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**FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.**

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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 DEC 22 1999

**FINANCIAL AND COMPLIANCE AUDIT**

**TOGETHER WITH**

**INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED JUNE 30, 1999**

**Bruno**  
**& Tervalon**

CERTIFIED PUBLIC ACCOUNTANTS

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**& Tervalon**

MICHAEL B. BRUNO, CPA  
ALCIDE J. TERVALON, JR., CPA  
WALDO J. MORET, JR., CPA

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
**Family Advocacy and Neighborhood Services, Inc.**

We have audited the accompanying statement of financial position of **Family Advocacy and Neighborhood Services, Inc. (the Corporation)** (a not-for-profit corporation) as of June 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. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Family Advocacy and Neighborhood Services, Inc.** as of June 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.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors  
**Family Advocacy and Neighborhood Services, Inc.**  
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 1999 on our consideration of **the Corporation's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of **the Corporation** taken as a whole. The accompanying schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Bruno & Tervalon*  
**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

November 9, 1999

**FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 1999**

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ASSETS

Cash	\$ 40
Grants receivable	25,045
Prepaid expenses	3,500
Equipment, furniture and vehicles, net (NOTES 2 and 3)	<u>10,865</u>
Total assets	<u>\$39,450</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Bank overdrafts	\$10,100
Accounts payable and accrued liabilities	13,180
Notes payable (NOTE 3)	<u>19,157</u>
Total liabilities	<u>42,437</u>
Net assets:	
Unrestricted (NOTE 1)	<u>(2,987)</u>
Total net assets	<u>(2,987)</u>
Total liabilities and net assets	<u>\$39,450</u>

The accompanying notes are an integral part of these financial statements.

**FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 1999**

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**SUPPORT AND REVENUE**

Support:		
Grants-Federal-pass through the State of Louisiana		\$ 45,000
Grants-State of Louisiana		214,250
Grants-Other		5,400
Contributions		<u>4,255</u>
	Total support	<u>268,905</u>
Revenue:		
Other income		10,285
Interest income		<u>6</u>
	Total income	<u>10,291</u>
	Total support and revenue	<u>279,196</u>

**EXPENSES**

Program services:		
Community service programs		224,079
Safe and drug-free programs		45,878
Tutorial and training programs		<u>5,000</u>
	Total program services	<u>274,957</u>
Support Services:		
Management and general		<u>15,864</u>
	Total support services	<u>15,864</u>
	Total expenses	<u>290,821</u>
Change in net assets		(11,625)
Unrestricted net assets, beginning of year		<u>8,638</u>
Unrestricted net assets, end of year		<u>\$ (2,987)</u>

The accompanying notes are an integral part of these financial statements.

**FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

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**OPERATING ACTIVITIES**

Change in net assets	\$(11,625)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	12,939
Change in operating assets and liabilities:	
Grants receivable	(16,923)
Accounts receivable	231
Prepaid expenses	(3,500)
Accounts payable and accrued liabilities	<u>(3,238)</u>
Net cash used in operating activities	<u>(22,116)</u>

**FINANCING ACTIVITIES**

Bank overdrafts	7,947
Proceeds from note payable	52,100
Principal payments on note payable	<u>(37,943)</u>
Net cash provided by financing activities	<u>22,104</u>
Net decrease in cash	(12)
Cash at beginning of year	<u>52</u>
Cash at end of year	<u>\$ 40</u>
Supplemental Disclosure for Cash Flow Purposes:	
Interest paid	<u>\$ 879</u>

The accompanying notes are an integral part of these financial statements.

**FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies:

General

**Family Advocacy & Neighborhood Services, Inc. (the Corporation)** is a nonprofit community service organization designed to service the economic, social and cultural needs of the underprivileged and disadvantaged, including but not limited to at-risk youth, teenage mothers, single parent female head-of-households and isolated senior citizens.

**The Corporation** offers programs that provide an array of consulting, teaching, and advising services to help families work together to enhance a student's learning and academic achievements. Cultural enrichment activities such as concerts, dances, and theme festivals are also offered to the community.

The objectives of **the Corporation** are to provide:

- o Individual and/or family counseling for juveniles demonstrating adjustment or behavioral problems in the traditional classroom environment;
- o Individual and/or group parenting skills, financial management planning programs, and/or self esteem and confidence building programs for single female parents and teenage mothers;
- o Cultural enrichment programs for economically disadvantaged and gifted youth;
- o Medication and nutrition counseling services for senior citizens and assistance with elderly compliance as it applies to Medicare;
- o Coordination with after school church-based tutorial programs; and



**FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies,  
Continued:

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- o Facilitate and promote information dissemination and communication regarding the availability of necessary social services on a federal, state, and/or local level.

Principles of Accounting

**The Corporation's** financial statements are prepared on the accrual basis and in accordance with generally accepted accounting principles. 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 reporting period. Actual results could differ from those estimates.

Equipment, Furniture and Vehicles

Equipment, furniture and vehicles of **the Corporation** are recorded as assets and are stated at historical costs if purchased or at fair market value at the date of the gift, if donated. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Equipment and furniture	3-5 years
Vehicles	5 years

**FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies,  
Continued:

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Revenue Recognition

Revenue from governmental grants and certain other contributions are recognized when allowable expenditures are made by **the Corporation**. Funds received for specific purposes but not yet expended are recorded as deferred revenue.

Cash

Cash consists of the interest bearing and non-interest bearing checking accounts.

Income Taxes

**The Corporation** is exempt from federal income taxes through Section (501)(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

Fair Value of Financial Instruments

**The Corporation** considers the carrying amounts of its cash and notes payable to be fair value.

Financial Statement Presentation

In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations", **the Corporation** is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, as applicable.

**FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies,  
Continued:

Contributions

In accordance with Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made", contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

NOTE 2 - Equipment, Furniture and Vehicles:

Equipment, furniture and vehicles at June 30, 1999 are summarized as follows:

Equipment and furniture	\$ 21,081
Vehicles	<u>14,000</u>
	35,081
Accumulated depreciation	<u>(24,216)</u>
Equipment, furniture and vehicles, (net)	<u>\$ 10,865</u>

NOTE 3 - Notes Payable:

The following is a summary of notes payable at June 30, 1999:

Notes payable to a bank, secured by vehicle with an interest rate of 10% payable on demand	<u>\$ 19,157</u>
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**FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 4 - Description of Leasing Arrangements:

The facilities presently used by **the Corporation** are leased under a short-term arrangement.

NOTE 5 - Contingency:

**The Corporation** is a recipient of grants from the State of Louisiana and other funding sources. The grants are governed by various State guidelines, regulations, and contractual agreements.

The administration of the program and activities funded by these grants are under the control and administration of **the Corporation** and are subject to audit and/or review by the applicable funding source. Any grant found to be not properly spent in accordance with the terms, conditions, and regulations of the funding sources may be subject to recapture.

NOTE 6 - Concentration of Credit Risk:

**The Corporation** receives primarily all of its revenues from the State of Louisiana. If the amount of revenues received from the State fall below critical levels, **the Corporation's** operating results could be adversely affected.

## **SUPPLEMENTARY INFORMATION**

**FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 1999**

	<u>Program Services</u>				<u>Total</u> <u>Program</u> <u>Services</u>	<u>Support Services</u>	
	<u>Community</u> <u>Service</u>	<u>Safe and</u> <u>Drug-Free</u>	<u>Tutorial</u> <u>and</u> <u>Training</u>			<u>Management</u> <u>and</u> <u>General</u>	<u>Total</u>
Salaries and wages	\$ 62,494	\$ 7,500	\$ -0-	\$ 69,994	\$ 801	\$ 70,795	
Payroll taxes and benefits	11,564	784	-0-	12,348	169	12,517	
Professional services	45,089	15,806	4,226	65,121	1,847	66,968	
Supplies	5,917	3,071	774	9,762	888	10,650	
Programmatic activities	24,558	18,325	-0-	42,883	6,901	49,784	
Media productions	34,525	-0-	-0-	34,525	-0-	34,525	
Office expenses	17,468	392	-0-	17,860	1,609	19,469	
Repairs and maintenance	<u>9,525</u>	<u>-0-</u>	<u>-0-</u>	<u>9,525</u>	<u>3,649</u>	<u>13,174</u>	
Total expenses before depreciation	211,140	45,878	5,000	262,018	15,864	277,882	
Depreciation	<u>12,939</u>	<u>-0-</u>	<u>-0-</u>	<u>12,939</u>	<u>-0-</u>	<u>12,939</u>	
Total expenses	<u>\$224,079</u>	<u>\$45,878</u>	<u>\$ 5,000</u>	<u>\$274,957</u>	<u>\$15,864</u>	<u>\$290,821</u>	

See Independent Auditors' Report on Supplementary Information.

**& Tervalon**

MICHAEL B. BRUNO, CPA  
ALCIDE J. TERVALON, JR., CPA  
WALDO J. MORET, JR., CPA

INDEPENDENT AUDITORS' 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  
**Family Advocacy and Neighborhood Services, Inc.**

We have audited the financial statements of **Family Advocacy and Neighborhood Services, Inc. (the Corporation)** (a not-for-profit corporation), as of and for the year ended June 30, 1999, and have issued our report thereon dated November 9, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether **the Corporation'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.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS  
(CONTINUED)

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered **the Corporation'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 in a separate letter dated November 9, 1999.

This report is intended for the information of the Board of Directors, management and the Legislative Auditor of the State of Louisiana and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Bruno & Tervalon*  
BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

November 9, 1999



**FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

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We have audited the financial statements of **Family Advocacy and Neighborhood Services, Inc.** as of and for the year ended June 30, 1999, and have issued our report thereon dated November 9, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 1999 resulted in an unqualified opinion.

**Section I - Summary of Auditor's Reports**

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

Internal Control

Material Weaknesses	-	<b>No</b>
Reportable Conditions	-	<b>No</b>

Compliance

Compliance Material to Financial Statements -		<b>No</b>
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b. Federal Awards

Not Applicable

**Section II - Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards**

No matters reported.

**Section III - Findings and Questioned Costs Related to Federal Awards**

Not Applicable

**FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.**  
**STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

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RESOLVED      UNRESOLVED

**INTERNAL CONTROL AND COMPLIANCE  
MATERIAL TO FINANCIAL STATEMENTS**

None were reported.

**INTERNAL CONTROL AND COMPLIANCE  
MATERIAL TO FEDERAL AWARDS**

Not applicable.

**MANAGEMENT LETTER COMMENTS**

97-1	Petty Cash	X	
98-1	Petty Cash	X	
98-2	Fund Raising Activities		X

**FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.**

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EXIT CONFERENCE

An exit conference was held and those in attendance were as follows:

FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.

Mr. Jim Hutchinson -- Executive Director

BRUNO & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Michael B. Bruno, CPA -- Managing Partner  
Mr. Armand E. Pinkney -- Supervisor

The audit report was discussed. This report is intended solely for the use of the Board of Directors, management, the Legislative Auditor of the State of Louisiana and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Bruno & Tervalon*  
**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

November 9, 1999

## INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

To the Board of Directors  
**Family Advocacy and Neighborhood Services, Inc.**

In planning and performing our audit of the financial statements of **Family Advocacy and Neighborhood Services, Inc. (the Corporation)** for the year ended June 30, 1999, we considered **the Corporation's** internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we became aware of the following matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions regarding those matters.

### OPERATIONS

The **Corporation** experienced an operating loss of \$17,112 in 1998. In 1999, **the Corporation** also experienced an operating loss of \$11,625 and had an accumulated net deficit of \$(2,987) at June 30, 1999. This operating loss and accumulated net deficit resulted primarily from delays in the approval and disbursement of a \$14,000 supplemental request for funding submitted to the Governor's Office of Urban Affairs by **the Corporation** for the 1999 fiscal year. This funding request was subsequently included in **the Corporation's** fiscal year 2000 funding allotment.

Additionally, during the year ended June 30, 1999, **the Corporation** continued to experience some minor cash flow difficulties, resulting from the timing of cash receipts from its funding sources. Due to delays in reimbursements associated with its cost reimbursement grants **the Corporation** was again required to obtain interim short-term financing to cover operating expenses.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT  
(CONTINUED)

OPERATIONS, Continued

Recommendation

We recommend that **the Corporation** continue to increase its fund raising efforts to supplement its grant revenues so as to reduce the need to obtain interim short-term financing to cover operating expenses necessitated by delays in reimbursements associated with its cost reimbursement grants.

The Year 2000 Issue

The Year 2000 Issue results from the inability of a computer program to process year-date data accurately beyond the year 1999. **The Corporation** utilizes the services of an external accounting services company to prepare and process its monthly financial statements.

Recommendation

We recommend that **the Corporation** implement verification procedures to test the accuracy of information received from its vendors, service providers, bankers, customers and other third-party organizations with whom it exchanges date-dependent information to ensure that those organizations are year 2000 compliant. **The Corporation** should satisfy itself that its operations or cash flows will not be affected by problems in those organizations relating to the Year 2000 Issue.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT**  
**(CONTINUED)**

**Independent Contractor**

**The Corporation** engages the services of an independent contractor to perform various counseling, instructional and community related based activities. Our review of the monthly time and attendance logs submitted by the independent contractor indicated there was no documented review and/or approval by an authorized representative of **the Corporation** of the monthly time and attendance logs submitted by the independent contractor.

**Recommendation**

We recommend **the Corporation's** review and approval of these documents be evidenced in writing.

**Credit Card Purchases**

**The Corporation** periodically utilizes a gasoline credit card to purchase fuel for its vehicle. Payments for credit card purchases are processed based on the credit card statement which does not itemize purchases.

**Recommendation**

We recommend that the individual credit card receipts be matched to the statement amounts prior to payment and be retained to support credit card purchases.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT**  
**(CONTINUED)**

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This letter does not affect our report dated November 9, 1999, on the financial statements of **Family Advocacy and Neighborhood Services, Inc.**

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Corporation personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

*Bruno & Tervalon*  
**BRUNO & TERVALON**  
**CERTIFIED PUBLIC ACCOUNTANTS**

November 9, 1999

# FAMILY ADVOCACY & NEIGHBORHOOD SERVICES

5700 Read Blvd. Box 50

New Orleans, LA 70127

(504) 241-5700/Fax:243-7790

## CORRECTIVE ACTION PLAN JUNE 30, 1999

Audit Finding Reference No.  
99-MLC-01

Description of Condition  
Operations

Federal Grantor/Program  
Not Applicable

### Auditors' Recommendation

We recommend that the Corporation continue to increase its fund raising efforts to supplement its grant revenues so as to reduce the need to obtain interim short-term financing to cover operating expenses necessitated by delays in reimbursements associated with its cost reimbursement grants.

### Corrective Action Planned

We have received the Governor's Urban Affairs approval for the \$14,000 supplemental amount through an \$15,250 increase in our FY2000 Grant (\$225,000) over our FY1999 (\$209,750 Grant). The deficit incurred in FY1999 is more technical than actual. The Urban Affairs Department has disbursed the \$14,000 to FANS through our September 1999 \$112,500 disbursement. This payment represents 50% of our FY 2000 Grant.

We shall continue our fund-raising efforts and our pursuit of Grants, which will provide indirect cost monies or unrestricted monies to defray more of our administrative costs.

A more timely payment turn around between the billing and the payment of our cost based reimbursable State grants is not completely within our control. We have never had a payment delay based on any incomplete billing on our part.

### Anticipated Completion Date



On-Going—Given the nature of our reimbursable State grants, we shall always have some borrowing needs until such time as our fund-raising activities are sufficient to bridge the timing difference between the billing and collection process with the State.

**Contact Person Responsible for Corrective Action**

Name: James J. Hutchinson, Jr.

Phone: (504) 241-5700

# FAMILY ADVOCACY & NEIGHBORHOOD SERVICES

5700 Read Blvd. Box 50

New Orleans, LA 70127

(504) 241-5700/Fax:243-7790

## CORRECTIVE ACTION PLAN JUNE 30, 1999

Audit Finding Reference No.  
99-MLC-02

Description of Condition  
The Year 2000 Issue

Federal Grantor/Program  
Not Applicable

### Auditors' Recommendation

We recommend that the Corporation implement verification procedures to test the accuracy of information received from its vendors, service providers, bankers, customers and other third-party organizations with whom it exchanges date-dependent information to ensure that those organizations are year 2000 compliant. The Corporation should satisfy itself that its operations or cash flows will not be affected by problems in those organizations relating to the Year 2000 Issue.

### Corrective Action Planned

Our Primary Funding Source is the State of Louisiana. We shall immediately send and inquiry to the Children's Trust Fund, the Governor's Urban Affairs Office, and the Governor's Drug-Free Program regarding their Y2K Readiness. We shall also inspect the literature from our banks and scrutinize the invoices of our routine suppliers and vendors. The majority of our consultants' bills are hand generated and computer typed.

### Anticipated Completion Date

On-going—primarily through the first quarter of year 2000.

### Contact Person Responsible for Corrective Action

Name: James J. Hutchinson, Jr., (Executive Director) and Yolanda Johnson, (Accounts Payable Clerk)

Phone: (504) 241-5700

# FAMILY ADVOCACY & NEIGHBORHOOD SERVICES

5700 Read Blvd. Box 50

New Orleans, LA 70127

(504) 241-5700/Fax:243-7790

## CORRECTIVE ACTION PLAN JUNE 30, 1999

Audit Finding Reference No.  
99-MLC-03

Description of Condition  
Independent Contractor

### Auditors' Recommendation

We recommend that the Corporation's review and approval of these documents be evidenced in writing.

### Corrective Action Planned

Effective Immediately (December 3, 1999), we shall comply with the Auditors' Recommendation

### Anticipated Completion Date

On-Going

### Contact Person Responsible for Corrective Action

Name: James J. Hutchinson, Jr., (Executive Director) and Yolanda Johnson, (Accounts Payable Clerk)

Phone: (504) 241-5700

# FAMILY ADVOCACY & NEIGHBORHOOD SERVICES

5700 Read Blvd. Box 50

New Orleans, LA 70127

(504) 241-5700/Fax:243-7790

## CORRECTIVE ACTION PLAN JUNE 30, 1999

Audit Finding Reference No.  
99-MLC-04

Description of Condition  
Gasoline Credit Card Purchases

### Auditors' Recommendation

We recommend that the individual credit card receipts be matched to the statement amounts prior to payment and be retained to support credit card purchases.

### Corrective Action Planned

Effective immediately (December 3, 1999), we shall comply with the Auditors' Recommendation.

### Anticipated Completion Date

On-Going

### Contact Person Responsible for Corrective Action

Name: James J. Hutchinson, Jr., (Executive Director) and Yolanda Johnson (Accounts Payable Clerk).

Phone: (504) 241-5700