

COMMUNITY VOLUNTEERS ASSOCIATION
NEW ORLEANS, LOUISIANA
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED
JUNE 30, 2005 AND 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 8-9-06

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Community Volunteers Association

We have audited the accompanying statements of financial position of Community Volunteers Association (a nonprofit organization) as of June 30, 2005 and 2004, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, 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. 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 audits provide 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, 2005 and 2004, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Association will continue as a going concern. As discussed in Note 6 to the financial statements, subsequent to year-end and a result of Hurricane Katrina, the Association has lost all funding and is currently inactive. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plan regarding those matters also are described in Note 6. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2006 on our consideration of Community Volunteers Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

ERICKSEN KRENTEL & LA PORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

To the Board of Directors of
Community Volunteers Association
April 12, 2006
Page 2

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Community Volunteers Association 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.

April 12, 2006

Erickson, Krentel & La Porte, LLP

Certified Public Accountants

COMMUNITY VOLUNTEERS ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2005 AND 2004

ASSETS

	<u>2005</u>	<u>2004</u>
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 73,254	\$ 104,033
Grants receivable	73,712	106,595
Prepaid expenses	-	1,674
	<u>146,966</u>	<u>212,302</u>
<u>PROPERTY AND EQUIPMENT:</u>		
Furniture and equipment	63,053	63,053
Less: accumulated depreciation	<u>(40,885)</u>	<u>(30,145)</u>
Net property and equipment	<u>22,168</u>	<u>32,908</u>
Total assets	<u>\$ 169,134</u>	<u>\$ 245,210</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES:</u>		
Accounts payable	\$ 98,551	\$ 99,172
Payroll taxes payable	381	4,546
Deferred revenue	<u>19,900</u>	<u>44,300</u>
Total current liabilities	<u>118,832</u>	<u>148,018</u>
<u>NET ASSETS:</u>		
Unrestricted	<u>50,302</u>	<u>97,192</u>
Total liabilities and net assets	<u>\$ 169,134</u>	<u>\$ 245,210</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

**COMMUNITY VOLUNTEERS ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005 AND 2004**

	2005	2004
<u>UNRESTRICTED NET ASSETS</u>		
<u>Support and revenue:</u>		
Grants	\$ 1,014,275	\$ 1,158,750
Interest income	190	116
Other income	2,597	167
Total unrestricted support and revenue	1,017,062	1,159,033
<u>Expenses:</u>		
Program services:		
After school	348,109	404,250
Teen pregnancy	138,241	185,767
Senior care and home improvements	269,934	240,311
Community outreach	53,452	85,405
Conflict resolution	95,275	67,702
Job training	26,000	29,245
Camp enhancement	31,303	32,827
Supporting services:		
General and administrative	101,638	117,976
Total expenses	1,063,952	1,163,483
Decrease in unrestricted net assets	(46,890)	(4,450)
Beginning unrestricted net assets	97,192	101,642
Ending unrestricted net assets	\$ 50,302	\$ 97,192

See accompanying NOTES TO FINANCIAL STATEMENTS

COMMUNITY VOLUNTEERS ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Program Services</u>	<u>Supporting Services</u>	
		<u>General and Administrative</u>	<u>Total</u>
Salaries	\$ 57,251	\$ 3,824	\$ 61,075
Payroll taxes	3,464	231	3,695
	60,715	4,055	64,770
Accounting	\$ -	\$ 28,860	\$ 28,860
Advertising	-	5,000	5,000
Contractual services	425,963	4,400	430,363
Equipment and equipment repair	269	547	816
Field trip	12,952	-	12,952
Food	23,246	-	23,246
Home improvements	157,847	-	157,847
Incentives	4,634	-	4,634
Insurance	-	8,704	8,704
Internet services	1,589	735	2,324
Legal	6,000	-	6,000
Miscellaneous	25	1,888	1,913
Office expenses	-	7,918	7,918
Program activities	123,197	-	123,197
Program supplies	103,082	-	103,082
Rent and facility usage fees	11,051	26,911	37,962
Telephone	3,613	1,852	5,465
Training	12,000	-	12,000
Transportation	13,790	-	13,790
Travel	2,341	28	2,369
	962,314	90,898	1,053,212
Total expenses before depreciation	962,314	90,898	1,053,212
Depreciation of property and equipment	-	10,740	10,740
Total expenses	<u>\$ 962,314</u>	<u>\$ 101,638</u>	<u>\$ 1,063,952</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

COMMUNITY VOLUNTEERS ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Program Services</u>	<u>Supporting Services</u>	
		<u>General and Administrative</u>	<u>Total</u>
Salaries	\$ 78,800	\$ 11,798	\$ 90,598
Payroll taxes	8,236	993	9,229
	87,036	12,791	99,827
Accounting	\$ -	\$ 28,514	\$ 28,514
Advertising	-	5,000	5,000
Contractual services	495,527	5,600	501,127
Equipment and equipment repair	1,122	1,720	2,842
Field trip	16,041	-	16,041
Food	26,456	-	26,456
Home improvements	127,122	-	127,122
Incentives	7,644	-	7,644
Insurance	-	3,416	3,416
Internet services	1,376	398	1,774
Legal	5,500	5,000	10,500
Miscellaneous	6,483	500	6,983
Newsletter	-	5,000	5,000
Office expenses	-	15,336	15,336
Program activities	63,872	-	63,872
Program supplies	168,319	-	168,319
Rent and facility usage fees	8,655	19,631	28,286
Telephone	3,599	1,924	5,523
Training	10,591	69	10,660
Transportation	15,208	-	15,208
Travel	956	2,392	3,348
Total expenses before depreciation	1,045,507	107,291	1,152,798
Depreciation of property and equipment	-	10,685	10,685
Total expenses	<u>\$ 1,045,507</u>	<u>\$ 117,976</u>	<u>\$ 1,163,483</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

COMMUNITY VOLUNTEERS ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
<u>CASH FLOWS FROM/(USED FOR) OPERATING ACTIVITIES:</u>		
Decrease in net assets	\$ (46,890)	\$ (4,450)
Adjustments to reconcile decrease in net assets to net cash from operating activities:		
Depreciation	10,740	10,685
Change in assets and liabilities:		
(Increase) decrease in:		
Grants receivable	32,883	81,061
Prepaid expenses	1,674	-
Increase (decrease) in:		
Accounts payable	(621)	(23,787)
Payroll taxes payable	(4,165)	4,546
Deferred revenue	(24,400)	(40,651)
	<u>(30,779)</u>	<u>27,404</u>
<u>CASH FLOWS FROM/(USED FOR) INVESTING ACTIVITIES:</u>		
Capital expenditures	-	(3,300)
	<u>-</u>	<u>(3,300)</u>
Net cash (used for) investing activities		
Net increase (decrease) in cash and cash equivalents	(30,779)	24,104
Cash and cash equivalents at beginning of year	<u>104,033</u>	<u>79,929</u>
Cash and cash equivalents at end of year	<u>\$ 73,254</u>	<u>\$ 104,033</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

COMMUNITY VOLUNTEERS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005 AND 2004

(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 to meet the needs of the New Orleans community through the implementation of enhancement programs to help at-risk youth, the elderly and the disadvantaged.

All of the activities are carried out under various agreements with the State of Louisiana, and the New Orleans Council on Aging. Its current programs include: After School Tutorial & Cultural Enrichment; Conflict, Violence & Drug Intervention; Community Outreach; Youth Job Training; Camp Enhancement Summer Programs; Teen Pregnancy Prevention Program; Senior Care and Home Improvement Program.

Effective June 30, 2005, a grant agreement with the State of Louisiana and a grant agreement with the New Orleans Council on Aging ended and were not renewed. These grants accounted for 49% of revenues for the year ended June 30, 2005. As a result of the loss of this funding, management has indefinitely shut down the following programs: Conflict, Violence & Drug Intervention; Community Outreach; Youth Job Training; Camp Enhancement Summer Programs; and Senior Care and Home Improvement Programs. In addition, see Note 6 for the effects of Hurricane Katrina on the Association.

Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payable and other liabilities.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations* and SFAS No. 116 *Accounting for Contributions Received and Contributions Made*. Under SFAS No. 117, the Association is required to report 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. At June 30, 2005 and 2004, the Association had no temporary or permanently restricted net assets.

COMMUNITY VOLUNTEERS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2005 AND 2004

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

Summary of Significant Accounting Policies (continued)

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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all unrestricted highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Cash consists of funds maintained in interest bearing 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, 2005 and 2004 was \$10,740 and \$10,685, respectively.

Support and Revenues

Grant revenues are recorded as they are earned, according to the provisions of the grant. Normally, grant revenues are earned and received as the grant period progresses. The provisions of the grant determine the timing of revenue recognition. Grant expenses are recognized when incurred for a grant-related obligation.

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

Deferred Revenue

The Association records grant awards accounted for as exchange transactions as deferred revenue until the related services are performed, at which time they are recognized as revenue.

COMMUNITY VOLUNTEERS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2005 AND 2004

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

Summary of Significant Accounting Policies (continued)

Functional Expenses

Expenses are charged to program, administrative or fundraising based on a combination of specific identification and allocation by management.

Advertising

The Association expenses all nondirect response advertising costs as incurred. For the years ended June 30, 2005 and 2004, advertising costs totaled \$5,000 and \$5,000, respectively.

Income Tax Status

The Association is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950. However, income from certain activities not directly related to the Association's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Association qualified for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

(2) GRANTS RECEIVABLE AND SUPPORT

Support is comprised of grant revenues received under various agreements with the State of Louisiana and the New Orleans Council on Aging. For the years ended June 30, 2005 and 2004, revenues from these grants totaled \$1,014,275 and \$1,158,750, respectively. For the year ended June 30, 2005, grant awards totaled \$989,875, of this, \$19,900 is shown a deferred revenue. For the year ended June 30, 2004, grant awards totaled \$1,118,100, of this, \$44,300 is shown as deferred revenue.

No allowance has been made for uncollectible grant receivables as it has been the Association's experience that all contracts are collected in full.

COMMUNITY VOLUNTEERS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2005 AND 2004

(3) LEASES

The Association leases office space. Effective January 2005, they paid a termination fee, included in rent expense, of \$5,824 to terminate a long term lease. Beginning in February 2005, they relocated and are leasing space under a short term lease for six months at \$1,200 per month and an additional six months in-kind contribution. The Association also leases storage space under terms of a month to month operating lease. Rent expense for the years ended June 30, 2005 and 2004 was \$26,911 and \$19,631, respectively.

(4) CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Association to credit risk consist principally of grant receivables. These receivables are not collateralized.

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, 2005 and 2004, \$59,402 and \$55,790, respectively was uninsured and uncollateralized.

(5) ECONOMIC DEPENDENCY

The Association derives a material part of its revenues from grants administered by the following Louisiana Agencies: the Governor's Office of Urban Affairs and Development, the Louisiana Department of Education and the Louisiana Department of Social Services Office of Family Support. For the years ended June 30, 2005 and 2004, revenues from these sources totaled \$825,576 and \$999,506, respectively. As stated in Note 1 above, the grant from the Governor's Office of Urban Affairs ended June 30, 2005 and was not renewed. Revenues from this grant was \$310,000 and \$393,500 for the years ended June 30, 2005 and 2004, respectively. In addition, see Note 6 for the effects of Hurricane Katrina on the Association.

(6) HURRICANE KATRINA

On August 29, 2005, the worst natural disaster in the history of the United States impacted the Greater New Orleans Area. As a result, all of the Associations fixed assets were destroyed. In addition, the Association no longer has any sources of revenue. The Association's only remaining funding from the Louisiana Department of Education has been indefinitely suspended due to lack of children in the New Orleans area to attend the programs. As a result, the Association has suspended all activities and is currently inactive. Management is continuing efforts to obtain additional funding sources and will continue the Department of Education programs as soon as funding is awarded. The Association's ability to continue as a going concern is dependent on management successfully obtaining additional funding.

COMMUNITY VOLUNTEERS ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services</u>			
Pass-through program from:			
Louisiana Department of Education			
Temporary Assistance for Needy Families	93.558		
After School Program		603378/615917	369,627 *
Teen Pregnancy Prevention		604068/615866	144,649 *
			<hr/>
Total pass-through programs			514,276
			<hr/>
Total U.S. Department of Health and Human Services			514,276
			<hr/>
Total expenditures of federal awards			\$ 514,276

* Major Program

Note: The schedule of expenditures of federal awards is a summary of the activity of Community Volunteers Association's federal award programs presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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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
Community Volunteers Association

We have audited the financial statements of Community Volunteers Association (a nonprofit organization) as of and for the year ended June 30, 2005, and have issued our report thereon dated April 12, 2006. Our report on the financial statements included an explanatory paragraph describing conditions discussed in Note 6 to the financial statements that raised substantial doubt about the entity's ability to continue as a going concern. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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.

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 an opinion 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 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 and Other Matters

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 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 05-1.

ERICKSEN KRENTEL & LAPORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

To the Board of Directors of
Community Volunteers Association
April 12, 2006

This report is intended solely for the information and use of management, Board of Directors, the Louisiana Legislative Auditor, and 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. Under Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

April 12, 2006



Certified Public Accountants

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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
Community Volunteers Association

Compliance

We have audited the compliance of Community Volunteers Association 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, 2005. Community Volunteers Association'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 Community Volunteers Association's management. Our responsibility is to express an opinion on Community Volunteers Association'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 Community Volunteers Association'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 of Community Volunteers Association's compliance with those requirements.

As described in item 05-02 in the accompanying schedule of findings and questioned costs, Community Volunteers Association did not comply with requirements regarding timely filing of the audited financial statements that are applicable to its Temporary Assistance for Needy Families programs. Compliance with such requirements is necessary, in our opinion, for Community Volunteers Association to comply with requirements applicable to that program.

ERICKSEN KRENTEL & LA PORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

To the Board of Directors of
Community Volunteers Association
April 12, 2006

In our opinion, except for the noncompliance described in the preceding paragraph, Community Volunteers Association 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, 2005.

Internal Control Over Compliance

The management of Community Volunteers Association 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 Community Volunteers Association'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 the 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.

Other Matters

Our report on the financial statements included an explanatory paragraph describing conditions discussed in Note 6 to the financial statements that raised substantial doubt about the entity's ability to continue as a going concern.

This report is intended solely for the information and use of the management, the Board of Directors, the Louisiana Legislative Auditor, and 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. Under Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

April 12, 2006

Erickson, Krentel & LaPorte, LLP

Certified Public Accountants

**COMMUNITY VOLUNTEERS ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Community Volunteers Association.
2. No reportable condition relating to the audit of the financial statements is reported in the 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*.
3. One instance of noncompliance material to the general financial statements of Community Volunteers Association was disclosed during the audit.
4. No reportable condition relating to the audit of the major federal award programs is reported in the Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Community Volunteers Association expresses a qualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
7. The programs tested as major programs were Temporary Assistance for Needy Families programs (CFDA number 93.558).
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Community Volunteers Association was determined to be a low risk auditee.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

COMPLIANCE

05-1. Timeliness of Filing of Annual Audited Financial Statements

Condition: The Annual Audited Financial Statements were not filed in the time period required with the Federal Audit Clearing House, the Louisiana Legislative Auditor and granting agencies.

Criteria: The Annual Audited Financial Statements should be filed with the Federal Audit Clearing House within nine months of the fiscal year end and with the Louisiana Legislative Auditor within six months of the fiscal year end.

COMMUNITY VOLUNTEERS ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

Effect: Funding for programs may be suspended until compliance is met or even permanently withdrawn.

Cause: Hurricane Katrina severely impacted the organization and it's Certified Public Accountant which led to delays in issuing the report. The audit was in progress to be timely completed when the storm hit the area.

Recommendation: The Annual Audited Financial Statement should be filed with the appropriate parties as soon as possible.

Management's Response: The Annual Audited Financial Statements will be filed as soon as they are completed.

C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM AUDIT

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Questioned
Costs

05-2. Temporary Assistance for Needy Families
 CFDA Number 93.558
 Grant Numbers: 6603378,615917,604068 and 615866

Compliance: As discussed at 05-1, the Annual Audited Financial Statements were not filed in the time period required.

_____ 0

Total Department of Health and Human Services

_____ 0

Total questioned costs

\$ _____ 0

D. SUMMARY OF PRIOR YEAR'S FINDINGS

NONE



Community Volunteers Association

"Reaching Out Touching People"

637 S. Scott
New Orleans, LA 70119
Phone: 504-486-2175 or 486-2172
Fax: 504-486-4192

CORRECTIVE ACTION PLAN RELATIVE TO SCHEDULE OF FINDINGS AND QUESTIONED COSTS

April 12, 2006

U.S. Department of Health and Human Services

Community Volunteers Association respectfully submits the following corrective action plan for the year ended June 30, 2005.

Name and address of independent public accounting firm:

Ericksen, Krentel & LaPorte, L.L.P.
4227 Canal Street
New Orleans, Louisiana 70119
Contact: Claude M. Silverman

Audit Period: 07/01/04 to 6/30/05

The findings from the June 30, 2005 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule. Section A of the schedule, Summary of Audit Results, does not include findings and is not addressed.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

COMPLIANCE

05-1. Timeliness of Filing of Annual Audited Financial Statements

Recommendation: The Annual Audited Financial Statement should be filed with the appropriate parties as soon as possible.

Management's Response: The filing of the Annual Audited Financial Statements was delayed due to the effects of Hurricane Katrina on the Association and its Certified Public Accountant. The Annual Audited Financial Statements will be filed as soon as they are completed.

U.S. Department of Health and Human Services
April 12, 2006
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C. **FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM
AUDIT**

<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>	<u>Questioned Costs</u>
05-2. Temporary Assistance for Needy Families CFDA Number 93.558 Grant Numbers: 6603378,615917,604068 and 615866	
<u>Compliance:</u> See 05-1.	\$ <u>0</u>
Total Department of Health and Human Services	<u>0</u>
Total Questioned Costs	\$ <u>0</u>

If the Cognizant or Oversight Agency have questions regarding this plan, please call Gina Garrison at (504) 394-1927.

Sincerely,

Gina Garrison
Signature

Interim Executive Director
Title