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# *Financial Report*

# *VIA LINK, Inc.*

## *June 30, 2004*

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**VIA LINK, Inc.**

June 30, 2004

# FINANCIAL SECTION

Bourgeois Bennett

# INDEPENDENT AUDITOR'S REPORT

To the President and Board of Directors,
VIA LINK, Inc.,
New Orleans, Louisiana.

We have audited the accompanying statement of financial position of VIA LINK, Inc. (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 the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 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 VIA LINK, Inc. 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.



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Our audit was performed for the purpose of forming an opinion on the basic financial statements of VIA LINK, Inc. taken as a whole. The supplemental information in the schedule of support, revenue, and expenses prepared for the United Way for the Greater New Orleans Area is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated December 2, 2004 on our consideration of VIA LINK, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of the audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 2, 2004.

Exhibit A

# STATEMENT OF FINANCIAL POSITION

## VIA LINK, Inc.

June 30, 2004

## ASSETS

| | |
|---|---|
| **Assets** | |
| Cash and cash equivalents | $ 22,832 |
| Investments | 15,921 |
| Unconditional promises to give: | |
| United Way funding for next year: | |
| New Orleans United Way allocation | 129,446 |
| New Orleans United Way designation | 3,784 |
| Other United Way allocation | 16,000 |
| Accounts receivable - contracts and grants | 113,009 |
| Accounts receivable - directories | 550 |
| Prepaid interest on capital lease obligation | 6,281 |
| Other prepaid expenses | 3,591 |
| Equipment, furniture and fixtures, net of accumulated depreciation | 153,011 |
| Total assets | $ 464,425 |

## LIABILITIES AND NET ASSETS

| | |
|---|---|
| **Liabilities** | |
| Accounts payable | $ 26,281 |
| Line of credit loan | 8,000 |
| Capital lease obligation | 19,626 |
| Total liabilities | 53,907 |
| **Net Assets** | |
| Unrestricted | 261,288 |
| Temporarily restricted | 149,230 |
| Total net assets | 410,518 |
| Total liabilities and net assets | $ 464,425 |

See notes to financial statements.

**Exhibit B**

## STATEMENT OF ACTIVITIES

### VIA LINK, Inc.

For the year ended June 30, 2004

| | Unrestricted | Temporarily Restricted | Total |
|---|---|---|---|
| **Public Support and Revenues** | | | |
| Allocations by United Way: | | | |
| New Orleans United Way allocations | $ - | $ 129,446 | $ 129,446 |
| New Orleans United Way designations | 603 | 3,784 | 4,387 |
| Other United Way allocations | 18,133 | 16,000 | 34,133 |
| UNITY for the Homeless, Inc. grant | 309,704 | - | 309,704 |
| Contract fees for services | 138,040 | - | 138,040 |
| Grants - other | 158,384 | - | 158,384 |
| Contributions | 31,025 | - | 31,025 |
| Program service fees | 240 | - | 240 |
| Sales of directories | 7,925 | - | 7,925 |
| Investment income | 445 | - | 445 |
| Miscellaneous income | 5,136 | - | 5,136 |
| Total public support and revenues | 669,635 | 149,230 | 818,865 |
| Net assets released from restrictions: | | | |
| Satisfaction of time restrictions: | | | |
| New Orleans United Way allocations | 129,446 | (129,446) | - |
| New Orleans United Way designations | 2,065 | (2,065) | - |
| Other United Way allocations | 15,000 | (15,000) | - |
| Grants | 15,091 | (15,091) | - |
| Total net assets released from restrictions | 161,602 | (161,602) | - |
| Total public support, revenues, and net assets released from restrictions | 831,237 | (12,372) | 818,865 |
| **Expenses** | | | |
| Program services: | | | |
| Information, Referral and Crisis Intervention Center | 298,765 | - | 298,765 |
| Homeless Management Information Services | 389,051 | - | 389,051 |
| Supporting services - management and general | 130,829 | - | 130,829 |
| Total expenses | 818,645 | - | 818,645 |
| **Increase (Decrease) In Net Assets** | 12,592 | (12,372) | 220 |
| **Net Assets** | | | |
| Beginning of year | 248,696 | 161,602 | 410,298 |
| End of year | $ 261,288 | $ 149,230 | $ 410,518 |

See notes to financial statements.

Exhibit C

## STATEMENT OF FUNCTIONAL EXPENSES

### VIA LINK, Inc.

For the year ended June 30, 2004

| | Program Services | | | | |
|---|---|---|---|---|---|
| | Information, Referral and Crisis Intervention Center | Homeless Management Information Services | Total | Supporting Services - Management and General | Total |
| **Expenses** | | | | | |
| Salaries | $ 180,029 | $ 182,603 | $ 362,632 | $ 81,178 | $ 443,810 |
| Employee health and retirement benefits | 5,716 | 15,525 | 21,241 | 4,867 | 26,108 |
| Payroll taxes | 14,154 | 7,087 | 21,241 | 10,568 | 31,809 |
| Total salaries and related expenses | 199,899 | 205,215 | 405,114 | 96,613 | 501,727 |
| Conference and conventions | 4,050 | 2,157 | 6,207 | - | 6,207 |
| Depreciation | 19,963 | 17,240 | 37,203 | 8,167 | 45,370 |
| Insurance | 7,307 | 6,736 | 14,043 | 3,083 | 17,126 |
| Membership dues | 909 | 877 | 1,786 | 244 | 2,030 |
| Miscellaneous expense | 9,829 | 1,474 | 11,303 | 2,481 | 13,784 |
| Occupancy | 9,160 | 7,912 | 17,072 | 3,748 | 20,820 |
| Office supplies | 1,603 | 5,805 | 7,408 | 1,465 | 8,873 |
| Postage | 794 | 572 | 1,366 | 300 | 1,666 |
| Printing and publications | 7,223 | 68 | 7,291 | 1,601 | 8,892 |
| Professional fees | 9,630 | 13,322 | 22,952 | 5,038 | 27,990 |
| Equipment rental and maintenance | 6,560 | 97,215 | 103,775 | 846 | 104,621 |
| Repairs | 75 | 75 | 150 | 50 | 200 |
| Telephone | 20,096 | 25,723 | 45,819 | 6,243 | 52,062 |
| Travel | 1,667 | 4,660 | 6,327 | 950 | 7,277 |
| Total expenses | $ 298,765 | $ 389,051 | $ 687,816 | $ 130,829 | $ 818,645 |

See notes to financial statements.

Exhibit D

# STATEMENT OF CASH FLOWS

## VIA LINK, Inc.

For the year ended June 30, 2004

| | |
|---|---|
| **Cash Flows From Operating Activities** | |
| Increase in net assets | $ 220 |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities: | |
| Depreciation | 45,370 |
| Increase in unconditional promises to give | (2,719) |
| Decrease in accounts receivable - contracts and grants | 49,779 |
| Increase in accounts receivable - directories | (110) |
| Increase in prepaid interest on capital lease obligation | (6,281) |
| Decrease in prepaid expenses | 6,665 |
| Decrease in inventory - directories | 2,187 |
| Decrease in accounts payable | (29,433) |
| Net cash provided by operating activities | 65,678 |
| **Cash Flows From Investing Activities** | |
| Proceeds from maturities of investments | 18,485 |
| Purchases of investments | (18,612) |
| Purchases of equipment | (34,655) |
| Net cash used in investing activities | (34,782) |
| **Cash Flows From Financing Activities** | |
| Borrowings on line of credit loan | 8,000 |
| Payments on capital lease obligation | (84,937) |
| Net cash used in financing activities | (76,937) |
| **Net Decrease In Cash and Cash Equivalents** | (46,041) |
| **Cash and Cash Equivalents** | |
| Beginning of year | 68,873 |
| End of year | $ 22,832 |

See notes to financial statements.

Exhibit E

## NOTES TO FINANCIAL STATEMENTS

### VIA LINK, Inc.

June 30, 2004

## Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Organization and Nature of Business

VIA LINK, Inc. (the Agency) is a nonprofit corporation located in the greater New Orleans area that provides comprehensive information on community resources and operates a 24-hour crisis intervention/information and referral hotline.

### b) Financial Statement Presentation

The Agency's financial statement presentation complies with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations". Under SFAS No. 117, the Agency reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets represent resources over which the Board of Directors has discretionary control and are used to carry out the operations of the organization in accordance with its bylaws.

Temporarily restricted net assets represent resources currently available for use, but expendable only for those purposes specified by the donor. Resources originate from contributions.

The Agency has no permanently restricted net assets.

### c) 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 could affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### d) Cash and Cash Equivalents

For purpose of cash flows, the Agency considers highly liquid investments with a maturity of three months or less to be cash equivalents.

### e) Investments

Investments in certificates of deposit are carried at cost, which approximates market value at June 30, 2004.

### f) Contributions and Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is 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. All other 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 (that is, 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.

### g) Promises to Give

Contributions are recognized when the donor makes a promise to give to the Agency that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

### h) Equipment, Furniture and Fixtures

Equipment, furniture, and fixtures are recorded at cost. Depreciation is provided over the estimated useful lives of the assets on a straight-line basis. Depreciation expense for the year ended June 30, 2004 was $45,370 . Accumulated depreciation at June 30, 2004 was $127,040.

## Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### i) Functional Expenses

The Agency allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by a predetermined allocation percentage, which is reviewed annually.

The Agency's principal programs comprise:

#### Information, Referral and Crisis Intervention Center

The agency provides individuals and organizations with information and referral to appropriate community resources through a 24 hours Call Center that provides crisis intervention/suicide prevention and information and referral to community resources; the publication of the Community Resource Directory; and public access to community resource information on the agency's website, www.vialink.org.

#### Homeless Management Information Services

The agency operates the Homeless Management Information System that provides a network of human service organizations for improved human service delivery and reporting.

### j) Tax-Exempt Status

The Agency qualifies as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code of 1986.

## Note 2 - UNCONDITIONAL PROMISES TO GIVE

At June 30, 2004, $149,230 was recorded as unconditional promises to give and temporarily restricted net assets to reflect United Way funding for the period July 1, 2004 through June 30, 2005 for which the Agency was notified prior to June 30, 2004.

## Note 3 - RESTRICTIONS ON ASSETS

Temporarily restricted net assets are restricted by the donor for specific programs, purposes, or to assist specific programs of the Agency. These restrictions are considered to expire when payments for restricted purposes are made or through passage of time. The activity in temporarily restricted net assets for the year ended June 30, 2004 was as follows:

| | Balances July 1, 2003 | Public Support | Released From Restrictions | Balances June 30, 2004 |
|---|---|---|---|---|
| United Way funding for next year | $146,511 | $149,230 | $146,511 | $149,230 |
| Equipment grants | 15,091 | - | 15,091 | - |
| Totals | $161,602 | $149,230 | $161,602 | $149,230 |

## Note 4 - CONTRACT FEES FOR SERVICES

The Agency operates a 24-hour hotline and crisis-intervention line. The Agency has a contract with the State of Louisiana to receive reimbursements of part of the cost of operating these programs. Reimbursement from the State for the year ended June 30, 2004 was $84,600, of which $20,800 was recorded as a receivable at year end. The crisis-intervention line contracts have been renewed through June 30, 2005 for amounts not to exceed $84,600.

## Note 5 - LINE OF CREDIT

The Agency has a line of credit with Hibernia National Bank. The line of credit limit is $50,000. The balance outstanding on the line of credit loan at June 30, 2004 was $8,000. The interest rate on the line of credit was 7% at June 30, 2004.

## Note 6 - GRANTS FROM CORPORATIONS AND FOUNDATIONS

Corporations and foundations within the community and the region grant funds to the Agency to help them accomplish their mission to provide crisis counseling to individuals in crisis. During the year ended June 30, 2004, the following grants were received:

| | |
|---|---|
| Baptist Community Ministries | $ 1,000 |
| City of New Orleans | 75,000 |
| Ella West Freeman Foundation | 4,000 |
| GPOA Foundation | 10,000 |
| Greater New Orleans Foundation | 7,500 |
| Institute of Mental Hygiene | 40,000 |
| Ronald McDonald House | 5,134 |
| RosaMary Foundation | 5,000 |
| Zehnder Communications | 10,750 |
| Totals | $158,384 |

## Note 7 - CAPITAL LEASE OBLIGATION

The Agency leases its telephone system from BSFS Equipment Leasing under a capital lease. The economic substance of the lease is that the Agency is financing the acquisition of the telephone system through the lease, and, accordingly, it is recorded in the Agency's assets and liabilities. The capital lease is recorded at the present value of the future minimum lease payments discounted at an interest rate of approximately 4.9%. Depreciation expense for equipment required under this capital lease was $23,111 in 2004.

The following is an analysis of the leased assets included in equipment, furniture and fixtures:

| | |
|---|---|
| Telephone system | $115,554 |
| Less accumulated depreciation | 34,666 |
| Total | $ 80,888 |

## Note 7 - CAPITAL LEASE OBLIGATION (Continued)

The following is a schedule by years of future minimum payments under the lease together with their present value as of June 30, 2004:

| Year Ending June 30, | |
|---|---|
| 2006 | $ 3,656 |
| 2007 | 16,274 |
| Total minimum lease payments | 19,930 |
| Less amounts representing interest | 304 |
| Present value of minimum lease payments | $19,626 |

During the year ended June 30, 2004, the Agency made a $75,000 payment toward its capital lease obligation. The terms of the capital lease with BSFS Equipment Leasing do not allow for prepayment of the obligation. Therefore, the amount included in the $75,000 payment which represents future interest payments has been recorded as prepaid interest.

## Note 8 - LEASE COMMITMENT

The Agency leases certain office equipment under operating leases. Minimum future obligations on these leases in effect as of June 30, 2004 are as follows:

| | |
|---|---|
| 2005 | $2,368 |
| 2006 | 2,368 |
| 2007 | 1,776 |
| Total | $6,512 |

Rental expense for office equipment for the year ended June 30, 2004 was $2,368.

Effective July 1, 2001, the Agency entered into a lease agreement with University Healthcare System, L.L.C., d/b/a DePaul/Tulane Behavioral Health Center (DePaul), to lease 2,031 square feet of floor space located at 938 Calhoun Street in New Orleans, Louisiana. Under the terms of the lease agreement, DePaul will not charge the Agency rent as long as the Agency used the property to provide 24-hour crisis counseling, information,

## Note 8 - LEASE COMMITMENT (Continued)

and referrals to individuals in the community in need of crisis intervention. DePaul will also provide air conditioning, electricity, restroom facilities, and general building maintenance services at no charge. The estimated fair value of the rent is $20,820 per year. This has been recorded as contribution income and rent expense for the year ended June 30, 2004. This lease was terminated on August 12, 2004. On July 15, 2004, the Agency entered into a similar lease agreement with DePaul to lease 1,300 square feet of floor space at 1040 Calhoun Street in New Orleans, Louisiana, under similar arrangement as the prior lease. The estimated fair value of the rent is $15,600 per year. The lease will expire on July 31, 2009. This agreement is considered an exchange transaction as both entities receive value from the free rental arrangement.

## Note 9 - SIMPLE IRA

Effective January 1, 1998, the Agency adopted a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE). All employees are eligible to participate. This plan provides for employees to elect to make a salary reduction, which cannot exceed $6,000 for any calendar year. The Agency will make a matching contribution to each employee's individual retirement account (IRA) equal to the employee's salary reduction contributions up to a limit of 3% of the employee's compensation for the calendar year. The Agency matched $4,525 for the year ended June 30, 2004

## Note 10 - ECONOMIC DEPENDENCY

For the year ended June 30, 2004, $309,704 of grant revenue was from UNITY for the Homeless, Inc. A significant amount of the Agency's support is received from the United Way for the Greater New Orleans area, which has allocated funding to the Agency for the year ending June 30, 2004. Additional sources of support are actively sought to diminish the Agency's dependency on any funding source.

## Note 11 - RISK MANAGEMENT

The Agency is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage during the year ended June 30, 2004.

## SUPPLEMENTAL INFORMATION

**SCHEDULE OF SUPPORT, REVENUE, AND EXPENSES PREPARED FOR THE UNITED WAY FOR THE GREATER NEW ORLEANS AREA**
**VIA LINK, INC.**
**For the period from July 1, 2003 - June 30, 2004 (Unaudited)**

| | Actual Unaudited Revenue/Expenses July 1, 2002-June 30, 2003 | AGENCY TOTAL (SUM 2 + 3) | SUPPORTING SERVICES Management & General | TOTAL PROGRAM SERVICES SUM (4 to 5) | PROGRAM SERVICES Info & Referral/ Crisis Interven. | HMIS |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| | **REVENUE:** | | | | | |
| 1 | 4200 BOARD GENERATED SELF SUPPORT | $ 201,542 | $ 36,277 | $ 165,265 | $ 158,905 | $ 6,360 |
| 2 | 4201 CLIENT GENERATED SELF SUPPORT | 7,924 | 1,427 | 6,497 | 4,873 | 1,624 |
| 3 | 5000 GOVERNMENT GRANTS/CONTRACTS | 447,744 | 80,595 | 367,149 | 113,192 | 253,957 |
| 4 | 6700 OTHER REVENUE | 5,822 | 1,048 | 4,774 | 3,630 | 1,144 |
| 5 | **TOTAL SELF GENERATED REVENUE** | 663,032 | 119,347 | 543,685 | 280,600 | 263,085 |
| 6 | 4702 UNITED WAY DESIGNATIONS | 3,574 | 643 | 2,931 | - | 2,931 |
| 7 | 4703 CFC DESIGNATIONS | 813 | 146 | 667 | 667 | - |
| 8 | 4704 OTHER UNITED WAY ALLOCATIONS | 22,000 | 3,960 | 18,040 | 18,040 | - |
| 9 | **TOTAL REVENUE** | 689,419 | 124,096 | 565,323 | 299,307 | 266,016 |
| 10 | 4701 UNITED WAY ALLOCATION - UNO | 129,446 | - | 129,446 | 129,446 | - |
| 11 | **GRAND TOTAL REVENUE** | $ 818,865 | $ 124,096 | $ 694,769 | $ 428,753 | $ 266,016 |
| | **EXPENSES:** | | | | | |
| 12 | 7300 COMPENSATION EXPENSES | $ 501,727 | $ 96,613 | $ 405,114 | $ 199,899 | $ 205,215 |
| 13 | 8400 OCCUPANCY EXPENSES | 20,820 | 3,748 | 17,072 | 9,160 | 7,912 |
| 14 | 8700 TRAVEL & TRANSPORTATION EXP. | 7,277 | 950 | 6,327 | 1,667 | 4,660 |
| 15 | 8900 SPECIFIC ASSISTANCE | - | - | - | - | - |
| 16 | 9402 BOARD GENERATED SELF SUPPORT | - | - | - | - | - |
| 17 | 9400 OTHER DIRECT PROGRAM/SUPPORT | 243,451 | 90,538 | 152,913 | 24,041 | 128,872 |
| 18 | **GRAND TOTAL EXPENSES** | $ 773,275 | $ 191,849 | $ 581,426 | $ 234,767 | $ 346,659 |
| 19 | NET DIFFERENCE | $ 45,590 | $ (67,753) | $ 113,343 | $ 193,986 | $ (80,643) |
| 20 | 9500 DEPRECIATION | $ 45,370 | $ 8,167 | $ 37,203 | $ 19,963 | $ 17,240 |

EXPENSES ANALYSIS:

| | Info & Referral/ Crisis Interven. | HMIS |
|---|---|---|
| 20-Total Direct Program Expenses | $ 234,767 | $ 346,659 |
| 21-Percent of Total Program Expenses | 40.38% | 59.62% |
| 22-*Distribution of M & G Expenses* | $ 76,940 | $ 47,156 |
| 23-Grand Total Program Expenses | $ 311,707 | $ 393,815 |
| 24-Projected Undup. People Served | 39,998 | 300 |
| 25-Cost per Person | $ 8 | $ 1,313 |

VIA LINK, Inc.
(See Accountant's Disclaimer of Opinion)

## SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

Bourgeois Bennett

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

To the President and Board of Directors,
VIA LINK, Inc.,
New Orleans, Louisiana.

We have audited the financial statements of VIA LINK, Inc. (a nonprofit organization), as of and for the year ended June 30, 2004, and have issued our report thereon dated December 2, 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.

## Compliance

As part of obtaining reasonable assurance about whether VIA LINK, Inc.'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 VIA LINK, Inc.'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



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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 operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, the Louisiana Department of Health and Hospitals, Division of Mental Health, and the Legislative Auditor of the State of Louisiana and, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 2, 2004.

# SCHEDULE OF FINDINGS

## VIA LINK, Inc.

For the year ended June 30, 2004

### Section I - Summary of Auditor's Report

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

| | | |
|---|---|---|
| • Material weakness(es) identified? | ___ yes | X no |
| • Reportable condition(s) identified that are not considered to be material weakness | ___ yes | X none reported |
| Noncompliance material to financial statements noted? | ___ yes | X no |

b) Federal Awards

VIA LINK, Inc. did not receive Federal awards in excess of $500,000 during the year ended June 30, 2004 and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

### Section II - Financial Statement Findings

There were no financial statement findings noted during the audit of the financial statements for the year ended June 30, 2004

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

Not applicable.

**REPORTS BY MANAGEMENT**

# SCHEDULE OF PRIOR YEAR FINDINGS

## VIA LINK, Inc.

For the year ended June 30, 2004

### Section I - Internal Control and Compliance Material to the Financial Statements

*Internal Control*

No material weaknesses were noted during the audit of the financial statements for the year ended June 30, 2003.
No reportable conditions were reported during the audit of the financial statements for the year ended June 30, 2003.

Compliance

**03-1** **Recommendation** – Accounting for the allocation of expenses to programs should be completed timely in order to submit an audit report to the Legislative Auditor within six months of its year end.

**Management's Response** – Accounting for the allocation of expenses was completed timely.

### Section II - Internal Control and Compliance Material To Federal Awards

No findings or questioned costs material to the Federal awards programs were noted during the audit of the financial statements for the year ended June 30, 2003.

### Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2003.

# MANAGEMENT'S CORRECTIVE ACTION PLAN

VIA LINK, Inc.

For the year ended June 30, 2004

**Section I - Internal Control and Compliance Material to the Financial Statements**

Internal Control

No material weaknesses were noted during the audit of the financial statements for the year ended June 30, 2004.
No reportable conditions were reported during the audit of the financial statements for the year ended June 30, 2004.

Compliance

No compliance findings material to the financial statements were noted during the audit of the financial statements for the year ended June 30, 2004.

**Section II - Internal Control and Compliance Material To Federal Awards**

VIA LINK, Inc. did not receive Federal awards in excess of $500,000 during the year ended June 30, 2004 and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

**Section III - Management Letter**

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2004.