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COMMUNITY VOLUNTEERS ASSOCIATION

NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

JUNE 30, 1999 AND 1998

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

Release Date JAN 22 2000

Ericksen, Krentel, Canton & LaPorte, L.
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Ericksen, Krentel, Canton & LaPorte, L.L.P.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Community Volunteers Association

We have audited the accompanying statements of financial position of Community Volunteers Association (a nonprofit organization) as of June 30, 1999 and 1998, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Community Volunteers Association'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, the *Louisiana Governmental Audit Guide* and *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 Community Volunteers Association as of June 30, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 30, 1999 on our consideration of the Community Volunteers Association's internal control structure and on its compliance with laws and regulations.

November 30, 1999

Ericksen, Krentel, Canton & LaPorte, LLP

Certified Public Accountants

COMMUNITY VOLUNTEERS ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 1999 AND 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
<u>CURRENT ASSETS:</u>		
Cash	\$ 57,277	\$ 55,452
Total current assets	<u>57,277</u>	<u>55,452</u>
<u>PROPERTY AND EQUIPMENT:</u>		
Furniture and equipment	26,816	26,816
Less: accumulated depreciation	<u>(23,261)</u>	<u>(19,027)</u>
Net property and equipment	<u>3,555</u>	<u>7,789</u>
Total assets	<u>\$ 60,832</u>	<u>\$ 63,241</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES:</u>		
Accounts payable	\$ -	\$ 938
Payroll taxes payable	<u>1,849</u>	<u>3,463</u>
Total current liabilities	<u>1,849</u>	<u>4,401</u>
<u>NET ASSETS:</u>		
Unrestricted	<u>58,983</u>	<u>58,840</u>
Total liabilities and net assets	<u>\$ 60,832</u>	<u>\$ 63,241</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

COMMUNITY VOLUNTEERS ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>SUPPORT AND OTHER REVENUE:</u>		
Support	\$ 326,197	\$ 364,000
Interest income	2,149	3,119
Other income	<u>-</u>	<u>8,117</u>
Total unrestricted support and other revenue	<u>328,346</u>	<u>375,236</u>
<u>EXPENSES:</u>		
Program services	271,731	316,940
Supporting services:		
General and administrative	<u>56,472</u>	<u>51,775</u>
Total expenses	<u>328,203</u>	<u>368,715</u>
Increase in unrestricted net assets	143	6,521
Beginning unrestricted net assets, as restated	<u>58,840</u>	<u>52,319</u>
Ending unrestricted net assets	<u>\$ 58,983</u>	<u>\$ 58,840</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

COMMUNITY VOLUNTEERS ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 1999

	Program Services	Supporting Services General and Administrative	Total
Salaries	\$ 55,912	\$ 8,578	\$ 64,490
Payroll taxes	5,808	745	6,553
Total salaries and related expenses	61,720	9,323	71,043
Accounting	-	10,000	10,000
Advertising	5,000	-	5,000
Contractual services	9,000	9,000	18,000
Legal	-	2,500	2,500
Miscellaneous	-	520	520
Newsletter	5,000	-	5,000
Office	-	7,769	7,769
Other	-	1,080	1,080
Postage	-	1,496	1,496
Photography	1,300	-	1,300
Programs	178,045	-	178,045
Rent - office	-	8,304	8,304
Repairs and maintenance	-	902	902
Telephone	2,666	667	3,333
Transportation	9,000	-	9,000
Travel	-	678	678
Total expenses before depreciation and amortization	271,731	52,239	323,970
Depreciation of property and equipment and amortization of organizational costs	-	4,233	4,233
Total expenses	\$ 271,731	\$ 56,472	\$ 328,203

See accompanying NOTES TO FINANCIAL STATEMENTS

COMMUNITY VOLUNTEERS ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 1998

	Program Services	Supporting Services	Total
		General and Administrative	
Salaries	\$ 72,231	\$ 12,621	\$ 84,852
Payroll taxes	4,613	2,416	7,029
Workman's compensation insurance	344	170	514
Total salaries and related expenses	77,188	15,207	92,395
Accounting	-	7,100	7,100
Advertising	5,000	-	5,000
Legal	-	2,500	2,500
Miscellaneous	-	1,325	1,325
Office	-	5,912	5,912
Other	-	1,040	1,040
Postage	-	2,614	2,614
Photography	1,365	-	1,365
Programs	222,149	-	222,149
Rent - office	-	8,304	8,304
Repairs and maintenance	-	37	37
Telephone	2,238	560	2,798
Transportation	9,000	-	9,000
Travel	-	420	420
Total expenses before depreciation and amortization	316,940	45,019	361,959
Depreciation of property and equipment and amortization of organizational costs	-	6,756	6,756
Total expenses	\$ 316,940	\$ 51,775	\$ 368,715

See accompanying NOTES TO FINANCIAL STATEMENTS

**COMMUNITY VOLUNTEERS ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998**

	<u>1999</u>	<u>1998</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Increase in net assets	\$ 143	\$ 6,521
Depreciation and amortization	4,233	6,756
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Decrease in payables	<u>(2,551)</u>	<u>(753)</u>
Net cash provided by operating activities	<u>1,825</u>	<u>12,524</u>
Net increase in cash	1,825	12,524
Cash, beginning of year	<u>55,452</u>	<u>42,928</u>
Cash, end of year	<u>\$ 57,277</u>	<u>\$ 55,452</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

COMMUNITY VOLUNTEERS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Community Volunteers Association (the Association) is chartered in the State of Louisiana as a non-profit corporation. The Association was organized for the following purposes:

1. To administer programs for high-risk youth that use strategies to improve skills of such youth, such as educational counseling and job skills training;
2. To develop and implement new strategies to communicate anti-drug messages to youth; and
3. To implement various other community-based programs to assist high-risk youths as needed.

All of the activities will be carried out under an agreement with the Governor's office of Urban Affairs and Development via the State of Louisiana. Its current programs include:

After School Tutorial/Cultural Enrichment

Student profile performances in New Orleans public schools indicate under achievement, low standardized test scores, low self-esteem and in some cases high absenteeism. A need exists to improve student motivation to succeed in school. Such improvement can be accomplished through afterschool tutorial and cultural programs. Enrichment in academics and exposure to cultural activities were offered to enable students to reach goals otherwise unattainable.

Conflict/Violence/Drug Intervention

The Drug Free Club addresses drug abuse prevention by presenting positive alternatives and resources prior to the years when problems occur. The idea is to reach children with preventive measures rather than having to cure already existing problems.

The goal of the Violence Intervention Program is to promote positive self-image and self worth, respect for self and others and a working knowledge of the correct and appropriate manner of dealing with crisis situations and conflicts.

COMMUNITY VOLUNTEERS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999 AND 1998

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Community Outreach

Community Outreach Program was designed to equip the target population with various avenues by which they can obtain pertinent information to improve living situations. Health Education, Environmental Awareness, Job Training and Community Information Seminars are provided to enhance the quality of life for community members.

Youth Job Training

Job Training program offers employment skills training, entrepreneurship training, and career and personal counseling through workshops.

Camp Enhancement Summer Programs

Camp Enhancement Summer Program was a collaboration between Community Volunteers Association and area summer camps to provide academic enrichment, cultural awareness and recreational activities such as swimming to at risk youth.

Senior Care

Community Volunteers Association's Senior Care Program seeks to address the needs of the elderly, who qualify, by offering services that enhance the quality of life and social and cultural awareness.

Basis of Accounting

The accrual basis of accounting is followed by the Association.

Cash

Cash consists of funds maintained in savings and bank accounts.

Property and Equipment

Property and equipment are carried at cost. Additions, improvements, and betterments to property and equipment in excess of \$500 are capitalized. Depreciation is calculated over an estimated useful life of five years using the straight-line method. Depreciation expense for the years ended June 30, 1999 and 1998 was \$4,233 and \$5,363, respectively.

COMMUNITY VOLUNTEERS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999 AND 1998

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organizational Costs

Costs incident to the creation of the Association have been capitalized as organizational costs and are being amortized over sixty months on a straight-line basis. At June 30, 1999, organizational costs were fully amortized. Total amortization for the year ended June 30, 1998 was \$1,393.

Support and Revenues

Support and revenues are recognized when earned.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor or the board of directors.

Functional Expenses

Expenses are charged directly to program services or supporting services in general categories based on specific identification. Indirect expenses have been allocated based on a percentage of direct expenses, as determined by the grantor agency.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising

The Association expenses all nondirect-response advertising costs as incurred. For the years ended June 30, 1999 and 1998, advertising costs totaled \$5,000 in each year.

Income Taxes

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation.

COMMUNITY VOLUNTEERS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999 AND 1998

(2) SUPPORT

Support is comprised of grant revenues received under an agreement with the Governor's Office of Urban Affairs and Development of the State of Louisiana. For the years ended June 30, 1999 and 1998, revenues from this grant totaled \$326,197 and \$364,000, respectively.

(3) CONCENTRATIONS

The Association maintains cash balances at one financial institution. Accounts at the institution are insured by Federal governmental agencies up to \$100,000. At June 30, 1999 and 1998, there were no uninsured cash balances.

(4) ECONOMIC DEPENDENCY

The Association derives a material part of its revenues from a grant administered by the Governor's Office of Urban Affairs and Development. For the years ended June 30, 1999 and 1998, revenues from this source totaled \$326,197 and \$364,000, respectively.

(5) LEASE

The Association leases a copier under an operating lease. The lease term is 24 months beginning in March, 1999.

Rent expense related to this lease was \$1,826 for the year ended June 30, 1999. Future obligations over the primary terms of the lease as of June 30, 1999 are:

<u>Year</u>	
2000	\$ 4,724
2001	<u>3,150</u>
Total	<u>\$ 7,874</u>

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

To the Board of Directors
Community Volunteers Association

We have audited the financial statements of Community Volunteers Association as of and for the year ended June 30, 1999, and have issued our report thereon dated November 30, 1999. We conducted our audit in accordance with generally accepted auditing standards, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Community Volunteers Association'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 Community Volunteers Association'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.

Ericksen, Krentel, Canton & LaPorte, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

To the Board of Directors
Community Volunteers Association
November 30, 1999
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This report is intended solely for the information and use of the audit committee, management and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specific parties.

November 30, 1999

Ericksen, Krentel, Canton & LaPorte, LLP

Certified Public Accountants

COMMUNITY VOLUNTEERS ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1999

Dollar threshold used to distinguish Type A and Type B Programs \$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?

Yes No **Not Applicable**

SECTION II FINANCIAL STATEMENT FINDINGS

None

COMMUNITY VOLUNTEERS ASSOCIATION
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 1999

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

None

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

Not Applicable

SECTION III MANAGEMENT LETTER

1998-1 EDP Backup and Disaster Recovery

We suggest that management develop a disaster recovery plan that includes, but is not limited to, the following matters:

- * Location of, and access to, offsite storage
- * A listing of all data files that would have to be obtained from the offsite storage location.
- * Identification of a backup location (name and telephone number) with similar or compatible equipment for emergency processing (Management should make arrangements for such backup with another company, a computer vendor, or a service center. The agreement should be in writing.)
- * Responsibilities of various personnel in an emergency.
- * Priority of critical applications and reporting requirements during the emergency period.

This issue has been resolved by management and is not an issue for the year ended June 30, 1999.

1998-2 Year 2000

We made the following suggestions to management regarding Year 2000 issues:

- * Identifying and assess the Year 2000 issues relating to hardware and software in use.
- * Develop a timetable for resolving the issues.
- * Assign adequate personnel to resolving the issue.
- * Monitor efforts to resolve the issues.

This issue has been resolved by management and is not an issue for the year ended June 30, 1999.