



LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

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## ALTERNATIVES LIVING INC.

BATON ROUGE – A New Orleans nonprofit organization has accumulated \$179,086 in penalties and interest on payroll taxes it owes but has not paid to the federal and state government, according to an audit of the organization released Monday by Legislative Auditor Daryl Purpera.

The audit, which was performed on the June 30, 2011 books and records of Alternatives Living Inc. by the New Orleans-area certified public accounting firm of Duplantier, Hrapman, Hogan and Mayer LLP, also contains 17 findings that question some of the organization's financial management practices.

The nonprofit is an advocacy group that helps the homeless and individuals with mental, developmental and medical problems. The audit shows that most of the money for the organization flows through state agencies from the U.S. Department of Housing and Urban Development.

The report was due to the Legislative Auditor no later than December 31, 2011, but was not filed until April 2013. The Legislative Auditor has not received the June 30, 2012 audit, which was due December 31, 2012.

In the report, auditors wrote that the nonprofit's payroll tax liabilities are not current through April 2013 because the operations of the company were not properly managed, and budget and cash flow was not properly monitored. The nonprofit's failure to pay its payroll taxes timely has resulted in the penalty and interest charges of \$179,086.

The audit also reports:

- The executive director of Alternatives Living has made loans to the nonprofit. As of June 30, 2011, the outstanding balance was \$39,375.
- Expenses totaling \$17,000 were paid to the agency's chief financial officer in addition to the official's normal pay. Another finding showed that there was a \$17,000 disbursement made from the payroll bank account that lacked supporting documentation but did not note whether the two amounts were related.



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- Personal expenses, including \$4,649 for entertainment, were incurred. Among some of the other personal expenses noted were travel, sporting events, movie tickets, life insurance premiums and tuition, all charged as expenses to the company and contributing to expenses being overstated by almost \$22,500.
- A credit card payable of \$12,585. Alternatives does not have a credit card policy in place, and supporting documents were not turned in with the card receipts.
- Checks were written to cash—not a specific vendor—for purchases of fuel, food and other supplies needed for social workers. Receipts were not kept for the items, according to the report.
- The nonprofit was making payments for a leased vehicle but did not have a copy of the signed lease agreement on file.

Officials of the agency stated in the report that they are working to correct the deficiencies cited.

**For more information, contact:**

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