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ADVOCACY CENTER

**FINANCIAL STATEMENTS AND
AUDITOR'S REPORT**

September 30, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 3.17.04

ADVOCACY CENTER

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Justin J. Scanlan, C.P.A.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Advocacy Center

I have audited the accompanying statement of financial position of the Advocacy Center (a non-profit corporation) as of September 30, 2003, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized comparative information has been derived from the Corporation's 2002 financial statements and, in my report dated February 12, 2003, I expressed an unqualified opinion on those financial statements.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Advocacy Center as of September 30, 2003, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated February 5, 2004, on my consideration of the Advocacy Center's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. This report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was made for the purpose of forming an opinion on the basic financial statements of the Advocacy Center taken as a whole. The supplemental schedules listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is required by the U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Justin J. Scanlan, CPA

New Orleans, Louisiana
February 5, 2004

MEMBER

American Institute of Certified Public Accountants • Society of Louisiana Certified Public Accountants

ADVOCACY CENTER
STATEMENT OF FINANCIAL POSITION

September 30, 2003

ASSETS

**TOTAL
MEMORANDUM ONLY
SEPTEMBER 30, 2002**

Cash	\$ 371,041	\$ 531,917
Investment securities (Notes A4 and B)	17,909	17,898
Receivables		
Grants (Notes C)	260,000	69,253
Other	6,310	6,836
Prepaid expenses and deposits	100	100
Property, furniture and equipment-at cost (Notes A6 and D)	<u>8,793</u>	<u>13,482</u>
Total assets	<u>\$ 664,153</u>	<u>\$ 639,486</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 63,100	\$ 66,524
Accrued vested annual leave benefits	<u>106,884</u>	<u>83,475</u>
Total liabilities	<u>169,984</u>	<u>149,999</u>
Commitments (Note E)	-	-
Net assets		
Unrestricted	342,687	133,991
Temporarily restricted	<u>151,482</u>	<u>355,496</u>
Total net assets	<u>494,169</u>	<u>489,487</u>
Total liabilities and net assets	<u>\$ 664,153</u>	<u>\$ 639,486</u>

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

ADVOCACY CENTER

STATEMENT OF ACTIVITIES

For the year ended September 30, 2003

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>TOTAL</u>	
			<u>MEMORANDUM ONLY</u>	
			<u>For the year ended September 30, 2003</u>	<u>For the year ended September 30, 2002</u>
REVENUE				
Grants				
Governmental	\$ -	\$ 2,817,958	\$ 2,817,958	\$ 2,347,801
Foundations	-	31,483	31,483	70,278
Investment income (Note B)	22	4,156	4,178	3,289
Contributions	4,146	637	4,783	7,899
Unrealized appreciation <depreciation> of marketable securities	< 710>	-	< 710>	324
Attorney fees	-	867	867	220,850
Other	3,463	12,655	16,118	3,326
Net assets released from restrictions	<u>3,071,770</u>	<u>< 3,071,770></u>	<u>-</u>	<u>-</u>
Total revenues	<u>3,078,691</u>	<u>< 204,014></u>	<u>2,874,677</u>	<u>2,653,767</u>
 EXPENSES				
Salaries	1,883,006	-	1,883,006	1,590,626
Fringe benefits	366,803	-	366,803	316,064
Travel	89,704	-	89,704	69,233
Operating services	286,020	-	286,020	267,489
Contractual services	60,694	-	60,694	22,881
Operating supplies	32,180	-	32,180	28,754
Other costs	99,574	-	99,574	71,129
Equipment expenses	<u>52,014</u>	<u>-</u>	<u>52,014</u>	<u>39,801</u>
Total expenses	<u>2,869,995</u>	<u>-</u>	<u>2,869,995</u>	<u>2,405,977</u>
 Increase <decrease> in net assets	208,696	< 204,014>	4,682	247,790
 Net assets, beginning of year	<u>133,991</u>	<u>355,496</u>	<u>489,487</u>	<u>241,697</u>
 Net assets, end of year	<u>\$ 342,687</u>	<u>\$ 151,482</u>	<u>\$ 494,169</u>	<u>\$ 489,487</u>

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

ADVOCACY CENTER
STATEMENT OF CASH FLOWS
For the year ended September 30, 2003

Increase <decrease> in cash and cash equivalents

Cash flows from operating activities:

Increase in net assets \$ 4,682

Adjustments to reconcile increase in net assets
to net cash used in operating activities:

Depreciation \$ 4,689
Unrealized depreciation of investment securities 710

Changes in assets and liabilities:

Increase in grants receivable < 190,747>
Decrease in other receivable 526
Decrease in accounts payable and accrued liabilities < 3,424>
Increase in accrued vested annual leave benefits 23,409 < 164,837>

Net cash used in operating activities < 160,155>

Cash flows from investing activities:

Purchase of investment securities < 721>

Net cash used in investing activities < 721>

Net increase <decrease> in cash and cash equivalent < 160,876>

Cash and cash equivalents, beginning of year 531,917

Cash and cash equivalents, end of year \$ 371,041

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

ADVOCACY CENTER

NOTES TO FINANCIAL STATEMENTS

September 30, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Nature of Activities

The Advocacy Center was organized to protect and advocate for the human and legal rights of persons living in Louisiana who are elderly or disabled.

2. Presentation of Financial Statements

The corporation's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) as set forth in the Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-For-Profit Organizations." Accordingly, the net assets of the corporation are reported in each of the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. There are no permanently restricted net assets.

Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

3. Revenue Recognition

For financial reporting the corporation recognizes all contributed support as income in the period received. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions".

Grant revenue is earned in accordance with approved contracts.

4. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the statement of activities.

ADVOCACY CENTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Receivables

The corporation considers accounts receivable to be fully collectible since the balance consists principally of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

6. Property, Furniture and Equipment

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on the straight-line-method. Depreciation expense for the year ended September 30, 2003 totaled \$4,689.

It is the policy of the corporation to capitalize all property, furniture, and equipment with an acquisition cost in excess of \$5,000.

7. Cash Equivalents

For purposes of the statement of cash flows, the corporation considers all highly liquid investments in money market funds and demand deposits to be cash equivalents.

8. 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.

9. Fair Values of Financial Investments

Cash, cash equivalents, and temporary investments carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those investments. The fair values of marketable securities are based on quoted market prices for those or similar investments.

10. Total Columns of Combined Statements - Overview

Total columns are captioned "Memorandum Only" to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position or changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

ADVOCACY CENTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE B - INVESTMENT SECURITIES

Investment securities, at September 30, 2003 consist of the following:

	<u>Cost</u>	<u>Fair Market Value</u>
Mortgage Backed Securities Mutual Fund	\$ 14,623	\$ 15,960
Equities - Common Stock	<u>2,110</u>	<u>1,949</u>
	<u>\$ 16,733</u>	<u>\$ 17,909</u>

The unrealized depreciation for the year ended September 30, 2003 totaled \$710, and the cumulative unrealized appreciation as of September 30, 2003 totaled \$1,176.

Investment income as of September 30, 2003 consists of the following:

Interest income	\$ 3,250
Dividend income	<u>928</u>
	<u>\$ 4,178</u>

NOTE C - GRANTS RECEIVABLE

Grants receivable at September 30, 2003 consist of the following:

U. S. Department of Education	\$ 48,816
U. S. Department of Health and Human Services	132,893
Social Security Administration	22,810
State of Louisiana - Governor's Office of Elderly Affairs	7,035
New Orleans Council on Aging, Inc.	5,964
Plaquemines Council on Aging, Inc.	774
Louisiana State Planning Council on Developmental Disabilities	12,423
U. S. Department of Housing and Urban Development	14,882
Louisiana Coalition Against Domestic Violence, Inc.	9,318
Louisiana Bar Foundation	233
St. Tammany Council on Aging, Inc.	4,292
Jefferson Davis Counsel on Aging, Inc.	<u>560</u>
	<u>\$ 260,000</u>

ADVOCACY CENTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE D - PROPERTY, FURNITURE AND EQUIPMENT

Property, furniture and equipment at September 30, 2003 consists of the following:

Equipment	\$ 145,524
Furniture and fixtures	<u>23,357</u>
	168,881
Less accumulated depreciation	<u><160,088></u>
	<u>\$ 8,793</u>

Property, furniture and equipment represents acquisitions of tangible personal property with funds provided to the corporation by the federal government, agencies of the State of Louisiana, or unrestricted funds. The federal and state governments retain a reversionary interest in the capital assets acquired with their funds.

NOTE E - COMMITMENTS

The corporation leases office space for its administrative office in New Orleans and three branch locations in Lafayette, Baton Rouge, and Shreveport under noncancellable agreements accounted for as operating leases. The New Orleans, Baton Rouge, and Shreveport leases expire April 30, 2008, March 31, 2006, and December, 2002, respectively. The Lafayette office is leased month-to-month.

Future minimum lease payments are as follows:

Year ending September 30,	
2004	\$ 104,584
2005	106,771
2006	100,842
2007	94,909
2008	<u>56,107</u>
	<u>\$ 463,213</u>

The rental expense for the year ended September 30, 2003 totaled \$128,673.

ADVOCACY CENTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE F - FUNCTIONAL EXPENSES

The functional expenses for the year ended September 30, 2003 consist of the following:

	Management and general	Advocacy for people with disabilities and senior citizens	Total
Salaries	\$ 291,500	\$ 1,591,506	\$ 1,883,006
Fringe benefits	52,285	314,518	366,803
Travel	592	89,112	89,704
Operating services	38,382	247,638	286,020
Contractual services	4,147	56,547	60,694
Operating supplies	7,622	24,558	32,180
Other costs	12,364	87,210	99,574
Equipment expenses	<u>7,347</u>	<u>44,667</u>	<u>52,014</u>
	<u>\$ 414,239</u>	<u>\$ 2,455,756</u>	<u>\$ 2,869,995</u>

NOTE G - RETIREMENT PLAN

The Advocacy Center sponsors a defined contribution simplified employee pension plan covering all employees twenty-one years or older who have worked for the organization in at least three of the immediately preceding five years. The corporation decides the amount, if any, to contribute each year to the individual retirement accounts for the eligible employees based on a percentage of annual compensation. The percentage, determined by the Board of Directors, was 3% or \$38,696 for the year ended September 30, 2003.

NOTE H - INCOME TAXES

The corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE I - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

ADVOCACY CENTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE J - FEDERALLY ASSISTED PROGRAMS

The Advocacy Center participates in a number of federally assisted programs. These programs are audited in accordance with the Single Audit Act Amendments of 1996. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the corporation's management believes that further examinations would not result in any significant disallowed costs.

NOTE K - CONCENTRATION OF CREDIT RISK

Uninsured bank deposits potentially subject the Corporation to concentrations of credit risk. The cash balances at September 30, 2003 consist of the following:

Balance per September 30, 2003 bank statements	\$ 357,898
Less: FDIC insurance coverage	<u>< 100,000 ></u>
Unsecured balances at September 30, 2003	<u>\$ 257,898</u>

NOTE L - ECONOMIC DEPENDENCY

The Corporation received the majority of its revenue from funds provided through grants administered by the federal government and the State of Louisiana. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operations. At the time of completion of the examination of the corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the corporation will receive in the next fiscal year.

The corporation is supported primarily through government grants. Approximately 98% of the corporation's support for the year ended September 30, 2003 came from government grants.

SUPPLEMENTAL INFORMATION

ADVOCACY CENTER

STATEMENT OF ACTIVITIES BY PROGRAM

For the year ended September 30, 2003

	PROTECTION AND ADVOCACY FOR THE DEVELOPMENTALLY DISABLED	CLIENT ASSISTANCE PROGRAM	PROTECTION AND ADVOCACY FOR INDIVIDUALS WITH MENTAL ILLNESS	U.S. DEPART. OF EDUCATION PROTECTION AND ADVOCACY FOR INDIVIDUAL RIGHTS
REVENUES				
Grant appropriations	\$ 607,727	\$ 135,863	\$ 479,198	\$ 106,967
Other income	<u>7,710</u>	<u>-</u>	<u>-</u>	<u>7,788</u>
	<u>615,437</u>	<u>135,863</u>	<u>479,198</u>	<u>114,755</u>
EXPENSES				
Salaries	420,223	91,597	327,880	163,789
Fringe benefits	82,395	19,392	66,159	30,170
Travel	11,010	1,503	15,204	2,347
Operating services	60,911	17,136	46,315	24,257
Contractual services	4,977	572	2,135	11,536
Operating supplies	6,338	1,610	4,789	2,357
Other costs	20,708	5,863	14,189	6,659
Equipment expenses	<u>7,754</u>	<u>2,763</u>	<u>7,738</u>	<u>3,329</u>
	<u>614,316</u>	<u>140,436</u>	<u>484,409</u>	<u>244,444</u>
Increase <decrease> in net assets	1,121	< 4,573 >	< 5,211 >	< 129,689 >
Transfer to/from general	-	-	-	-
Net assets, beginning of year	<u>144,626</u>	<u>4,573</u>	<u>5,211</u>	<u>130,173</u>
Net assets, end of year	<u>\$ 145,747</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 484</u>

ADVOCACY CENTER

STATEMENT OF ACTIVITIES BY PROGRAM - CONTINUED

For the year ended September 30, 2003

		PROTECTION AND ADVOCACY FOR ASSISTIVE TECHNOLOGY	LAWIA - LOUISIANA WORK INCENTIVES ADVOCACY	T B I PROTECTION AND ADVOCACY	U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	HELPING AMERICA VOTE/FACT
REVENUES						
Grant appropriations	\$	70,095	98,853	56,767	39,488	15,000
Other income		<u>222</u>	<u>98,853</u>	<u>56,767</u>	<u>39,488</u>	<u>15,000</u>
		<u>70,317</u>				
EXPENSES						
Salaries		44,867	63,257	36,472	5,474	7,676
Fringe benefits		8,140	13,366	7,549	1,109	1,075
Travel		674	697	2,188	28	248
Operating services		4,921	10,196	5,580	501	320
Contractual services		787	581	208	32,088	11
Operating supplies		587	1,116	648	89	87
Other costs		9,376	7,204	3,067	50	241
Equipment expenses		<u>965</u>	<u>2,436</u>	<u>1,055</u>	<u>149</u>	<u>91</u>
		<u>70,317</u>	<u>98,853</u>	<u>56,767</u>	<u>39,488</u>	<u>9,749</u>
Increase <decrease> in net assets		-	-	-	-	5,251
Transfers to/from general		-	-	-	-	-
Net assets, beginning of year		-	-	-	-	-
Net assets, end of year		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,251</u>

ADVOCACY CENTER

STATEMENT OF ACTIVITIES BY PROGRAM - CONTINUED

For the year ended September 30, 2003

	COMMUNITY LIVING OMBUDSMAN PROGRAM	GOVERNOR'S OFFICE OF ELDERLY AFFAIRS OMBUDSMAN PROGRAM	GOVERNOR'S OFFICE OF ELDERLY AFFAIRS - OMBUDSMAN LEGAL ASSISTANCE PROGRAM	NEW ORLEANS COUNCIL ON AGING, INC.	PLAQUEMINES COUNCIL ON AGING, INC.
REVENUES					
Grant appropriations	\$ 698,533	\$ 365,535	\$ 58,798	\$ 42,087	\$ 3,084
Other income	<u>698,533</u>	<u>637</u> <u>366,172</u>	<u>58,798</u>	<u>42,087</u>	<u>3,084</u>
EXPENSES					
Salaries	362,864	247,267	39,015	29,217	1,974
Fringe benefits	67,200	44,559	8,920	6,179	431
Travel	31,810	21,657	870	127	92
Operating services	52,769	31,491	6,778	4,816	345
Contractual services	2,740	1,759	230	157	10
Operating supplies	8,441	4,981	593	425	48
Other costs	19,003	9,318	1,486	548	121
Equipment expenses	<u>13,857</u>	<u>5,140</u>	<u>906</u>	<u>618</u>	<u>63</u>
	<u>558,684</u>	<u>366,172</u>	<u>58,798</u>	<u>42,087</u>	<u>3,084</u>
Increase <decrease> in net assets	139,849	-	-	-	-
Transfers to/from general	< 210,733 >	-	-	-	-
Net assets, beginning of year	<u>70,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADVOCACY CENTER

STATEMENT OF ACTIVITIES BY PROGRAM - CONTINUED

For the year ended September 30, 2003

	ALLEN COUNCIL ON AGING, INC.	JEFFERSON DAVIS COUNCIL ON AGING, INC.	ST. TAMMANY COUNCIL ON AGING, INC.	LOUISIANA BAR FOUNDATION IOLTA PROGRAM	LOUISIANA COALITION AGAINST DOMESTIC VIOLENCE, INC.
REVENUES					
Grant appropriations	\$ 2,268	\$ 5,600	\$ 4,292	\$ 31,483	\$ 10,064
Other income	<u>2,268</u>	<u>5,600</u>	<u>4,292</u>	<u>31,483</u>	<u>10,064</u>
EXPENSES					
Salaries	1,456	3,456	2,937	24,894	6,005
Fringe benefits	340	835	595	6,589	1,164
Travel	50	354	52	-	655
Operating services	181	593	410	-	737
Contractual services	6	22	22	-	31
Operating supplies	16	103	52	-	123
Other costs	209	170	124	-	1,142
Equipment expenses	<u>23</u>	<u>83</u>	<u>100</u>	<u>-</u>	<u>207</u>
	<u>2,281</u>	<u>5,616</u>	<u>4,292</u>	<u>31,483</u>	<u>10,064</u>
Increase <decrease> in net assets	< 13 >	< 16 >	-	-	-
Transfers to/from general	-	-	-	-	-
Net assets, beginning of year	<u>13</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADVOCACY CENTER

STATEMENT OF ACTIVITIES BY PROGRAM - CONTINUED

For the year ended September 30, 2003

	TRIANGLE NEWSLETTER	GENERAL	TOTAL
REVENUES			
Grant appropriations	\$ 17,739	-	\$ 2,849,441
Other income	<u>17,739</u>	<u>8,879</u>	<u>25,236</u>
		<u>8,879</u>	<u>2,874,677</u>
EXPENSES			
Salaries	218	2,468	1,883,006
Fringe benefits	38	598	366,803
Travel	-	138	89,704
Operating services	17,478	285	286,020
Contractual services	1	2,821	60,694
Operating supplies	2	< 225 >	32,180
Other costs	2	94	99,574
Equipment expenses	<u>17,739</u>	<u>4,737</u>	<u>52,014</u>
		<u>10,916</u>	<u>2,869,995</u>
Increase <decrease> in net assets	-	< 2,037 >	4,682
Transfers to/from general	-	210,733	-
Net assets, beginning of year	-	<u>133,991</u>	<u>489,487</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ 342,687</u>	<u>\$ 494,169</u>

ADVOCACY CENTER

SCHEDULE OF ACTIVITIES

Governor's Office of Elderly Affairs – Ombudsman Program

For the year ended September 30, 2003

	For the period October 1, 2002 through June 30, 2003	For the period July 1, 2003 through September 30, 2003	Total
REVENUES			
Grant appropriations	\$ 273,268	\$ 92,267	\$ 365,535
Other	<u>-</u>	<u>637</u>	<u>637</u>
	<u>273,268</u>	<u>92,904</u>	<u>366,172</u>
EXPENSES			
Salaries	185,906	61,361	247,267
Fringe benefits	33,781	10,778	44,559
Travel	15,660	5,997	21,657
Operating services	24,105	7,386	31,491
Contractual services	842	917	1,759
Operating supplies	3,156	1,825	4,981
Operating costs	6,745	2,573	9,318
Equipment expenses	<u>3,073</u>	<u>2,067</u>	<u>5,140</u>
	<u>273,268</u>	<u>92,904</u>	<u>366,172</u>
Increase <decrease> in net assets	-	-	-
Net assets, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADVOCACY CENTER

**SCHEDULE OF ACTIVITIES
Governor's Office of Elderly Affairs – Ombudsman
Legal Assistance Program**

For the year ended September 30, 2003

	For the period October 1, 2002 through June 30, 2003	For the period July 1, 2003 through September 30, 2003	Total
REVENUES			
Grant appropriations	\$ 42,281	\$ 16,517	\$ 58,798
EXPENSES			
Salaries	28,350	10,665	39,015
Fringe benefits	6,277	2,643	8,920
Travel	851	19	870
Operating services	5,178	1,600	6,778
Contractual services	140	'90	230
Operating supplies	392	201	593
Other costs	592	894	1,486
Equipment expenses	<u>501</u>	<u>405</u>	<u>906</u>
	<u>42,281</u>	<u>16,517</u>	<u>58,798</u>
Increase <decrease> in net assets	-	-	-
Net assets, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADVOCACY CENTER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended September 30, 2003

	GRANT PERIOD	FEDERAL CFDA NUMBER	TOTAL FEDERAL EXPENDITURES
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Protection and Advocacy for the Developmentally Disabled	10/01/02-09/30/03	93.630	\$ 614,316
Protection and Advocacy for Individuals with Mental Illness	10/01/02-09/30/03	93.138	484,409
TBI Protection and Advocacy	9/1/02-08/31/05	93.234D	56,767
Help America Vote Act	10/1/02-9/30/03	93.618	9,749
Pass through Louisiana Governor's Office of Elderly Affairs:			
Ombudsman	07/01/03-06/30/04	93.044	65,962
Ombudsman	07/01/02-06/30/03	93.044	194,020
Ombudsman Legal Assistance Program	07/01/03-06/30/04	93.044	14,040
Ombudsman Legal Assistance Program	07/01/02-06/30/03	93.044	35,939
Pass through nonprofit organizations:			
Plaquemines Council on Aging	07/01/03-06/30/04	93.633	775
Plaquemines Council on Aging	07/01/02-06/30/03	93.633	2,309
New Orleans Council on Aging, Inc.	07/01/03-06/30/04	93.633	12,473
New Orleans Council on Aging, Inc.	07/01/02-06/30/03	93.633	29,614
Allen Council on Aging, Inc.	07/01/02-06/30/03	93.633	2,281
Jefferson Davis Council on Aging, Inc.	07/01/02-06/30/03	93.633	5,616
St. Tammany Council on Aging, Inc.	07/01/03-06/30/04	93.633	4,292
Pass through Louisiana State Planning Council on Developmental Disabilities:			
Triangle Newsletter	07/01/02-09/30/03	93.630	<u>17,739</u>
Total U. S. Department of Health and Human Services			<u>1,550,301</u>
SOCIAL SECURITY ADMINISTRATION			
LAWIA - Louisiana Work Incentives Advocacy	04/15/01-11/30/05	96.008	<u>98,853</u>
Total Social Security Administration			<u>98,853</u>
U. S. DEPARTMENT OF EDUCATION			
Client Assistance Program	10/01/02-09/30/03	84.161A	140,436
Protection and Advocacy For Individual Rights	10/01/02-09/30/03	84.240A	244,444
Protection and Advocacy For Assistive Technology	04/01/02-03/31/03	84.343A	<u>70,317</u>
Total U. S. Department of Education			<u>455,197</u>

ADVOCACY CENTER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

For the year ended September 30, 2003

	GRANT PERIOD	FEDERAL CFDA NUMBER	TOTAL FEDERAL EXPENDITURES
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Education and Outreach Grant	3/01/03-2/29/04	14.409	\$ <u>39,488</u>
Total U. S. Department of Housing and Urban Development			<u>39,488</u>
U. S. DEPARTMENT OF JUSTICE			
Pass through Louisiana Coalition Against Domestic Violence, Inc.: Training and Technical Assistance Grant	01/01/03-12/31/03	16.529	<u>10,064</u>
Total U. S. Department of Justice			<u>10,064</u>
Total Federal Awards			<u>\$ 2,153,903</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

A. Presentation of Financial Statements

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded, for financial reporting purposes, when Advocacy Center has met the cost of reimbursement or funding qualifications for the respective grants.

Justin J. Scanlan, C.P.A.

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

Board of Directors
Advocacy Center

I have audited the financial statements of the Advocacy Center as of and for the year ended September 30, 2003, and have issued my report thereon dated February 5, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America 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 the Advocacy Center's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit I considered the Advocacy Center's internal control over financial reporting 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 over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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 my occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, Louisiana Legislative Auditor, others within the organization and the federal awarding agencies and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Justin J. Scanlon, CPA

New Orleans, Louisiana
February 5, 2004

Justin J. Scanlan, C.P.A.

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TELEPHONE: (504) 288-0050

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Advocacy Center

Compliance

I have audited the compliance of the Advocacy Center with the types of compliance requirements described in the "U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended September 30, 2003. Advocacy Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Advocacy Center's management. My responsibility is to express an opinion on the Advocacy Center's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of the States, Local Governments, Non-Profit Organizations." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Advocacy Center's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Advocacy Center's compliance with those requirements.

In my opinion, Advocacy Center complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2003.

Internal Control Over Financial Reporting

The management of the Advocacy Center is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Advocacy Center's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion

on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, Louisiana Legislative Auditor, others within the organization and the federal awarding agencies and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Justin J. Sienkewicz, CPA

New Orleans, Louisiana
February 5, 2004

ADVOCACY CENTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended September 30, 2003

A. SUMMARY OF THE AUDITOR'S REPORT

1. An unqualified opinion was issued on the financial statements of the auditee.
2. The statement that reportable conditions in internal control were disclosed by the audit of the financial statements and whether any such conditions were material weaknesses is not applicable.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of the auditee.
4. The statement that reportable conditions in internal control over major programs were disclosed by the audit and whether any such conditions were material weaknesses is not applicable.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit disclosed no findings which are required to be reported under Section 510(a) of Circular A-133.
7. Major programs for the fiscal year ended September 30, 2003 were:
 - U. S. Department of Health and Human Services:
 - Protection and Advocacy for the Developmentally Disabled (CFDA #93.630)
 - Protection and Advocacy for Individuals with Mental Illness (CFDA #93.138)
 - Passed through Louisiana State Planning Council on Developmental Disabilities:
 - Triangle Newsletter (CFDA# 93.630)
 - Passed through Louisiana Governor's Office of Elderly Affairs:
 - Ombudsman (CFDA# 93.044)
 - Ombudsman Legal Assistance Program (CFDA# 93.044)
8. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
9. The auditee qualified as a low-risk auditee.

ADVOCACY CENTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended September 30, 2003

B. SCHEDULE OF FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended September 30, 2003.

C. SCHEDULE OF FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

There were no items identified in the course of my testing during the current year required to be reported.

D. STATUS OF PRIOR YEAR AUDIT FINDINGS

There were no prior year audit findings.