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FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

**FINANCIAL STATEMENTS AND
AUDITOR'S REPORT**

June 30, 2006

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 4-25-07

CASCIO & SCHMIDT, LLC
Certified Public Accountants

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

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CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Families Helping Families of Greater New Orleans

We have audited the accompanying statement of financial position of Families Helping Families of Greater New Orleans (a non-profit corporation) as of June 30, 2006, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Families Helping Families of Greater New Orleans' management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Corporation's 2005 financial statements and, in our report dated February 9, 2006, we expressed an unqualified opinion on these financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families Helping Families of Greater New Orleans as of June 30, 2006, 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.

In accordance with Government Auditing Standards, we have also issued a report dated March 23, 2007, on our consideration of Families Helping Families of Greater New Orleans' internal control over financial reporting and 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 Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Families Helping Families of Greater New Orleans taken as a whole. The supplemental information listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is required by the 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.

Cassio & Schmidt, LLC.

Metairie, Louisiana
March 23, 2007

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

STATEMENT OF FINANCIAL POSITION

June 30, 2006

ASSETS		TOTAL MEMORANDUM ONLY <u>JUNE 30, 2005</u>
Cash, including certificate of deposit of \$32,165	\$ 95,771	\$ 174,894
Receivables		
Grants (Notes A6 and B)	427,537	286,979
Other	-	1,739
Prepaid expenses and deposits	1,397	2,400
Property and equipment-at cost (Notes A3 and C)	<u>12,217</u>	<u>5,581</u>
Total assets	<u>\$ 536,922</u>	<u>\$ 471,593</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$ 96,276	\$ 84,459
Accrued vested leave payable	<u>25,627</u>	<u>34,987</u>
Total liabilities	121,903	119,446
Commitment (Note D)	-	-
Net assets		
Unrestricted	414,064	331,465
Temporarily restricted	<u>955</u>	<u>20,682</u>
Total net assets	<u>415,019</u>	<u>352,147</u>
Total liabilities and net assets	<u>\$ 536,922</u>	<u>\$ 471,593</u>

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

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

STATEMENT OF ACTIVITIES

For the year ended June 30, 2006

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>	<u>TOTAL MEMORANDUM ONLY Year ended June 30, 2005</u>
REVENUES				
Grant appropriations	\$ -	\$ 1,130,703	\$ 1,130,703	\$ 1,568,269
Other	99,576	365	99,941	37,661
Net assets released from restrictions	<u>1,150,795</u>	<u>(1,150,795)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,250,371</u>	<u>(19,727)</u>	<u>1,230,644</u>	<u>1,605,930</u>
EXPENSES				
Personnel costs	721,239	-	721,239	903,561
Contractual services	126,764	-	126,764	170,455
Travel	93,296	-	93,296	150,998
Supplies	84,161	-	84,161	90,470
Occupancy	20,558	-	20,558	55,827
Printing and publications	20,158	-	20,158	70,943
Postage	8,893	-	8,893	45,057
Telephone	12,681	-	12,681	24,511
Insurance	17,335	-	17,335	19,197
Repairs and maintenance	9,072	-	9,072	10,535
Other	<u>53,615</u>	<u>-</u>	<u>53,615</u>	<u>38,509</u>
Total expenses	<u>1,167,772</u>	<u>-</u>	<u>1,167,772</u>	<u>1,580,063</u>
Increase in net assets	82,599	(19,727)	62,872	25,867
Net assets, beginning of year	<u>331,465</u>	<u>20,682</u>	<u>352,147</u>	<u>326,280</u>
Net assets, end of year	\$ <u>414,064</u>	\$ <u>955</u>	\$ <u>415,019</u>	\$ <u>352,147</u>

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

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

STATEMENT OF CASH FLOWS

For the year ended June 30, 2006

Increase (decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Increase in net assets		\$ 62,872
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation	\$ 1,113	
Disposition of equipment	5,581	
Changes in assets and liabilities:		
Increase in grants receivable	(140,558)	
Decrease in other receivables	1,739	
Decrease in prepaid expenses and deposits	1,003	
Increase in accounts payable and accrued liabilities	11,817	
Decrease in accrued vested leave payable	(9,360)	(128,665)
Net cash used in operating activities		(65,793)
Cash flows from investing activities:		
Acquisition of equipment		(13,330)
Net cash used in investing activities		(13,330)
Net increase in cash and cash equivalents		(79,123)
Cash and cash equivalents, beginning of year		<u>174,894</u>
Cash and cash equivalents, end of year		\$ <u>95,771</u>

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

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

June 30, 2006

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

Families Helping Families of Greater New Orleans is a non-profit corporation organized to assist and strengthen Louisiana families of individuals with special needs (disabilities) through a coordinated network of resources, support, and services with respect for the racial, ethnic and cultural diversity of families.

2. Presentation of Financial Statements

The corporation's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) as set forth in the Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-For-Profit Organizations". Accordingly, the net assets of the corporation are classified to present the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. There were no permanently restricted net assets.

Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

3. Property and Equipment

Families Helping Families of Greater New Orleans records property acquisitions at cost. Donated assets are recorded at estimated value at date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. The depreciation expense for the year ending June 30, 2006 was \$1,113.

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

4. 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

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Revenue Recognition - continued

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 recognized as it is earned in accordance with approved contracts.

5. Cash Equivalents

For purposes of the Statement of Cash Flows, the corporation considers all demand deposits to be cash equivalents.

6. Receivables

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

7. 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.

8. Fair Values of Financial Instruments

The carrying amounts of cash and cash equivalents reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

9. Memorandum Only Columns

Total columns are captioned "Memorandum Only" to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2006

NOTE B - GRANTS RECEIVABLE

The grants receivable at June 30, 2006 consist of the following:

U. S. Department of Education	\$ 55,796
Jefferson Parish Human Services Authority	211,460
Louisiana State University Medical Center	7,672
Louisiana Developmental Disabilities Council	46,752
Louisiana Department of Health and Hospitals	47,376
Louisiana Department of Education	<u>58,481</u>
	\$ <u>427,537</u>

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2006 consists of the following:

Office equipment	\$ 13,330
Less accumulated depreciation	(1,113)
	\$ <u>12,217</u>

NOTE D - COMMITMENT

The corporation leases its administrative and program offices under an operating lease expiring January 31, 2010. The rental expenses totaled \$16,502 for the year ended June 30, 2006.

Future minimum lease payments are as follows:

2007	\$ 44,366
2008	44,366
2009	44,366
2010	<u>25,879</u>
	\$ <u>158,977</u>

NOTE E - INCOME TAXES

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

NOTE F - BOARD OF DIRECTORS COMPENSATION

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

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2006

NOTE G - CONCENTRATION OF CREDIT RISK

The cash balances as of June 30, 2006 consist of the following:

Cash balances, per bank statements	\$ 166,500
Less FDIC insurance	(100,000)
Unsecured balance	\$ <u>66,500</u>

NOTE H - ECONOMIC DEPENDENCY

The corporation is supported primarily through government grants passed through the State of Louisiana. The grant amounts are appropriated each year by the federal government. If significant budget cuts are effected at the federal level, the amount of the funds the Corporation receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Corporation will receive in the next fiscal year. Approximately 92% of the Corporation's support for the year ended June 30, 2006, was received from these grants.

SUPPLEMENTAL INFORMATION

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

COMBINED STATEMENT OF ACTIVITIES

For the year ended June 30, 2006

	<u>GENERAL</u>	<u>U.S. DEPT. OF EDUCATION PROJECT PROMPT</u>	<u>LOUISIANA STATE PLANNING COUNCIL ON DEVELOPMENTAL DISABILITIES PARTNERS IN POLICYMAKING</u>	<u>LOUISIANA STATE PLANNING COUNCIL ON DEVELOPMENTAL DISABILITIES FAMILY RESOURCE CENTER</u>	<u>STATE OF LOUISIANA DEPARTMENT OF SOCIAL SERVICES CHILDREN'S SPECIAL HEALTH SERVICES</u>
REVENUES					
Grant appropriations	\$ -	\$ 329,923	\$ 77,492	\$ 75,000	\$ 33,595
Other	<u>99,576</u>	<u>10</u>	<u>-</u>	<u>255</u>	<u>-</u>
Total revenues	<u>99,576</u>	<u>329,933</u>	<u>77,492</u>	<u>75,255</u>	<u>33,595</u>
EXPENSES					
Personal costs	15,751	260,206	2,740	35,925	36,053
Contractual services	5,916	14,203	36,713	945	-
Travel	234	24,294	40,914	1,288	871
Supplies	38,947	9,924	993	6,629	408
Occupancy	1,383	5,127	-	4,729	-
Printing and publications	430	1,691	803	1,107	-
Postage	1,266	1,767	297	2,243	-
Telephone	2,256	5,522	-	4,734	726
Insurance	1,042	5,778	-	2,603	-
Repairs and maintenance	3,675	915	-	1,557	-
Other	<u>29,384</u>	<u>506</u>	<u>3,663</u>	<u>469</u>	<u>-</u>
Total expenses	<u>100,284</u>	<u>329,933</u>	<u>86,123</u>	<u>62,229</u>	<u>38,058</u>
Increase (decrease) in net assets	(708)	-	(8,631)	13,026	(4,463)
Transfers to/from general	63,654	-	8,631	(13,026)	4,463
Net assets, beginning of year	<u>351,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 414,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

COMBINED STATEMENT OF ACTIVITIES - CONTINUED

For the year ended June 30, 2006

	LOUISIANA STATE PLANNING COUNCIL ON DEVELOPMENTAL DISABILITIES VOCATIONAL REHAB	LOUISIANA STATE PLANNING COUNCIL ON DEVELOPMENTAL DISABILITIES STIPENDS	OFFICE OF CITIZENS WITH DEVELOPMENTAL DISABILITIES FAMILY RESOURCE CENTER	JEFFERSON PARISH HUMAN SERVICES AUTHORITY FAMILY RESOURCE CENTER
REVENUES				
Grant appropriations	\$ 10,358	\$ 5,408	\$ 64,694	\$ 65,000
Other	-	-	-	-
Total revenues	<u>10,358</u>	<u>5,408</u>	<u>64,694</u>	<u>65,000</u>
EXPENSES				
Personal costs	13,214	-	28,364	34,070
Contractual services	-	-	786	2,260
Travel	-	556	273	1,463
Supplies	822	-	3,050	3,491
Occupancy	-	-	2,306	2,161
Printing and publications	933	20	2,304	657
Postage	-	-	1,635	541
Telephone	183	-	2,278	936
Insurance	-	-	3,295	2,346
Repairs and maintenance	-	-	1,148	981
Other	-	4,878	136	136
Total expenses	<u>15,152</u>	<u>5,454</u>	<u>45,575</u>	<u>49,042</u>
Increase (decrease) in net assets	(4,794)	(46)	19,119	15,958
Transfers to/from general	4,794	46	(19,119)	(15,958)
Net assets, beginning of year	-	-	-	-
Net assets, end of year	\$ -	\$ -	\$ -	\$ -

**FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS
COMBINED STATEMENT OF ACTIVITIES - CONTINUED**

For the year ended June 30, 2006

	JEFFERSON PARISH HUMAN SERVICES AUTHORITY EMPOWERMENT PROGRAM	JEFFERSON PARISH HUMAN SERVICES AUTHORITY SELF-ADVOCACY	LOUISIANA STATE UNIVERSITY YOUTH LEADERSHIP FORUM	OFFICE OF MENTAL HEALTH FAMILY RESOURCE CENTER
REVENUES				
Grant appropriations	\$ 134,069	\$ -	\$ 38,227	\$ 49,361
Other	-	-	<u>100</u>	-
Total revenues	<u>134,069</u>	<u>-</u>	<u>38,327</u>	<u>49,361</u>
EXPENSES				
Personal costs	100,556	4,244	14,810	10,004
Contractual services	123	-	2,892	35,655
Travel	205	-	8,912	-
Supplies	93	-	1,436	974
Occupancy	1,099	-	-	859
Printing and publications	627	26	353	1
Postage	63	6	112	-
Telephone	960	-	241	466
Insurance	430	-	630	1,211
Repairs and maintenance	398	-	-	-
Other	<u>80</u>	<u>-</u>	<u>180</u>	<u>-</u>
Total expenses	<u>104,634</u>	<u>4,276</u>	<u>29,566</u>	<u>49,170</u>
Increase (decrease) in net assets	29,435	(4,276)	8,761	191
Transfers to/from general	(29,435)	4,276	(8,761)	(191)
Net assets, beginning of year	-	-	-	-
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

COMBINED STATEMENT OF ACTIVITIES - CONTINUED

For the year ended June 30, 2006

	LOUISIANA DEPARTMENT OF EDUCATION IDEA - PART B DISCRETIONARY	LOUISIANA STATE PLANNING COUNCIL ON DEVELOPMENTAL DISABILITIES-YOUTH LEADERSHIP FORUM	LOUISIANA STATE PLANNING COUNCIL ON DEVELOPMENTAL DISABILITIES - HURRICANE OUTREACH	EARLY INTERVENTION
REVENUES				
Grant appropriations	\$ 46,379	\$ -	\$ 6,100	\$ 126,571
Other	-	-	-	-
Total revenues	<u>46,379</u>	<u>-</u>	<u>6,100</u>	<u>126,571</u>
EXPENSES				
Personal costs	37,427	-	-	86,352
Contractual services	-	-	-	16,222
Travel	845	-	90	5,239
Supplies	4,007	-	-	4,032
Occupancy	-	-	-	2,894
Printing and publications	7,093	-	200	372
Postage	199	-	-	742
Telephone	239	-	-	(5,860)
Insurance	-	-	-	-
Repairs and maintenance	398	-	-	-
Other	-	-	6,000	810
Total expenses	<u>50,208</u>	<u>-</u>	<u>6,290</u>	<u>110,803</u>
Increase (decrease) in net assets	(3,829)	-	(190)	15,768
Transfers to/from general	3,829	-	190	(15,768)
Net assets, beginning of year	-	<u>955</u>	-	-
Net assets, end of year	<u>\$ -</u>	<u>\$ 955</u>	<u>\$ -</u>	<u>\$ -</u>

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

COMBINED STATEMENT OF ACTIVITIES - CONTINUED

For the year ended June 30, 2006

	LOUISIANA DEVELOPMENTAL DISABILITIES COUNSEL LIFE PROJECT	LOUISIANA DEPARTMENT OF EDUCATION LASIG	TOTAL
REVENUES			
Grant appropriations	\$ 2,460	\$ 66,066	\$ 1,130,703
Other	<u>-</u>	<u>-</u>	<u>99,941</u>
Total revenues	<u>2,460</u>	<u>66,066</u>	<u>1,230,644</u>
EXPENSES			
Personal costs	2,059	39,464	721,239
Contractual services	-	11,049	126,764
Travel	698	7,414	93,296
Supplies	21	9,334	84,161
Occupancy	-	-	20,558
Printing and publications	-	3,541	20,158
Postage	-	22	8,893
Telephone	-	-	12,681
Insurance	-	-	17,335
Repairs and maintenance	-	-	9,072
Other	<u>-</u>	<u>7,373</u>	<u>53,615</u>
Total expenses	<u>2,778</u>	<u>78,197</u>	<u>1,167,772</u>
Increase (decrease) in net assets	(318)	(12,131)	62,872
Transfers to/from general	244	12,131	-
Net assets, beginning of year	<u>74</u>	<u>-</u>	<u>352,147</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 415,019</u>

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2006

<u>PROGRAM</u>	<u>CFDA#</u>	<u>EXPENDITURES</u>
U.S. DEPARTMENT OF EDUCATION		
Project Prompt	84.328M	\$ 329,933
Funds passed through the Louisiana Department of Education:		
IDEA-Part B Set Aside	84.027A	46,379
LASIG	84.323A	66,066
Funds passed through the Louisiana Department of Health and Hospitals		
Part C Early Intervention	84.181A	41,054
Funds passed through Jefferson Parish Human Service Authority:		
Part C Early intervention	84.181A	36,967
Funds passed through Louisiana State University Health Development Center:		
YLF Grant	84.324R	<u>29,566</u>
Total U.S. Department of Education		<u>549,965</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN RESOURCES		
Funds passed through the Louisiana State Planning Council on Developmental Disabilities:		
Partners in Policymaking	93.630	77,492
Family Resource Center	93.630	62,229
Stipends	93.630	5,408
Vocational Rehabilitation	93.630	10,358
Hurricane Outreach	93.630	6,100
Funds passed through Louisiana Department of Health and Hospitals:		
Children's Special Health Services	93.994	33,595
OMH-FRC	93.958	49,170
OCDD-FRC	93.958	<u>45,575</u>
Total U.S. Department of Health and Human Resources		<u>289,927</u>
Total Federal awards		\$ <u>839,892</u>

Notes to Schedule of Expenditures of Federal Awards

1. The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
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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

Board of Directors
Families Helping Families of Greater New Orleans

We have audited the financial statements of Families Helping Families of Greater New Orleans as of and for the year ended June 30, 2006, and have issued our report thereon dated March 23, 2007. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Families Helping Families of Greater New Orleans' 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 to 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 auditing 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 Families Helping Families of Greater New Orleans' 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 provision 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.

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

Metairie, Louisiana
March 23, 2007

Cascio & Schmidt, LLC

CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Families Helping Families of Greater New Orleans

Compliance

We have audited the financial statements of Families Helping Families of Greater New Orleans 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, 2006. Families Helping Families of Greater New Orleans' 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 Families Helping Families of Greater New Orleans' management. Our responsibility is to express an opinion on Families Helping Families of Greater New Orleans' compliance based on our audit.

We conducted our audit of compliance 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; 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 Families Helping Families of Greater New Orleans' 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 on Families Helping Families of Greater New Orleans' compliance with those requirements.

In our opinion, Families Helping Families of Greater New Orleans 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, 2006.

Internal Control Over Compliance

The management of Families Helping Families of Greater New Orleans is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Families Helping Families of Greater New Orleans' internal control over compliance with requirements that could have a direct 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 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 weaknesses is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that 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.

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

Carris + Schmitt, PLLC.

Metairie, Louisiana
March 23, 2007

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2006

A. SUMMARY OF THE AUDITOR'S RESULTS

1. An unqualified opinion was issued on the financial statements of the auditee.
2. The statement that reportable conditions in internal control were disclosed by the audit of the financial statements and whether such conditions were material weakness is not applicable.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of the auditee.
4. The statement that reportable conditions in internal control over major programs were disclosed by the audit and whether such conditions were material weakness is not applicable
5. An unqualified opinion was issued on compliance for major programs.
6. The audit disclosed no findings which are required to be reported under Section 501(a) of Circular A-133.
7. The major programs for the year ended June 30, 2006, were as follows:
 - U.S. Department of Education:
Project Prompt (CFDA #84.328M)

 - Louisiana State Planning Counsel on
Developmental Disabilities (CFDA #93.630)
 - Partners in Policymaking
 - Family Resource Center
 - Stipends
 - Vocational Rehabilitation
 - Hurricane Outreach
8. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000. Since the Type A programs did not satisfy the 50% testing rules, a Type B program was selected for testing.
9. The auditee did not qualify as a low-risk auditee.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2006

FINDINGS -

B. FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statements for the year ended June 30, 2006.

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

There were not 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.