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**G.T. SERVICES, INCORPORATED**

**Financial Statements  
For the Year Ended June 30, 1999**

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 1-26-00

**G.T. SERVICES, INCORPORATED**

**June 30, 1999**

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# CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

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## INDEPENDENT AUDITOR'S REPORT

G. T. Services Incorporated  
P.O. Box 349  
Monroe, Louisiana 71210-0349

We have audited the accompanying financial statements of G.T. Services, Incorporated as of and for the year ended June 30, 1999, 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, 1999, 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 December 14, 1999, on our consideration of G.T. Services, Incorporated's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

*Cameron, Hines & Hartt (APAC)*

West Monroe, Louisiana  
December 14, 1999

G.T. SERVICES, INCORPORATED  
STATEMENT OF FINANCIAL POSITION

June 30, 1999

<u>ASSETS</u>	
<u>Cash and Cash Equivalents</u>	<u>\$ 906</u>
<u>TOTAL ASSETS</u>	<u>\$ 906</u>

<u>LIABILITIES AND NET ASSETS</u>	
<u>Liabilities</u>	
Accounts Payable	\$ 500
Net Assets-Temporarily Restricted	<u>406</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 906</u>

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

G.T. SERVICES, INCORPORATED  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 1999

<u>Changes in Unrestricted Net Assets</u>	
Satisfaction of Program Restrictions	\$ 29,940
<u>Expenses</u>	
Personnel	25,525
Equipment	866
Material and Supplies	954
Marketing	2,425
Student	170
	<hr/>
Total Expenses	29,940
	<hr/>
<u>Changes in Unrestricted Net Assets</u>	-
<u>Changes in Temporarily Restricted Net Assets</u>	
Project YESS Grant	29,000
Net Assets Released from Restrictions	29,940
Decrease in Temporarily Restricted Net Assets	(940)
	<hr/>
<u>Decrease in Net Assets</u>	(940)
<u>Net Assets at Beginning of Year</u>	1,346
	<hr/>
<u>Net Assets at End of Year</u>	\$ 406
	<hr/> <hr/>

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

G.T. SERVICES, INCORPORATED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 1999

<u>Cash Flows From Operating Activities</u>	
Decrease in Net Assets	\$ (940)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Decrease in Accounts Payable	<u>500</u>
Net Cash used by Operating Activities	(440)
 <u>Cash Flows From Investing Activities</u>	 0
 <u>Cash Flows From Financing Activities</u>	 <u>0</u>
 Net Decrease in Cash and Cash Equivalents	 (440)
 Cash and Cash Equivalents at Beginning of Year	 <u>1,346</u>
 <u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	 <u>\$ 906</u>

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, 1999

Note 1- Summary of Significant Accounting Policies

Historical Background:

G.T. Services, Inc. was formed on January 10, 1995. The Articles of Incorporation were filed and recorded in the Office of the Secretary of State of Louisiana in the Record of Non-Profit Corporations Book 344 on January 19, 1995. G.T. Services, Inc. has coordinated drug programs, teen counseling and self-esteem seminars, civic and public awareness activities.

Financial Statements Presentation:

G. T. Services, Inc. adopted Statement of Financial Accounting Standards (SFAS) No 117. G.T. Services, Inc. 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.

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

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

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 consist of short-term, highly liquid investments which are readily convertible to cash within ninety (90) days of purchase.

Support and Revenue:

All of G.T. Services, Inc.'s fiscal activities are provided by grant funds through the State Department of Education, Office of School and Community Support Services, and the Division of School and Community Support Senatorial District 34 of the State of Louisiana. No activities other than Project Youth Excellence in Standardized Standards (YESS) were expended through G.T. Services, Incorporated. The following is a brief summary of the funded programs for the year ended June 30, 1999.

1. ACT Study Series- To provide study sessions, which will serve to assist students to raise scores of ACT and other standard tests to a minimum of 19.

G.T. SERVICES, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999

Note 1- Summary of Significant Accounting Policies (continued)

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 those estimates.

Income Taxes:

G.T. Services, Inc. is exempt 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 year 1999.

Note 2- Concentration of Revenues

G.T. Services, Inc.'s revenues originate from one primary source, which arise 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 year is dependent upon the availability of State funds for such programs and approval of its grant request proposal by the applicable granting agency.

Note 3- Related Party Transactions

Glenda Starr and Terri Coates are co-directors of G.T. Services Inc., the organization which administers the District 17 Special Project Grant monies. Management fees earned by Glenda Star and Terri Coates totaled \$15,000 during the fiscal year ended June 30, 1999, with an additional \$3,550 being paid for fringe benefits. G.T. Services, Inc. reimbursed the co-directors \$2,182 for equipment, material supplies and marketing, printing and expenses.

Note 4- Year 2000 Issue

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Company's operations. G. T. Services, Inc. has identified its computer system and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting its operations. All of these systems and equipment have been assessed, remediated, tested and validated.

All of the systems were remediated by in-house staff, therefore there were no outside contracted amounts for this project as of June 30, 1999.



G.T. SERVICES, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999

Note 4- Year 2000 Issue (continued)

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter management cannot assure that the Company is or will be Year 2000 ready, that the Company's remediation efforts will be successful in whole or in part, or that parties with whom the Company does business will be Year 2000 ready.

SUPPLEMENTARY INFORMATION

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

G.T. Services, Inc.  
P.O. Box 349  
Monroe, Louisiana 71210-0949

We have audited the financial statements of G.T. Services, Inc., as of and for the year ended June 30, 1999, and have issued our report thereon dated December 14, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance:

As part of obtaining reasonable assurance about whether G.T. Services, Inc.'s financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non compliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of non compliance that are required to be reported under *Government Auditing Standards*.

### Internal Control over Financial Reporting:

In planning and performing our audit we considered G.T. Services, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect G.T. Services, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 99-1.

G. T. Services, Inc.  
December 14, 1999  
Page Two

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

This report is intended solely for the information and use of management of G.T. Services, Inc., the Governors Office of Urban Affairs and Development, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*Cameron, Hines & Hartl (APAC)*

West Monroe, Louisiana  
December 14, 1999

G. T. SERVICES, INCORPORATED  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 1999

We have audited the G. T. Services, Inc. financial statements as of and for the year ended June 30, 1999 and have issued our report thereon dated December 14, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 1999, resulted in an unqualified opinion.

Section I - Summary of Auditor's Report

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses \_\_\_yes Xno Reportable Conditions Xyes \_\_\_no

Compliance

Compliance material to financial statements

\_\_\_yes Xno

B. Federal Awards – N/A

Internal Control

Material Weaknesses \_\_\_yes \_\_\_no Reportable Conditions \_\_\_yes \_\_\_no

Type of Opinion on Compliance  
For Major Programs

Unqualified \_\_\_ Qualified \_\_\_  
Disclaimer \_\_\_ Adverse \_\_\_

Are their findings required to be reported in accordance with Circular A.133, Section .510(a)?

C. Identification of Major Programs: N/A

CFDA Number(s)

Name of Federal Program (or cluster)

Dollar threshold used to distinguish between Type A and Type B Programs

\$ N/A

Is the audience a "low-risk" auditee, as defined by OMB Circular a-133?

\_\_\_yes \_\_\_no N/A

Section II - Financial Statement Findings

Finding 99-1

Bank reconciliations are an important internal control used by management to insure 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.

G. T. SERVICES, INCORPORATED  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)  
FOR THE YEAR ENDED JUNE 30, 1999

Finding 99-1 (continued)

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 a debit memo to the bank statement.

Recommendation:

We recommend that all bank accounts be reconciled monthly, reconciling items 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:

We will begin reconciling our account on a monthly basis.

Section III - Federal Awards Findings and Questioned Costs – N/A

G. T. SERVICES, INCORPORATED  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 1999

Section I - Internal Control and Compliance Material to the Financial Statements

No findings were reported under this section.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

No management letter was issued.

G. T. SERVICES, INCORPORATED  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 1999

Section I - Internal Control and Compliance Material to the Financial Statements

99-1 Bank Reconciliations

Recommendation: G. T. Services, Inc's bank reconciliation should be prepared on a timely basis.

Action Taken: G. T. Services, Incorporated concurs with the recommendation and has made sure that all bank reconciliations are prepared timely.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

There was no management letter for this entity.