



G.T. SERVICES, INCORPORATED

Financial Statements  
 For the Year Ended June 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the public, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

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S.E. SERVICES, INCORPORATED

JUNE 30, 1982

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**INDEPENDENT AUDITOR'S REPORT**

**G.T. Services, Incorporated**

We have audited the accompanying financial statements of G.T. Services, Incorporated as of June 30, 1997, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in Government auditing standards, issued by the Comptroller General of the United States. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of G.T. Services, Incorporated as of June 30, 1997, and the changes in net assets and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government auditing standards, we have also issued a report dated September 5, 1997, on our consideration of G.T. Services, Incorporated's internal control structure and a report dated September 5, 1997, on its compliance with laws and regulations.

*Little & Company*

Monroe, Louisiana  
September 5, 1997

G.F. SERVICES, INCORPORATED  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 1997

ASSETS

Cash and Cash Equivalents	\$ 1,738
TOTAL ASSETS	<u>\$ 1,738</u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts Payable	\$ 758
NET ASSETS - Temporarily Restricted	<u>1,000</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,738</u>

The accompanying notes are an integral part of this financial statement.

S.T. SERVICES, INCORPORATED  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 1991

CHANGES IN UNRESTRICTED NET ASSETS		
RESTRICTION OF PROGRAM RESTRICTIONS	\$	304,453
<b>Expenses</b>		
ACT	23,445	
Art Base - Advanced	2,800	
Art Base - Intermediate	2,801	
Project CARE	4,800	
COM-FUT-B	4,800	
Jack & Jill	4,800	
Project Drive	24,300	
SCORE	85,800	
Top Gun Leadership	4,500	
Administration	<u>45,213</u>	
TOTAL EXPENSES	<u>124,504</u>	
CHANGES IN UNRESTRICTED NET ASSETS		179,949
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
District 17 Urban Development Grant	183,800	
Net Assets Released From Restrictions	<u>1,184,853</u>	
Decrease in Temporarily Restricted Net Assets	<u>1,000,853</u>	
INCREASE IN NET ASSETS	1	803
NET ASSETS AT BEGINNING OF YEAR	<u>3,813</u>	
NET ASSETS AT END OF YEAR	<u>\$ 4,616</u>	

The accompanying notes are an integral part of this financial statement.

**1.7. FINANCIAL STATEMENTS**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED JUNE 30, 1997**

<b>Cash Flows From Operating Activities</b>			
Decrease in Net Assets	41		9531
ADJUSTMENTS TO RECONCILE CHANGE IN Net Assets			
To Net Cash Provided by Operating Activities:			
Increase in Accounts Payable		788	
Net Cash Provided by Operating Activities		829	
<b>Cash Flows From Investing Activities</b>			-
<b>Cash Flows From Financing Activities</b>			-
<b>Net Increase in Cash and Cash Equivalents</b>			829
<b>Cash and Cash Equivalents at Beginning of Year</b>		1,681	
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>2,510</b>		<b>2,510</b>

The accompanying notes are an integral part of this financial statement.

**G.T. SERVICES, INCORPORATED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 1991**

**Note 1 - Summary of Significant Accounting Policies**

**Historical Background:**

G.T. Services, Incorporated was formed on January 10, 1989. The Articles of Incorporation was filed and recorded in the Office of Secretary of State of Louisiana in the Record of Non-Profit Corporations Book 348 on January 19, 1989. G.T. Services, Incorporated has coordinated drug programs, teen counseling and self-esteem seminars, civic and public awareness activities.

**Financial Statements Presentation:**

G.T. Services, Incorporated adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, G.T. Services, Incorporated is required to report information regarding its financial position and activities according to two classes of net assets (unrestricted net assets, and temporarily restricted net assets) based upon the existence of donor-imposed or grantor-imposed restrictions. As permitted by this statement, G.T. Services, Incorporated has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present classes of net assets. The reclassification had no effect on the change in net assets for the year ended June 30, 1991.

The assets, liabilities and net assets of G.T. Services, Incorporated are reported in two classes as follows:

1. **Unrestricted** - includes all resources to be used in support of the G.T. Services, Incorporated's operation at the sole discretion of the Management.
2. **Temporarily Restricted** - includes amounts that are held for specific purposes as prescribed by grantor restrictions or specific donor requests.

**Basis of Accounting:**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Cash Equivalents:**

Cash equivalents consists of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

**G.T. SERVICES, INCORPORATED**  
**NOTE TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 1987**

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Support and Revenue:**

All of G.T. Services, Incorporated's fiscal activities are provided to grant funds through the Office of Urban Affairs and Development District 17 of the State of Louisiana. No activities other than District 17 were supported through G.T. Services, Incorporated. The following is a brief summary of the funded programs for the year ended June 30, 1987:

1. **ACT Study Series** - To provide study sessions which will serve to assist students to raise scores of ACT and other standardized tests.
2. **Art Show** - To expose students to aesthetic appreciation in visual arts.
3. **BARB** - To provide nourishment (food) to senior citizens and homeless people.
4. **One-Put-R** - To expose students to improvement in course styles of computer applications.
5. **Jack & Jill Tennis** - To support cultural outreach experienced for youth in our area.
6. **Project Brine** - To provide support in community needs and Community Outreach concerns as they attempt to improve the quality of lives of people in District 17.
7. **Top Gun Boy Scouts** - To provide an exposure to young males which involves them in civic, cultural and educational experiences.
8. **Senior Citizens Outreach** - To provide an enrichment "haven" for the elderly where they will enjoy recreational, social, and health activities.

**Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.



**G.T. SERVICES, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1992**

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Income Taxes:**

G.T. Services, Incorporated is applying for an exemption from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for Federal income taxes in the accompanying financial statements. There was no unrelated business income for fiscal 1992.

**Note 2 - Concentration of Revenues**

G.T. Services, Incorporated's revenues originate from one primary source, which arises through direct financial assistance from the Louisiana Governor's Office of Urban Affairs and Development. Therefore, its ability to operate as a going concern for subsequent fiscal years is wholly dependent upon the availability of state funds for such programs, and the approval of its grant request proposals by the applicable granting agency.

**Note 3 - Related Party Transactions**

Glenis Starr and Terri Coates are co-directors of G.T. SERVICES, Incorporated, the organization which administers the District 10 Special Projects Grant monies. Management fees earned by Glenis Starr and Terri Coates totaled \$30,340 during the fiscal year ended June 30, 1992, with an additional \$1,000 being paid for fringe benefits. G.T. Services, Incorporated reimbursed the co-directors \$9,000 for printing and promotional expenses; \$2,700 for audit fees and expenses; \$140 for property insurance; \$1,820 for payroll related expenses; \$100 for materials and supplies; \$1,800 for committed persons to prepare study kits; and other miscellaneous expenses totaling \$174.

Marcus Hunter was paid \$150 for serving as an AOP peer tutor during fiscal 1992 under the ACT program. Marcus is the son of District 10 Representative Willie Hunter.

SUPPLEMENTARY INFORMATION

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**INDEPENDENT AUDITOR'S REPORT  
ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT ACCOUNTING STANDARDS**

G.T. Services, Incorporated  
Monroe, Louisiana

We have audited the financial statements of G.T. Services, Incorporated for the year ended June 30, 1997, and have issued our report thereon dated September 3, 1997.

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

The management of G.T. Services, Incorporated is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, evaluation and judgment 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 the financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any 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.

In planning and performing our audit of the financial statements of G.T. Services, Incorporated for the year ended June 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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

The reportable condition noted is as follows:

### **Bank Reconciliations**

#### **FINDING:**

Bank reconciliations are an important internal control used by management to ensure that all cash transactions are recorded in the accounting records and to help identify errors. To be effective, they need to be performed timely; reconciling items need to be investigated and adjustments made to the accounting records where necessary.

During our audit procedures, we noted that bank reconciliations were not being completed on a timely basis. A year-end reconciliation of the District 17 account revealed an error in the cash balance at year end resulting from debit errors in the bank statement.

#### **RECOMMENDATION:**

As in the prior year, we recommend that all bank accounts be reconciled monthly and reconciling items to be investigated and adjustments made to the accounting records on a timely basis. Timely reconciliations will help safeguard assets and result in more accurate financial reporting.

#### **RESPONSE:**

G.F. Services, Incorporated will reconcile the bank statement monthly and investigate all reconciling items and adjustments.

A material weakness is a reportable 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 accounts 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.

Our 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, we believe that the reportable condition described above is not a material weakness.

This report is intended for the information of G.T. Services, Incorporated, the Louisiana Office of Urban Affairs and Development, and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of the report, which is a matter of public record.

*Little & Company*

MONROE, LOUISIANA  
September 3, 1987

**LITTLE & COMPANY**

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**INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE BASED ON AN ASSESS OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

C.T. Services, Incorporated  
Monroe, Louisiana

We have audited the financial statements of C.T. Services, Incorporated for the year ended June 30, 1997, and have issued our report thereon dated September 5, 1997.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we 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 C.T. Services, Incorporated is the responsibility of the Organization's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Organization's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our 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 C.T. Services, Incorporated, Louisiana Office of Urban Affairs and Development, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Little & Company*

Monroe, Louisiana  
September 5, 1997