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Volunteers of America of North Louisiana Shreveport, Louisiana

June 30, 1999

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 2-2-00

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Volunteers of America of North Louisiana Shreveport, Louisiana

Table of Contents

Page		
1	Statement of Financial Position June 30, 1999 (With Comparative Totals for 1998)	Exhibit A
2	Statement of Activities for the Year Ended June 30, 1999 (With Comparative Totals for 1998)	Exhibit B
3	Statement of Functional Expenses for the Year Ended June 30, 1999 (With Comparative Totals for 1998)	Exhibit C
4	Statement of Cash Flows	Exhibit D

for the Year Ended June 30, 1999 (With Comparative Totals for 1998)

- 5 Notes to the Financial Statements June 30, 1999
- 14 Additional Information

. *

15 Schedule of Expenditures of Federal Awards for the Year Ended June 30, 1999 Schedule 1

- 16 Independent Auditor's Report
- 17 Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*
- 18 Report On Compliance With Requirements Applicable To Each Major Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133
- 20 Schedule of Findings and Questioned Costs

Volunteers of America of North Louisiana

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Shreveport, Louisiana

Exhibit A

Statement of Financial Position June 30, 1999 (With Comparative Totals for 1998)

	1999	1998
Assets		
Current Assets		
Cash and Equivalents	\$ 102,429	
Accounts Receivable	798,605	
Pledges Receivable	24,038	
Prepaid Expenses	90,081	
Total Current Assets	1,015,153	1,014,811
Restricted Cash	-	59,811
Property and Equipment		
Land and Buildings	1,237,608	
Furniture and Equipment	839,734	
Less: Accumulated Depreciation	(1,137,906	
Total Fixed Assets	939,436	960,873
Other Assets	12,539	
Total Assets	\$ <u>1,967,1</u> 28	\$ <u>2,073,281</u>
Liabilities and Net	t Assets	
Current Liabilities		
Accounts Payable	\$ 68,623	
Current Portion of Notes Payable	152,489	
Accrued Expenses	345,756	
Total Current Liabilities	566,868	478,753
Notes Payable - Long-Term Portion	90,406	5 109,843
Total Liabilities	657,274	588,596
Net Assets		
Unrestricted	1,172,030	
Temporarily Restricted	137,824	4 247,303
Permanently Restricted		
Total Net Assets	1,309,854	4 1,484,685
Total Liabilities and Net Assets	\$ 1,967,12	B \$ <u>2,073,281</u>

The accompanying Notes are an integral part of these statements. -1-

Volunteers of America of North Louisiana

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Shreveport, Louisiana

Exhibit B

Statement of Activities for the Year Ended June 30, 1999 (With Comparative Totals for 1998)

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	Unrestricted	Temporarily Restricted	Permanently Restricted	1999 <u>Totals</u>	1998 Totals
Revenues from Operations					
Public Support Received Directly					
Contributions	§	§ 22,937 \$	- \$	738,039 \$	773,452
Government Fees and Grants	2,114,342	1,483,911	-	3,598,253	3,503,100
Other Revenue					
Service Fees and Sales	207,833	-	-	207,833	290,435
Net Assets Released from Restrictions	4 500 040				
Satisfaction of Program Restrictions	1,506,848	(1,506,848)			-
Total Revenues From Operations	4,544,125		- 	4,544,125	4,566,987
Operating Expenses					
Program Services					
Family Services	331,396	-	-	331,396	331,192
Residential Services	1,114,833	-	-	1,114,833	1,027,082
Mental Health	661,567	-	-	661,567	736,163
Lighthouse	817,197	-	-	817,197	710,315
Central Louisiana	1,190,722	-	-	1,190,722	1,007,702
HUD Management	32,078	<u></u>		32,078	<u>19,613</u>
Total Program Services	4,147,793	<u>-</u>	<u>-</u>	4,147,793	3,832,067
Support Services					
Management and General	598,514	-	-	598,514	622,783
Fund Raising	37,105	-	-	37,105	33,640
Total Support Services	635,619		==	635,619	656,423
Total Operating Expenses	4,783,412			4,783,412	4,488,490
Excess (Deficit) from Operations	(239,287)	-	-	(239,287)	78,497
Non-Operating Gains and Other Revenue					
Investment Income	26,946	-	-	26,946	18,582
Other Revenue (Losses)	37,510	-	-	37,510	57,489
Excess (Deficit) from Other Activities	64,456	<u>مسمع سامع میں م</u>		64,456	76,071
Change in Net Assets	(174,831)	-	+	(174,831)	154,568
Net Assets at Beginning of Year	1,237,382	247,303	-	1,484,685	1,330,117
Transfer Net Assets for Property Reclassification	, ,	(109,479)		-	
Net Assets at End of Year		\$ 137,824 \$	- 4	5 <u>1,309,854</u> \$	1,484,685

The accompanying Notes are an integral part of these statements. -2-

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Exhibit C

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	Support	and General Rais	S				1,394	14,447						5,957	5,165				1		114,205	582,102 36.	16,412	

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Statement of Functional Expenses for the Year Ended June 30, 1999 (With Comparative Totals for 1998)

Services Support

Program

The accompanying Notes are an integral part of these -3-

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Equipment Rental and Maintenand Conferences and Meetings Total Functional Expenses National Supervisory Fees Printing and Publications Other Professional Fees Supplies and Expenses **Direct Client Expenses** Total Expenses Before Postage and Shipping Employee Benefits Pension Expense Depreciation and Accounting Fees Depreciation Amortization Payroll Taxes Legal Fees Occupancy Telephone Salaries Interest Travel Other

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Volunteers of America of North Louisiana

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Shreveport, Louisiana

Exhibit D

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Statement of Cash Flows
For the Year Ended June 30, 1999
(With Comparative Totals for 1998)

		1998		
Cash Flows from Operating Activities	-			
Change in Net Assets	\$(174,831)	\$	154,568
Adjustments to Reconcile Change in Net Assets to Net Cash				
Provided by Operating Activities				
Depreciation and Amortization		110,942		89,214
Loss (Gain) on Disposal of Fixed Assets		-		527
Changes in Current Assets and Liabilities				
(Increase) Decrease in Other Assets:				
Accounts Receivable	(128,255)	(190,947)
Pledges Receivable	(463)	(23,575)
Prepaid Expenses	(39,277)		8,186
Other Assets		25,247	(13,226)
Increase (Decrease) in Other Liabilities:				
Accounts Payable		11,399		20,626
Accrued Expenses	<u> (</u>	19,742)		72,785
Net Cash Provided (Used) by Operating Activities	<u> (</u>	214,980)		118,158
Cash Flows from Investing Activities				
(Increase) Decrease in Restricted Cash		59,811		148,255
Purchase of Fixed Assets	(89,973)	(351,569)
Proceeds from Sale of Fixed Assets		<u>-</u>		880
Net Cash Provided (Used) by Investing Activities	<u>(</u>	30,162)	<u> (</u>	202,434)
Cash Flows from Financing Activities				
Payment on Notes Payable	(146,990)	(78,862)
Proceeds from issuance of Notes Payable		224,479		55,027
Net Cash Provided (Used) by Financing Activities		77,489	(23,835)
Net Increase (Decrease) in Cash	(167,653)	(108,111)
Cash and Cash Equivalents-Beginning		270,082		378,193
Cash and Cash Equivalents-Ending	\$	102,429	\$	270,082
Supplemental Disclosure of Cash Flow Information	-			A A A A
Cash Paid for Interest During the Year	\$	14,785	\$	9,384

The accompanying Notes are an integral part of these statements. -4-

Volunteers of America of North Louisiana Shreveport, Louisiana

Notes to the Financial Statements June 30, 1999

Note 1 Organization

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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 by providing 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 adoption clients.

Community Living Services

This division includes the following programs:

Magnolia and Meadowbrook 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 the Federal Medicaid Program.

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

Mental Health

This division includes the following programs:

MADRE - 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 - provides social day programs for individuals who suffer from severe mental illness and are unable to participate in competitive employment; primarily funded by the State of Louisiana Office of Mental Health.

-5-

Rehabilitation 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 emotional/behavior 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 Community Treatment - Program is designed to assist seriously mentally ill adults and emotional/behavior 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 youths ages 14 - 21; primarily funded by JTPA Federal funds passed through the City of Shreveport.

Project Independence - provides a job readiness training 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 Reunification - 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.

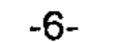
Homemaker/Parent Aid - provides less intensive homemaking and parenting training to families referred by the Office of Community Services; primarily funded by federal funds passed through the State of Louisiana Department of Social Services.

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 5 - 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-house training and support for parents in the Lighthouse neighborhoods; primarily funded by private contributions.

M.A.I.N.S - provides mentoring to at-risk students in order to expose them to positive experiences; funded by a direct federal grant.



Pinnacle (Minden Mentoring) – provides mentoring to elementary school children in the Minden area in order to expose them to positive experiences and have someone to listen to their problems.

Central Louisiana Operations

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This division includes the following programs:

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 returned 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 Centers – provides family preservation support and respite to fostering and adopting families, and Families in Need of Supervision ; funded by the State of Louisiana Office of Community Services.

Treatment Coordination - provides assessment, service planning and advocacy for adults identified with severe and persistent mental illness and to youth identified as seriously emotional/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 emotional/behavior disordered children in receiving services in the area of assessment, service planning and advocacy; services are designed to provide assistance to the consumer 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.

HUD Management

This division includes the following programs:

Greenwood Lodge - VOA of North Louisiana 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.

Corbitt Lodge - VOA of North Louisiana 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.

Independence Lodge - VOA of North Louisiana 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.

-7-

Independence Meadows - VOA of North Louisiana 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.

New Haven Square - VOA of North Louisiana 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.

<u>Note 2</u> Summary of Significant Accounting Policies

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The accounting policies of the agency conform to generally accepted accounting principles as applicable to voluntary health and welfare organizations. The more significant accounting policies of the agency are described below:

Basis 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.

<u>Functional Expenses</u>: 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 programs based upon total expenses of the programs.

Accounts Receivable: Volunteers of America of North Louisiana predominately extends credit through billing for reimbursement of allowed costs in connection with providing services under contract with various Federal and State agencies. Volunteers of America of North Louisiana also extends credit to select individuals in the course of performing adoptions and other services for fees in Central and North Louisiana. All extension of credit is on an unsecured basis.

<u>Pledges Receivables:</u> Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Conditional promises to give are not included as support until the conditions are substantially met.

<u>Property and Equipment:</u> Land, buildings and equipment purchased by the agency are recorded at cost. This agency follows the practice of capitalizing all expenditures for land, buildings and equipment in excess of \$1,000. Donations 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, 1999 and 1998 was \$108,941 and \$89,214, respectively.

<u>Net Assets:</u> 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:

<u>Unrestricted net assets</u> - 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.

-8-

<u>Temporarily restricted net assets</u> - 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.

<u>Permanently restricted net assets</u> - 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.

<u>Contributions</u>: 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.

<u>Contributed Services</u>: 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.

<u>Federal Income Taxes</u>: 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(a) of the Internal Revenue Code as a religious organization described in Section 501(c)(3).

<u>Cash Equivalents</u>: 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 to secure loan agreements or otherwise designated or restricted. The carrying amount approximates fair value because of the short maturity of those instruments.

Investments: Investments are generally composed of mutual funds investing in debt and equity securities and are carried at fair value.

<u>Summary Financial Information for 1998</u>: 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.

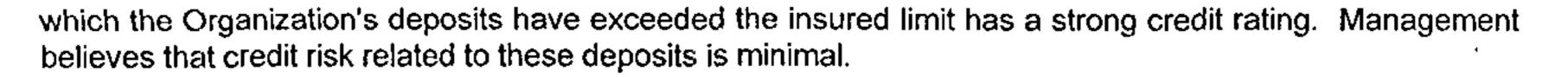
<u>Use of Estimates</u>: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date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

<u>Concentrations of Credit Risk</u> Volunteers of America of North Louisiana maintains its cash balances at several different financial institutions and investment companies in their service delivery area. The balances with the financial institutions are insured by the FDIC up to \$100,000 for each bank. At June 30, 1999 and 1998, the Organization's uninsured cash balances totaled \$108,387 and \$0, respectively. The bank in

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-9-



At June 30, 1999 and 1998 there was approximately \$7,155 and \$285,287, respectively, held in short term mutual funds at various investment companies. Balances are insured up to \$500,000 (with a limit of \$100,000 for cash) by the Securities Investor Protection Corporation.

Note 3 Board Designated 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 designated for specific purposes for a period of at least ten years. As of June 30, 1999 and 1998, the balances in this account were \$-0- and \$59,811, respectively. These balances are carried at cost, which approximates market value.

<u>Note 4</u> Temporarily Restricted Net Assets

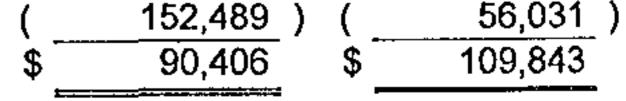
Temporarily Restricted Net Assets is composed mainly of the net book value of property and equipment utilized in various programs.

Note 5 Notes Payable

		1999	1998
Mortgage payable to a financial institution in the original amount of \$68,000,	•		
at 7.5% interest, payable in monthly installments of \$630, including interest,			
due September 10, 2008, secured by land and building.	\$	49,378	\$ 53,348

Total	242,895	165,874
Promissory note payable to a finance company in the original amount of \$52,910, at 9.5% interest, payable in nine monthly installments of \$6,114, including interest, due December 1, 1998, unsecured.	_	36,684
Promissory note payable to a finance company in the original amount of \$51,583, at 9.5% interest, payable in nine monthly installments of \$5,961, including interest, due January 1, 2000, unsecured.	34,423	-
Revolving Line of Credit to a bank, under a Promissory note payable with a maximum credit limit of \$200,000 with interest at 1% above bank index rate, principal and interest payable monthly, in the amount of 1/36 of the unpaid principal balance plus accrued interest, unsecured.	99,732	-
Promissory note payable to a financial institution in the original amount of \$22,626, at 8.5% interest, payable in monthly installments of \$560, including interest, with the balance due March 25, 2000, secured by a vehicle.	4,397	10,873
Promissory note payable to a financial institution in the original amount of \$20,247, at 8.5% interest, payable in monthly installments of \$501, including interest, with the balance due February 15, 2000, secured by a vehicle.	3,877	9,305
Mortgage payable to a financial institution in the original amount of \$75,000, at 7.75% interest, payable in monthly installments of \$706, including interest, with the balance due December 15, 2007, secured by land and building.	51,088	55,664

Less Current Portion Long-term Portion



-10-

\$ 152,489
10.000
10,369
11,187
12,070
13,013
43,767

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

Interest expense for the years ended June 30, 1999 and 1998 was \$14,816 and \$9,384, respectively.

At June 30, 1999 the Organization had two irrevocable letters of credit in amounts of \$50,000 and \$9,200, respectively, issued and available for the benefit of two of its granting agencies, as required by those contracts. As of June 30, 1999 no amounts had been drawn on either letter 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 2000 200

\$ 43,617

242,895

\$

2001			
2002			
Total			

22,142 4,335 70,094

Total rent expense under all leases amounted to \$89,123 and \$100,570 for the years ended June 30, 1999 and 1998, respectively and are included in occupancy expense.

Pension Plan for Ministers Note 7

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 \$27,162 and \$23,340 for the years ended June 30, 1999. and 1998, respectively.

Because the plan is a multi-employer plan, the accumulated benefits and net assets available for benefits as they relate solely to Volunteers of America of North Louisiana 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, 1999 and 1998 contributions to the plan charged to operations were \$79,916 and \$78,723, respectively.

<u>Note 9</u> 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 years ended June 30, 1999 and 1998 totaled \$114,205 and \$121,938, respectively. The amount due Volunteers of America, Inc. for administrative fees as of June 30, 1999 and 1998 was \$32,589 and \$28,684, respectively.

-11-

Note 10 Accounts Receivable

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At June 30, 1999 and 1998, accounts receivable consisted of the following:

			1998		
Grants and contracts receivable	\$	812,469	\$	665,023	
Other receivables		26,626		45,721	
Less allowance for uncollectible receivables	(40,490)	(40,394)	
Total	\$	798,605	\$	670,350	

Note 11 Pledges Receivable

Pledges receivable consists of the following unconditional promise to give:

		1999		1998
Frost Foundation grant for Project Hope Pre-Employment Training and Job Placement Program, remaining portion due. Less : Unamortized Discount Subtotal	\$ (25,000 962) 24,038	\$ (50,000 2,850 47,150
Less: Allowance for uncollectible pledges		•		
Net unconditional pledges receivable	\$	24,038	\$	47,150
Amounts due in: Less than one year (included in Pledges Receivable)	\$	24,038	\$	23,575

 One to five years (included in Other Assets)
 23,575

 Total
 \$ 24,038
 \$ 47,150

Present value of Pledges Receivable due within one year are shown under current assets on the statement of financial position, using a discount rate of four percent.

Note 12 Compensated Absences - Accrued Leave

Employees may accrue certain hours of vacation leave each year. Vacation leave may accrue up to 192 hours. Upon an employee's separation of employment, earned and/or accrued leave will be paid up to a maximum of 192 hours. Employees can also accrue sick leave, but accumulated sick leave is forfeited upon separation of employment.

At June 30, 1999 and 1998, the approximate amount of accumulated and vested employee leave benefits was \$92,717 and \$100,097, respectively, which is included in Accrued Expenses (see Note 13).

Note 13 Accrued Expenses

At June 30, 1999 and 1998, accrued expenses consisted of the following:

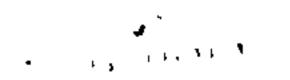
		1999		1998
Accrued payroll and related taxes	\$	158,322	\$	170,748
Accrued leave payable		92,717		100,097
Retirement liability payable		79,916		78,723
Other Accrued	_	14,801	<u> </u>	15,930
Total	\$	345,756	\$	365,498

Note 14 Commitments and Contingencies

Volunteers of America of North Louisiana ("VOANL") was a co-defendant in a lawsuit which alleges that a client, which are the second set of VOANL approximation of the second set of the second second

while in the custody of VOANL, assaulted another individual. The case was settled subsequent to year end within VOANL's insurance coverage.

-12-



The Organization is also a co-defendant in another lawsuit filed by a former lessor alleging breach of contract and damages. The suit settled subsequent to year end, and was covered under the VOANL's insurance coverage. asks for punitive damages totaling \$48,848 plus court costs and attorney fees. The Organization considers the claims to be unfounded, and a defense to the litigation is being provided by their insurer.

Note 15 Year 2000 Compliance (UNAUDITED)

During 1998-1999, the Organization had a Year 2000 compliance review performed. The review noted several items that the Organization should update to reduce the risk of Year 2000 non-compliance. The Organization believes that it has substantially addressed all items raised in the review.



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Additional Information



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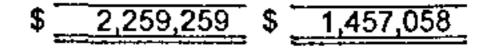
Volunteers of America of North Louisiana

Shreveport, Louisiana

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 1999

Pass-Federal Through Total **CFDA** Grantor's Program or Federal Federal Grantor/Pass-Through Grantor/Program Title Number Number Award Amount Grant Period Expenditures U. S. Department of Health and Human Services Passed through the State of Louisiana Department of Health and Hospitals McAdoo 93.958 530833 07/01/96 - 06/30/99 \$ 49,100 \$ 39,052 Treatment Coordination 93.959 533679 07/01/98 - 06/30/99 9,980 9,980 Crisis Respite 93.958 531947 07/01/98 - 06/30/99 2,700 2,674 Madre 93.959 529078 07/01/98 - 06/30/99 119,500 109,098 Housing Program 93.958 533678 07/01/98 - 06/30/99 60,200 59,510 Whatever It Takes 93.958 530296 07/01/98 - 06/30/99 38,470 39,750 Family Support 93.958 534405 07/01/98 - 06/30/99 41,500 31,151 Passed through the Louisiana Federation of Families for Children's Mental Health, Inc. Respite (PROPS)-Alex. 93.958 530299 07/01/98 - 06/30/99 22,700 22,700 Passed through the State of Louisiana Department of Social Services Family Preservation 93.667 507835 07/01/96 - 06/30/99 147,867 138,400 * Family Reunification 93.667 540496 07/01/98 - 06/30/99 48,360 48,360 Project Independence - Job Readiness 93.561 515306 07/01/97 ~ 06/30/99 37,698 51,290 * Child Welfare-Family Recource Center-Alexandria 93.556 539921 11/01/98 ~ 09/30/01 104,247 300,000 Child Welfare-Family Recource Center-Jena 93.556 539922 11/01/98 - 09/30/01 100,000 45,551 Family Resource Center 93.556 513806 09/01/97 - 08/31/99 214,533 192,278

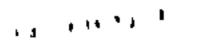
 Family Preservation - Central Louisiana Family Reunification - Central Louisiana 	93.667 93.667	507833 526402	07/01/96 - 06/30/99 07/01/97 - 06/30/99	138,780	138,780
Homemaker/Parent Aide	93.667	507826	07/01/97 - 06/30/99	30,000	30,000
U.S. Department of Labor					
Passed through City of Shreveport, Louisiana					
Project Hope - JTPA	17.250	E8012	06/11/98 - 07/31/98	25,000	11,813
Project Hope - JTPA Project Hope - JTPA	17.250	K8003	08/01/98 - 09/30/99	94,800	80,953
Project Hope - JTPA	17.250 17.250	E9011	06/10/99 - 09/30/99	25,772	-
	11.200	K8007	06/25/99 - 05/31/00	94,800	-
U.S. Department of Housing and Urban Development					
Passed through Shreveport Housing Authority	44.050				
Lighthouse Preschool - Wilkinson Terrace	14.859	2045-94	10/01/97 - 09/30/98	17,500	1,584
Lighthouse Preschool - Wilkinson Terrace Lighthouse Preschool - Jackson Heights	14.859 14.859	2045-94	10/01/98 - 09/30/99	17,500	16,331
Lighthouse Preschool - Jackson Heights	14.859	2036-94 2036-94	10/01/97 - 09/30/98 10/01/98 - 09/30/99	17,500	1,618
	11.000	2.000-04	10/01/90 - 09/30/99	17,500	16,166
U.S. Department of Housing and Urban Development					
Passed through City of Shreveport, Louisiana Welfare to Work	47.050				
	17.253	V8002	12/01/98 - 11/30/99	100,000	17,072
U.S. Department of Justice - Office of Justice Programs					
Project JUMP - OJJDP	16.276	97-JG-FX-0048	04/01/97 - 03/31/00	189,999	68,290
Corporation for National Service				·	·
Passed through State of Louisiana - Office of the Lieutenant					
Governor-Louisiana Serve Commission					
Americorps	94.006	94ASCLA191101	09/01/98 - 12/31/99	112,500	51,710
U.S. Department of Housing and Urban Doublesment					
U.S. Department of Housing and Urban Development Community Development Block Grants					
Lighthouse - Project Hope	14.218	K6003	1/05/98 - 12/31/98	20.000	20.000
Lighthouse - Preschool	14.218	K6003	1/05/98 - 12/31/98	20,000 10,000	20,000 8,950
Lighthouse - Afterschool	14.218	K6003	1/05/98 - 12/31/98	30,000	24,750
Lighthouse - Special Services	14.218	K6003	1/05/98 - 12/31/98	15,000	15,000
Lighthouse - Project Hope	14.218	K6003	1/04/99 - 12/31/99	5,000	
Lighthouse - Preschool	14.218	K6003	1/04/99 - 12/31/99	15,000	-
Lighthouse - Afterschool Lighthouse - Special Services	14.218	K6003	1/04/99 - 12/31/99	15,000	-
Cignaliouse - Opeolal Services	14.218	K6003	1/04/99 - 12/31/99	15,000	-



Schedule 1

* = Major Federal Financial Assistance Program

The accompanying Notes are an integral part of these statements. -15-



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ROBERTS, CHERRY & COMPANY

Certified Public Accountants, Consultants

Independent Auditor's Report

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

We have audited the accompanying statement of financial position of Volunteers of America of North Louisiana as of June 30, 1999, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Volunteers of America of North Louisiana'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 Volunteers of America of North Louisiana 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 1999 on our consideration of Volunteers of America of North Louisiana'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 Volunteers of America of North Louisiana taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations and the* Volunteers of America 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 taken as a whole.

ROBERS, CHERRY MO COMPANY

ROBERTS, CHERRY AND COMPANY

Certified Public Accountants Shreveport, Louisiana October 21, 1999

-16-

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ROBERTS, CHERRY & COMPANY Certified Public Accountants, Consultants

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, 1999, and have issued our report thereon dated October 21, 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

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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, which we have reported to management of Volunteers of America of North Louisiana in a separate letter dated October 21, 1999.

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

A Corporation of Certified Public Accountants Shreveport, Louisiana October 21, 1999

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-17-

ROBERTS, CHERRY & COMPANY Certified Public Accountants, Consultants

> REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON 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

14 1 × 14 1

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 Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. 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, *Audits 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 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 Volunteers of America of North Louisiana's compliances. 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, 1999.

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 with OMB Circular A-133.

-18-

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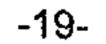
Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively 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.

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ROBERTS, CHERRY AND COMPANY

A Corporation of Certified Public Accountants Shreveport, Louisiana October 21, 1999



Volunteers of America of North Louisiana

Shreveport, Louisiana

Schedule of Findings and Questioned Costs June 30, 1999

Section 1 – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Internal control over financial reporting: Material weaknesses identified? Reportable conditions identified not considered to be material weaknesses?

Noncompliance material to financial statements noted?

UNQUALIFIED

NO

None noted

NO

NO

Federal Awards

Internal Control over major programs: Material weaknesses identified? Reportable conditions identified not considered to be material weaknesses?

Type of auditor's report issued on compliance for major programs:

Any audit findings disclosed in accordance with OMB Circular A-133, Section 510(a)?

Identification of major programs:

CFDA Number: Name of Program or Cluster:

CFDA Number: Name of Program or Cluster:

Dollar threshold used to distinguish between Type A And Type B programs:

Auditee qualified as low-risk auditee?

NO UNQUALIFIED

NO

93.667 Social Services Block Grant

93.556 Family Preservation and Support Services

\$300,000

NO





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Section II – Financial Statement Findings

NONE

Section III – Federal Award Findings and Questioned Costs

NONE

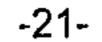
PRIOR YEAR FINDINGS

Finding 98-01 CDFA 93.667, 93.656

Condition Improper supervision and guidance on accounting and reporting issues led to delays in relevant and accurate financial reporting to the board and auditors.

Recommendation: We recommend management employ an experienced accounting supervisor. This person is responsible to ensure that proper procedures are being followed and to provide the Board of Directors and funding sources accurate financial information on a timely basis. We also

	recommend the Board of Directors, specifically the Finance Committee, take a more proactive role in monitoring the books and records, focusing on the areas enumerated above.
Current Status:	Management recently hired an experienced controller to supervise the accounting office, re-employed the supervisor of accounts receivables who left VOA in August, and employed a new payroll clerk.
Finding 98-02	CDFA 93.667, 93.656
Condition	Finance office did not identify federal awards and expenditures as evidenced by the timely completion of the schedule of expenditures of federal awards.
Recommendation:	We recommend the Organization modify their accounting system to allow tracking of all federal awards received, the related amounts collected, due and expended. Since the determination of major programs is done by the Catalog for Domestic Assistance (CFDA) number, the tracking information will need to ensure that the current CFDA number is obtained for each federal program the Organization participates in.
Current Status:	Management updated the accounting system to allow adequate tracking of all federal funds received and expended.



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ROBERTS, CHERRY & COMPANY

Certified Public Accountants, Consultants

RECEIVED LEGISLATIVE AUDITOR 00 JAN 13 AM 8:58

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, 1999, 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.

During our audit, we noted several matters that are opportunities for strengthening internal control and operating efficiency.

- In the course of auditing the operating bank reconciliation, we noted various checks that were not
 issued in the proper sequence. This error caused cutoff errors and unrecorded checks in the
 general ledger. We suggest that all bank reconciliations be adequately reviewed by a supervisor
 one level higher than the person who prepared the reconciliation and that all reconciliations be
 scrutinized for accuracy and completeness.
- During our testing of internal control over payroll transactions, we noted several errors that were confined to the first half of the fiscal year. We noted that the VOA paid employees incorrectly due either to the wrong rate being applied or recording of incorrect hours worked. VOA personnel subsequently corrected these errors. During the first half of the fiscal year, VOA was manually recording and reporting payroll transactions. Effective January 1, 1999, VOA implemented new software which appeared to have corrected the errors noted in the first half of the fiscal year. We suggest that management continue to monitor performance of the new software and perform periodic reviews of payroll reports and checks to ensure that accurate information is produced timely.
- We experienced delays in obtaining account analyses and supporting documentation in order to audit various balance sheet accounts. We understand that VOA experienced a change in chief fiscal officer during the time of our fieldwork and this transition was the main cause for our delays in obtaining the supporting documentation needed for the timely completion for our audit.

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 October 21, 1999

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Volunteers of America Nonh Louisiana

A Ministry of Service

Volunteers of America North Louisiana 360 Jordan Street Shreveport, Louislans 71101 318.221.2669 Phone 318,222,6370 Fax www.voanorthla.com

Charles Meehan CEO/President

MANAGEMENT'S RESPONSE and CORRECTIVE ACTION PLAN MANAGEMENT LETTER COMMENTS For the year ended June 30, 1999

Bank Reconciliations

Management agrees with this finding. Reconciliations are now being done on a timely basis by the CFO and the prior year problems should not be repeated.

Anticipated completion date: Ongoing CEO and CFO Responsible party:

Payroll

Management agrees with this finding. The implementation of the new software and updated payroll procedures have eliminated the problems in this area. The payroll is monitored by the Executive Assistant to the CEO and by the CFO.

Anticipated completion date: Ongoing Human Resources and CFO **Responsible party:**

Audit Preparation

Management agrees with this finding. Most of the problems in this area were caused by changes in personnel and lack of understanding of the audit requirements. With the present stability in the Accounting department, there should be no reason that the work required for a timely audit would not be performed for the year ending June 30, 2000.

Anticipated completion date: Responsible party:

August 10, 2000 CFO

Charles Mechan Executive Director

Board of Directors Sydney Nelson, Chair Winnie Vance Antoinc Vonda Clark John Coleman Robert Dean Cheryl Denson Shaton Doyle

Lelsa Howards Chris Gebriel Debble Grand Celeste Hamm Sata Herrington Percy Hubbard Michael Kantrow W. F. Malone

John Meldrum David Montgomery, Jr. Dub Oliver Paye Simpson Belinda Stoan Ivan Smith, Jr. Robert Smitherman Rev. Plke Thomas

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Katie Weir Dr. Jim Wesiphal Mike Whitehead Marilyn Whitehurst Pat Yates



"Touching Lives. Building Community."

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