

RECEIVED  
LEGISLATIVE AUDITOR

04 NOV 19 AM 11:39

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

**June 30, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 12-1-04

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

**Table of Contents**

Page	
1	Statement of Financial Position June 30, 2004 (With Comparative Totals for 2003)
2	Statement of Activities for the Year Ended June 30, 2004 (With Comparative Totals for 2003)
3	Statement of Functional Expenses for the Year Ended June 30, 2004 (With Comparative Totals for 2003)
4	Statement of Cash Flows for the Year Ended June 30, 2004 (With Comparative Totals for 2003)
5	Notes to the Financial Statements June 30, 2004
16	Additional Information
17 - 18	Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2004
19	Independent Auditor's Report
20	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>
21	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133
23	Schedule of Findings and Questioned Costs

# Volunteers of America of North Louisiana

Statement of Financial Position  
June 30, 2004  
(With Comparative Totals for 2003)

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 23,138	\$ 145,924
Investments	14,822	-
Accounts Receivable, Net	1,137,505	696,542
Prepaid Expenses	169,027	141,269
Total Current Assets	<u>1,344,492</u>	<u>983,735</u>
<b>Property and Equipment</b>		
Land	268,875	268,875
Buildings and Leasehold Improvements	1,188,771	1,150,387
Furniture and Equipment	835,781	756,072
Less: Accumulated Depreciation	<u>(1,243,342)</u>	<u>(1,114,577)</u>
Total Fixed Assets	<u>1,050,085</u>	<u>1,060,757</u>
<b>Long-Term Investments</b>	50,150	-
<b>Other Assets</b>	<u>3,535</u>	<u>3,535</u>
Total Assets	<u>\$ 2,448,262</u>	<u>\$ 2,048,027</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 432,282	\$ 350,639
Current Portion of Notes Payable	354,330	248,754
Accrued Expenses	362,571	287,094
Total Current Liabilities	<u>1,149,183</u>	<u>886,487</u>
<b>Notes Payable - Long-Term Portion</b>	36,000	58,811
Total Liabilities	<u>1,185,183</u>	<u>945,298</u>
<b>Net Assets</b>		
Unrestricted	1,249,983	1,078,059
Temporarily Restricted	13,096	24,670
Permanently Restricted	-	-
Total Net Assets	<u>1,263,079</u>	<u>1,102,729</u>
Total Liabilities and Net Assets	<u>\$ 2,448,262</u>	<u>\$ 2,048,027</u>

The accompanying Notes are an integral part of these statements.

## Volunteers of America of North Louisiana

### Statement of Activities for the Year Ended June 30, 2004 (With Comparative Totals for 2003)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2004 Totals	2003
<b>Revenues from Operations</b>					
<i>Public Support Received Directly</i>					
Contributions	\$ 996,789	\$ 13,096	\$ -	\$ 1,009,885	\$ 997,446
Contributions, in-Kind	200,000	-	-	200,000	312,500
Government Fees and Grants	7,348,319	993,754	-	8,342,073	6,811,988
<i>Public Support Received Indirectly</i>					
Service Fees and Sales	181,536	-	-	181,536	182,270
United Way	273,930	-	-	273,930	281,310
Volunteers of America	3,296	-	-	3,296	9,212
<i>Net Assets Released from Restrictions</i>					
Satisfaction of Program Restrictions	1,018,424	( 1,018,424)	-	-	-
<b>Total Revenues From Operations</b>	<b>10,022,294</b>	<b>( 11,574)</b>	<b>-</b>	<b>10,010,720</b>	<b>8,594,726</b>
<b>Operating Expenses</b>					
<i>Program Services</i>					
Encouraging Positive Development	4,137,596	-	-	4,137,596	3,418,349
Fostering Independence	4,091,661	-	-	4,091,661	3,551,503
Promoting Self-Sufficiency	375,287	-	-	375,287	119,227
<b>Total Program Services</b>	<b>8,604,544</b>	<b>-</b>	<b>-</b>	<b>8,604,544</b>	<b>7,089,079</b>
<i>Support Services</i>					
Management and General	1,071,623	-	-	1,071,623	879,254
Fund Raising	253,038	-	-	253,038	223,308
<b>Total Support Services</b>	<b>1,324,661</b>	<b>-</b>	<b>-</b>	<b>1,324,661</b>	<b>1,102,562</b>
<b>Total Operating Expenses</b>	<b>9,929,205</b>	<b>-</b>	<b>-</b>	<b>9,929,205</b>	<b>8,191,641</b>
<b>Excess (Deficit) from Operations</b>	<b>93,089</b>	<b>( 11,574)</b>	<b>-</b>	<b>81,515</b>	<b>403,085</b>
<b>Non-Operating Gains (Losses) and Other Revenue</b>					
Investment Income (Loss)	( 276)	-	-	( 276)	465
Gain (Loss) on Sale of Assets	( 5,969)	-	-	( 5,969)	( 31,279)
Other Income	48,948	-	-	48,948	59,976
<b>Total Non-Operating Gains (Losses) and Other Revenue</b>	<b>42,703</b>	<b>-</b>	<b>-</b>	<b>42,703</b>	<b>29,162</b>
<b>Change in Net Assets</b>	<b>135,792</b>	<b>(11,574)</b>	<b>-</b>	<b>124,218</b>	<b>432,247</b>
Net Assets at Beginning of Year, Restated	1,114,191	24,670	-	1,138,861	670,482
<b>Net Assets at End of Year</b>	<b>\$ 1,249,983</b>	<b>\$ 13,096</b>	<b>\$ -</b>	<b>\$ 1,263,079</b>	<b>\$ 1,102,729</b>

The accompanying Notes are an integral part of these statements.

# Volunteers of America of North Louisiana

Statement of Functional Expenses  
for the Year Ended June 30, 2004  
(With Comparative Totals for 2003)

	Program Services				Support Services			2004 Totals	2003
	Encouraging Positive Development	Fostering Independence	Promoting Self Sufficiency	Total	Management and General	Fund			
						Raising			
Salaries	\$ 2,390,444	\$ 2,700,941	\$ 214,233	\$ 5,305,618	\$ 485,089	\$ 76,819	\$ 563,908	\$ 4,738,370	
Pension Expense	60,510	62,915	6,209	129,634	27,130	4,584	31,714	161,348	
Other Employee Benefits	113,205	101,242	9,073	223,520	38,308	2,444	40,752	238,308	
Payroll Taxes	185,554	223,216	17,536	426,306	21,613	3,861	25,474	451,780	
Legal Fees	18,199	120	105	18,424	5,211	1,340	6,551	11,051	
Accounting Fees	-	-	-	-	14,400	-	14,400	15,900	
Other Professional Fees	274,228	242,684	17,663	534,575	36,241	92,184	128,425	683,000	
Supplies and Expenses	239,240	99,968	13,568	352,776	80,206	15,327	95,533	448,309	
Telecommunications	56,922	38,581	8,542	104,045	9,170	728	9,898	113,943	
Postage	7,899	2,585	142	10,626	11,270	6,227	17,497	28,246	
Occupancy	180,190	112,842	10,323	303,355	22,489	1,750	24,239	327,594	
Interest	-	4,649	-	4,649	9,454	-	9,454	14,641	
Insurance	61,162	53,993	7,626	122,781	17,796	11,334	29,130	93,338	
Equipment Rental and Maintenance	30,247	9,867	1,613	41,727	25,799	899	26,698	68,425	
Printing and Publications	31,428	8,191	1,442	41,061	1,336	11,954	13,290	54,351	
Travel and Transportation	125,325	96,510	13,894	235,729	11,738	812	12,550	248,279	
Conferences and Meetings	79,501	12,046	4,820	96,367	10,664	19,264	29,948	120,849	
Specific Assistance to Individuals	234,497	262,984	46,027	543,508	-	441	441	543,949	
Other	3,418	8,031	456	11,905	4,191	261	4,452	18,671	
National Supervisory Fees	-	-	-	-	196,613	-	196,613	177,707	
<b>Total Expenses Before Depreciation</b>	<b>4,091,969</b>	<b>4,041,365</b>	<b>373,272</b>	<b>8,506,606</b>	<b>1,028,718</b>	<b>252,249</b>	<b>1,280,967</b>	<b>9,787,573</b>	
Depreciation	45,627	50,296	2,015	97,938	42,905	789	43,694	144,678	
<b>Total Functional Expenses</b>	<b>\$ 4,137,596</b>	<b>\$ 4,091,661</b>	<b>\$ 375,287</b>	<b>\$ 8,604,544</b>	<b>\$ 1,071,623</b>	<b>\$ 253,038</b>	<b>\$ 1,324,661</b>	<b>\$ 9,929,251</b>	

The accompanying Notes are an integral part of these statements.

## Volunteers of America of North Louisiana

### Statement of Cash Flows For the Year Ended June 30, 2004 (With Comparative Totals for 2003)

	2004	2003
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 124,218	\$ 432,247
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities		
Depreciation	141,632	144,678
Loss on Sale of Fixed Assets	5,969	31,279
(Increase) Decrease in:		
Accounts Receivable	( 439,153)	74,654
Prepaid Expenses	( 27,758)	( 57,953)
Other Assets	-	( 1,075)
Increase (Decrease) in:		
Accounts Payable	81,643	97,459
Accrued Expenses	75,477	( 23,280)
Net Cash Provided by (Used in) Operating Activities	( 37,972)	698,009
<b>Cash Flows from Investing Activities</b>		
Purchase of Investments	( 64,972)	-
Purchase of Fixed Assets	( 132,607)	( 322,129)
Net Cash Used in Investing Activities	( 197,579)	( 322,129)
<b>Cash Flows from Financing Activities</b>		
Cash Received in Connection with Merger of Red River Employment Services	30,000	-
Payment on Notes Payable	( 192,235)	( 660,086)
Proceeds from Issuance of Notes Payable	275,000	400,000
Net Cash Provided by (Used in) Financing Activities	112,765	( 260,086)
Net Increase (Decrease) in Cash and Cash Equivalents	( 122,786)	115,794
Cash and Cash Equivalents-Beginning	145,924	30,130
Cash and Cash Equivalents-Ending	\$ 23,138	\$ 145,924
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash Paid for Interest During the Year	\$ 14,103	\$ 14,641
<b>Schedule of Noncash Investing Transactions</b>		
Receivables Assumed in Connection with Merger of Red River Employment Services	\$ ( 1,810)	\$ -
Net property and equipment contributed	( 4,322)	-
	\$ ( 6,132)	\$ -

The accompanying Notes are an integral part of these statements.

# Volunteers of America of North Louisiana

Notes to the Financial Statements  
June 30, 2004

## Note 1 Organization

Volunteers of America of North Louisiana (the VOA) is a not-for-profit spiritually based human services organization, incorporated in the State of Louisiana, that provides social services within North and Central Louisiana as a subsidiary corporation of Volunteers of America, Inc., a national nonprofit spiritually based organization providing local human service programs, and opportunities for individuals and community involvement.

The Agency's programs are grouped into three major impact areas:

### Encouraging Positive Development

Within the impact area of encouraging positive development, VOA provides services to promote healthy development of children, adolescents and their families through a continuum of services from early prevention to intensive intervention approaches.

This impact area includes the following categories:

#### Children and Youth

Thresholds Homemaker Parent Aide 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.

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 federal funds passed through the State of Louisiana Department of Health and Hospitals.

Thresholds 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 Preservation Alexandria 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.

Family Reunification Alexandria 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.

Family Resource Center 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.

Family Resource Center Jena 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.

Mentoring Adolescents in Need of Support designed to give at-risk students the opportunity to be with a mentor exposing them to positive experiences that will better them in the future; federally funded by a Community Development Block Grant (CDBG) grant passed through the City of Bossier City, Louisiana.

Project Hope provides a pre-vocational training program for eligible youths ages 14 - 21; primarily funded by federal funds passed through the City of Shreveport, Louisiana.

Pregnancy Services Alexandria 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, federal grants and program service fees collected from adoption clients.

Pregnancy Services Monroe 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, federal grants and program service fees collected from adoption clients.

Pregnancy Services Ruston 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, federal grants and program service fees collected from adoption clients.

Pregnancy Services Shreveport 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, federal grants and program service fees collected from adoption clients.

Teen Pregnancy Prevention provides educational and support services for youth with the specific goal of reducing the number of out-of-wedlock pregnancies, funded by federal funds passed through the State of Louisiana Department of Social Services and Office of Family Services.

Working for Abstinence in Teens provides teen pregnancy prevention information to girls, funded by a grant from the U.S. Department of Education.

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

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

Adoption Respite provides respite services to foster families with children available for adoption, adoptive families with children placed for adoption and adoptive families with finalized adoptions. Services include emergency/crisis respite, maintenance and recreational respite, statewide camp and transportation. The program is funded by the State of Louisiana Department of Social Services.

Scholastic Books Program provides books donated by Scholastics Books to children in lower income families through VOA of North Louisiana.

Project Reality Education About Life provides guidance to youths in positive life and decision-making skills through weekly curriculum-based education groups and monthly recreational and educational opportunities to its participants. This program is funded by a federal grant from the U.S. Department of Education.

Career Vision provides one week of intensive job readiness training for 19 to 21 year olds and also assists in recipients obtaining their G.E.D; primarily funded by federal funds passed through the City of Shreveport, Louisiana.

Neighborhood Enrichment Center Bossier City provides homework assistance, structured educational opportunities, cultural experiences and recreation for children ages 5 – 13, primarily funded by United Way donations.

Neighborhood Enrichment Center Minden provides after school homework assistance and tutoring and a teenage pregnancy prevention program for 7<sup>th</sup> and 8<sup>th</sup> graders, primarily funded by federal funds passed through the State of Louisiana Department of Social Services.

Youth Development of Shreveport provides after school homework assistance and tutoring and a teenage pregnancy prevention program, primarily funded by United Way donations.

Quality Child Care Initiative is a center based Parents as Teachers program that provides parent and childcare giver education, parent enrichment and an early literacy program whereby participants are encouraged to read books handed out to the children. This program is primarily funded by federal funds passed through the State of Louisiana Department of Social Services.

T. A. S. C. (Truancy Assessment Services Center) provides services for TASC referrals through parent education, in home family and individual therapy, mentoring/tutoring for children, and transportation; funded through the Ninth Judicial District Court.

FRAME (Families Restructuring and Managing their Environment) provides services designed to move low-income individuals and families in NE Louisiana from dependency to self-sufficiency by encouraging family stability and increasing the employability of parents; primarily funded by federal funds passed through the State of Louisiana Department of Social Services.

Twin Cities Early Head start promotes school readiness by enhancing the social and cognitive development of low-income children through the provision, to low-income children and their families, of health, educational, nutritional, social, and other services that are determined, based on family needs assessments, to be necessary; primarily funded by federal funds passed through the State of Louisiana Department of Social Services.

21<sup>st</sup> Century Community Learning Centers program provides students from low-performing, school-wide Title I schools the opportunities in the out-of-school hours to engage in content-rich learning encompassing academics, the arts, recreation, technology, and other youth-development activities that are supported by scientifically-based research. Families of students, in addition, should have access to adult education, literacy, and other needs-based, innovative activities at the school site. The program is funded by the U.S. Department of Education.

Quality Training Involving Parents focuses on teaching parenting skills, conflict resolution and other skills to parents, primarily funded by federal funds passed through the State of Louisiana Department of Social Services.

### **Community Enhancement**

Outreach and Emergency Housing provides outreach services and emergency housing to clients who are chronically mentally ill and homeless or at a risk of being homeless, primarily funded by State of Louisiana Office of Mental Health.

### **Fostering Independence**

Within the impact area of fostering independence, VOA provides care where needed, while supporting independence to the degree possible to the elderly, those with disabilities, mental illness and HIV/ AIDS.

This impact area includes the following categories:

#### **Disabilities Services**

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

Magnolia House Community Home - developmentally disabled adult residents are assisted in developing independent living skills; primarily funded by Federal Medicaid Program.

Meadowbrook House Community Home - developmentally disabled adult residents are assisted in developing independent living skills; primarily funded by Federal Medicaid Program.

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

Green Harbor Resource Center is a consumer operated center offering support, education and self-help services, primarily funded by State of Louisiana Office of Mental Health.

Service Coordination provides service coordination for clients with disabilities in the HUD 202 and 811 projects, primarily funded by the U.S. Department of Housing and Development.

### **Elderly Services**

Pecan Villa apartment complex for senior citizens; funded by National Church Residences.

### **Housing for the Disabled and Elderly**

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.

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.

Mental Health Housing Alexandria provides housing for mentally ill individuals; funded by the U.S. Department of Housing and Urban Development.

Rural Mental Health Housing provides case management that supports the seriously ill from homelessness to permanent housing; funded by the U.S. Department of Housing and Urban Development.

Mental Health Housing Monroe provides permanent supportive housing that provides safe and affordable housing for persons who are disabled; funded by the U.S. Department of Housing and Urban Development.

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.

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.

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.

HUD Housing Ruston provides permanent supportive housing that provides safe and affordable housing for persons who are disabled; funded by the U.S. Department of Housing and Urban Development.

HUD Housing Monroe provides safe and affordable housing with supportive services for the homeless mentally ill in Ouachita, Richland and Caldwell Parishes, primarily funded by the U.S. Department of Housing and Urban Development.

HUD L.I.T.S (Louisiana Integrated Treatment Services) - provides housing and support services for clients with co-occurring disorders, assisting them in the process of going from homelessness to permanent housing; funded by the U.S. Department of Housing and Urban Development.

Pinehaven Place - VOA of North Louisiana has entered into a management agreement with Pineville 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.

### **Mental Health**

Assertive Community Outreach 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 federal funds passed through the State of Louisiana Department of Health and Hospitals.

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.

Rural 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.

Shreveport Mental Health VOA acts as fiscal agent for the community mental health centers in Region VII in obtaining support to achieve, maintain and improve home and community based living; primarily funded by federal funds passed through the State of Louisiana Department of Health and Hospitals.

Gateway 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.

Transitional Residential Living teaches independent living skills to mentally ill adults and provides temporary shelter to the homeless mentally ill; funded by the State of Louisiana Office of Mental Health.

McAdoo 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 Department of Health and Hospitals.

H. O. P. S. (Housing Opportunities for Permanent Solutions) provides housing for mentally ill individuals; funded by the U.S. Department of Housing and Urban Development.

LA Rehabilitation Services provides employment services including assessment, counseling, job development, employment placement and support services, primarily funded by State of Louisiana Department of Social Services.

Eligibility Assistance provides assistance to mentally handicapped people in Regions 6, 7 and 8 who appear to be eligible to qualify for supplemental security income, social security disability and/ or medical benefits, primarily funded by state and federal funds passed through the State of Louisiana Office of Mental Health.

### **Promoting Self-Sufficiency**

Within the impact area of promoting self-sufficiency, VOA works to promote the self-sufficiency of those who have experienced homelessness or other personal crisis, including chemical dependency, involvement with the corrections system and unemployment.

This impact area includes the following categories:

**Correctional Services**

Tracker Services keeps up with young persons released from juvenile detention centers to live at home; funded by the State of Louisiana Department of Public Safety.

**Homeless Services**

Homeless Outreach provides outreach services and emergency shelter to clients who are mentally ill and homeless; funded by the Rapides Foundation.

HUD Minden provides housing for mentally ill individuals; funded by the U.S. Department of Housing and Urban Development.

**Housing for Families and Single Adults**

Housing Services provides management of VOA's housing programs and the first time home buyer program; funded primarily by donations.

Individual Development Account provides information on home ownership and business start-ups, primarily funded by program fees.

**Employment and Training Services**

CORES program provides competitive employment when no other means can be utilized, including volunteer development, volunteering, employment development and employment, primarily funded by state and federal funds passed through the State of Louisiana Office of Mental Health.

Employment Counseling is a micro enterprise endeavor to promote art for sale, thus generating income and creating occupations for those with disabilities, primarily funded by state and federal funds passed through the State of Louisiana Office of Mental Health.

Case Management Training 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; primarily funded by the State of Louisiana, Office of Mental Health.

LA HOPE program is an initiative by the Social Security Administration to secure health care coverage to help chronically homeless people with disabilities, primarily funded by the Social Security Administration.

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

**Note 2 Summary of Significant Accounting Policies**

The accounting policies of the agency conform to generally accepted accounting principles as applicable to voluntary health and welfare organizations.

Basis of Accounting – VOA prepares its financial statement on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses recognized when incurred.

The more significant accounting policies of the VOA are described below:

Accounts Receivable - The VOA predominately extends credit through billing for reimbursement of allowed costs in connection with providing services under contract with various Federal and State agencies. The VOA also extends credit to select individuals in the course of performing adoptions and other services for fees in Central and North Louisiana. All extensions of credit are on an unsecured basis. Grant receivables are recorded at amount billed and are deemed delinquent based on contractual terms.

Allowance for Doubtful Accounts - The allowance for doubtful accounts is evaluated on a regular basis by management and is based upon management's periodic review of the collectibility of the receivables in light of historical experience, the nature and type of account, adverse situations that may affect the payor's ability

to repay and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available. Receivables deemed uncollectible are charged off against the allowance when management believes the uncollectibility is confirmed.

Property and Equipment - 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; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed on the straight-line method based upon the following estimated useful lives of the assets: Furniture and equipment – five to seven years, transportation vehicles – five years and buildings and improvements – thirty years. Certain property and equipment purchased with grant funds may revert back to the funding agency if the program is closed or abandoned and proceeds from the sale of certain property could be returned to the granting agency.

Cash Equivalents - Cash equivalents are all highly liquid investments with a maturity of three months or less when purchased, 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.

Contributions - Contributions are generally recorded only upon receipt, unless evidence of an unconditional promise to give has been received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. Conditional promises to give are not included as support until such time as the conditions are substantially met. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Contributed Services - The VOA recognizes contribution revenue for certain services received at the fair value of those services, provided those services create or enhance non-financial 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.

Restricted Assets - Restricted assets, if any, represent the total of all assets that are encumbered by donor restrictions, legal agreements, and board designation or are otherwise unavailable for the general use of the organization. This category generally includes client/custodial funds, escrow/reserve funds, temporarily and permanently restricted assets and securities that are pledged and held by the lender as collateral as financing.

Net Assets - The VOA classifies net assets into three categories: unrestricted, temporarily restricted and permanently restricted. All net assets are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Temporarily restricted net assets include contributions with temporary, donor-imposed time or purpose restrictions. Temporarily restricted net assets become unrestricted and are reported in the statement of activities as net assets released from restrictions when the time restrictions expire or the contributions are used for the restricted purpose. Permanently restricted net assets include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity, but permitting use of all or part of the investment income earned on the contributions.

Operations - The VOA defines operations as all program and supporting service activities undertaken (see Note 1). Revenues that result from these activities, and their related expenses, are reported as operations. Gains, losses and other revenue that results from ancillary activities, such as investing liquid assets and disposing of fixed or other assets, are reported as non-operating.

Federal Income Taxes - Under provision of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Louisiana, the Volunteers of America of North Louisiana is exempt from income taxes, except for net income from unrelated business income, 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). There were no unrelated business activities in 2004. Accordingly, no tax expense was incurred for the year ended June 30, 2004.

Investments - Investments consist primarily of bond and corporate mutual funds, stocks and cash reserve funds. They are recorded at fair value based on quoted market prices. All other investments are reported at historical cost, if purchased, or, if contributed, at fair value at the date contribution.

Summary Financial Information for 2003 - 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 VOA's financial statements for the year ended June 30, 2003, from which the summarized information was derived.

Allocation of Functional Expenses - The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the various functions.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications - Certain 2003 amounts have been reclassified to conform to the 2004 financial statement presentation.

Concentrations of Credit Risk - The VOA 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. The VOA can have exposure from time to time due to cash balances held in excess of the FDIC coverage. There were no uninsured cash balances at June 30, 2004.

Thirty-seven (37%) percent of grant receivables at June 30, 2004 are due from the Medicaid waiver programs, twenty-seven (27%) percent are due under grants with the U.S. Department of Health and Human Services, nineteen (19%) percent of grant receivables are due under grants with the U.S. Department of Education and eight (8%) percent of grant receivables are due under grants with the U.S. Department of Housing and Urban Development.

Thirty-five (35%) percent of government grant revenue for the year ended June 30, 2004 are from the Medicaid waiver programs, thirty-three (33%) percent are from grants with the U.S. Department of Health and Human Services and nine (9%) percent of government grant revenue are from grants with the U.S. Department of Housing and Urban Development.

**Note 3 Temporarily Restricted Net Assets**

Temporarily Restricted Net Assets at June 30, 2004 was composed of undistributed money earmarked for scholarships.

**Note 4 Investments**

Unrestricted investments at June 30, 2004 are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>
Bond Mutual Funds	\$ 10,124	\$ 10,048
Corporate Mutual Funds	15,302	15,102
Stocks	16,197	14,822
Certificate of Deposit	<u>25,000</u>	<u>25,000</u>
	66,623	64,972
Less - Current Investments	<u>16,197</u>	<u>14,822</u>
Long -Term Investments	<u>\$ 50,426</u>	<u>\$ 50,150</u>

Unrestricted investment loss at June 30, 2004 is composed of interest and dividends of \$1,375 and unrealized losses of \$1,651.

## Note 5 Notes Payable

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.	\$ 25,625
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.	23,137
Promissory note payable to a financial institution in the original amount of \$10,711 at 8.65% interest, payable in monthly installments of \$340, including interest, with the balance due March 18, 2005, secured by equipment and deposits.	2,916
Promissory note payable to a finance company in the original amount of \$27,759 at 0% interest, payable in monthly installments of \$771 with the balance due January 3, 2005, secured by a vehicle.	5,398
Promissory note payable to a finance company in the original amount of \$12,388 at 7.25% interest, payable in monthly installments of \$453, including interest, with the balance due October 28, 2004, secured by a vehicle.	2,034
Revolving line of credit with a bank, with a maximum credit limit of \$400,000 with interest at Bank One index plus .5%, secured by deposits, real estate and land, maturing December 15, 2004.	175,000
Line of credit payable to the VOA, Inc. with a maximum credit limit of \$250,000 with 0% interest, originally maturing June 30, 2003, unsecured.	<u>156,220</u>
Total	390,330
Less Current Portion	( 354,330 )
Long-Term Portion	<u>\$ 36,000</u>

The following is a schedule of the debt maturing in subsequent fiscal years ending June 30,

2005	\$ 354,330
2006	13,770
2007	14,859
2008	<u>7,371</u>
	<u>\$ 390,330</u>

Interest expense for the year ended June 30, 2004 was \$14,103.

## Note 6 Leases

The VOA 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 for the fiscal years ending June 30:

2005	\$ 132,352
2006	39,692
2007	<u>25,000</u>
	<u>\$ 197,044</u>

Total rent expense under all leases amounted to \$180,695 for the year ended June 30, 2004, and is included in occupancy expense.

**Note 7 Pension Plan for Ministers**

The VOA 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 \$23,398 for the year ended June 30, 2004.

Because the plan is a multi-employer plan, the accumulated benefits and net assets available for benefits as they relate solely to the VOA are not readily available.

**Note 8 Retirement Plans**

The VOA joined the national retirement savings plan of Volunteers of America, Inc, which is organized under Internal Revenue Code Section 403(b). The plan allows all employees with one year of service to participate. Employees are able to contribute up to the statutory limitations, currently \$13,000. Employer discretionary contributions are up to one (1%) percent of the employee's salary, limited to fifty (50%) percent of the employee's contribution. In addition, Volunteers of America, Inc., the plan sponsor, contributes four (4%) of the employee's salary. Contributions made to the plan are at the discretion of the Board of Directors. Retirement plan expense was \$137,950 for the year ended June 30, 2004, under this plan.

**Note 9 Related Party Transactions**

The VOA is affiliated with Volunteers of America, Inc. which provides supporting services to the VOA for a fee. Affiliate fees for the fiscal year ended June 30, 2004 totaled \$196,613. The amount due Volunteers of America, Inc. for administrative fees as of June 30, 2004 was \$31,613.

VOA manages six HUD projects that are part of the national affiliation of Volunteers of America, Inc. Management and bookkeeping fees paid by the projects for the year ended June 30, 2004 were \$40,680. At June 30, 2004, the projects owned VOA \$39,045, which is included in other receivables.

VOA owes \$156,220 to Volunteers of America, Inc. under an unsecured line of credit with 0% interest rate that has no repayment terms.

**Note 10 Accounts Receivable**

At June 30, 2004, accounts receivable consisted of the following:

Grants and Contracts Receivable	\$ 1,094,170
Other Receivables	43,335
	<u>1,137,505</u>
Less Allowance for Uncollectible Receivables	( - )
Total	<u>\$ 1,137,505</u>

**Note 11 Compensated Absences - Accrued Leave**

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

At June 30, 2004, the approximate amount of accumulated and vested employee leave benefits was \$147,263, which is included in Accrued Expenses (see Note 12).

**Note 12 Accrued Expenses**

At June 30, 2004, accrued expenses consisted of the following:

Accrued payroll and related taxes	\$ 214,945
Accrued leave payable	147,263
Other Accrued	363
Total	<u>\$ 362,571</u>

**Note 13 Merger with Red River Employment Services, Inc.**

Red River Employment Services, Inc. (Red River), a Louisiana non-profit organization merged their operations and programs with VOA effective December 31, 2003. Cash, receivables and fixed assets totaling \$36,132 were transferred to VOA as a result of this merger. These assets were added to beginning unrestricted net assets on the statement of activities, effectively restating beginning net assets. The merger effectively created a new division within VOA which is designated Red River Employment Services, a Division of the VOA of North Louisiana.

**Note 14 Subsequent Events**

VOA sold its license to operate the Magnolia House Community Home, which was funded by the Federal Medicaid Program, for approximately \$70,000. For the year ended June 30, 2004, revenues from operations totaled \$224,548 and expenditures totaled \$302,468 for this program.

VOA also sold the license to operate the Meadowbrook House Community Home and associated assets used in this program for approximately \$260,000. This program was also funded by the Federal Medicaid Program. For the year ended June 30, 2004, revenues from operations totaled \$216,663 and expenditures totaled \$334,949 for this program.

**Additional Information**

# Volunteers of America of North Louisiana

Shreveport, Louisiana

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2004

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Total Federal Expenditures
<u>U. S. Department of Health and Human Services</u>			
Passed through the State of Louisiana Department of Health and Hospitals			
TANF - McAdoo	93.958	580885	\$ 49,100
TANF - Housing Program	93.958	580886	60,200
TANF - Adjunctive Services	93.958	594042	118,749
TANF - Whatever It Takes	93.958	595183	38,470
TANF - Assert Comm. O/R & Trans Res Lvg	93.958	594737	31,302
Projects for Assistance in Transition from Homeless	93.150	589796	32,732
Passed through the Louisiana Department of Social Services			
TANF - Alexandria Q.T.I.P.	93.558	604195	101,350
Promoting Safe & Stable Families - Alex Child Welfare	93.556	589538	435,087
Adoption Opportunities - Adoption Respite	93.652	593490	18,267
Adoption Opportunities - Adoption Respite	93.652	604042	18,930
Promoting Safe & Stable Families - Alex Family Resource Center	93.556	589034	144,027
Social Services Block Grant - Alex Family Preservation	93.667	579752	76,400
Social Services Block Grant - Alex Family Preservation	93.667	579750	122,380
TANF - Project W.A.I.T.	93.558	590114	21,946
TANF - Project R.E.A.L.	93.558	589165	44,419
TANF - Community Response Initiative	93.558	590063	14,265
TANF - Community Response Initiative	93.558	607091	28,590
Early Head Start	93.600	06CH702401	246,844
Early Head Start	93.600	06CH702402	534,784
TANF - Q.T.I.P. Monroe	93.558	603919	46,486
Promoting Safe & Stable Families - Pregnancy Services	93.556	586379	6,000
Promoting Safe & Stable Families - Pregnancy Services	93.556	600422	30,000
TANF - Teen Pregnancy Prevention	93.558	588696	38,140
TANF - Teen Pregnancy Prevention	93.558	589351	25,072
Social Services Block Grant - Homemaker/Parent Aide	93.667	579699	50,000
Social Services Block Grant - Family Preservation	93.667	579703	147,867
Social Services Block Grant - Family Reunification	93.667	568052	46,400
Passed through State of Louisiana Office of Mental Health			
Block Grants for Community MH Services - (PROPS)-Alex	93.958	580474	22,700
Block Grants for Community MH Services -Consulting	93.958	582881	1,051
Block Grants for Community MH Services - SSI-Region 6 and 7	93.958	581515	54,043
Block Grants for Community MH Services - SSI-Region 8	93.958	594385	24,483
Block Grants for Community MH Services - CORES	93.958	593928	26,852
<u>U. S. Department of Education</u>			
21 st Century Community Learning Center	84.287	598639	507,362
TANF - Project R.E.A.L.	93.558	604044	132,863
Passed through Office of School and Community Support			
TANF - Project W.A.I.T.	93.558	604036	88,052

(continued on page 18)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Grantor's Number</u>	<u>Total Federal Expenditures</u>
<u>U. S. Department of Labor</u>			
Passed through City of Shreveport			
WIA Youth Activities - Career Vision	17.259	K3006	49,129
WIA Youth Activities - Project Hope	17.259	K3007	88,500
<u>U. S. Department of Housing and Urban Development</u>			
Supportive Housing Program - L.I.T.S.	14.235	LA48B107001	180,873
Supportive Housing Program - Perm. Housing Project	14.235	LA48B007001	65,727
Supportive Housing Program - Perm. Housing Project	14.235	LA48B007004	68,508
Supportive Housing Program - Rural Acts Homeless	14.235	LA48B202007	103,775
Supportive Housing Program - Minden Housing	14.235	LA48B202006	82,761
Supportive Housing Program - Minden Housing	14.235	LA48B302008	20,136
Supportive Housing Program - Shreveport Housing	14.235	LA48B102007	162,553
Supportive Housing Program - Ruston Housing	14.235	LA48B905002	48,214
Supportive Housing Program - Ruston Housing	14.235	LA48B205003	44,854
Supportive Housing Program - Monroe Housing	14.235	LA48B905001	49,110
Supportive Housing Program - Monroe Housing	14.235	LA48B305002	37,929
Community Development Block Grants			
Passed Through City of Bossier City			
CDBG - Lighthouse Bossier	14.218	not known	6,241
CDBG - Lighthouse Bossier	14.218	not known	3,531
Passed Through City of Bossier City			
CDBG - M.A.I.N.S.	14.218	2003-PS-0007	20,000
CDBG - M.A.I.N.S.	14.218	2004-PS-0012	13,704
Passed through VOA, Inc.			
Supportive Housing Program -Multi-Family Housing Service	14.235	LA62HS03001	10,982
Passed through National Church Residences			
Pecan Villa	not known	LA62HS00001	19,848
			\$ <u><u>4,461,588</u></u>

**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 (a nonprofit organization) as of June 30, 2004, 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. The prior year summarized comparative information has been derived from the Organization's 2003 financial statements and, in our report dated September 4, 2003, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 the 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, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2004, on our consideration of Volunteers of America of North Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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 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.

*ROBERTS, CHERRY AND COMPANY*  
ROBERTS, CHERRY AND COMPANY

A Corporation of  
Certified Public Accountants  
Shreveport, Louisiana  
August 18, 2004

**ROBERTS, CHERRY & COMPANY**  
*Certified Public Accountants, Consultants*

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS 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 (a nonprofit organization) as of and for the year ended June 30, 2004, and have issued our report thereon dated August 18, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**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 reportable 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 caused by error or fraud 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.

**Compliance**

As part of obtaining reasonable assurance about whether Volunteers of America of North Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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*.

This report is intended solely for the information and use of the board of directors, management, others within the organization, 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.

*ROBERTS, CHERRY AND COMPANY*  
ROBERTS, CHERRY AND COMPANY

A Corporation of  
Certified Public Accountants  
Shreveport, Louisiana  
August 18, 2004

**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**

We have audited the compliance of Volunteers of America of North Louisiana (a nonprofit organization) 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, 2004. 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 auditing standards generally accepted in the United States of America; 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 compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Volunteers of America of North Louisiana's compliance with those requirements.

In our opinion, Volunteers of America of North Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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 solely for the information and use of the board of directors, management, others within the organization, 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.

*ROBERTS, CHERRY AND COMPANY*  
ROBERTS, CHERRY AND COMPANY

A Corporation of  
Certified Public Accountants  
Shreveport, Louisiana  
August 18, 2004

# Volunteers of America of North Louisiana

## Schedule of Findings and Questioned Costs

June 30, 2004

### Section 1 – Summary of Auditor’s Results

#### Financial Statements

Type of auditor’s report issued: **Unqualified**

Internal control over financial reporting:

Material weaknesses identified? **No**

Reportable conditions identified not considered  
to be material weaknesses? **None reported**

Noncompliance material to financial statements noted? **No**

#### Federal Awards

Internal Control over major programs:

Material weaknesses identified? **No**

Reportable conditions identified not considered  
to be material weaknesses? **None reported**

Type of auditor’s report issued on compliance for major programs: **Unqualified**

Any audit findings disclosed that are required to be reported in  
accordance with section 510(a) of OMB Circular A-133? **No**

Identification of major programs:

CFDA Number:	<b>93.667</b>
Name of Program or Cluster:	<b>Social Services Block Grant</b>
CFDA Number:	<b>93.556</b>
Name of Program or Cluster:	<b>Promoting Safe and Stable Families</b>
CFDA Number	<b>14.235</b>
Name of Program or Cluster	<b>Supportive Housing Program</b>
CFDA Number	<b>93.558</b>
Name of Program or Cluster	<b>Temporary Assistance for Needy Families</b>
CFDA Number	<b>84.287</b>
Name of Program or Cluster	<b>21<sup>st</sup> Century Community Learning Center</b>
CFDA Number	<b>93.600</b>
Name of Program or Cluster	<b>Head Start</b>
CFDA Number	<b>93.958</b>
Name of Program or Cluster	<b>Block Grants for Community MH Services</b>

Dollar threshold used to distinguish between Type A and Type B programs: **\$300,000**

Auditee qualified as low-risk auditee? **Yes**

### Section II – Financial Statement Findings

**None**

### Section III – Federal Award Findings and Questioned Costs

**None**

### Prior Year Findings

**None**