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ADVOCACY CENTER
**FINANCIAL STATEMENTS AND
AUDITOR'S REPORT**

September 30, 1998

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

Release Date _____

ADVOCACY CENTER

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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, 1998, 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, 1998, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

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.

In accordance with Government Auditing Standards, I have also issued my report dated December 10, 1998, 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.

Justin J. Scanlan, CPA

New Orleans, Louisiana
December 10, 1998

ADVOCACY CENTER

STATEMENT OF FINANCIAL POSITION

September 30, 1998

ASSETS

**TOTAL
MEMORANDUM ONLY
SEPTEMBER 30, 1997**

Cash	\$ 51,942	\$ 132,820
Investment securities (Notes A4 and B)	12,727	12,151
Receivables		
Grants (Note C)	153,516	128,209
Other	1,951	54
Prepaid expenses	-	10,105
Property, furniture and equipment - at cost (Notes A6 and D)	<u>5,570</u>	<u>13,977</u>
Total assets	<u>\$ 225,706</u>	<u>\$ 297,316</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 55,217	\$ 39,521
Accrued vested annual leave benefits	88,712	78,837
Commitments (Note E)	-	-
Total liabilities	<u>143,929</u>	<u>118,358</u>
Net assets		
Unrestricted	22,026	22,392
Temporarily restricted	<u>59,751</u>	<u>156,566</u>
Total net assets	<u>81,777</u>	<u>178,958</u>
Total liabilities and net assets	<u>\$ 225,706</u>	<u>\$ 297,316</u>

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

ADVOCACY CENTER
STATEMENT OF ACTIVITIES
For the year ended September 30, 1998

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL MEMORANDUM ONLY</u>	
			<u>FOR THE YEAR ENDED SEPTEMBER 30, 1998</u>	<u>FOR THE YEAR ENDED SEPTEMBER 30, 1997</u>
REVENUE				
Grants				
Governmental	\$ -	\$ 1,636,976	\$ 1,636,976	\$ 1,548,411
Foundations	-	76,686	76,686	75,000
Investment income	2,526	99	2,625	3,948
Contributions	7,548	75	7,623	8,858
Unrealized appreciation on marketable securities	76	-	76	202
Attorney fees	-	25,445	25,445	141,864
Other	698	1,652	2,350	8,495
Net assets released from restrictions	<u>1,837,748</u>	<u>< 1,837,748 ></u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>1,848,596</u>	<u>< 96,815 ></u>	<u>1,751,781</u>	<u>1,786,778</u>
EXPENSES				
Salaries	1,209,218	-	1,209,218	1,086,750
Fringe benefits	242,384	-	242,384	228,100
Travel	71,759	-	71,759	74,027
Operating services	231,023	-	231,023	242,235
Contractual services	30,724	-	30,724	49,676
Office supplies	21,114	-	21,114	21,394
Other costs	17,033	-	17,033	15,204
Equipment expenses	<u>25,707</u>	<u>-</u>	<u>25,707</u>	<u>28,511</u>
TOTAL EXPENSES	<u>1,848,962</u>	<u>-</u>	<u>1,848,962</u>	<u>1,745,897</u>
Increase <decrease> in net assets	< 366 >	< 96,815 >	< 97,181 >	40,881
Net assets, beginning of year	<u>22,392</u>	<u>156,566</u>	<u>178,958</u>	<u>138,077</u>
Net assets, end of year	<u>\$ 22,026</u>	<u>\$ 59,751</u>	<u>\$ 81,777</u>	<u>\$ 178,958</u>

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

ADVOCACY CENTER
STATEMENT OF CASH FLOWS
For the year ended September 30, 1998

Increase (decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Decrease in net assets		\$ < 97,181 >
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation	\$ 8,407	
Unrealized appreciation of investment securities	< 76 >	
Changes in assets and liabilities:		
Increase in grants receivable	< 25,307 >	
Increase in other receivable	< 1,897 >	
Decrease in prepaid expenses	10,105	
Increase in accounts payable and accrued liabilities	15,696	
Increase in accrued vested annual annual leave benefits	<u>9,875</u>	<u>16,803</u>
Net cash used in operating activities		<u>< 80,378 ></u>
Cash flows from investing activities:		
Purchase of investment securities		<u>< 500 ></u>
Net cash used in investing activities		<u>< 500 ></u>
Net decrease in cash and cash equivalents		< 80,878 >
Cash and cash equivalents, beginning of year		<u>132,820</u>
Cash and cash equivalents, end of year		<u>\$ 51,942</u>

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

ADVOCACY CENTER

NOTES TO FINANCIAL STATEMENTS

September 30, 1998

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 for the Elderly and disabled 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 unrestricted 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, 1998

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, 1998 totaled \$8,407.

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, 1998

NOTE B - INVESTMENT SECURITIES

Investment securities, at September 30, 1998 consist of the following:

	<u>Cost</u>	<u>Fair Market Value</u>
Government Agency Obligations Mutual Fund	\$ 966	\$ 527
Mortgage Backed Securities Mutual Fund	<u>10,492</u>	<u>12,200</u>
	<u>\$ 11,458</u>	<u>\$ 12,727</u>

The unrealized appreciation for the year ended September 30, 1998 totaled \$76, and the unrealized appreciation as of September 30, 1998 totaled \$1,269.

NOTE C - GRANTS RECEIVABLE

Grants receivable at September 30, 1998 consist of the following:

U. S. Department of Health and Human Services	\$ 8,126
U. S. Department of Education	5,162
Louisiana Governor's Office of Elderly Affairs	18,576
Bossier Council on Aging, Inc.	513
Calcasieu Parish Voluntary Council on Aging, Inc.	3,102
Allen Council on Aging, Inc.	496
Jefferson Davis Council on Aging, Inc.	104
Louisiana Bar Foundation	1,686
Louisiana Department of Health and Hospitals	7,888
Louisiana Department of Education	3,137
Louisiana Department of Justice	76,384
Louisiana Assistive Technology Access Network	14,038
National Easter Seal Society	4,598
Texas Legal Service Center	<u>9,706</u>
	<u>\$ 153,516</u>

ADVOCACY CENTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 1998

NOTE D - PROPERTY, FURNITURE AND EQUIPMENT

Property, furniture and equipment at September 30, 1998 consists of the following:

Equipment	\$ 117,491
Furniture and fixtures	<u>23,357</u>
	140,848
less accumulated depreciation	<u><135,278></u>
	<u>\$ 5,570</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 government retains 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, Lafayette, and Shreveport leases expire April 30, 2003, February 28, 1998, and December, 2000, respectively. The Baton Rouge office is leased month-to-month.

Future minimum lease payments are as follows:

Year ending September 30,	
1999	\$ 87,840
2000	77,640
2001	70,720
2002	68,400
thru 2003	<u>39,900</u>
	<u>\$ 344,500</u>

The rental expense for the year ended September 30, 1998 totaled \$110,559.

ADVOCACY CENTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 1998

NOTE F - FUNCTIONAL EXPENSES

The functional expenses for the year ended September 30, 1998 consist of the following:

Management and general	\$ 278,040
Advocacy for the people with disabilities and senior citizens	<u>1,570,922</u>
	<u>\$ 1,848,962</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 \$25,920 for the year ended September 30, 1998.

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, 1998

NOTE K - CONCENTRATION OF CREDIT RISK

The cash balances are adequately insured against possible loss.

NOTE L - CORPORATE NAME CHANGE

Effective April 6, 1998, the corporation changed its name from Advocacy Center For the Elderly and Disabled to Advocacy Center.

NOTE M - 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 93% of the corporation support for the year ended September 30, 1998 came from government grants.

SUPPLEMENTAL INFORMATION

ADVOCACY CENTER

COMBINED STATEMENT OF ACTIVITIES

For the year ended September 30, 1998

	<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	\$ 456,262	\$ 154,755	\$ 251,855	\$ 85,516
Other income	<u>23,439</u>	<u>809</u>	<u>275</u>	<u>2,296</u>
	<u>479,701</u>	<u>155,564</u>	<u>252,130</u>	<u>87,812</u>
EXPENSES				
Salaries	324,493	101,780	168,753	131,745
Fringe benefits	71,271	21,041	34,229	26,675
Travel	14,606	5,577	15,865	4,695
Operating services	72,690	18,344	34,965	24,554
Contractual services	5,646	1,146	3,410	3,275
Office supplies	5,768	1,764	3,403	2,405
Other costs	6,330	1,488	3,779	2,063
Equipment expenses	<u>4,104</u>	<u>508</u>	<u>1,543</u>	<u>917</u>
	<u>504,908</u>	<u>151,648</u>	<u>265,947</u>	<u>196,329</u>
Increase <decrease> in net assets	< 25,207 >	3,916	< 13,817 >	< 108,517 >
Net assets, beginning of year	<u>26,323</u>	<u>-</u>	<u>13,817</u>	<u>108,517</u>
Net assets, end of year	\$ <u>1,116</u>	\$ <u>3,916</u>	\$ <u>-</u>	\$ <u>-</u>

ADVOCACY CENTER

COMBINED STATEMENT OF ACTIVITIES - CONTINUED

For the year ended September 30, 1998

	<u>PROTECTION AND ADVOCACY FOR ASSISTIVE TECHNOLOGY</u>	<u>COMMUNITY LIVING OMBUDSMAN PROGRAM</u>	<u>GOVERNOR'S OFFICE OF ELDERLY AFFAIRS OMBUDSMAN PROGRAM</u>	<u>GOVERNOR'S OFFICE OF ELDERLY AFFAIRS - OMBUDSMAN LEGAL ASSISTANCE PROGRAM</u>
REVENUES:				
Grant appropriations	\$ 69,932	\$ 313,153	\$ 104,065	\$ 65,482
Other income	<u>5</u>	<u>20</u>	<u>6</u>	<u>415</u>
	<u>69,937</u>	<u>313,173</u>	<u>104,071</u>	<u>65,897</u>
EXPENSES				
Salaries	48,129	166,835	69,305	43,593
Fringe benefits	9,742	26,372	12,332	9,768
Travel	2,419	15,554	7,305	1,270
Operating services	6,618	29,447	14,959	8,510
Contractual services	274	14,663	628	273
Office supplies	640	3,015	1,455	633
Other costs	1,087	641	868	412
Equipment expenses	<u>1,028</u>	<u>5,409</u>	<u>236</u>	<u>1,438</u>
	<u>69,937</u>	<u>261,936</u>	<u>107,088</u>	<u>65,897</u>
Increase <decrease> in net assets	-	51,237	<3,017>	-
Net assets, beginning of year	-	-	<u>3,017</u>	-
Net assets, end of year	\$ -	\$ <u>51,237</u>	\$ -	\$ -

ADVOCACY CENTER

COMBINED STATEMENT OF ACTIVITIES - CONTINUED

For the year ended September 30, 1998

	<u>BOSSIER COUNCIL ON AGING, INC.</u>	<u>CAJUN AREA AGENCY ON AGING, INC.</u>	<u>CALCASIEU PARISH ELDERLY LEGAL SERVICES</u>	<u>NEW ORLEANS COUNCIL ON AGING, INC.</u>
REVENUES:				
Grant appropriations	\$ 4,143	\$ 30,274	\$ 13,193	\$ 38,510
Other income	<u> 1</u>	<u> 1</u>	<u> 1</u>	<u> 3</u>
	<u>4,143</u>	<u>30,275</u>	<u>13,194</u>	<u>38,513</u>
EXPENSES				
Salaries	2,489	22,806	8,151	27,162
Fringe benefits	513	4,063	2,024	5,564
Travel	123	630	779	222
Operating services	895	4,326	1,865	4,358
Contractual services	23	159	76	158
Office supplies	49	334	190	418
Other costs	26	99	58	130
Equipment expenses	<u> 25</u>	<u> 62</u>	<u> 51</u>	<u> 170</u>
	<u>4,143</u>	<u>32,479</u>	<u>13,194</u>	<u>38,182</u>
Increase <decrease> in net assets	-	<2,204>	-	331
Net assets, beginning of year	<u> -</u>	<u> 3,639</u>	<u> -</u>	<u> 992</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ 1,435</u>	<u>\$ -</u>	<u>\$ 1,323</u>

ADVOCACY CENTER

COMBINED STATEMENT OF ACTIVITIES - CONTINUED

For the year ended September 30, 1998

	<u>PLAQUEMINES COUNCIL ON AGING</u>	<u>ALLEN COUNCIL ON AGING, INC.</u>	<u>JEFFERSON DAVIS COUNCIL ON AGING, INC.</u>	<u>LOUISIANA BAR FOUNDATION IOLTA PROGRAM</u>
REVENUES:				
Grant appropriations	\$ 3,204	\$ 909	\$ 1,224	\$ 76,686
Other income	<u>3,204</u>	<u>909</u>	<u>1,224</u>	<u>76,686</u>
EXPENSES				
Salaries	1,951	597	929	62,427
Fringe benefits	555	106	125	14,259
Travel	155	110	49	-
Operating services	547	78	100	-
Contractual services	25	6	6	-
Office supplies	49	10	13	-
Other costs	33	1	1	-
Equipment expenses	<u>8</u>	<u>1</u>	<u>1</u>	<u>-</u>
	<u>3,323</u>	<u>909</u>	<u>1,224</u>	<u>76,686</u>
Increase <decrease> in net assets	< 119 >	-	-	-
Net assets, beginning of year	<u>261</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADVOCACY CENTER

COMBINED STATEMENT OF ACTIVITIES - CONTINUED

For the year ended September 30, 1998

	TEXAS LEGAL SERVICE CENTER - <u>SWDBTAC CONTRACT</u>	IT'S YOUR LIFE CONFERENCE - <u>DD COUNCIL</u>	IDEA <u>GRANT</u>	DD COUNCIL <u>GRANT</u>
REVENUES:				
Grant appropriations	\$ 3,137	\$ 4,598	\$ 6,654	\$ 9,750
Other income	<u>3,137</u>	<u>4,598</u>	<u>6,654</u>	<u>9,750</u>
EXPENSES				
Salaries	2,291	-	3,408	7,596
Fringe benefits	345	-	112	1,216
Travel	130	-	81	938
Operating services	268	4,598	1,686	-
Contractual services	34	-	800	-
Office supplies	62	-	567	-
Other costs	1	-	-	-
Equipment expenses	<u>6</u>	<u>4,598</u>	<u>6,654</u>	<u>9,750</u>
	<u>3,137</u>	<u>4,598</u>	<u>6,654</u>	<u>9,750</u>
Increase <decrease> in net assets	-	-	-	-
Net assets, beginning of year	-	-	-	-
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADVOCACY CENTER

COMBINED STATEMENT OF ACTIVITIES - CONTINUED

For the year ended September 30, 1998

	<u>P & A FOR DISPUTE RESOLUTION</u>	<u>TEXAS LEGAL SERVICES CENTER EFT-99 CONTRACT</u>	<u>FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS</u>	<u>GENERAL</u>	<u>TOTAL</u>
REVENUES:					
Grant appropriations	\$ 3,000	\$ 12,950	\$ 4,410	\$ -	\$ 1,713,662
Other income	<u>3,000</u>	<u>12,950</u>	<u>4,410</u>	<u>10,849</u>	<u>38,119</u>
				<u>10,849</u>	<u>1,751,781</u>
EXPENSES					
Salaries	1,462	9,359	3,308	649	1,209,218
Fringe benefits	326	1,126	450	170	242,384
Travel	434	815	1	1	71,759
Operating services	163	1,348	537	167	231,023
Contractual services	7	79	31	5	30,724
Office supplies	22	205	75	37	21,114
Other costs	1	8	5	2	17,033
Equipment expenses	<u>3</u>	<u>10</u>	<u>3</u>	<u>10,184</u>	<u>25,707</u>
	<u>2,418</u>	<u>12,950</u>	<u>4,410</u>	<u>11,215</u>	<u>1,848,962</u>
Increase <decrease> in net assets	582	-	-	<366>	<97,181>
Net assets, beginning of year	-	-	-	22,392	178,958
Net assets, end of year	<u>\$ 582</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,026</u>	<u>\$ 81,777</u>

ADVOCACY CENTER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended September 30, 1998

	<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	10/01/97-09/30/98	93.630	\$ 504,908
Protection and Advocacy for Individuals with Mental Illness	10/01/97-09/30/98	93.138	265,947
Pass through Governor's Office of Elderly Affairs: Title III B Supportive Services			
Ombudsman	07/01/97-06/30/98	93.044	67,833
Ombudsman	07/01/98-06/30/99	93.044	24,263
Ombudsman Legal Assistance Program	07/01/97-06/30/98	93.044	50,250
Ombudsman Legal Assistance Program	07/01/98-06/30/99	93.044	15,647
Pass through nonprofit organizations:			
Plaquemines Council on Aging	07/01/97-06/30/98	93.633	2,664
Plaquemines Council on Aging	07/01/98-06/30/99	93.633	659
Cajun Area Agency on Aging, Inc.	07/01/97-06/30/98	93.633	26,089
Cajun Area Agency on Aging, Inc.	07/01/98-06/30/99	93.633	6,390
New Orleans Council on Aging, Inc.	07/01/97-06/30/98	93.633	29,742
New Orleans Council on Aging, Inc.	07/01/98-06/30/99	93.633	8,440
Calcasieu Parish Voluntary Council on Aging, Inc.	07/01/97-12/31/97	93.633	10,092
Calcasieu Parish Voluntary Council on Aging, Inc.	01/01/98-12/31/98	93.633	3,102
Bossier Council on Aging, Inc.	07/01/97-06/30/98	93.633	2,963
Bossier Council on Aging, Inc.	07/01/98-06/30/99	93.633	1,180
Allen Council on Aging, Inc.	07/01/98-06/30/99	93.633	909
Jefferson Davis Council on Aging, Inc.	07/01/98-06/30/99	93.633	1,224
Passed through Louisiana State Planning Council on Developmental Disabilities: Developmental Disabilities Basic Support And Advocacy Grants	09/01/97-06/30/98	93.630	9,750
Passed through Louisiana Department of Health and Human Hospitals Community Living Ombudsman Program	11/01/97-06/30/98	93.630	<u>185,553</u>
Total U.S. Department of Health and Human Services			<u>1,217,605</u>

ADVOCACY CENTER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

For the year ended September 30, 1998

	<u>GRANT PERIOD</u>	<u>FEDERAL CFDA NUMBER</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
U.S. DEPARTMENT OF EDUCATION			
Client Assistance Program	10/01/97-09/30/98	84.161A	\$ 151,648
Protection and Advocacy Formula Grant	10/01/97-09/30/98	84.240A	196,329
Pass through Louisiana Assistive Technology Access Network: Technology - Related Assistance for Individuals with Disabilities	09/01/97-08/31/98 09/01/98-08/31/99	84.224A 84.224A	65,328 4,609
Pass through Louisiana Department of Education IDEA Discretionary Grant	07/01/97-06/30/98	84.181	_____6,564
Total U. S. Department of Education			_____424,478
Total Federal Awards			\$ 1,642,083

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, 1998, and have issued my report thereon dated December 10, 1998. 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 test 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 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.

Justin J. Scanlan CPA

New Orleans, Louisiana
December 10, 1998

Justin J. Scanlan, C.P.A.

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND 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, 1998. 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, 1998.

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.

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 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.

Justin J. Scanlan, CPA

New Orleans, Louisiana
December 10, 1998

ADVOCACY CENTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended September 30, 1998

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 June 30, 1998 were:
 - U. S. Department of Health and Human Services
Protection and Advocacy for the
Developmentally Disabled (CFDA #93.630)
 - Passed through Louisiana Department of Health
and Hospital's
Community Living Ombudsman Program (CFDA #93.630)
 - Passed through Louisiana State Planning Council
on Developmental Disabilities:
Development Disabilities Basic Support
and Advocacy Grant (CFDA# 93.630)
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, 1998

SCHEDULE OF FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended September 30, 1998.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

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

ADVOCACY CENTER
STATUS OF PRIOR YEAR AUDIT FINDINGS

For the year ended June 30, 1998

There were no prior year audit findings.