelistic specific requirements are implement, and and an anomaly and an anomaly and an anomaly and an anomaly denoised that are gradelistic to solid of the competitional means that denoised in the monoparation general denoise and means that an outperform the denoised in the monoparation general denoise and means that denoise and merulements. Anothering 1, all not means such an outperform.

I ranke circuite matters involving the internal control structure and its operative furth consider to be operative conditions to their standard involving the structure hotting. or Control Public Automation. Republic conditions insolved numbers control for the instanta control reterms of the structure of the instanta control reterms of the structure of the instanta control reterms of the i

REPORTABLE CONDITIONS

1. Reduct

The survey did not maintain budgets for active program.

 recommended the regulation set up balgetry controls on all active programs and months: these balances on a monthly basis.

Cash

The approxy emicitain over checking account for the program funds and general account. It is often orielese as to whom the programs especialitates should be applied to.

I recommended that separated checking accounts to maintain for all program (ands and a psyroll checking account to establish.

Beporting

The arguminition responded relationsement for cost is the operation of the program via a root control report or approved invokcing. A comparison of the cost report to the cognizent agencies and the general ledger softward that general helper balances were not in another with the solublementation.

I recommend this separate accounts be maintain for each programs.

A remetal weakness is a separable condition in which the design or operation of nonmore of the internal control structure demans does not notate to a substructly low local the risk that arenes or inegolasilise is amounts would be married is solution to the Francisk taxonerst being subbol may come and not be detected within a limit, buy publyton is the located around e effectiveness (but modify a mining low location.

My consideration of the internal control structure would not necessarily disclose all matters in the insural control matchine that might be repeatable conditions and, recordingly, works do a necessary disclose all apportant controllout has an considered to be material worknesses as defined above. Towever, 2 metod the following repeatable conditions that lefting us to material workshows.

MATERIAL WEAKNESS

1. Sugazzfal Order Check Namber

During my review, it was noted that the check numbers were not of sequence. Checks are rendersh use with no squard to the number sequential order.

I recommend that member successor of checks be enforce.

Signifier to Checks

During my review, it was noted that only an signature was on the checks.

It is recommended that dual signatures should be required for internal control purposes.

This report is intended for the information of the walk committee, management, and others within the regulatorion and appropriate state and federal agatelise. However, this reflect h symptets of public record and its charabation is not limited.

XX.

Cerified Public Accountant

June 25, 1998

COMPLIANCE REPORTS

CARL R. JOHNSON

Cereigiad Public Accounter

2642 Tableo Ano. Suite B New Orleane, Le. 70115 150-0 553-0042, Paper 6-Mail: pripage Raol.com

REPORT ON COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS EASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDAUDS.

To the Board of Directors New Orlease Educational Talant Search Program, Inc. 4215 S. Cluberne Avenue New Orleans, Lu, 20125

I have walked the threachd intervents of New Orleans Unioni Falsar Sanah Program, Inc., is of and for the year ended Jane 30, 1997, and have issued any report threach thread Jane 25, 1998.

I conducted my walls in accordance with generally accepted soliting standards and Orversment Auctions Standards, lossed by the Comparaller General of the United States. These standards sequin that I plan and parliers the and/10 obtain rescentific assumes when whether the financial testiments are from of mandard Ministerence.

Conductions with lown, regulations, evolvesh, and gurst applicable to Neuro Distance Exclusional radia (neuro) Progravity in the respersibility of Post-Orison Distancian Takara Sanda Posgrava, Eur. ranagement. An post of Marining reasonable answares and a students of a consolid narrowness and the infratedit distancement. Jerviewed Interor Post-Dassa Distancianal Takas Sanzh Programs, It-X: compliance wide certisis of provisions of Hou-publics, constraint and generative Information of Houperiodium (Consolidation), and and an and genet. Allowerse, projective was often or provide an optimum convention compliance with math provisions. Accordingly, I do wat rearrows and the additional constraints of the state of

Material leatances of encourophance are fabores to below regelerements, or violations of publiclasse, consistent in laws, regulations, contrast, or public laws on to conclude that the approximation of this maintaneous resulting from these fabores or violations is material to the fassacial statements. The searchs of my term of compliance disclored the following material instance of momentum datasets.

17

1. Information and Payroll Taxos Betaros

Condition

Pederal and state employment and informational loss relums were filed and paid late, including Form 941s, 990 and state withholding reports.

CINCH

Federal and state laws require timely filing and payment of reports.

Effect of condition

Penalties and interest may be assessed due to late filling and payment of return-

2. Completed Auffiel Financial Statements

Centrice

The solid far New Orleans Educational Talent Search Pergeum, Inc. for the period ending. Jame 30, 1992 was not solumined within six annulus of the done of the onlay's fiscal year as received by Londonne Research Strikes 24.015.

Orbitis

Based on the approved expansion, then copies of the audit report should have been submitted to the Lapinierice Auditor by December 36, 1997.

Effect of Condition

Since the analit was not lossed after the six months of the antestory dete, the agency is in new compliance of its contract.

3. Employee Chariflection

Condition

The agency amplitys all of its Instruction cosmolors as independent contrastees. The solutionship horacon the agency and instantional cosmolor may be construed as employee-burgery and a solution of the solu

Critera

Fudaral Law requires that proper classification of employment is required of the agency in order canady with federal employment resolution.

Effect of Condition

Prealities may be assessed on the agency for not complying the Federal Laws.

Target as detected advect, the results of sour tests of compliance industs that with respect to the issue tested, complied, is all material respects, with the provisions informal so in the disk prograph of this report, and, with tespect to istem not tested, undering come to my attention that material run to believe that New Oblana. Enhanced Three baseds Programs, Inc. last rest consider, is all waterial research, with these meniations.

This separt is intended for the information of the Brand of Directory, management and the Same of Louisians. This restriction is not intended to finit the directory of this report, which is a water of multi-record.

Contined Public Accounted.

June 25, 1998

CARL R. JOHNSON

2542 Tulano Ane. Subo D Num Orleano, Lo. 76118 CONEYS Public Accounting

(684) 822-6477 (584) 553-8042, Pager E-Mail: rc(pal)9-8 acl.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC INFORMEMENTS APPLICABLE TO MAJOR PROCESSING

To the Board of Directors New Orkans Educational Talent Search Program, Inc. 4235 S. Claiburne Avenue New Orkans, LA: 30125

J have audited the finate financial interprets of New Orlanse Educational Talent Search Program, Inc. as of and for the year ended Jone 30, 1997 and have instead any report therein durated June 25, 1996.

I have also action have Chasses Inductional Theor Sector Neuroses, Inc., vocarpianes for the requirements power of service structure actions the sector activity metabog, next of effect, on contracking metalog activity and the endotrements and anti-activity of the endotrements and and activity metabog, next of direct Powerki metabogs and activity of the metabogs of direct Powerki metabogs and activity of the endotrement metabogs of direct Powerki metabogs and activity of the sector of direct Powerki metabogs and powerki metabogs and the Neurosci Powerki metabogs and the sector of the endotrement of the Neurosci Powerki metabogs and the sector of the sec

Because of the restric discussed in the flux paragraph of this speet, do scope of angle work non cost efficient to mobile our in parassa, and 14 does not express, an galaxies on New Olision Manational Therese Sanah Program, IacA compliance with the requirements generating types of invition allowed on test different generity. Drawnill reports of inviton statements and reindowneems that are applicable to such of its major fident aregreen for the sec model here 30, 1997.

With respect to the items tated, the results of try procedure databased or material instance of concentrations with the expectationsess than it in the proceeding prograph. With sequel to know not based, adding mater is one patientism that ensued to a balance that New Others Dischool Tablest Security Program, he has not recepted, it and its metrical free others in Dischool Tablest Security Program. The has not recepted and the security of the concentration are advised on the concentration and security the account of the concentration of the transmission. This report is intended for the information of the Board of Directors, management and the State of Laukiana. This contributes is not intended to limit the distribution of this report, which is a matter of public record.

b.ll

Carl R. Streets Corified Public Accounters

June 25, 1998

CARL R. JOHNSON

2542 Tulano Ave. Suito B Non Cristella, La. 72118 Certified Pathle Accompting

(SOI) 622-6477 (R04) 553-0007, Pager F. Mali: cricma2OBasil.com

REPORT ON COMPLIANCE WITH INTECIPIC REQUIREMENT APPLICABLE TO NON MAJOR PROCRAM TRANSACTION

To the Board of Directors New Oxiones Educational Tairest Search Program, Inc., 4215 S. Claibuma Avenue New Oxiones, LA, 70125

J have publied the basic financial statements of New Orleant Educational Tablest Search Program, Inc., an of and for the year ended Jane 38, 1997, and have issued my report downwe dated have 25, 1998.

In consistent well are paired of the first 90, 2007 formula interpret of Size Ginzarg and Size (Size Constraints), and the second se

With respect to the items strats, the results of these procedures disaload on cancella instances of necessary disalocs with sequences item of the procedup propagation. With respect to here not total, robular, cannot near strategies that reasons are not bullen that the Original Disalocitational Tables Storage in the first data of complete in all research transmissions of necessary processing and the strategies and the strategies in instances of the computational strates of the respective instances of the comparison of the strategies with these requirements which are characterial instances of the comparison of the strategies of the strategies of the memory instances of the comparison of the strategies of the strategies of the memory instances of the strategies of the strategies

22

This report is intended for the information of the Board of Directors, canangement and the State of Landston. This contribution is not intended to limit the distribution of this report, which is a number of calling record.

of R. Maron

Carl R. Johnson Contilled Public Accountant

June 25, 1998

CARL R. JOHNSON

2642 Talane Ave. Balle B New Drivers, La. 20119 CANGED Public Accounting

(304) 822 8477 (304) 513 6042, Pager 8-Mail: propage 6 apl.com

REPORT OF COMPLIANCE WITH GENERAL REQUIREMENT - NO MATERIAL NON COMPLIANCE IDENTIFIED

To the Road of Directory New Orleans Educational Talant Search Program, Inc. 4215 S. Choberne Avenue New Orleans, LA: 30125

1 have audited the basic financial amergents of New Orleans Educational Talent Search Program, Inc., as of and for the year caded Jane 30, 1997, and have interest my report therein discuss the 25, 1998.

I have applied procedures to test New Orleans Educational Talent Search Program, Inc.N. compliance with the following requirements applientle to its federal programs, which are identified in the accompanying schedule of federal search for the year miled Jame 30, 1992.

- Publical activity
- Civil rights
- . Cash Monogrammed
- . Allowable cests / cost principles
- Administrative requirements

Mp procedures near latitud in the applicable presenters described in the Office of Management and lindget's Completions (for Author of Higher Learning and Other Non-Yrefs Institutions. Mp procedures were unknotnikly loss in reoper than an auth, the objection of which is the requestion of an optimization and Noro-Management Educational Takan Sauch Program, beek complement with the regimiented is find in the proceding research. Accordingly, between whether whites.

With respect to the knew total, the results of my precedents the learners of sourcesplates with the septements liad in the accord promptly of this report. With report to items not beends, earling uses to itsy statistical that Cassad net ballice that New Octome Barenismil Teirn Steath Progress, Jon. Ins. net complied, is all results? This sport is intended for the information of the Neurl of Directory, nonsegment and the

Certified Public Accountant

June 25, 1998

SUPPLEMENTARY INFORMATION

FINDENCS AND RECOMMENDATIONS

Specific Recontropert

Drug Free Program

1. Stric of Condition

The agency incurred anallowable expenses on there request for scindwareness report. The separts were adjusted by the cognitizent agency and the corrected amount was paid to how Obtams folkaminged Tables Stated Diversity. Re-

Criteria

Gaussial requirement of the contract requires that expenditures should be allowable under the approved badact ensureries.

Diffect of Candition

The organization was not in compliance with the terms of the contrast. Further, the experimetion is not resistaining adequate internal controls.

2. Project Independence

State of Condition

Cost solublesement invoking for the variant periods were adjusted due to lack of suggesting documentation in multi-wable cost.

Criteria.

General requirements of the contract requires that dishumement should have proper supporting documentation to support the cost claimed for mimburgement.

Effect of Candition

The cest was subsequently adjusted by the orgained agency.

26

NEW OBLIANS EDUCATIONAL TALENT SEARCH PROGRAM, INC. Indeduk of Polyal Awards Tar for Your Ended Awards

Fudaal Grante Paro drough Guate Program Title	Federal CPUM Namber	Agency or Para Marcoph Franker		Folos) Esp
U.S. Department of Health and Damas Services				
Office of Alashed & Doug Alasm Decay Free Program	13,882	5992	5	40.96
Paro-derough from State of Lensineen Disportance of Social Services Office of Family Support Pariot Independence	13.700	06590		196,822
Tani			,	345,909

MANAGEMENT LETTERS

NEW ORLEANS EDUCATIONAL TALENT SEARCH PROGRAM, INC. 4215 SOUTH CLAUBORNE AVENUE NEW ORLEANS, LOUISIANA 70125 (50) 521-5844

REPRESENTATION LETTER.

May 18, 1998

Carl R. Johnson, Certified Public Accountant 2042 Talante Avenue Suite B New Orleann, Louisiann 70019

In constantion with your and/or the basic featurabilit statements is of rain for the facel year exheth later 20, 1997 for the purpose of expressing an explaint on workhear the featuration statements present fully, is all naturative respects, the featurabilit publicles, multi-or dependence and each flows of New Otherse Schwarzkeit later explaints and each is confidentially with generally according principles, we confirm, is not heard of our learwindings and health. the following representations made to see definition were applied.

- We are responsible for the fair presentation in the financial statements of the financial position and the results of operations and cash flows of junce of recipient expendation) in conferencipies.
- 2. We have made available to you all
 - a. Financial recents and related data.
 - Misurer of meetings of the based of directors of New Orlans Educational Talour Search and its committees, or measurers of actions of second meetings for which minimum have net with been research.
- 3. There have been no-
 - Integralarities involving management or employees who have algoiffcant roles in the integral control structure.
 - Inequirekies involving other employees that could have a mesodal effect on the fease init intervents.

- c. Communications from regularizy agencies concerning sourcespliance with, or defininguies in, financial reporting paretices that could have a material effect on the financial attravente.
- We have no plans or interviews that may materially affest the sarrying value or classifications of mosts, liabilities, or fund balances.
- 5. The following have been preperty recented or disclosed in the financial statements:
 - Rolensi party transactions and related amounts receivable or papalle, including revenues, commultance/comment, lane, transfer, loning arteregenets, and comments
 - b. Ansagements with flastscial institutions involving reportings or reverse separation agreements, compensating hilances, or other annagements involving restrictions on each balances and line of crefit or indirecting remements.
 - Agreements to repurchase assets previously sold.
 - d. Security agreements under the Uniform Commercial Code.
 - e. Contractual obligations for purchases of mores.
 - f. Liens, excumbrances, or submidination of anrets plotted as collatoral in any way,
 - g. Subordination of any habilities.
 - b. All large or regal obligations under nonsamidable long-term leases.
- 6. There are no
 - a. Violations or possible violations of laws or regulations whose effects should be considered for effectorses in the financial interants or as a basis for seconding a loss contingency.
 - Other material liabilities or gain or loss contingencies that are sequired to be accuad or disclosed by Batement of Pinaecial Accessition Standards No. 5.
 - c. Reservations of fand balance that wave not properly authorized and approved.
- These are no material transactions that have not been properly recentled in the accounting, recently underlying the financial statementa.

- The organization is an example tegonization under Societ 500(c) (3) of the barrent Resource Code. Any arrivation of which we are aware that would jurgardize the magnitude of two-computations, and all artivities unique to nex an usualized humans involve or weights or other nex, have bare disclosed to you.
- 9. Provision, when ranterial, has been made to:
 - a. Reduce excess or obselete investories to their estimated net realizable value.
 - b. Reduce all investments for persenget declines is value.
 - c. Record an allowance for estimated specificatible receivables.
- The regarization has satisfactory tills to all award assets, and there are no lices ar encombrances on such assets, we has any asset been plotted.
- Provision has been made for my material loss to be scattered as a result of prachase commitments for inventory quantities in second of normal requirements or at prices in scores of oravailing mathematicas.
- 12. With respect to compliance with laws and regulations affecting the organization, we represent the following:
 - a. We are responsible for the erganization's compliance with the laws and regulations, and added in to it.
 - b. We have identified and disclosed to you all laws and regulations that have a direct and material effect on the datermination of financial statument amounts.
 - c. We have complied with all aspects of laws, regulations, and contracted agreements that would have a material effect on the financial statements in the event of necessarylinace.
- 13. We have identified all accounting estimates that rould be material to the financial statements, including the key fasters and eightfaster assumptions underlying these estimates, and we believe the actionates are reasonable in the citematenese.
- No events have occurred subsequent to the balance sheet date that would require adjustments to, or disclosure in, the financial statements.

- 15. With respect to federal awards programs-
 - We have identified in the Schedule of Federal Avanda all mointunce provided by federal agencies in the form of gunts, contracts, Issue, Ioan gunraneou, property, cooperative agreements, insure aubidites, insurance, or direct appropriations, including nanoala antimize.
 - b. We have identified the requirements generating political activity, the Davie Basen Act, civil rights, such management, fortest financial reports, allowable contrivent principles, Desp. Free. Workplace Act, and advantativity respectivements over forbard arounds.
 - c. We have identified the maplituments governing types of services allowed or rat allowed, eligibility matching, level of effort, at seconding, repetting; chiese for advances and reinductionments; and anounts chined or used for matching that are applicable to matter (reiner) avecto response.
 - d. We have complied, in all casterial respects, with the requirements in connection with federal average.
 - c. Information presented in federal fitancial reports and chains for advances and minimum meets is supported by the books and recards frame which the basic fitancial statutions have been rememb.
 - Annually, claimed for reinforcement or used for matching were determined in accordance with representation of the Office of Mesegement and Dodget and agency requirements.
 - g. We have musiceed solvecipients to determine that the solvecipients expend financial anistence in accordance with applicable laws and segulations, and have not the socializenets of OWD Circular A-132 or other andicable fidents and reastivements.
 - We have taken appropriate corrective action an a timely basis after receipt of a softweipiet's solitor's report that identifies noncompliance with federal laws and resultion.
 - We have evaluated the rands of the subrecipient's and/as and made any necessary afferiments to the association's over books and records.
 - 3. We have identified and disclosed to yes all amounts questioned, as well as leaves violations of sequimenents fast, if not complied with, could have a material effect on a major factural award programs, and any other harmer amounplance with the specific and appendix locations and to donal march.
 - We are researching with the requirements in OMD Circular A-233.

 We have disclosed whether, subsequent to the data as of which compliance is and/ad, any changes in the internel centred integrave or other fasters that wight right leastly affect the integrad control intercture, including any conclusion which with regard to recomplish conditions (including matrix) workscener), have recorded.

Robert P. H. Farland

Robert P. McTarland Executive Director

NEW ORLEANS EDUCATIONAL TALENT SEARCH PROGRAM, INC. 4215 SOUTH CLAINORNE AVENUE NEW ORLEANS, LOUISLANA 70125 (591) 821-8844

CORRECTIVE ACTION PLAN

June 25, 1998

Office of Legislative Auditor State of Leuisian 1600 North Third Street P.O. Box 95097 Datase Range La. 2000;6:097

Is an effort to respond to the auditor's findings and recommendations, we propose to isolarment the following rescolarm to recent such recommend.

- 1.3 We have engaged an outside accounting fran, CLW and Associates, to update and maintain car accounting records starting fram July 1, 1997 to present. This will could us to here car accounting records properly recorded and reconsilied, and to course coundiness with winter continent.
- 2.) We are in the process of establishing multiple obsolving accounts that are specifically assigned to individual programs to provest any coefficies or the accounts of any internal control difficulties in the management of fands.
- 3.) We sowed to finally submit all required documents and reports to our author's to measure that the audit is prepared and timely submitted to your office as well as any continues agency's of office order to but due data.

Repetfally Years,

Robert P. M. Forland

Hobert P. McFarland Executive Director