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ADVOCACY CENTER

FINANCIAL STATEMENTS AND
AUDITOR'S REPORT

September 30, 1999

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ADVOCACY CENTER

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Justin J. Scanlan, C.P.A.

CERTIFIED PUBLIC ACCOUNTANT
4769 ST. ROCH AVE. NEW ORLEANS, LOUISIANA 70122
TELEPHONE: (504) 288-0050

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, 1999, 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.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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, 1999, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated January 6, 2000, on my consideration of the Advocacy Center's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts, and grants.

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 purpose 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
January 6, 2000

ADVOCACY CENTER
STATEMENT OF FINANCIAL POSITION

September 30, 1999

ASSETS

**TOTAL
MEMORANDUM ONLY
SEPTEMBER 30, 1998**

Cash	\$ 127,950	\$ 51,942
Investment securities (Notes A4 and B)	12,626	12,727
Receivables		
Grants (Notes C)	131,210	153,516
Other	2,166	1,951
Prepaid expenses	10,751	-
Property, furniture and equipment-at cost (Notes A6 and D)	<u>9,280</u>	<u>5,570</u>
Total assets	<u>\$ 293,983</u>	<u>\$ 225,706</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 44,493	\$ 55,217
Accrued vested annual leave benefits	91,370	88,712
Commitments (Note E)	-	-
Total liabilities	<u>135,863</u>	<u>143,929</u>
Net assets		
Unrestricted	62,324	22,026
Temporarily restricted	<u>95,796</u>	<u>59,751</u>
Total net assets	<u>158,120</u>	<u>81,777</u>
Total liabilities and net assets		
Total liabilities and net assets	<u>\$ 293,983</u>	<u>\$ 225,706</u>

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

ADVOCACY CENTER
STATEMENT OF ACTIVITIES
For the year ended September 30, 1999

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>TOTAL MEMORANDUM ONLY</u>	
			<u>For the year ended September 30, 1999</u>	<u>For the year ended September 30, 1998</u>
REVENUE				
Grants				
Governmental	\$ -	\$ 1,832,242	\$ 1,832,242	\$ 1,636,976
Foundations	2,408	73,335	73,335	76,686
Investment income	5,229	-	2,408	2,625
Contributions		1,000	6,229	7,623
Unrealized appreciation <depreciation> on marketable securities	<698>	-	<698>	76
Attorney fees	-	82,029	82,029	25,445
Other	1,234	48,542	49,776	2,350
Net assets released from restrictions	<u>2,001,103</u>	<u><2,001,103></u>	<u>-</u>	<u>-</u>
Total revenues	<u>2,009,276</u>	<u>36,045</u>	<u>2,045,321</u>	<u>1,751,781</u>
EXPENSES				
Salaries	1,240,356	-	1,240,356	1,209,218
Fringe benefits	226,321	-	226,321	242,384
Travel	74,624	-	74,624	71,759
Operating services	237,401	-	237,401	231,023
Contractual services	115,238	-	115,238	30,724
Office supplies	22,797	-	22,797	21,114
Other costs	20,965	-	20,965	17,033
Equipment expenses	<u>31,276</u>	<u>-</u>	<u>31,276</u>	<u>25,707</u>
Total expenses	<u>1,968,978</u>	<u>-</u>	<u>1,968,978</u>	<u>1,848,962</u>
Increase <decrease> in net assets	40,298	36,045	76,343	<97,181>
Net assets, beginning of year	<u>22,026</u>	<u>59,751</u>	<u>81,777</u>	<u>178,958</u>
Net assets, end of year	<u>\$ 62,324</u>	<u>\$ 95,796</u>	<u>\$ 158,120</u>	<u>\$ 81,777</u>

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

ADVOCACY CENTER
STATEMENT OF CASH FLOWS
For the year ended September 30, 1999

Increase <decrease> in cash and cash equivalents

Cash flows from operating activities:

Increase in net assets \$ 76,343

Adjustments to reconcile increase in net assets
to net cash provided by operating activities:

Depreciation \$ 5,970
Unrealized depreciation of investment securities 698

Changes in assets and liabilities:

Decrease in grants receivable 22,306
Increase in other receivable <215>
Increase in prepaid expenses <10,751>
Decrease in accounts payable and accrued liabilities <10,724>
Increase in accrued vested annual leave benefits 2,658 9,942

Net cash provided by operating activities 86,285

Cash flows from financing activities:

Acquisition of office equipment <9,680>

Net cash used in financing activities <9,680>

Cash flows from investing activities:

Purchase of investment securities <597>

Net cash used in investing activities <597>

Net increase in cash and cash equivalent 76,008

Cash and cash equivalents, beginning of year 51,942

Cash and cash equivalents, end of year \$ 127,950

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

ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS

September 30, 1999

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," dated June 1993. 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".

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.

ADVOCACY CENTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 1999

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, 1999 totaled \$5,970.

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 purpose 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, 1999

NOTE B - INVESTMENT SECURITIES

Investment securities, at September 30, 1999 consist of the following:

	<u>Cost</u>	<u>Fair Market Value</u>
Government Agency Obligations Mutual Fund	\$ 774	\$ 336
Mortgage Backed Securities Mutual Fund	<u>11,281</u>	<u>12,290</u>
	<u>\$ 12,055</u>	<u>\$ 12,626</u>

The unrealized depreciation for the year ended September 30, 1999 totaled \$698, and the unrealized appreciation as of September 30, 1999 totaled \$571.

NOTE C - GRANTS RECEIVABLE

Grants receivable at September 30, 1999 consist of the following:

U. S. Department of Health and Human Services	\$ 4,304
U. S. Department of Education	9,419
Allen Council on Aging, Inc.	69
Jefferson Davis Council on Aging, Inc.	37
Louisiana Bar Foundation	21
Louisiana State Planning Council on Developmental Disabilities	16,371
Louisiana Department of Justice	87,101
Louisiana Assistive Technology Access Network	11,821
New Orleans Council on Aging, Inc.	<u>2,067</u>
	<u>\$ 131,210</u>

ADVOCACY CENTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 1999

NOTE D - PROPERTY, FURNITURE AND EQUIPMENT

Property, furniture and equipment at September 30, 1999 consists of the following:

Equipment	\$ 127,171
Furniture and fixtures	<u>23,357</u>
	150,528
less accumulated depreciation	<u><141,248></u>
	<u>\$ 9,280</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, 2003, March 31, 2006, and December, 2000, respectively. The Lafayette office is leased month-to-month.

Future minimum lease payments are as follows:

Year ending September 30,

2000	\$ 93,874
2001	86,954
2002	84,634
2003	56,134
2004	16,234
thru 2006	<u>24,353</u>
	<u>\$ 362,183</u>

The rental expense for the year ended September 30, 1999 totaled \$112,583.

ADVOCACY CENTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 1999

NOTE F - FUNCTIONAL EXPENSES

The functional expenses for the year ended September 30, 1999 consist of the following:

Management and general	\$ 251,512
Advocacy for the people with disabilities and senior citizens	<u>1,717,466</u>
	<u>\$ 1,968,878</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 and earned at least \$327 in each year. The corporation decides the amount, if anything, 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 \$27,465 for the year ended September 30, 1999.

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.

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.

ADVOCACY CENTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 1999

NOTE K - CONCENTRATION OF CREDIT RISK

The cash balances are adequately insured against possible loss.

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 90% of the corporation's support for the year ended September 30, 1999 came from government grants.

SUPPLEMENTAL INFORMATION

ADVOCACY CENTER

COMBINED STATEMENT OF ACTIVITIES

For the year ended September 30, 1999

	<u>PROTECTION AND ADVOCACY FOR THE DEVELOPMENTALLY DISABLED</u>	<u>CLIENT ASSISTANCE PROGRAM</u>	<u>PROTECTION AND ADVOCACY FOR INDIVIDUALS WITH MENTAL ILLNESS</u>	<u>U.S. DEPART. OF EDUCATION PROTECTION AND ADVOCACY FOR INDIVIDUAL RIGHTS</u>
REVENUES				
Grant appropriations	\$ 485,286	\$ 158,229	\$ 283,005	\$ 176,144
Other income	<u>83,330</u>	<u>1,061</u>	<u>160</u>	<u>3,604</u>
	<u>568,616</u>	<u>159,290</u>	<u>283,165</u>	<u>179,748</u>
EXPENSES				
Salaries	324,235	115,413	184,965	112,836
Fringe benefits	61,642	19,666	35,473	21,046
Travel	15,313	4,465	15,188	2,403
Operating services	74,477	17,865	34,562	26,515
Contractual services	7,764	1,271	2,554	4,225
Office supplies	5,729	1,998	4,238	2,046
Other costs	6,354	2,253	3,666	2,830
Equipment expenses	<u>3,087</u>	<u>275</u>	<u>2,519</u>	<u>604</u>
	<u>498,601</u>	<u>163,206</u>	<u>283,165</u>	<u>172,505</u>
Increase <decrease> in net assets	70,015	<3,916>	-	7,243
Capitalization of office equipment	-	-	-	-
Transfer of net assets to general	-	-	-	-
Net assets, beginning of year	<u>1,116</u>	<u>3,916</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 71,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,243</u>

ADVOCACY CENTER

COMBINED STATEMENT OF ACTIVITIES - CONTINUED

For the year ended September 30, 1999

	PROTECTION AND ADVOCACY FOR THE ASSISTIVE TECHNOLOGY	COMMUNITY LIVING OMBUDSMAN PROGRAM	GOVERNOR'S OFFICE OF ELDERLY AFFAIRS OMBUDSMAN PROGRAM	GOVERNOR'S OFFICE OF ELDERLY AFFAIRS - OMBUDSMAN LEGAL ASSISTANCE PROGRAM
REVENUES				
Grant appropriations	\$ 72,312	\$ 252,618	\$ 164,231	\$ 67,531
Other income	<u>160</u>	<u>15</u>	<u>-</u>	<u>416</u>
	<u>72,472</u>	<u>252,633</u>	<u>164,231</u>	<u>67,947</u>
EXPENSES				
Salaries	46,676	185,090	96,123	40,850
Fringe benefits	9,598	29,515	14,777	7,839
Travel	3,101	15,063	11,529	917
Operating services	8,893	23,813	14,980	7,875
Contractual services	708	12,735	1,003	685
Office supplies	1,075	2,860	2,013	268
Other costs	2,132	521	562	491
Equipment expenses	<u>289</u>	<u>2,035</u>	<u>11,617</u>	<u>3,234</u>
	<u>72,472</u>	<u>271,632</u>	<u>152,604</u>	<u>62,159</u>
Increase <decrease> in net assets	-	<18,999>	11,627	5,788
Capitalization of office equipment	-	-	<9,680>	-
Transfer of net assets to general	-	<32,238>	-	-
Net assets, beginning of year	-	<u>51,237</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,947</u>	<u>\$ 5,788</u>

ADVOCACY CENTER

COMBINED STATEMENT OF ACTIVITIES -CONTINUED

For the year ended September 30, 1999

	BOSSIER COUNCIL ON AGING, INC.	CAJUN AREA AGENCY ON AGING, INC.	CALCASIEU PARISH ELDERLY LEGAL SERVICES	NEW ORLEANS COUNCIL ON AGING, INC.	PLAQUEMINES COUNCIL ON AGING
REVENUES					
Grant appropriations	\$ 2,817	\$ 23,475	\$ 4,266	\$ 41,117	\$ 3,204
Other income	-	-	-	-	-
	<u>2,817</u>	<u>23,475</u>	<u>4,266</u>	<u>41,117</u>	<u>3,204</u>
EXPENSES					
Salaries	1,413	16,625	2,104	30,050	1,691
Fringe benefits	362	3,179	731	5,874	333
Travel	89	752	101	117	128
Operating services	807	3,714	1,146	5,374	465
Contractual services	20	147	50	255	12
Office supplies	81	266	59	545	28
Other costs	32	94	47	143	37
Equipment expenses	13	133	28	82	5
	<u>2,817</u>	<u>24,910</u>	<u>4,266</u>	<u>42,440</u>	<u>2,699</u>
Increase <decrease> in net assets	-	<1,435>	-	<1,323>	505
Capitalization of office equipment	-	-	-	-	-
Transfer of net assets to general	-	-	-	-	-
Net assets, beginning of year	-	1,435	-	1,323	142
Net assets, end of year	\$ -	\$ -	\$ -	\$ -	\$ 647

ADVOCACY CENTER

COMBINED STATEMENT OF ACTIVITIES - CONTINUED

For the year ended September 30, 1999

	ALLEN COUNCIL ON AGING, INC.	JEFFERSON DAVIS COUNCIL ON AGING, INC.	LOUISIANA BAR FOUNDATION IOLTA PROGRAM	TEXAS LEGAL SERVICE CENTER - SWDBTAC CONTRACT	IT'S YOUR LIFE CONFERENCE - DD COUNCIL
REVENUES					
Grant appropriations	\$ 2,254	\$ 6,093	\$ 73,335	\$ 26,863	\$ 20,772
Other income	<u>2,254</u>	<u>6,093</u>	<u>73,335</u>	<u>26,863</u>	<u>36,405</u>
					<u>57,177</u>
EXPENSES					
Salaries	1,175	4,386	60,015	2,381	573
Fringe benefits	316	674	13,320	555	44
Travel	201	203	-	943	-
Operating services	479	718	-	1,969	7,718
Contractual services	13	20	-	18,469	48,837
Office supplies	33	50	-	300	5
Other costs	31	35	-	1,695	-
Equipment expenses	<u>6</u>	<u>7</u>	<u>-</u>	<u>58</u>	<u>-</u>
	<u>2,254</u>	<u>6,093</u>	<u>73,335</u>	<u>26,370</u>	<u>57,177</u>
Increase <decrease> in net assets	-	-	-	493	-
Capitalization of office equipment	-	-	-	-	-
Transfer of net assets to general	-	-	-	-	-
Net assets, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 493</u>	<u>\$ -</u>

ADVOCACY CENTER

COMBINED STATEMENT OF ACTIVITIES - CONTINUED

For the year ended September 30, 1999

	<u>P & A FOR DISPUTE RESOLUTION</u>	<u>TEXAS LEGAL SERVICES CENTER EFT-99 CONTRACT</u>	<u>GENERAL</u>	<u>TOTAL</u>
REVENUES				
Grant appropriations	\$ -	\$ 42,025	\$ -	\$ 1,905,577
Other income	<u>17</u>	<u>17</u>	<u>14,576</u>	<u>139,744</u>
	<u>17</u>	<u>42,042</u>	<u>14,576</u>	<u>2,045,321</u>
EXPENSES				
Salaries	12	5,736	8,007	1,240,356
Fringe benefits	3	871	503	226,321
Travel	-	3,929	182	74,624
Operating services	81	5,691	259	237,401
Contractual services	-	16,876	11	115,238
Office supplies	-	754	32	22,797
Other costs	-	39	3	20,965
Equipment expenses	<u>96</u>	<u>85</u>	<u>7,199</u>	<u>31,276</u>
	<u>96</u>	<u>33,981</u>	<u>16,196</u>	<u>1,968,978</u>
Increase <decrease> in net assets	<96>	8,061	<1,620>	76,343
Capitalization of office equipment	-	-	9,680	-
Transfer of net assets to general	-	-	32,238	-
Net assets, beginning of year	<u>582</u>	<u>-</u>	<u>22,026</u>	<u>81,777</u>
Net assets, end of year	<u>\$ 486</u>	<u>\$ 8,061</u>	<u>\$ 62,324</u>	<u>\$ 158,120</u>

ADVOCACY CENTER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended September 30, 1999

	<u>GRANT PERIOD</u>	<u>FEDERAL CFDA NUMBER</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Protection and Advocacy for the Developmentally Disabled	10/01/98-09/30/99	93.630	\$ 498,616
Protection and Advocacy for the Individuals with Mental Illness	10/01/98-09/30/99	93.138	283,165
Pass through Governor's Office of Elderly Affairs:			
Title III B Supportive Services			
Ombudsman	07/01/98-06/30/99	93.044	70,416
Ombudsman	07/01/99-06/30/00	93.044	20,464
Ombudsman Legal Assistance Program	07/01/98-06/30/99	93.044	50,652
Ombudsman Legal Assistance Program	07/01/99-06/30/00	93.044	11,507
Professional services – Calcasieu	01/01/99-06/30/99	93.633	3,684
Pass through nonprofit organizations:			
Plaquemines Council on Aging	07/01/99-06/30/00	93.633	154
Plaquemines Council on Aging	07/01/98-06/30/99	93.633	2,545
Cajun Area Agency on Aging, Inc.	07/01/98-06/30/99	93.633	24,910
New Orleans Council on Aging, Inc.	07/01/99-06/30/00	93.633	11,830
New Orleans Council on Aging, Inc.	07/01/98-06/30/99	93.633	30,610
Calcasieu Parish Voluntary Council on Aging, Inc.	01/01/98-12/31/98	93.633	582
Bossier Council on Aging, Inc.	07/01/98-06/30/99	93.633	2,817
Allen Council on Aging, Inc.	07/01/99-06/30/00	93.633	688
Allen Council on Aging, Inc.	07/01/98-06/30/99	93.633	1,566
Jefferson Davis Council on Aging, Inc.	07/01/98-06/30/99	93.633	4,936
Jefferson Davis Council on Aging, Inc.	07/01/99-06/30/00	93.633	1,157
Pass through Louisiana State Planning Council on			
Developmental Disabilities:			
Community Living Ombudsman Program	07/01/98-06/30/99	93.630	9,900
It's Your Life Conference	09/01/98-06/30/99	93.630	9,000
	07/01/99-06/30/00	93.630	<u>11,772</u>
Total U. S. Department of Health and Human Services			<u>1,050,971</u>
U. S. DEPARTMENT OF EDUCATION			
Client Assistance Program	10/01/98-09/30/99	84.161A	163,206
Protection and Advocacy Program	10/01/98-09/30/99	84.240A	172,503
Protection and Advocacy	07/14/99-09/30/99	84.343A	5,920
Pass through Louisiana Assistive Technology Access Network:			
Technology-Related Assistance for Individuals with Disabilities	09/01/98-08/31/99	84.224A	<u>66,551</u>
Total U. S. Department of Education			<u>408,180</u>
Total Federal Awards			<u>\$ 1,459,151</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.

CERTIFIED PUBLIC ACCOUNTANT
4769 ST. ROCH AVE. NEW ORLEANS, LOUISIANA 70122
TELEPHONE: (504) 288-0050

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, 1999, and have issued my report thereon dated January 6, 2000. I conducted my 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 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, 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.

New Orleans, Louisiana
January 6, 2000

Justin J. Scanlan, CPA

Justin J. Scanlan, C.P.A.

CERTIFIED PUBLIC ACCOUNTANT
4769 ST. ROCH AVE. NEW ORLEANS, LOUISIANA 70122
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, 1999. 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 generally accepted auditing standards; 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, 1999.

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, 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.

Justin J. Scanlan, CPA

New Orleans, Louisiana
January 6, 2000

ADVOCACY CENTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended September 30, 1999

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 audits.
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, 1999 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:
 - Community Living Ombudsman Program (CFDA# 93.630)
 - It's Your Life Conference (CFDA# 93.630)
8. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000. Since the Type A program expenditures were not sufficient to satisfy the 25% testing rule, a Type B program was deemed a major program.
9. The auditee qualified as a low-risk auditee.

ADVOCACY CENTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended September 30, 1999

SCHEDULE OF FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended September 30, 1999.

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.

ADVOCACY CENTER
STATUS OF PRIOR YEAR AUDIT FINDINGS

For the year ended September 30, 1999

There were no prior year audit findings.