

**ADVOCACY CENTER
AND
EIGHTH MUSE, INC.**

**FINANCIAL STATEMENTS AND
AUDITOR'S REPORT**

September 30, 2014

ADVOCACY CENTER AND EIGHTH MUSE, INC.

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	3
COMBINED STATEMENT OF FINANCIAL POSITION	5
COMBINED STATEMENT OF ACTIVITIES	6
COMBINED STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8
SUPPLEMENTAL INFORMATION	
COMBINED STATEMENT OF ACTIVITIES - ADVOCACY CENTER AND EIGHTH MUSE, INC.	19
STATEMENT OF ACTIVITIES BY PROGRAM – ADVOCACY CENTER	20
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - ADVOCACY CENTER	26
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	28
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	30
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	32

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Advocacy Center and Eighth Muse, Inc.

Report on the Financial Statements

We have audited the accompanying combined financial statements of Advocacy Center and Eighth Muse, Inc. (non-profit organizations), which comprise the combined statement of the financial position as of September 30, 2014, and the related combined statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Advocacy Center and Eighth Muse, Inc. as of September 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Advocacy Center and Eighth Muse, Inc.'s 2013 financial statements, and our report dated December 2, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the combined financial statements. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial combined statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2014, on our consideration of Advocacy Center and Eighth Muse, Inc.'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Advocacy Center and Eighth Muse, Inc.'s internal control over financial reporting and compliance.

Justin J. Scamberg, CPA, LLC

New Orleans, Louisiana
December 15, 2014

**ADVOCACY CENTER
AND
EIGHTH MUSE, INC.**

COMBINED STATEMENT OF FINANCIAL POSITION

September 30, 2014

ASSETS

**SUMMARIZED
COMPARATIVE
INFORMATION
SEPTEMBER 30, 2013**

Cash	\$ 531,060	\$ 521,173
Investment securities (Notes A4 and B)	943,460	821,717
Receivables		
Grants (Notes A5 and C)	488,565	327,711
Pledges, less allowances for doubtful accounts of \$3,603 (Notes A6 and D)	33,727	36,398
Other	<u>381</u>	<u>3,320</u>
	<u>522,673</u>	<u>367,429</u>
Prepaid expenses	29,348	16,727
Property, furniture and equipment - at cost (Notes A7 and E)	<u>1,301,400</u>	<u>1,339,132</u>
Total assets	<u>\$ 3,327,941</u>	<u>\$ 3,066,178</u>

LIABILITIES AND NET ASSETS

Notes payable (Note F)	\$ 1,104,082	\$ 1,160,929
Accounts payable and accrued liabilities	247,886	143,429
Accrued vested annual leave benefits	<u>97,039</u>	<u>84,112</u>
Total liabilities	<u>1,449,007</u>	<u>1,388,470</u>
Commitments (Note G)	-	-
Net assets		
Unrestricted	990,624	929,301
Temporarily restricted (Note H)	<u>888,310</u>	<u>748,407</u>
Total net assets	<u>1,878,934</u>	<u>1,677,708</u>
Total liabilities and net assets	<u>\$ 3,327,941</u>	<u>\$ 3,066,178</u>

The accompanying notes are an integral part of this financial statement.

**ADVOCACY CENTER
AND
EIGHTH MUSE, INC.**

COMBINED STATEMENT OF ACTIVITIES

For the year ended September 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>SUMMARIZED COMPARATIVE INFORMATION For the year ended September 30, 2013</u>
REVENUE				
Grants appropriations	\$ 3,000	\$ 3,177,536	\$ 3,180,536	\$ 3,266,568
Investment income (Note B)	1,009	10,123	11,132	9,565
Contributions	75,541	-	75,541	25,421
Attorney fees	-	261,744	261,744	194,586
Other	3,355	8,588	11,943	16,205
Net assets released from restrictions	<u>3,318,088</u>	<u>< 3,318,088 ></u>	<u>-</u>	<u>-</u>
Total revenues	<u>3,400,993</u>	<u>139,903</u>	<u>3,540,896</u>	<u>3,512,345</u>
 EXPENSES				
Salaries	2,219,862	-	2,219,862	2,189,219
Fringe benefits	441,565	-	441,565	517,685
Travel	94,956	-	94,956	88,580
Operating services	242,999	-	242,999	271,083
Contractual services	138,718	-	138,718	137,453
Operating supplies	29,801	-	29,801	30,854
Other costs	117,435	-	117,435	110,893
Equipment expenses	<u>54,334</u>	<u>-</u>	<u>54,334</u>	<u>40,778</u>
Total expenses	<u>3,339,670</u>	<u>-</u>	<u>3,339,670</u>	<u>3,386,545</u>
 Increase <decrease> in net assets	61,323	139,903	201,226	125,800
 Net assets, beginning of year	<u>929,301</u>	<u>748,407</u>	<u>1,677,708</u>	<u>1,551,908</u>
 Net assets, end of year	<u>\$ 990,624</u>	<u>\$ 888,310</u>	<u>\$ 1,878,934</u>	<u>\$ 1,677,708</u>

The accompanying notes are an integral part of this financial statement.

**ADVOCACY CENTER
AND
EIGHTH MUSE, INC.**

COMBINED STATEMENT OF CASH FLOWS

For the year ended September 30, 2014

**SUMMARIZED
COMPARATIVE
INFORMATION
For the year ended
September 30, 2013**

Cash flows from operating activities:		
Increase <decrease> in net assets	\$ 201,226	\$ 125,800
Adjustments to reconcile decrease in net assets to net cash provided by <used in> operating activities:		
Depreciation	37,732	38,976
Unrealized appreciation of investments	4,192	6,521
Allowance for doubtful accounts	1,879	< 6,185>
Changes in assets and liabilities:		
<Increase> decrease in grants receivable	< 160,854>	190,512
<Increase> decrease in pledge receivables	792	37,383
<Increase> decrease in other receivable	2,939	496
<Increase> decrease in prepaid expenses	< 12,621>	< 329>
Increase <decrease> in accounts payable and accrued liabilities	104,457	< 7,199>
Increase <decrease> in accrued vested annual leave benefits	<u>12,927</u>	<u>< 17,773></u>
Net cash provided by <used in> operating activities	<u>192,669</u>	<u>368,202</u>
Cash flows from investing activities:		
Proceeds from liquidation of certificates of deposit	111,005	93,699
Purchase of certificates of deposit	<u>< 236,940></u>	<u>< 285,459></u>
Net cash provided by <used in> investing activities	<u>< 125,935></u>	<u>< 191,760></u>
Cash flows from financing activities:		
Payments of notes payable	<u>< 56,847></u>	<u>< 29,608></u>
Net cash provided by <used in> financing activities	<u>< 29,608></u>	<u>< 29,608></u>
Net increase <decrease> in cash and cash equivalent	9,887	146,834
Cash and cash equivalents, beginning of year	<u>521,173</u>	<u>374,339</u>
Cash and cash equivalents, end of year	<u>\$ 531,060</u>	<u>\$ 521,173</u>
Cash flow information:		
Interest paid:	<u>\$ 64,394</u>	<u>\$ 66,633</u>

The accompanying notes are an integral part of this financial statement.

**ADVOCACY CENTER
AND
EIGHTH MUSE, INC.**

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Nature of Activities

The Advocacy Center was organized to protect and advocate for the human and legal rights of persons living in Louisiana who are elderly or disabled.

Eighth Muse, Inc. is a non-profit corporation organized under the laws of the State of Louisiana. The corporation was formed as a real estate holding company. Its primary purpose is the leasing of a commercial building that serves as the administrative and program offices of the Advocacy Center in New Orleans, Louisiana.

Advocacy Center's major program consists of advocacy and protection for individuals with developmental disabilities.

2. Presentation of Financial Statements

The corporation's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 958. Accordingly, the net assets of the corporation are reported in each of the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets.

The net assets and changes therein are classified as follows:

Unrestricted Net Assets - Contributions and other revenue and expenses for the general operation of its programs.

Temporarily Restricted Net Assets - Contributions and other revenues specifically authorized by the donor or grantor to be used for specific purposes.

Permanently Restricted Net Assets - Contributions subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Corporation pursuant to those stipulations. There were no permanently restricted net assets.

The combined financial statements include the accounts of Advocacy Center and Eighth Muse, Inc. They are affiliated by virtue of common control. All significant intercompany transactions have been elemented in combination.

**ADVOCACY CENTER
AND
EIGHTH MUSE, INC.**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Revenue Recognition

For financial reporting the corporation recognizes all contributed support as income in the period received. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor 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 activity as "net assets released from restrictions".

Grant revenue is earned in accordance with approved contracts.

4. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the statement of activities.

5. Receivables

The corporation considers accounts receivable to be fully collectible since the balance consists principally of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

6. Promises to Give

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

All promises to give are recognized as assets, less an allowance for uncollected amounts, and revenues.

7. Property, Furniture and Equipment

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on the straight-line-method. Depreciation expense for the year ended September 30, 2014 totaled \$37,732.

It is the policy of the corporation to capitalize all property, furniture, and equipment with an acquisition cost in excess of \$5,000.

**ADVOCACY CENTER
AND
EIGHTH MUSE, INC.**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

8. Cash Equivalents

For purposes of the statement of cash flows, the corporation considers all highly liquid investments in money market funds and demand deposits to be cash equivalents.

9. 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 these estimates.

10. Fair Values of Financial Investments

Cash, cash equivalents, and temporary investments carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those investments. The fair values of marketable securities are based on quoted market prices for those or similar investments.

11. Functional Allocation of Expenses

The expense of providing the program and other activities have been summarized on a functional basis in Note M. Certain of those expenses have been allocated among the program and supporting services based on estimates by management of the costs involved.

12. Subsequent Events

The subsequent events of the organization were evaluated through the date the financial statements were available to be issued (December 15, 2014).

13. Summarized Comparative Information

Summarized comparative information is presented only to assist with financial analysis. Data in these columns do not present financial position or changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**ADVOCACY CENTER
AND
EIGHTH MUSE, INC.**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2014

NOTE B - INVESTMENT SECURITIES

Investment securities, at September 30, 2014 consist of the following:

	<u>Cost</u>	<u>Fair Market Value</u>
Money market accounts - brokerage account	\$ 1,545	\$ 1,545
Certificates of Deposit	<u>942,451</u>	<u>941,915</u>
	<u>\$ 943,996</u>	<u>\$ 943,460</u>

The unrealized depreciation for the year ended September 30, 2014 totaled \$4,193, and the unrealized depreciation as of September 30, 2014 totaled \$536.

Investment income for the year consists of the following:

Interest income	\$ 15,325
Unrealized depreciation	<u>< 4,193 ></u>
	<u>\$ 11,132</u>

NOTE C - GRANTS RECEIVABLE

Grants receivable at September 30, 2014 consist of the following:

U. S. Department of Health and Human Services	\$ 57,220
U. S. Department of Education	68,012
State of Louisiana – Governor’s Office of Elderly Affairs	20,754
Social Security Administration	45,989
State of Louisiana – Department of Justice	205,165
City of New Orleans	69,651
St. Tammany Council on Aging, Inc.	3,268
State of Louisiana – Department of Health and Hospitals	6,003
Louisiana Bar Foundation	4,485
State of Louisiana - Elections Division	<u>8,018</u>
	<u>\$ 488,565</u>

**ADVOCACY CENTER
AND
EIGHTH MUSE, INC.**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2014

NOTE D - PLEDGE RECEIVABLES

The Advocacy Center has received pledges from individuals supporting the mission of the corporation. As of September 30, 2014, these unconditional promises to give totaled \$33,727. These pledges are due between one and four years.

The pledge receivables at September 30, 2014 are as follows:

Gross unconditional promise to give	\$ 37,330
Less allowance for doubtful accounts	<u>< 3,603 ></u>
	<u>\$ 33,727</u>
Amount due in	
Less than one year	\$ 14,069
One to four years	<u>19,658</u>
	<u>\$ 33,727</u>

NOTE E - PROPERTY, FURNITURE AND EQUIPMENT

Property, furniture and equipment at September 30, 2014 consists of the following:

Building	\$ 530,617
Building improvements	412,691
Equipment	<u>18,096</u>
	961,404
Less accumulated depreciation	<u>< 125,004 ></u>
	836,400
Land	<u>465,000</u>
	<u>\$1,301,400</u>

Furniture and equipment represents acquisitions of tangible personal property with funds provided to the corporation by the federal government, agencies of the State of Louisiana, or unrestricted funds. The federal and state governments retain a reversionary interest in the capital assets acquired with their funds.

**ADVOCACY CENTER
AND
EIGHTH MUSE, INC.**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2014

NOTE F - NOTES PAYABLE

Notes payable at September 30, 2014 consist of the following:

Note payable to a loan corporation, due in monthly installments of \$1,849, which includes a fixed interest rate of 4%. The loan matures March, 2027 with a balloon payment of approximately \$100,411. \$ 218,004

Note payable to a financial institution, due in monthly installments of \$6,171, which includes a fixed rate interest rate of 6%. The loan matures February, 2037. 886,078
\$1,104,082

The interest expense relative to the notes payable totaled \$64,394 for the year ended September 30, 2014.

The aggregate maturities of the notes payable following the year ended September 30, 2014 are as follows:

<u>Year ending September 30</u>	
2015	\$ 33,284
2016	34,916
2017	36,939
2018	38,926
2019	41,024
Thereafter	<u>918,993</u>
	<u>\$ 1,104,082</u>

NOTE G - COMMITMENTS

The corporation leases office space for its administrative office in two branch locations in Lafayette, and Baton Rouge. Lafayette and Baton Rouge leases are under noncancellable operating leases expiring January, 2015 and June, 2017, respectively. The administrative office in New Orleans was leased from Eighth Muse, Inc. and the rental income/expense totaling \$169,349 was eliminated for financial statement presentation.

**ADVOCACY CENTER
AND
EIGHTH MUSE, INC.**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2014

NOTE G - COMMITMENTS - CONTINUED

Future minimum lease payments are as follows:

Year ending September 30,	
2015	\$ 17,267
2016	9,733
2017	<u>7,300</u>
	<u>\$ 34,300</u>

The rental expense for the year ended September 30, 2014 totaled \$47,562.

NOTE H – TEMPORARILY RESTRICTED NET ASSETS

As of September 30, 2014, temporarily restricted net assets consist of the following:

Protection and Advocacy for the Developmentally Disabled	\$ 741,368
New Orleans Council on Aging, Inc.	63,438
Plaquemines Council on Aging, Inc.	4,899
Impact Fund	12,035
Protection and Advocacy for Individuals with Mental Illness	26,697
Social Security Administration	28,362
Louisiana Developmental Disabilities Counsel - Pro Bono	6,333
Louisiana Bar Foundation - Other Legal Services	<u>5,178</u>
	<u>\$ 888,310</u>

NOTE I - RETIREMENT PLAN

The Advocacy Center sponsors a 401(K) plan covering all employees twenty-one years or older who have completed 500 hours of service. Employees are 100% vested after three years of service from date of hire. The corporation decides the amount, if any, to contribute each year to the individual retirement accounts for the eligible employees based on a percentage of annual compensation. The employers contribution rate remained unchanged from the prior year. The percentage, determined by the Board of Directors, was 3% or \$65,760 for the year ended September 30, 2014.

NOTE J –RELATED PARTY TRANSACTIONS

The Advocacy Center leases its administrative and program offices from Eighth Muse, Inc. in New Orleans, Louisiana. The rental expense for the year ended September 30, 2014 totaled \$169,349, which was eliminated for financial statement presentation.

**ADVOCACY CENTER
AND
EIGHTH MUSE, INC.**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2014

NOTE K – INCOME TAXES

The Advocacy Center is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

Eighth Muse, Inc. is exempt from corporate income taxes under Section 501(c)(2) of the Internal Revenue Code.

Under FASB ASC 740, Income Taxes, requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. Management does not believe its combined financial statements include any uncertain tax positions. The organizations tax returns for 2013, 2012 and 2011 remain open and subject to examination by taxing authorities. The organizations tax returns for the year ended September 30, 2014 has not yet been filed.

NOTE L - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE M - FUNCTIONAL EXPENSES

The functional expenses for the year ended September 30, 2014 consist of the following:

	Management and general	Fund Raising	Advocacy for persons with disabilities and senior citizens	Total
Salaries	\$ 540,817	\$13,203	\$ 1,665,842	\$ 2,219,862
Fringe benefits	97,335	2,520	341,710	441,565
Travel	1,410	-	93,546	94,956
Operating services	97,740	714	144,545	242,999
Contractual services	4,066	-	134,652	138,718
Operating supplies	4,994	5,605	19,202	29,801
Other costs	75,754	-	41,681	117,435
Equipment expenses	8,330	-	46,004	54,334
	<u>\$ 830,446</u>	<u>\$ 22,042</u>	<u>\$ 2,487,182</u>	<u>\$ 3,339,670</u>

**ADVOCACY CENTER
AND
EIGHTH MUSE, INC.**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2014

NOTE N – FAIR VALUE MEASUREMENT

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 820-10 requires disclosure of the estimated fair value of certain financial instruments and the methods and significant assumptions used to estimate their fair value. Financial instruments within the scope of FASB ASC 820-10 are included in the table below.

		<u>Fair Value Measurement of Reporting Date</u>		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market accounts – brokerage accounts	\$ 1,545	\$ 1,545	\$ -	\$ -
Certificates of deposit	<u>941,915</u>	<u>941,915</u>	-	-
	<u>\$ 943,460</u>	<u>\$ 943,460</u>	<u>\$ -</u>	<u>\$ -</u>

The assumptions to estimate fair values are as follows:

1. Money market accounts and certificates of deposit carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of the instruments.

The fair value of cash and cash equivalents, accounts payable and accrued liabilities approximate book value at September 30, 2014 due to the short-term nature of these accounts.

NOTE O - FEDERALLY ASSISTED PROGRAMS

The Advocacy Center participates in a number of federally assisted programs. These programs are audited in accordance with the 2007 Single Audit Act. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the corporation's management believes that further examinations would not result in any significant disallowed costs.

**ADVOCACY CENTER
AND
EIGHTH MUSE, INC.**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2014

NOTE P – CONCENTRATION OF CREDIT RISK

As of September 30, 2014, the unsecured cash balances consist of the following:

Bank Balance, including outstanding checks		\$ 532,751
Less: FDIC insurance	\$ 295,143	
Pledged securities	<u>97,582</u>	<u>< 392,725 ></u>
Unsecured cash balance		<u>\$ 140,026</u>

NOTE Q - ECONOMIC DEPENDENCY

The Corporation received the majority of its revenue from funds provided through grants administered by the federal government and the State of Louisiana. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operations. At the time of completion of the examination of the corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the corporation will receive in the next fiscal year.

The corporation is supported primarily through government grants. Approximately 88% of the corporation's support for the year ended September 30, 2014 came from government grants.

SUPPLEMENTAL INFORMATION

**ADVOCACY CENTER
AND
EIGHTH MUSE, INC.**

**COMBINED STATEMENT OF ACTIVITIES – ADVOCACY CENTER AND
EIGHTH MUSE, INC.**

For the year ended September 30, 2014

	<u>ADVOCACY CENTER</u>	<u>EIGHTH MUSE, INC.</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>
REVENUES				
Grant appropriations	\$ 3,180,536	\$ -	\$ -	\$ 3,180,536
Other income	<u>360,271</u>	<u>169,438</u>	<u>< 169,349></u>	<u>360,360</u>
	<u>3,540,807</u>	<u>169,438</u>	<u>< 169,349></u>	<u>3,540,896</u>
EXPENSES				
Salaries	2,219,862	-	-	2,219,862
Fringe benefits	441,565	-	-	441,565
Travel	94,956	-	-	94,956
Operating services	363,531	48,817	<169,349>	242,999
Contractual services	137,033	1,685	-	138,718
Operating supplies	29,521	280	-	29,801
Other costs	53,041	64,394	-	117,435
Equipment expenses	<u>16,602</u>	<u>37,732</u>	-	<u>54,334</u>
	<u>3,356,111</u>	<u>152,908</u>	<u>< 169,349></u>	<u>3,339,670</u>
Increase <decrease> in net assets	184,696	16,530	-	201,226
Net assets, beginning of year	<u>1,762,508</u>	<u>< 84,800></u>	-	<u>1,677,708</u>
Net assets, end of year	<u>\$ 1,947,204</u>	<u>\$ < 68,270></u>	<u>\$ -</u>	<u>\$ 1,878,934</u>

NOTE:

Intercompany rental income and expense was eliminated for financial statement presentation.

ADVOCACY CENTER

STATEMENT OF ACTIVITIES BY PROGRAM

For the year ended September 30, 2014

	PROTECTION AND ADVOCACY FOR THE DEVELOPMENTALLY DISABLED	CLIENT ASSISTANCE PROGRAM	PROTECTION AND ADVOCACY FOR INDIVIDUALS WITH MENTAL ILLNESS	U.S. DEPART. OF EDUCATION PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS	PROTECTION AND ADVOCACY FOR ASSISTIVE TECHNOLOGY
REVENUES					
Grant appropriations	\$ 566,770	\$ 176,950	\$ 390,262	\$ 207,309	\$ 42,326
Other income	<u>187,590</u>	<u>-</u>	<u>4,423</u>	<u>41,695</u>	<u>-</u>
	<u>754,360</u>	<u>176,950</u>	<u>394,685</u>	<u>249,004</u>	<u>42,326</u>
EXPENSES					
Salaries	414,764	122,783	249,905	161,445	25,210
Fringe benefits	82,803	23,787	48,535	30,161	4,971
Travel	14,051	2,737	9,467	2,450	1,257
Operating services	74,198	23,257	44,159	29,538	4,282
Contractual services	37,784	527	27,901	18,711	3,569
Operating supplies	3,314	1,567	2,236	1,500	152
Other costs	6,490	2,225	10,588	5,066	2,878
Equipment expenses	<u>441</u>	<u>67</u>	<u>1,894</u>	<u>133</u>	<u>7</u>
	<u>633,845</u>	<u>176,950</u>	<u>394,685</u>	<u>249,004</u>	<u>42,326</u>
Increase <decrease> in net assets	120,515	-	-	-	-
Transfer to/from general	-	-	-	-	-
Net assets, beginning of year	<u>620,853</u>	<u>-</u>	<u>26,697</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 741,368</u>	<u>\$ -</u>	<u>\$ 26,697</u>	<u>\$ -</u>	<u>\$ -</u>

ADVOCACY CENTER
STATEMENT OF ACTIVITIES BY PROGRAM

For the year ended September 30, 2014

	<u>LOUISIANA BAR FOUNDATION</u>	<u>LOUISIANA WORK INCENTIVE PLANNING AND ASSISTANCE PROJECT</u>	<u>T B I PROTECTION AND ADVOCACY</u>	<u>HELP AMERICA VOTE ACT</u>	<u>SOCIAL SECURITY ADMINISTRATION</u>
REVENUES					
Grant appropriations	\$ 8,742	\$ 195,625	\$ 55,468	\$ 68,648	\$ 121,130
Other income	-	500	-	-	46,247
	<u>8,742</u>	<u>196,125</u>	<u>55,468</u>	<u>68,648</u>	<u>167,377</u>
EXPENSES					
Salaries	7,407	120,068	37,189	44,965	95,804
Fringe benefits	1,335	26,402	7,311	9,182	19,836
Travel	-	1,417	704	1,416	1,563
Operating services	-	32,649	6,191	8,115	16,657
Contractual services	-	15,605	1,872	745	3,290
Operating supplies	-	2,701	312	891	783
Other costs	-	3,599	2,776	1,623	1,014
Equipment expenses	-	48	40	1,711	68
	<u>8,742</u>	<u>202,489</u>	<u>56,395</u>	<u>68,648</u>	<u>139,015</u>
Increase <decrease> in net assets	-	< 6,364>	< 927>	-	28,362
Transfer to/from general	-	6,364	-	-	-
Net assets, beginning of year	-	-	927	-	-
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,362</u>

ADVOCACY CENTER

STATEMENT OF ACTIVITIES BY PROGRAM - CONTINUED

For the year ended September 30, 2014

	<u>NATIONAL DISABILITY RIGHTS NETWORK</u>	<u>COMMUNITY LIVING OMBUDSMAN PROGRAM</u>	<u>GOVERNOR'S OFFICE OF ELDERLY AFFAIRS - OMBUDSMAN LEGAL ASSISTANCE PROGRAM</u>	<u>NEW ORLEANS COUNCIL ON AGING, INC.</u>	<u>GREATER NEW ORLEANS FOUNDATION</u>
REVENUES					
Grant appropriations	\$ 27,993	\$ 882,083	\$ 72,002	\$ 11,917	\$ -
Other income	-	-	-	-	-
	<u>27,993</u>	<u>882,083</u>	<u>72,002</u>	<u>11,917</u>	<u>-</u>
EXPENSES					
Salaries	14,609	598,405	55,491	16,087	8,357
Fringe benefits	2,415	124,775	10,858	2,969	1,936
Travel	865	46,995	773	84	44
Operating services	2,074	74,140	9,884	3,282	1,543
Contractual services	62	12,696	265	332	49
Operating supplies	76	5,224	756	96	894
Other costs	119	11,752	636	205	24
Equipment expenses	3	8,096	22	10	1,293
	<u>20,223</u>	<u>882,083</u>	<u>78,685</u>	<u>23,065</u>	<u>14,140</u>
Increase <decrease> in net assets	7,770	-	< 6,683>	< 11,148>	< 14,140>
Transfer to/from general	< 7,770>	-	6,683	-	977
Net assets, beginning of year	-	-	-	74,586	13,163
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,438</u>	<u>\$ -</u>

ADVOCACY CENTER

STATEMENT OF ACTIVITIES BY PROGRAM - CONTINUED

For the year ended September 30, 2014

	PLAQUEMINES COUNCIL ON AGING, INC.	STATE OF LOUISIANA DEPARTMENT OF STATE ELECTION DIVISIONS	LOUISIANA DEVELOPMENTAL DISABILITIES COUNCIL-PRO-BONO	ST. TAMMANY COUNCIL ON AGING, INC.
REVENUES				
Grant appropriations	\$ 3,471	\$ 8,281	\$ 18,750	\$ 18,019
Other income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,471</u>	<u>8,281</u>	<u>18,750</u>	<u>18,019</u>
EXPENSES				
Salaries	2,607	5,581	9,168	16,003
Fringe benefits	481	813	1,543	2,871
Travel	231	975	354	1,123
Operating services	710	800	1,168	2,774
Contractual services	9	12	29	353
Operating supplies	24	33	65	107
Other costs	18	51	86	185
Equipment expenses	<u>-</u>	<u>16</u>	<u>4</u>	<u>10</u>
	<u>4,080</u>	<u>8,281</u>	<u>12,417</u>	<u>23,426</u>
Increase <decrease> in net assets	< 609>	-	6,333	< 5,407>
Transfer to/from general	-	-	-	5,407
Net assets, beginning of year	<u>5,508</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 4,899</u>	<u>\$ -</u>	<u>\$ 6,333</u>	<u>\$ -</u>

ADVOCACY CENTER

STATEMENT OF ACTIVITIES BY PROGRAM – CONTINUED

For the year ended September 30, 2014

	LOUISIANA DEPARTMENT OF JUSTICE <u>SILAP</u>	CITY OF NEW ORLEANS HOUSING ASSISTANCE PLUS PROGRAM	STATE OF LOUISIANA MEDICAL VENDOR ADMINISTRATION EXTENDED HOURS	LOUISIANA DEVELOPMENTAL DISABILITIES COUNCIL	SOUTHWEST LOUISIANA AREA HEALTH EDUCATION CENTER
REVENUES					
Grant appropriations	\$ 2,431	\$ 145,525	\$ 31,099	\$ 90,000	\$ 3,000
Other income	-	-	-	-	-
	<u>2,431</u>	<u>145,525</u>	<u>31,099</u>	<u>90,000</u>	<u>3,000</u>
EXPENSES					
Salaries	-	111,035	10,039	55,464	806
Fringe benefits	1	21,862	1,781	9,507	191
Travel	500	1,286	73	1,982	87
Operating services	43	9,298	2,242	10,562	97
Contractual services	204	-	44	10,721	3
Operating supplies	266	1,643	107	651	5
Other costs	-	-	170	1,090	3
Equipment expenses	1,417	1,294	2	23	-
	<u>2,431</u>	<u>146,418</u>	<u>14,458</u>	<u>90,000</u>	<u>1,192</u>
Increase <decrease> in net assets	-	< 893>	16,641	-	1,808
Transfer to/from general	-	893	< 23,314>	-	-
Net assets, beginning of year	<u>-</u>	<u>-</u>	<u>6,673</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,808</u>

ADVOCACY CENTER

STATEMENT OF ACTIVITIES BY PROGRAM - CONTINUED

For the year ended September 30, 2014

	LOUISIANA BAR FOUNDATION OTHER LEGAL SERVICES	LOUISIANA BAR FOUNDATION CHILDREN'S LEGAL SERVICES	IMPACT FUND	GENERAL	TOTAL
REVENUES					
Grant appropriations	\$ 13,250	\$ 4,485	\$ 15,000	\$ -	\$ 3,180,536
Other income	-	-	-	79,816	360,271
	<u>13,250</u>	<u>4,485</u>	<u>15,000</u>	<u>79,816</u>	<u>3,540,807</u>
EXPENSES					
Salaries	5,877	3,890	-	26,903	2,219,862
Fringe benefits	943	595	-	3,701	441,565
Travel	38	-	290	4,194	94,956
Operating services	1,002	-	81	4,785	363,531
Contractual services	25	-	2,565	< 340>	137,033
Operating supplies	45	-	29	6,044	29,521
Other costs	139	-	-	2,304	53,041
Equipment expenses	3	-	-	-	16,602
	<u>8,072</u>	<u>4,485</u>	<u>2,965</u>	<u>47,591</u>	<u>3,356,111</u>
Increase <decrease> in net assets	5,178	-	12,035	32,225	184,696
Transfer to/from general	-	-	-	10,760	-
Net assets, beginning of year	-	-	-	1,014,101	1,762,508
Net assets, end of year	<u>\$ 5,178</u>	<u>\$ -</u>	<u>\$ 12,035</u>	<u>\$ 1,057,086</u>	<u>\$ 1,947,204</u>

ADVOCACY CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2014

	<u>PASS THROUGH GRANTOR CONTRACT #</u>	<u>GRANT PERIOD</u>	<u>FEDERAL CFDA NUMBER</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Protection and Advocacy for the Developmentally Disabled	-	10/01/13-09/30/15	93.630	\$ 633,845
Protection and Advocacy for Individuals with Mental Illness	-	10/01/13-09/30/15	93.138	394,865
Traumatic Brain Injury Protection and Advocacy	-	10/01/13-09/30/14	93.267	55,468
Help America Vote Act	-	10/1/13-09/30/18	93.618	68,648
Passed through Louisiana Governor's Office of Elderly Affairs:				
Ombudsman Legal Assistance Program	721585	07/01/13-06/30/14	93.044	51,248
Ombudsman Legal Assistance Program	729722	07/01/14-06/30/15	93.044	20,754
Passed through nonprofit organizations:				
Plaquemines Council on Aging	-	07/01/13-06/30/14	93.044	4,080
Plaquemines Council on Aging	-	07/01/14-06/30/15	93.044	67
New Orleans Council on Aging, Inc.	-	07/01/13-06/30/14	93.044	17,550
New Orleans Council on Aging, Inc.	-	07/01/14-06/30/15	93.044	5,515
St. Tammany Council on Aging, Inc.	-	07/01/13-06/30/14	93.044	11,951
St. Tammany Council on Aging, Inc.	-	07/01/14-06/30/15	93.044	6,069
Passed through State of Louisiana:				
Voting Access for Individuals with Disabilities	-	01/01/14-12/31/14	93.617	8,281
Passed through Louisiana Department of Health and Hospitals:				
SILAP Program	725428	10/01/13-09/30/14	93.630	90,000
Pro Bono Program	726772	11/01/13-12/31/14	93.768	<u>12,417</u>
Total U. S. Department of Health and Human Services				<u>1,380,758</u>
SOCIAL SECURITY ADMINISTRATION				
Protection and Advocacy for Beneficiaries of Social Security	-	10/01/12-09/30/18	96.009	139,015
Southeast Louisiana Work Incentives Planning and Assistance Program	-	08/01/13-07/31/15	96.008	<u>195,625</u>
Total Social Security Administration				<u>334,640</u>
U. S. DEPARTMENT OF EDUCATION				
Client Assistance Program (CAP)	-	10/01/13-09/30/14	84.161A	176,950
Protection and Advocacy of Individual Rights (PAIR)	-	10/01/13-09/30/14	84.240A	249,004
Protection and Advocacy for Assistive Technology (PAAT)	-	10/01/13-09/30/14	84.343A	<u>42,326</u>
Total U. S. Department of Education				<u>468,280</u>
Total Federal Awards				<u>\$ 2,183,678</u>

ADVOCACY CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
For the year ended September 30, 2014

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

A. Presentation of Financial Statements

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded, for financial reporting purposes, when Advocacy Center has met the cost of reimbursement or funding qualifications for the respective grants.

Justin J. Scanlan, C.F.A., F.I.C.

A LIMITED LIABILITY COMPANY

4769 ST. ROCH AVE. NEW ORLEANS, LOUISIANA 70122
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INDEPENDENT AUDITOR'S 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

Board of Directors
Advocacy Center

We have audited, in accordance with the 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, the financial statements of Advocacy Center (a non-profit organization), which comprise the statement of financial position as of September 30, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Advocacy Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Advocacy Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Advocacy Center'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, or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Justin J. Scanlon, CPA, LLC

New Orleans, Louisiana
December 15, 2014

Justin J. Scanlan, C.H.A., F.T.C.

A LIMITED LIABILITY COMPANY

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Advocacy Center

Report on Compliance for Each Major Federal Program

We have audited Advocacy Center's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Advocacy Center's major federal programs for the year ended September 30, 2014. Advocacy Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Advocacy Center's major federal programs based on our audit of the types of compliance requirements referred to above. 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 required 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 Advocacy Center'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 on compliance for each major federal program. However, our audit does not provide a legal determination of Advocacy Center's compliance.

Opinion on Each Major Federal Program

In our opinion, Advocacy Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

Report on Internal Control Over Compliance

Management of Advocacy Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Advocacy Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate to the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Advocacy Center's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

New Orleans, Louisiana
December 15, 2014

Justin J. Scanlon, CPA, LLC

ADVOCACY CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended September 30, 2014

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___yes X no
- Significant deficiency(ies) identified? ___yes X none reported
- Noncompliance material to financial statements noted? ___yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___yes X no
- Significant deficiency(ies) identified? ___yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ___yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.630	U. S. Department of Health and Human Services:
93.138	Protection and Advocacy for the Developmentally Disabled
93.630	Protection and Advocacy for Individuals with Mental Illnesses
	Passed through Louisiana Department of Health and Hospitals:
	SILAP Program

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

Auditee qualified as low-risk auditee? ___yes X no

ADVOCACY CENTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended September 30, 2014

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no findings related to the financial statements for the year ended September 30, 2014.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no items identified in the course of our testing during the current year required to be reported.

D. STATUS OF PRIOR YEAR AUDIT FINDINGS

There were no prior year audit findings.