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of the
Act of March 3, 1907
(34 Stat. 101)

U.S. G.P.O.

Volunteers of America of North Louisiana
Shreveport, Louisiana

June 30, 1907

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Volunteers of America of North Louisiana
Shreveport, Louisiana

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Volunteers of America of North Louisiana

Shreveport, Louisiana

Sheet A

Statement of Financial Position June 30, 1997 (With Comparative Data for 1996)

	1997	1996
Assets		
Current Assets	\$ 378,193	\$ 218,780
Cash and equivalents	478,485	498,021
Accounts receivable	58,993	872
Prepaid expenses	970,500	680,497
Total Current Assets	208,058	54,580
Restricted Cash	208,058	54,580
Property and equipment	1,005,500	1,084,808
Land and buildings	600,548	679,314
Furniture and equipment	1 344,952	1 405,011
Less accumulated depreciation	(600,000)	(600,517)
Total Fixed Assets	24,500	186,700
Other Assets	\$ 1,840,737	\$ 1,680,688
Total Assets	\$ 3,477,393	\$ 2,476,268
Liabilities and Net Assets		
Current Liabilities	\$ 30,508	\$ 34,777
Accounts payable	59,576	162,147
Current portion of notes payable	202,715	348,487
Accrued expenses	308,189	423,361
Total Current Liabilities	130,821	147,838
Notes payable - Long-term portion	519,000	519,000
Total Liabilities	649,821	666,838
Net Assets	689,379	689,279
Unrestricted	308,729	184,000
Temporarily Restricted	2,024	5,000
Permanently Restricted	1,362,147	1,479,279
Total Net Assets	1,840,737	1,680,688
Total Liabilities and Net Assets	\$ 3,477,393	\$ 2,476,268

The accompanying Notes are an integral part of these statements.

Volunteers of America of North Louisiana

Monroe, Louisiana

Exhibit B

Statement of Activities
For the Year Ended June 30, 1987
(With Comparative Totals for 1986)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>1987 Total</u>	<u>1986 Total</u>
Revenues from Operations					
Public Support Received Directly					
Contributions	\$ 503,008	\$ 181,078	\$ 368	\$ 784,454	\$ 788,658
Government Fees and Grants	1,278,328	1,688,382	-	2,966,710	2,782,688
Other Revenues					
Service Fees and Sales	188,663	71,198	-	259,861	178,181
Net Assets Restricted from Restrictions					
Expiration of Program Restrictions	1,587,771	1,587,771	-	-	-
Total Revenues from Operations	<u>3,567,568</u>	<u>4,528,729</u>	<u>368</u>	<u>8,104,665</u>	<u>7,669,527</u>
Operating Expenses					
Program Services					
Family Services	276,887	-	-	276,887	581,487
Residential Services	877,644	-	-	877,644	781,628
Mental Health	738,738	-	-	738,738	541,481
Light House	818,712	-	-	818,712	540,587
Central Louisiana	895,855	-	-	895,855	490,205
Trust Management	23,482	-	-	23,482	78,782
Total Program Services	<u>3,861,305</u>	<u>-</u>	<u>-</u>	<u>3,861,305</u>	<u>3,014,080</u>
Support Services					
Management and General	502,141	-	-	502,141	511,858
Fund Raising	19,741	-	-	19,741	31,245
Total Support Services	<u>521,882</u>	<u>-</u>	<u>-</u>	<u>521,882</u>	<u>543,103</u>
Total Operating Expenses	<u>4,383,187</u>	<u>-</u>	<u>-</u>	<u>4,903,187</u>	<u>3,557,183</u>
Excess (Deficit) from Operations	<u>184,381</u>	<u>188,761</u>	<u>368</u>	<u>373,517</u>	<u>212,344</u>
Non-Operating Gains and Other Revenues					
Investment Income	18,817	-	-	18,817	14,814
Other Revenues (Gains)	7,850	(8,851)	-	1,000	30,335
Excess (Deficit) from Other Activities	<u>26,667</u>	<u>(8,851)</u>	<u>-</u>	<u>17,816</u>	<u>45,149</u>
Change in Net Assets	<u>211,048</u>	<u>179,910</u>	<u>368</u>	<u>391,326</u>	<u>257,493</u>
Net Assets at Beginning of Year	683,233	184,000	1,000	1,878,233	1,566,737
Before Closed Program Assets in Creation					
Net Assets at End of Year	<u>\$ 894,281</u>	<u>\$ 363,910</u>	<u>\$ 1,368</u>	<u>\$ 2,269,559</u>	<u>\$ 1,824,230</u>

The accompanying notes are an integral part of these statements.

Veterans of America of North Louisiana

Baton Rouge, Louisiana

Budget C

Statement of Financial Operations
for the Year Ended June 30, 1987
with Comparative Figures for 1986

	Budget 1987		Actual 1987		Actual 1986		Actual 1985		Actual 1984	
	Expenses and Credits	Revenues	Expenses	Revenues	Expenses	Revenues	Expenses	Revenues	Expenses	Revenues
Salaries	\$ 142,178	\$ 7,180	\$ 142,318	\$ 148,000	\$ 222,940	\$ 222,000	\$ 448,287	\$ 448,287	\$ 1,070,000	\$ 1,070,000
Benefits	10,775	82	10,857	8,000	18,268	18,268	18,217	728	84,282	81,000
Business Expenses	20,515	1	20,485	4,071	31,842	28,877	18,068	173	73,288	10,344
Business Benefits	1,000	—	1,000	—	1,173	1,173	1,117	1,059	18,176	18,000
Payroll Taxes	12,288	—	12,288	12,556	14,173	14,173	14,173	14,173	171,504	171,504
Legal Fees	485	—	488	1,058	541	1,211	49	56	14,051	15,141
Local Fees	12,000	—	12,000	—	1,838	—	—	—	15,141	15,141
Accounting Fees	12,000	—	12,000	22,000	63,267	63,267	67,471	67,471	121,273	121,273
Other Professional Fees	1,750	—	1,750	22,000	18,268	18,268	18,268	18,268	182,271	182,271
Office Maintenance	1,134	148	1,282	1,750	44,209	28,178	28,403	47,524	788,475	788,475
Supplies and Expenses	2,235	50	2,284	8,871	8,871	8,871	10,800	82	47,888	47,888
Telephone	4,364	278	4,642	2,203	447	754	1,868	23	8,277	14,418
Printing and Shipping	24,827	109	24,936	8,247	61,713	55,347	67,728	—	123,215	189,844
Contingency	875	—	875	—	4,074	4,074	189	—	5,097	5,097
Interest	4,500	—	4,500	—	2,624	2,624	—	—	—	—
Depreciation	1,500	480	1,980	887	2,624	2,624	470	470	17,229	20,128
Printing and Publications	2,400	—	2,400	179	179	179	1,562	—	7,422	7,500
Travel	8,200	508	8,708	23,274	28,178	28,178	28,208	823	179,832	221,528
Charitable and Meetings	1,000	—	1,000	1,000	4,794	4,794	4,794	—	12,568	12,568
Conferences and Meetings	6,400	—	6,400	6,400	6,400	6,400	1,000	—	11,404	11,404
Other (State Expenses)	84	—	84	1,000	178	178	1,000	97	10,228	10,228
Other	—	—	—	—	—	—	—	—	10,228	10,228
Apprentice Supervisory Fees	—	—	—	—	—	—	—	—	—	—
Total Expenses Before Deductions	\$ 284,565	\$ 8,732	\$ 293,297	\$ 298,192	\$ 614,528	\$ 577,678	\$ 714,528	\$ 677,129	\$ 1,619,882	\$ 1,619,882
Depreciation and Amortization	2,287	—	2,287	11,555	24,824	24,824	4,008	4,008	8,597	8,597
Total Reported Expenses	\$ 286,852	\$ 8,732	\$ 295,584	\$ 309,747	\$ 639,352	\$ 602,502	\$ 718,536	\$ 681,137	\$ 1,628,479	\$ 1,628,479

The accompanying notes are an integral part of these statements.

Volunteers of America of North Louisiana

Shreveport, Louisiana

Exhibit D

Statement of Cash Flows
For the Year Ended June 30, 1997
(With Comparative Totals for 1996)

	1997	1996
Cash Flows from Operating Activities		
Change in Net Assets	\$ 261,240	\$ 23,657
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	67,684	64,263
Loss (Gain) on Disposal of Fixed Assets	26,176	(1,584)
Donated Property	-	(906,000)
Changes in Current Assets and Liabilities		
(Increase) Decrease in Other Assets:		
Accounts Receivable	(16,282)	104,400
Prepaid Expenses	(66,213)	9,696
Restricted Cash	(153,468)	(54,528)
Other Assets	62,233	4,688
Increase (Decrease) in Other Liabilities:		
Accounts Payable	(36,176)	30,664
Accrued Expenses	46,268	(65,962)
Deferred Revenue	-	1,231
Net Cash Provided by Operating Activities	327,024	19,906
Cash Flows from Investing Activities		
Purchase of Fixed Assets	(40,713)	(181,876)
Proceeds from Sale of Fixed Assets	83,836	3,870
Net Cash Provided (Used) by Investing Activities	43,123	(178,006)
Cash Flows from Financing Activities		
Payment on Notes Payable	(134,800)	(23,987)
Proceeds from Issuance of Notes Payable	83,836	77,830
Net Cash Provided by (Used) Financing Activities	(50,964)	(46,157)
Net Increase (Decrease) in Cash	187,424	(26,160)
Cash and Cash Equivalents—Beginning	218,260	236,527
Cash and Cash Equivalents—Ending	\$ 405,684	\$ 210,367
Supplemental Disclosure of Cash Flow Information		
Cash Paid for Interest During the Year	\$ 10,632	\$ 14,766

The accompanying Notes are an integral part of these statements.

**Volunteers of America of North Louisiana
Shreveport, Louisiana**

Notes to the Financial Statements
June 30, 1987

Note 3 Organization

Volunteers of America of North Louisiana (VOA) is a not-for-profit Christian human services agency, recognized as a church, incorporated in the State of Louisiana, which provides social services within North and Central Louisiana, under a charter from Volunteers of America, Inc., a national religious not-for-profit corporation.

The agency is comprised of the following six principal divisions:

Family and Children Services

This division includes the following programs:

Pregnancy Services - provides comprehensive care for pregnant girls and women, birth fathers, and their families through options counseling and case management and provides licensed adoption services throughout North Louisiana and Southern Arkansas; primarily funded by United Way funds, private contributions, and program service fees collected from adoptive clients.

Community Living Services

This division includes the following programs:

Magnolia and Maplebrook House - two community group homes where developmentally disabled adult residents are assisted in developing independent living skills; primarily funded by Title XIX of the Federal Medicaid Program.

Supported Independent Living - provides supervised apartment living to mentally retarded/developmentally disabled adults; primarily funded by a Medicaid Waiver of the Federal Medicaid Program.

Personal Care Attendant Services - provides personal care attendant services to developmentally disabled adults; primarily funded by a Medicaid Waiver of the Federal Medicaid Program.

Case Management - provides services to adults who are developmentally disabled in an effort to allow clients to live in the community; primarily funded by State of Louisiana Office of Mental Retardation and Developmental Disability, and Title XIX of the Federal Medicaid Program.

Mental Health

This division includes the following programs:

MACRE - provides supervised apartment living to dually diagnosed (mental illness/substance abuse) women and their children; primarily funded by federal funds passed through the State of Louisiana Office of Human Services - Office of Alcohol and Drug Abuse.

McAdoo Hotel - provides long-term housing for mentally ill homeless individuals in a safe, decent and sanitary environment; primarily funded by state and federal funds passed through the State of Louisiana Office of Mental Health.

Crisis Respite - provides temporary respite for families of children and adolescents with emotional disturbances; primarily funded by State of Louisiana Office of Mental Health.

Transportation - Van Go - provides transportation services to seriously mentally ill adults and emotionally disturbed adolescents, primarily funded by the State of Louisiana Office of Mental Health.

Gateway Clubhouse and Opportunity House - provide social day programs for individuals who suffer from serious mental illness and are unable to participate in competitive employment, primarily funded by the State of Louisiana Office of Mental Health.

Rehabilitative Management - provides coordination/management of necessary assessments and services needed for children and adults suffering from a serious emotional disturbance; primarily funded by Title XIX of the Federal Medicaid Program.

Treatment Coordination - provides assessment, service planning and advocacy for adults identified with severe and persistent mental illness and to youth identified as seriously emotionally/behaviorally disordered. The services include assistance in obtaining supports necessary to achieve, maintain and improve community-based living. The State of Louisiana, Office of Mental Health, primarily funds the program.

Assertive Continuity Treatment - Program is designed to assist seriously mentally ill adults and emotionally/behaviorally disordered children in receiving services in the area of assessment, service planning and advocacy. The services are designed to provide assistance to the consumer in obtaining and maintaining necessary supports to achieve or improve community living situations. These services are provided in their natural environment in the community where they live, primarily funded by the State of Louisiana Office of Mental Health.

Lighthouse

This division includes the following programs:

Project Hope - provides a pre-vocational training program for JTPA eligible youth ages 14 - 21, primarily funded by JTPA, Federal funds passed through the City of Shreveport.

Project Independence - provides a job readiness training program and a job placement and development program for recipients of public assistance; primarily funded by federal funds passed through the State of Louisiana Department of Social Services.

Family Preservation - provides intensive, time-limited, home-based services for families referred from the Office of Community Services; primarily funded by federal funds passed through the State of Louisiana Department of Social Services.

Family Reconciliation - provides direct, intensive in-home service to families whose children are being returned to them from foster care; primarily funded by federal funds passed through the State of Louisiana Department of Social Services.

Homemaker/Parent Aid - provides less intensive homebased and parenting training to families referred by the Office of Community Services; primarily funded by federal funds passed through the State of Louisiana Department of Social Services.

Preschool Program - provides educational and intellectual stimulation for three and four year olds; primarily funded by private contributions and federal funds passed through the Shreveport Housing Authority.

After School - provides assistance to youth ages 6 - 13 in acquiring basic educational skills; primarily funded by private contributions.

Special Services - provides youth leadership training for junior and senior high school students and intensive in-home training and support for parents in the Lighthouse neighborhoods; primarily funded by private contributions.

SEAC - provides all activities for the Lighthouse programs; funded by a grant from Shreveport Regional Arts Council.

Central Louisiana Operations

This division includes the following programs:

Pregnancy Services - provides comprehensive care for pregnant girls and women, both tattoos, and their families through office counseling and case management and provides licensed adoption services throughout central Louisiana; primarily funded by United Way funds, private contributions, and program services fees collected from adoption clients.

Central Louisiana Fund Raising - provides client assistance to children and youth (and their families) who have a family member being served in other programs; funded primarily by private donations.

Family Preservation - provides intensive, time-limited, home-based services for families referred from the Office of Community Services; primarily funded by federal funds passed through the State of Louisiana Department of Social Services.

Family Reunification - provides direct, intensive in-home service to families whose children are being referred to them from foster care; primarily funded by federal funds passed through the State of Louisiana Department of Social Services.

Whatever It Takes - provides linkage, referral, planning, assessment and advocacy services to children suffering from a serious emotional disturbance in an effort to reduce hospitalizations and allow them to live in the community; primarily funded by State of Louisiana Office of Mental Health.

Respite - provides temporary respite for families of children and adolescents with emotional disturbances; primarily funded by State of Louisiana Office of Mental Health.

Family Resource Center - provides family preservation support and respite to fostering and adopting families; funded by the State of Louisiana Office of Community Support.

Treatment Coordination - provides assessment, service planning and advocacy for adults identified with acute and persistent mental illness and to youth identified as seriously emotionally/behavior disordered; services include assistance in obtaining supports necessary to achieve, maintain and improve community-based living; primarily funded by the State of Louisiana Office of Mental Health.

Assertive Community Treatment - designed to assist seriously mentally ill adults and emotionally/behavior disordered children in receiving services in the area of assessment, service planning and advocacy; services are designed to provide assistance to the caregiver in obtaining and maintaining necessary supports to achieve or improve community living situations and are provided in their natural environment in the community where they live; primarily funded by the State of Louisiana Office of Mental Health.

Rapid Response Caselet - is a collaboration contract among child serving agencies funded by the State of Louisiana Office of Community Support.

H&O Management

This division includes the following programs:

Greenwood Lodge - VOA has entered into a management agreement with Shreveport VOA Community Living Center II, which is part of the National Affiliation with Volunteers of America, Inc., to manage a Section 202 Elderly and Handicap Project. This activity is primarily funded with the management fees generated by the management agreement.

Corbett Lodge - VOA has entered into a management agreement with Shreveport VOA Community Living Center I, which is part of the National Affiliation with Volunteers of America, Inc., to manage a Section 202 Elderly and Handicap Project. This activity is primarily funded with the management fees generated by the management agreement.

Independent Lodge - VOA has entered into a management agreement with Bossier City VOA Independent Housing, Inc., which is part of the National Affiliation with Volunteers of America, Inc., to manage a Section 811 Supportive Housing for Persons with Disabilities Project. This activity is primarily funded with the management fees generated by the management agreement.

Independence Meadows - VOA has entered into a management agreement with Ruston VOA Living Center, Inc., which is part of the National Affiliation with Volunteers of America, Inc., to manage a Section 811 Supportive Housing for Persons with Disabilities Project. This activity is primarily funded with the management fees generated by the management agreement.

Alexandria's New Haven Square - VOA has entered into a management agreement with Alexandria Living Center, Inc., which is part of the National Affiliation with Volunteers of America, Inc., to manage a Section 811 Supportive Housing for Persons with Disabilities Project. This activity is primarily funded with the management fees generated by the management agreement.

The continued existence of new funds, for the preceding programs which are primarily funded through grants and contracts, will be dependent upon contractual renewals with the agency's various funding sources.

Note 2 Summary of Significant Accounting Policies

The accounting policies of the agency conform to generally accepted accounting principles as applicable to not-for-profit health and welfare organizations. The more significant accounting policies of the agency are described below:

Method of Accounting: The agency prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Functional Expenses: Expenses are charged to each program based upon direct expenditures incurred. It is the agency's policy to allocate indirect expenses of the support services to certain restricted program-based upon total expenses of the restricted programs.

Accounts Receivable: Volunteers of America of North Louisiana extends credit to select individuals in the course of performing adoption and other services in Central and North Louisiana on an unsecured basis. In addition, various Federal, State and local agencies provide reimbursement of allowed costs in connection with printing services under contracts with these agencies.

Property and Equipment: Land, buildings and equipment purchased by the agency are recorded at cost. The agency follows the practice of capitalizing all expenditures for land, buildings and equipment in excess of \$1,000. Costumes of property and equipment are recorded at their fair value at the date of the gift.

Depreciation is provided on the straight line method based upon the estimated useful lives of the assets. Depreciation expense for the years ended June 30, 1997 and 1995, was \$94,084 and \$94,253, respectively.

Net Assets: Under the provisions of Statement of Financial Accounting Standards No. 117, "Financial Statements for Not-For-Profit Organizations", net assets and revenues and contributions, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets which are not subject to donor-imposed stipulations. Support restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

Temporarily restricted net assets - Net assets which are subject to donor-imposed stipulations which may or will be met either by actions of the Organization and/or the passage of time. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (i.e., when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations requiring they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Contributions: All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received which are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support which increases those net assets classes.

Contributed Services: The organization recognizes contribution revenue for certain services received at the fair value of those services, provided those services create or enhance nonfinancial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Federal Income Taxes: Volunteers of America of North Louisiana is exempt from Federal income taxes as a subordinate unit of Volunteers of America, Inc. Volunteers of America, Inc. is exempt from Federal income taxes under Section 501(c)3 of the Internal Revenue Code as a religious organization described in Section 501(c)(2).

Cash Equivalents: Volunteers of America of North Louisiana considers all highly liquid investments with a maturity of ninety (90) days or less when purchased to be cash equivalents, unless held for reinvestment as part of the investment portfolio, pledged in secure loan agreements or otherwise encumbered. The carrying amount approximates fair value because of the short maturity of these instruments.

Investments: In 1983, the Organization adopted Statement of Financial Accounting Standards No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." (FASB No. 124). In accordance with this standard the Organization will classify each of its investments in marketable debt and equity instruments according to their ability or intention to hold the investments. Therefore, investments that are actively traded by the Organization will be classified as "Active Trading". These investments will be carried at market value with increases or decreases in market value over related cost basis included in the current change in net assets.

Investments which the Organization has both the ability and intent to hold until maturity will be classified as "Held to Maturity", and carried in the accompanying financial statements at amortized cost, with no amounts

recorded in the financial statements for increases or decreases in the change of market value over the related cost basis.

Investments that are not held to maturity or actively trading will be classified in the financial statements as "Available for Sale" and carried at market value with increases or decreases in market value over related cost basis included in the net assets as a valuation allowance.

Gains or losses on the sale of securities are recognized on a specific identification method.

Summary Financial Information for 1998: The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statement for the year ended June 30, 1998, from which the summarized information was derived. Certain items in the comparative information has been reclassified for presentation consistency purposes with the current year.

Risks and Uncertainties: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

Concentration of Credit Risk: Volunteers of America of North Louisiana maintains its cash balances at several different financial institutions and investment companies in their service delivery areas. The balances with the financial institutions are insured by the FDIC up to \$100,000 for each bank. At June 30, 1997 and 1998, the Organization's uninsured cash balances totaled \$51,837 and \$123,850, respectively. The bank in which the Organization's deposits have exceeded the insured limit has a strong credit rating. Management believes that credit risk related to these deposits is minimal.

At June 30, 1997 and 1998 there was approximately \$347,325 and \$68,422, respectively, held in short term mutual funds at various investment companies. These balances are insured by the Securities Investor Protection Corporation.

Note 3 Restricted Cash

The Organization's Board of Directors has determined that all funds, including reinvested earnings, contained in the Organization's mutual fund account maintained with Legg Mason Wood Walker, Incorporated are restricted from use for a period of at least ten years. As of June 30, 1997 and 1998, the balances in this account were \$57,265 and \$54,268, respectively. These balances are carried at cost, which approximates market value. In addition, the Organization has received a donor restricted cash donation of \$100,781 that is classified as temporarily restricted, see Note 4.

Note 4 Temporarily and Permanently Restricted Assets

In 1997, the Organization received a one-time grant from the Frost Foundation of \$150,781, which is donor restricted to be used exclusively to renovate the Organization's building at 368 Jordan Street in Shreveport, Louisiana. It is expected that the renovations will be completed early in fiscal year 1997-1998.

Included in Other Assets in the accompanying financial statements is \$2,004 of permanently donor restricted assets.

Note 8 Notes Payable

Mortgage payable to a financial institution in the original amount of \$60,800, at 7.25% interest, payable in monthly installments of \$626, including interest, due September 15, 2008, secured by land and building	\$ 87,838	\$ 80,211
Mortgage payable to a financial institution in the original amount of \$75,000, at 7.18% interest, payable in monthly installments of \$700 including interest, with the balance due December 15, 2007, secured by land and building	50,800	53,758
Promissory note payable to a financial institution in the original amount of \$20,247, at 8.5% interest, payable in monthly installments of \$300, including interest, with the balance due February 15, 2009, secured by a vehicle	14,288	10,840
Promissory note payable to a financial institution in the original amount of \$22,626, at 8.5% interest, payable in monthly installments of \$350, including interest, with the balance due March 25, 2009, secured by a vehicle	10,890	21,401
Promissory note payable to a finance company in the original amount of \$93,671, at 8.5% interest, payable in nine monthly installments of \$7,808, including interest, due January 1, 1999, unsecured	40,027	-
Promissory note payable to a finance company in the original amount of \$23,548, at 8.25% interest, payable in monthly installments of \$3,883, including interest, due December 25, 1998, unsecured	-	21,003
Promissory note payable to a financial institution in the original amount of \$65,000, at 8.75% interest, payable on demand, if so demanded, due June 28, 1987, secured by a certificate of deposit included in Other Assets	-	59,000
	<u>189,709</u>	<u>258,588</u>
Total	189,709	258,588
Less Current Portion	(58,870)	(50,747)
Long-Term Portion	<u>\$ 129,839</u>	<u>\$ 187,841</u>

The following is a schedule of the debt maturing in subsequent fiscal years:

Fiscal Year Ending June 30,		
1998	\$ 80,878	
1999	10,348	
2000	17,119	
2001	8,177	
2002	8,800	
Thereafter	<u>74,235</u>	
	<u>\$ 189,709</u>	

Interest expense for the years ended June 30, 1997 and 1998 was \$10,632 and \$14,980, respectively. The Organization has a line of credit with a bank of \$50,000. The line has a term of one year, maturing on February 15, 1999, bearing interest at 0.5% above the bank's base lending rate, and is secured by all deposit accounts. At June 30, 1997 and 1998, no amounts were due under this line of credit.

Note 6 Leases

The agency leases certain facilities and equipment from unrelated parties under operating leases, which expire at various dates. The minimum future lease obligations under such leases are as follows:

Fiscal Year ending June 30		
1997	\$	20,880
1998		<u>1,200</u>
Total	\$	<u>21,080</u>

Total rent expense under all leases amounted to \$62,829 and \$116,100 for the years ended June 30, 1997 and 1998, respectively.

Note 7 Pension Plan for Ministers

Volunteers of America of North Louisiana participates in a non-contributory defined benefit pension and retirement plan. The plan is administered through a commercial insurance company and covers all commissioned ministers. Pension plan expense was \$26,842 and \$33,072 for the years ended June 30, 1997 and 1998, respectively.

Because the plan is a multi-employer plan, the accumulated benefits and net assets available for benefits do not relate solely to Volunteers of America of North Louisiana and are not readily available.

Note 8 Profit Sharing Plan

Volunteers of America of North Louisiana has a non-contributory profit sharing plan, covering all eligible employees as required by the Employee Retirement Income Security Act of 1974. The plan is administered by Bank One, Shreveport, Louisiana. Contributions made to the plan are at the discretion of the Board of Directors. During the years ended June 30, 1997 and 1998 contributions to the plan charged to operations were \$74,218 and \$81,236, respectively.

Note 9 Related Party Transactions

Volunteers of America of North Louisiana is affiliated with Volunteers of America, Inc. which provides administrative services to the agency for a fee. Administrative fees for the fiscal year ended June 30, 1997 and 1998 totaled \$108,554 and \$107,045, respectively. The amount due Volunteers of America, Inc. for administrative fees as of June 30, 1997 and 1998 was \$7,118 and \$6,954, respectively.

Note 10 Accounts Receivable

At June 30, 1997 and 1998, accounts receivable consisted of the following:

	1997	1998
Grants and contracts receivable	\$ <u>480,792</u>	\$ <u>483,385</u>
Other receivables	39,825	20,489
Less allowance for uncollectible receivables	(<u>40,262</u>)	(<u>154,572</u>)
Total	\$ <u>479,400</u>	\$ <u>489,212</u>

Note 11 Compensated Absences - Accrued Leave

Employees may accrue certain hours of vacation leave each year. Vacation leave may accrue up to 160 hours. Upon an employee's separation of employment, earned and/or accrued leave will be paid up to a maximum of 160 hours. Employees can also accrue sick leave, but accumulated sick leave is forfeited upon separation of employment.

At June 30, 1997 and 1998, the approximate amount of accumulated and vested employee leave benefits was \$95,248 and \$91,415, respectively, which is included in Accrued Expenses (see Note 12).

Note 12 Accrued Expenses

At June 30, 1997 and 1998, accrued expenses consisted of the following:

	1997	1998
Accrued payroll and related taxes	104,437	85,830
Accrued leave payable	50,940	81,415
Pension liability payable	74,570	81,230
Other Accrued	20,878	76,862
Total	<u>\$ 250,825</u>	<u>\$ 325,337</u>

Note 13 Commitments and Contingencies

The Organization is a defendant in a lawsuit brought alleging assault by a VCA client. Potential liability of this lawsuit ranges from \$75,000 to \$150,000, plus attorney fees. VCA has maximum insurance coverage up to \$100,000.

The Organization is also a defendant in another lawsuit filed by a former tenant alleging breaches of contract and damages. The suit seeks for punitive damages totaling \$48,040 plus court costs and attorney fees. The Organization believes the suit is completely without merit and intends to vigorously defend its position.

Additional information

Volunteers of America of North Louisiana
Bossieres, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1989

Sheet 1 of 1

Federal Financial Statements (Continued)

U.S. Department of Health and Human Services
Passed through the State of Louisiana Department of Health and Hospitals

Federal CFDA Number	Fiscal Year	Program or Award Period	Total Federal Expenditures
84-009	05/01/88 - 06/30/89	\$ 70,000	\$ 70,000
85-004	05/01/88 - 06/30/89	\$ 20,000	\$ 20,000
85-008	06/01/88 - 06/30/89	\$ 30,470	\$ 30,470
85-008	05/01/88 - 06/30/89	\$ 11,000	\$ 11,000
84-007	03/01/88 - 06/30/89	\$ 150,000	\$ 150,000
85-007	03/01/88 - 06/30/89	\$ 738,170	\$ 738,170
85-007	03/01/88 - 06/30/89	\$ 43,500	\$ 43,500
85-007	01/01/88 - 06/30/89	\$ 30,000	\$ 30,000
85-001	03/01/88 - 06/30/89	\$ 6,000	\$ 6,000
85-001	03/01/88 - 06/30/89	\$ 66,261	\$ 66,261
85-008	01/01/88 - 06/30/89	\$ 14,000	\$ 14,000
85-008	04/01/88 - 06/30/89	\$ 10,000	\$ 10,000
85-008	05/01/87 - 06/30/89	\$ 3,170	\$ 3,170
85-007	03/01/88 - 06/30/89	\$ 30,000	\$ 30,000

U.S. Department of Labor
Passed through City of Bossieres, Louisiana
Project Name - JTPA
Project Name - JTPA
Project Name - JTPA

U.S. Department of Housing and Urban Development
Passed through Bossieres Housing Authority
Economic Development - Minimum Income
Economic Development - Minimum Income

* Denotes a Major Program

The accompanying Notes are an integral part of these statements.

**VOLUNTEERS OF AMERICA
NATIONAL ADMINISTRATIVE FEES
CALCULATION FORM**

FOR THE YEAR ENDED JUNE 30, 1987

Please attach calculations to the statement after.

1. TOTAL RECEIVAL REVENUE FROM THE CONSOLIDATED STATEMENT \$ 3,887,438

(AFFILIATE CONTRIBUTIONS AND INTERESTS BY REVENUE ARE SEPARATELY)

A. TOTAL RECEIVAL REVENUE FROM 501(C)(3) AND 501(C)(29) CORPORATIONS 281,472

(REVENUE RECEIVED BY 501(C)(3) CORPORATIONS NOT CONSOLIDATED)

B. LESS: REVENUE RECOGNIZED FROM PLEDGES _____

C. PLUS: CASH RECEIVED FROM PLEDGES _____

(PLEASE REVEAL YOUR PLEDGES REFERENCED LAST YEAR TOTAL PLEDGES RECOGNIZED THIS YEAR)

2. LESS: ALLOWABLE EXCLUSIONS AMOUNT

EXPLANATION OF EACH EXCLUSION

A. INFORMATION SERVICES	
B. RECORD PURCHASES	8,071
C. CAPITAL CONTRIBUTIONS PROGRAM	24,578
D. CUSTOMER THIRD PARTY FEES	9,525
E. REVENUE RECEIVED BY CONTRACT (SEE PAGE 08 BACK)	
F. COST OF MISCELLANEOUS SERVICES (YOUR DESKTOP)	
G. ONE TIME RESTRICTED DONATION CONTRIBUTIONS	713,081
H. PAY FOR CONTRACT SERVICES	
I. RECORDED HOLDINGS OF ASSETS OF LESS	287,471
J. 501(C)(3) AND 501(C)(29) COMPANIES	288
K. INVESTMENT EARNINGS/NET CAPITAL GAIN	38,912

3. TOTAL ALLOWABLE EXCLUSIONS 1 \$ 1,348,129

4. ADJUSTED REVENUE (Lines 1 + 1A - 3) \$ 2,539,309

5. CALCULATE NATIONAL MANAGEMENT FEES FROM TABLE BELOW

(Adjusted Revenue to:

GREATER AND LESS:

THIS

YOUR FEES ARE

PLUS

LESS	THIS	LESS	PLUS	
\$0	\$1,000,000	\$0	3% OF LINE 4	76,179
75,000,001	\$1,000,000	\$75,000	3.25% OF EXCESS OVER \$1 MILLION	
150,000,001	\$1,000,000	\$150,000	3.5% OF EXCESS OVER \$1 MILLION	
225,000,001	\$1,000,000	\$225,000	3.75% OF EXCESS OVER \$1 MILLION	
300,000,001	\$1,000,000	\$300,000	4% OF EXCESS OVER \$1 MILLION	
375,000,001	\$1,000,000	\$375,000	4.25% OF EXCESS OVER \$1 MILLION	
450,000,001	\$1,000,000	\$450,000	4.5% OF EXCESS OVER \$1 MILLION	
525,000,001	\$1,000,000	\$525,000	4.75% OF EXCESS OVER \$1 MILLION	
600,000,001	\$1,000,000	\$600,000	5% OF EXCESS OVER \$1 MILLION	
675,000,001	\$1,000,000	\$675,000	5.25% OF EXCESS OVER \$1 MILLION	

6. NATIONAL ADMINISTRATIVE FEES FROM ABOVE TABLE 4 107,849

7. ACCRUAL PAID TO NATIONAL OFFICE JUNE 30, 1986 + 7,200

8. TOTAL CASH PAYMENTS TO NATIONAL OFFICE BY 1987 - 100,700

9. ACCRUAL DUE TO NATIONAL OFFICE (Lines 6+7-8) JUNE 30, 1987 = \$ 13,349

The accompanying Notes are an integral part of these statements.

ROBERTS, CHERRY & COMPANY

Certified Public Accountants, Chartered

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

To the Board of Directors of
Volunteers of America of North Louisiana
Shreveport, Louisiana

We have audited the financial statements of Volunteers of America of North Louisiana as of and for the year ended June 30, 1987, and have issued our report thereon dated August 21, 1987. 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 Volunteers of America of North Louisiana's financial statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our 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 our audit, we considered Volunteers of America of North Louisiana'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. Our 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 may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Volunteers of America of North Louisiana in a separate letter dated August 21, 1987.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Roberts, Cherry and Company
ROBERTS, CHERRY AND COMPANY

A Corporation of
Certified Public Accountants
Shreveport, Louisiana
August 21, 1987

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

To the Board of Directors of
Volunteers of America of North Louisiana
Shreveport, Louisiana

Compliance

We have audited the compliance of Volunteers of America of North Louisiana with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Requirements that are applicable to each of its major federal programs for the year ended June 30, 1997. Volunteers of America of North Louisiana'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 Volunteers of America of North Louisiana's management. Our responsibility is to express an opinion on Volunteers of America of North Louisiana's compliance based on our audit.

We conducted our 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, Audit of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance 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 Volunteers of America of North Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Volunteers of America of North Louisiana's compliance with those requirements.

In our opinion, Volunteers of America of North Louisiana 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 June 30, 1997.

Internal Control Over Compliance

The management of Volunteers of America of North Louisiana 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 our audit, we considered Volunteers of America of North Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Roberts, Cherry and Company
ROBERTS, CHERRY AND COMPANY

A Corporation of
Certified Public Accountants
Shreveport, Louisiana
August 25, 1997

Volunteers of America of North Louisiana

(Shreveport), Louisiana

Schedule of Findings and Questioned Costs

June 30, 1997

CURRENT YEAR FINDINGS

None

PRIOR YEAR FINDINGS

None

Summary of Auditor's Results

- We have issued an unqualified opinion on the financial statements of the Volunteers of America of North Louisiana as of and for the year ended June 30, 1997.
- We have issued an unqualified opinion on the Volunteers of America of North Louisiana's compliance with major federal award programs as of and for the year ended June 30, 1997.
- Our audit procedures did not disclose any instances of material noncompliance in major programs.
- Our audit procedures did not disclose any instances of questioned costs.
- The major federal programs are: Social Services Block Grant, OPDA 83.067, which was passed through to the Organization from the State of Louisiana Department of Social Services in five separate programs, including Family Preservation, Family Preservation - Central Louisiana, Family Reunification, Family Reunification - Central Louisiana and Homeless/Parent Aide.
- The dollar threshold used to identify Type A programs is 3000,000.
- Volunteers of America of North Louisiana qualifies as a low-risk auditee based on the criteria cited in OMB Circular A-133, § ____500.

ROBERTS, CHERITY & COMPANY

Certified Public Accountants, Chartered

To the Board of Directors of
Volunteers of America of North Louisiana
Shreveport, Louisiana

In planning and performing our audit of the financial statements of Volunteers of America of North Louisiana for the year ended June 30, 1997, we considered its internal control structure 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 structure.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency.

Inadequate Review of Documentation over Expenditures

During our review of selected cash disbursements, we noted one expense report submitted for repayment that was not adequately reviewed. This caused the employee's reimbursement to be understated by \$24.

We also noted that one check was signed by only one authorized person. Board policy requires every disbursement check to be signed by two authorized signatories.

Recommendation: We recommend that the Organization pay close attention to every item submitted for reimbursement and verify its accuracy to ensure proper payment of all expenditures and that every effort is made that all checks are signed and reviewed by two authorized people.

Monitoring Federal Funds

During the audit, the VOA staff indicated no major programs existed. Because of this identification, no programs were tested as major programs. At the conclusion of the audit, the staff of VOA, in the preparation of the Schedule of Federal Program Expenditures, identified that there were major programs, which required testing not originally contemplated. While there were no other complications noted from the lack of proper, timely identification of federal programs, including major programs, VOA may encounter situations where this failure causes problems in the future. In connection with this item, we experienced delays in obtaining several schedules and account analyses that were critical to the completion of the audit.

Recommendation: Since the information in timely schedules is important to the Organization's ability to monitor its federal programs, and just to the successful completion of the audit, we recommend that the Organization strive to implement procedures that would facilitate the regular and timely completion of information schedules and other documentation.

Deferred Salary Plan

In an effort to provide a useful benefit to salaried employees and offer valuable benefits to potential employees, we believe that the Organization's could benefit from implementing a 401(k) deferred salary plan. We would be happy to discuss this recommendation with you and assist you in its implementation.

Recommendation: We encourage that VOA look into the possibility of implementing a plan of this nature to enhance its employee benefits.

Receivables and Billing

We have noted that in the billing efforts for a number of the programs that are funded by Medicaid, it is natural for billing errors, discrepancies and adjustments to occur. In view of these expectations, it is critical to have each billing modification identified and addressed as soon as it is known to minimize the opportunity for lost fees. We noted that there are often delays at the program level to work these problems out, and recommend that management emphasize to the program or division leaders, as appropriate, the necessity to clear these items up and re-bill the services before they are lost or forgotten.

Conclusion

We would like to take this opportunity to express our appreciation for the assistance and courtesy extended to us by the personnel at Volunteers of America of North Louisiana during our audit. We appreciate the opportunity to present these comments for your consideration and we will be glad to discuss them with you at your convenience. This report is intended solely for management and should not be used for any other purpose.

ROBERTS, CHERRY AND COMPANY
ROBERTS, CHERRY AND COMPANY

A Corporation of
Certified Public Accountants
Shreveport, Louisiana
August 21, 1987