

CHILDREN'S BUREAU OF NEW ORLEANS

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
COMPLIANCE AND INTERNAL CONTROLS OVER FINANCIAL
REPORTING AND COMPLIANCE IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS AND OMB CIRCULAR A-133

Year Ended June 30, 2011

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 NOV 23 2011

CHILDREN'S BUREAU OF NEW ORLEANS

Year Ended June 30, 2011

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INDEPENDENT AUDITOR'S REPORT

President/CEO and Board of Directors
Children's Bureau of New Orleans
New Orleans, Louisiana

We have audited the accompanying statement of financial position of Children's Bureau of New Orleans (a non-profit organization) as of June 30, 2011, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Children's Bureau of 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 Organization's 2010 financial statements and, in our report dated October 28, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 Children's Bureau of New Orleans as of June 30, 2011, 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 our report dated October 21, 2011, on our consideration of Children's Bureau of 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

President and Board of Directors
Children's Bureau of New Orleans

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. The 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. The Schedule of Revenue and Expenses United Way Budget Format "unaudited" on page 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for the portion marked "unaudited" was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respected in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



October 21, 2011

CHILDREN'S BUREAU OF NEW ORLEANS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011
With Summarized Financial Information
at June 30, 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 111,555	\$ 202,272
Accounts receivable, Net	184,411	168,114
Contributions receivable, Net	623,459	644,119
Prepaid expenses	22,592	28,240
Investments	39,017	31,063
Deposits	11,907	4,197
Property and equipment, Net	<u>17,902</u>	<u>19,589</u>
<i>Total Assets</i>	<u>\$1,010,843</u>	<u>\$1,097,594</u>
 <u>LIABILITIES</u>		
Accounts payable	\$ 11,036	\$ 10,707
Accrued expense	<u>24,404</u>	<u>26,888</u>
<i>Total Liabilities</i>	<u>35,440</u>	<u>37,595</u>
 <u>NET ASSETS</u>		
Unrestricted	427,213	351,662
Temporarily restricted	<u>548,190</u>	<u>708,337</u>
<i>Total Net Assets</i>	<u>975,403</u>	<u>1,059,999</u>
<i>Total Liabilities and Net Assets</i>	<u>\$1,010,843</u>	<u>\$1,097,594</u>

See accompanying notes to financial statements.

CHILDREN'S BUREAU OF NEW ORLEANS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011
With Summarized Financial Information
for the Year Ended June 30, 2010

	<u>Unrestricted</u>
<u>SUPPORT, REVENUE AND GAINS</u>	
Contributions and private grants	\$ 69,510
Fees and grants from governmental agencies	770,069
Program service fees	79,038
Dividends and interest	117
Net realized and unrealized gains on investments	7,954
Resource development	63,261
United Way contributions:	
Allocation	0
Designations	11,679
Other	29,450
Net assets released from restrictions	<u>556,727</u>
<i>Total Support, Revenue and Gains</i>	<u>1,587,805</u>
<u>EXPENSES</u>	
Program services:	
Capacity Building	58,230
Child and Family Counseling:	
Counseling	47,926
Loss and Survival Team	678,444
Mental Health Rehabilitation	2,945
School Based	49,174
Family Preservation	76,795
Quality Start	<u>352,019</u>
	<u>1,265,533</u>
Supporting services:	
Management and general	184,177
Resource development	<u>62,544</u>
	<u>246,721</u>
<i>Total Expenses</i>	<u>1,512,254</u>
<u>CHANGE IN NET ASSETS</u>	75,551
Net Assets - Beginning of Year	<u>351,662</u>
Net Assets - End of Year	<u>\$ 427,213</u>

See accompanying notes to financial statements.

<u>Temporarily Restricted</u>	<u>2011 Total</u>	<u>2010 Total</u>
\$ 58,500	\$ 128,010	\$ 448,000
0	770,069	939,914
0	79,038	15,150
0	117	288
0	7,954	7,639
0	63,261	86,476
338,080	338,080	341,740
0	11,679	15,305
0	29,450	734
<u>(556,727)</u>	<u>0</u>	<u>0</u>
<u>(160,147)</u>	<u>1,427,658</u>	<u>1,855,246</u>
0	58,230	0
0	47,926	587,957
0	678,444	670,423
0	2,945	0
0	49,174	0
0	76,795	143,673
<u>0</u>	<u>352,019</u>	<u>0</u>
<u>0</u>	<u>1,265,533</u>	<u>1,402,053</u>
0	184,177	184,950
<u>0</u>	<u>62,544</u>	<u>79,823</u>
<u>0</u>	<u>246,721</u>	<u>264,773</u>
<u>0</u>	<u>1,512,254</u>	<u>1,666,826</u>
(160,147)	(84,596)	188,420
<u>708,337</u>	<u>1,059,999</u>	<u>871,579</u>
<u>\$548,190</u>	<u>\$ 975,403</u>	<u>\$1,059,999</u>

CHILDREN'S BUREAU OF NEW ORLEANS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2011
With Summarized Financial Information
for the Year Ended June 30, 2010

	<u>Program Services</u>				
	<u>Capacity Building</u>	<u>Child and Family Counseling</u>	<u>Loss and Survival Team</u>	<u>Mental Health Rehabilitation</u>	<u>School Based</u>
Salaries	\$49,414	\$27,550	\$467,606	\$2,146	\$40,185
Employees' retirement benefits and medical insurance	3,445	3,330	41,905	291	5,070
Payroll taxes and worker's compensation	<u>4,339</u>	<u>3,397</u>	<u>41,843</u>	<u>315</u>	<u>3,533</u>
<i>Total Employee Compensation</i>	57,198	34,277	551,354	2,752	48,788
Bank fees	0	0	0	0	0
Building and equipment maintenance	0	0	3,104	0	0
Conferences and meetings	0	0	21,386	0	0
Depreciation	0	0	0	0	0
Doubtful accounts	0	0	0	0	0
Insurance	0	4,188	10,801	0	0
Marketing	0	0	0	0	0
Membership dues	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Occupancy	0	200	38,058	0	0
Parking	0	0	0	0	0
Postage and messenger service	24	0	840	0	0
Printing and publications	0	0	2,636	0	0
Professional fees and contract service payments	0	7,106	18,312	0	0
Special events	0	0	0	0	0
Supplies	743	1,795	15,011	148	273
Telephone	150	360	6,604	0	60
Travel and other transportation	<u>115</u>	<u>0</u>	<u>10,338</u>	<u>45</u>	<u>53</u>
<i>Total Expenses</i>	<u>\$58,230</u>	<u>\$47,926</u>	<u>\$678,444</u>	<u>\$2,945</u>	<u>\$49,174</u>

See accompanying notes to financial statements.

<u>Family Preser- vation</u>	<u>Quality Start</u>	<u>Supporting Services</u>				<u>Total Supporting Services</u>	<u>Total Program and Supporting Services Expenses</u>	
		<u>Total Program Services</u>	<u>Management and General</u>	<u>Resource Development</u>			<u>2011</u>	<u>2010</u>
\$56,148	\$252,997	\$ 896,046	\$ 73,912	\$31,737	\$105,649	\$1,001,695	\$1,115,770	
3,544	28,120	85,705	8,857	2,605	11,462	97,167	121,095	
<u>4,790</u>	<u>21,649</u>	<u>79,866</u>	<u>5,591</u>	<u>3,141</u>	<u>8,732</u>	<u>88,598</u>	<u>105,679</u>	
64,482	302,766	1,061,617	88,360	37,483	125,843	1,187,460	1,342,544	
0	0	0	1,977	0	1,977	1,977	1,610	
602	0	3,706	6,981	0	6,981	10,687	9,278	
150	208	21,744	2,949	0	2,949	24,693	5,085	
0	0	0	8,066	0	8,066	8,066	7,717	
0	0	0	817	0	817	817	0	
3,240	0	18,229	3,241	0	3,241	21,470	24,119	
0	0	0	0	0	0	0	575	
0	0	0	955	0	955	955	615	
0	0	0	9,677	0	9,677	9,677	10,047	
0	26,290	64,548	30,175	0	30,175	94,723	92,337	
0	0	0	4,470	0	4,470	4,470	5,747	
0	33	897	259	0	259	1,156	2,227	
0	0	2,636	866	0	866	3,502	3,328	
5,330	0	30,748	19,782	0	19,782	50,530	57,516	
0	0	0	0	25,061	25,061	25,061	28,009	
0	1,293	19,263	1,298	0	1,298	20,561	14,030	
873	4,155	12,202	4,304	0	4,304	16,506	17,401	
<u>2,118</u>	<u>17,274</u>	<u>29,943</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>29,943</u>	<u>44,641</u>	
<u>\$76,795</u>	<u>\$352,019</u>	<u>\$1,265,533</u>	<u>\$184,177</u>	<u>\$62,544</u>	<u>\$246,721</u>	<u>\$1,512,254</u>	<u>\$1,666,826</u>	

CHILDREN'S BUREAU OF NEW ORLEANS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2011
With Summarized Financial Information
for the Year Ended June 30, 2010

	<u>2011</u>	<u>2010</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$(84,596)	\$188,420
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	8,066	7,717
Net realized and unrealized (gains) on investments	(7,954)	(7,639)
(Increase) decrease in operating assets:		
Accounts receivable	(16,297)	(11,902)
Contributions receivable	20,660	(302,381)
Prepaid expenses and deposits	(2,062)	(3,938)
Increase (decrease) in operating liabilities:		
Accounts payable	329	(1,261)
Accrued expenses	<u>(2,484)</u>	<u>(8,745)</u>
Net Cash (Used for) Operating Activities	<u>(84,338)</u>	<u>(139,729)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	<u>(6,379)</u>	<u>0</u>
Net Cash (Used for) Investing Activities	<u>(6,379)</u>	<u>0</u>
Net (Decrease) in Cash and Cash Equivalents	(90,717)	(139,729)
Cash and Cash Equivalents -		
Beginning of Year	<u>202,272</u>	<u>342,001</u>
End of Year	<u>\$111,555</u>	<u>\$202,272</u>
<u>Supplemental Schedule of Cash Flow Information</u>		
Cash paid during the year for:		
Interest	\$ <u>0</u>	\$ <u>0</u>
Income taxes	\$ <u>0</u>	\$ <u>0</u>

See accompanying notes to financial statements.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

A. Description of Organization

Children's Bureau of New Orleans ("Children's Bureau") is a private, non-profit United Way Agency that offers a variety of counseling services to children and families.

B. Description of Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Capacity Building

Children's Bureau was awarded a three year core grant from the Institute of Mental Hygiene. This grant is geared towards helping agencies to build capacity and sustainability. The funding is flexible in that it can be used in a variety of ways and across programs, as long as the funding stays true to the purpose of the grant.

Child and Family Counseling:

Counseling

Individual, family, and group therapy is offered for children from birth to 17 years of age and their families. Areas of concern include but are not limited to anger management, school behavior problems, parent-child relational difficulties, and the effects of abuse, domestic violence, or other traumatic events.

Loss and Survival Team

Children's Bureau's Project LAST is designed to meet the special needs of children and families impacted by grief and trauma, including the loss of a loved one by natural cause, accident or violent death; exposure to natural disaster; and being a witness or victim of violence or abuse. Project LAST offers individual, family and group interventions that are valid and proven to be effective. Our social workers are trained in our own evidence-based 10-week Grief and Trauma Intervention (GTI). GTI was designed after many years of working with New Orleans area children and youth, and has been repeatedly shown to be effective in reducing traumatic stress and depressive symptoms in children who have completed the intervention.

Children ages birth to 17 are eligible. Project LAST services are community-based and take place in homes, schools and other community locations.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Description of Program and Supporting Services (Cont'd)

Mental Health Rehabilitation

The Mental Health Rehabilitation program at Children's Bureau offers services for children ages birth to 17 who are having emotional or behavioral problems at school or at home. The program also assists families as they cope with the difficulties they face in helping their children recover. The goals of the program are improving children's ability to function during a crisis, ability to function at home or in school in spite of emotional or behavioral issues, ability to respond well in different life situations, reduce or prevent psychiatric hospitalizations, and increase the chances that a child will remain in school and follow the rules. The child must be enrolled in Medicaid in order to receive Mental Health Rehabilitation Services.

School Based

As the New Orleans community continues to rethink and reinvent a public education system that meets both the academic and developmental needs of its students, Children's Bureau continues to provide support in these efforts through its School Based services. Not only have we reached hundreds of school children through our Project LAST Grief and Trauma Intervention, but Children's Bureau has also started a new initiative to provide both its expertise and support to schools as they work to create a coordinated system of learning supports for their students.

Family Preservation

This specialized service offers intensive therapy and counseling in the homes of children and families referred through the mental health system. The primary objective of the program is to prevent out-of-home placement while also ensuring the safety of the children and families. The Metropolitan Human Services District supports family preservation services to families in Orleans, St. Bernard and Plaquemines Parishes. Referrals must come through the public mental health clinics.

Quality Start

Children's Bureau is providing Mental Health Consultation Services to child care centers in the New Orleans region as part of the Quality Start program, a State initiative to increase the quality of child care in Louisiana. Through this program, mental health consultants, with specialized knowledge of young children, work with child care centers to enhance their ability to contribute to the emotional, social and academic development of children in their care.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Description of Program and Supporting Services (Cont'd)

Management and General

Management and general includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Children's Bureau's program strategy through the Office of the Executive Director; secure proper administrative functioning of the Board of Directors; maintain competent professional services for the program administration of the Children's Bureau; and manage the financial and budgetary responsibilities of the Children's Bureau.

Resource Development

Resource and development provides the structure necessary to encourage and secure financial support from individuals, foundations, and corporations.

C. Summary of Significant Accounting Policies

Basis of Accounting

Children's Bureau prepares its financial statements on the accrual basis of accounting and, accordingly, reflects all significant receivables, payables, and other liabilities.

Basis of Presentation

Children's Bureau reports information regarding its financial position and activities according to three classes of net assets, depending on the presence and type of donor-imposed restrictions.

Unrestricted Net Assets - Those net assets whose use is not restricted by donors.

Temporarily Restricted Net Assets - Those net assets whose use by Children's Bureau has been limited by donors (a) to later periods of time or after specified dates, or (b) to specific purposes.

Permanently Restricted Net Assets - Those net assets that must be maintained in perpetuity due to donor-imposed restrictions that will neither expire with the passage of time nor be removed by meeting certain requirements.

Children's Bureau has no permanently restricted assets, liabilities or activities.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2011

Summary of Significant Accounting Policies (Cont'd)

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with Children's Bureau's financial statements for the year ended June 30, 2010, from which the summarized information was derived.

Estimates

Children's Bureau uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the *Statement of Cash Flows*, Children's Bureau considers all unrestricted highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Investments

Children's Bureau carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the *Statement of Financial Position*. Unrealized gains and losses are included in the change in net assets in the accompanying *Statement of Activities*.

Property and Equipment

Children's Bureau capitalizes all expenditures for property and equipment in excess of \$1,000. Purchased property and equipment is carried at cost. Donated property and equipment is carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the useful life of the related assets. The useful lives of Children's Bureau's assets range between five and ten years.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2011

Summary of Significant Accounting Policies (Cont'd)

Contributions

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

Donor support in the form of cash and other assets is reported as restricted support if it is received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, Children's Bureau reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Children's Bureau reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donated services are recorded that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the year, \$15,000 of donated professional fees were received and recorded in management and general supporting services expenses.

Fair Value Measurements

Generally accepted accounting principles require the use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs from the asset or liability (Level 3). Children's Bureau had no Level 2 or Level 3 inputs.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2011

Summary of Significant Accounting Policies (Cont'd)

Income Taxes

The agency is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Code.

Subsequent Events

Subsequent events have been evaluated through October 21, 2011, which is the date the financial statements were available to be issued.

D. Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense, and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. There was no bad debt expense for the year ended June 30, 2011.

The accounts receivable at June 30, 2011 are categorized by source as follows:

Fees and grants from Governmental agencies	\$175,140
Other	9,271
Less: Allowance for doubtful accounts	<u>0</u>
<i>Total</i>	<u>\$184,411</u>

E. Contributions Receivable

Contributions receivable at June 30, 2011 consists of \$338,080 from the United Way \$277,379 from the Institute of Mental Hygiene, and \$8,000 from others.

Contribution receivable at June 30, 2011, are unconditional and due \$541,328 in 2012 and \$82,131 in 2013. If materially different from the promised amount, contributions receivable to be received after 2011 are discounted to their net present value using U.S. Treasury rates. Management has determined that the recorded promised amounts do not materially differ from the discounted present value. Accordingly, there is no discount or unamortized discount on contributions receivable at June 30, 2011. Uncollectible contributions receivable are expected to be insignificant.

CHILDREN'S BUREAU OF NEW ORLEANS
 NOTES TO FINANCIAL STATEMENTS
 (Continued)
JUNE 30, 2011

F. Property and Equipment

Property and equipment consists of the following:

Furniture and fixtures	\$ 30,859
Equipment	90,448
Leasehold improvements	<u>11,403</u>
	132,710
Less: Accumulated depreciation	<u>114,808</u>
<i>Total Property and Equipment</i>	<u>\$ 17,902</u>

Depreciation expense for the fiscal year ended June 30, 2011 was \$8,066.

G. Investments and Fair Value Measurements

Investments are stated at fair value, which is based on quoted market prices for those investments. The investments at June 30, 2011 consist of mutual funds.

	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Losses</u>
Investments:			
Mutual funds	<u>\$45,749</u>	<u>\$39,017</u>	<u>\$6,732</u>

The following table present assets that are measured at fair value on a recurring basis:

	<u>Total</u>	<u>Fair Value Measurements Using:</u>		
		<u>Quoted Prices In Active Market for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments:				
Mutual funds	<u>\$39,017</u>	<u>\$39,017</u>	<u>\$ 0</u>	<u>\$ 0</u>

Fair values for mutual funds are determined by reference to quoted market prices and other relevant information generated by market transactions.

H. Unrestricted Net Assets

Unrestricted net assets consists of the following:

Carrying value of property and equipment after accumulated depreciation	\$ 17,902
Net assets available for general activities	<u>409,311</u>
	<u>\$427,213</u>

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2011

I. Temporarily Restricted Net Assets

Temporarily restricted net assets totaling \$548,190 are for program services that will occur subsequent to June 30, 2011.

Temporarily restricted net assets are available for the following purposes:

Capacity Building	\$ 88,964
Child and Family Counseling	<u>479,226</u>
	<u>\$548,190</u>

For the year ended June 30, 2011, net assets in the amount of \$556,727 were released from donor restrictions by incurring program expenses and providing services satisfying the purpose restrictions specified by donors as follows:

Capacity Building	\$ 61,036
Child and Family Counseling	<u>495,691</u>
	<u>\$556,727</u>

J. Concentrations

Children's Bureau receives a substantial portion of its support and revenue from a few major sources. A major source is defined as a source from whom support and revenue exceeded 10% of total support and revenue for the year. The following lists the support, revenue and the receivable balances related to these major sources:

<u>Source</u>	<u>Support and Revenue</u>	<u>Percentage of Total Support, Revenue, Gains and Losses</u>	<u>Receivable balance at June 30, 2011</u>	<u>Percentage of Total Assets at June 30, 2011</u>
United Way of Greater New Orleans Area	\$349,759	24.5%	\$338,080	33.4%
Institute of Mental Hygiene	0	0.0	277,379	27.4
Tulane Department of Psychiatry and Neurology	386,891	27.1	90,187	8.9
Louisiana Commission on Law Enforcement	<u>199,224</u>	<u>14.0</u>	<u>36,940</u>	<u>3.7</u>
<i>Total</i>	<u>\$935,874</u>	<u>65.6%</u>	<u>\$742,586</u>	<u>73.4%</u>

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2011

K. Simple IRA Plan

Children's Bureau has a Simple IRA plan covering all employees over 21 years old having at least one year of service and exceeding 1,000 hours of service. Contributions to the plan are at the discretion of the Board of Directors. The Board approved a contribution for eligible employees at 3% of their salary. The recorded expense was \$15,796 for the year ended June 30, 2011.

L. Commitments

On May 9, 2011, Children's Bureau entered into a 5-year operating lease for building space. This lease begins on July 11, 2011 and ends July 10, 2016. This lease calls for monthly rents as follows:

<u>Period</u>	<u>Monthly Rent</u>
07/11/2011 - 02/10/2012	\$ 7,710
02/11/2012 - 02/10/2013	\$ 8,896
02/11/2013 - 07/10/2016	\$10,083

Future minimum commitments under non-cancelable operating leases having initial or remaining terms in excess of one year as of June 30, 2011 for each of the next five years and in the aggregate are:

June 30,	
2012	\$ 98,451
2013	112,686
2014	120,990
2015	120,990
2016	<u>120,990</u>
	<u>\$574,107</u>

Rental expense under all operating leases for fiscal year ended June 30, 2011 was \$94,723.

SUPPLEMENTARY INFORMATION

CHILDREN'S BUREAU OF NEW ORLEANS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2011

Federal Grantor Pass-through Grantor Additional Pass-through Grantor Federal CFDA Program Title <u>Children's Bureau Program Title</u>	<u>CFDA or Other Number</u>
Department of Justice	
Passed through Louisiana Commission of Law Enforcement Passed through City of New Orleans Crime Victim Assistance	
Domestic Violence Counseling	16.575
Victim Assistance Program	16.575
Passed through Jefferson Parish Crime Victim Assistance	
Child Survivors of Violent Crime	16.575
<i>Total Department of Justice</i>	
Department of Health and Human Services	
Passed through the Louisiana Department of Health and Hospitals Office of Public Health Maternal and Child Health Services Block Grant	
Project LAST	93.994
Passed through the State of Louisiana Metropolitan Human Services District Block Grant for Community Mental Health Services	
Family Preservation	93.958
Passed through The Administrators of the Contractor Educational Fund d/b/a Department of Psychiatry and Neurology	
Child Care and Development Block Grant and Child Care Mandatory and Matching Funds of the Child Care and Development Fund	
Research Assistance	93.575
	93.596
Mental Health Consultants	93.575
	93.596
Environmental Rating Scale (ERS) Assessors	93.575
	93.596
<i>Total Department of Health and Human Services</i>	
Department of Homeland Security	
Passed through the State of Louisiana, Governor's Office of Homeland Security	97.xxx
<i>Total Federal Expenditures</i>	

<u>Grant I.D. Number</u>	<u>Total Awards Expended</u>
C10-9-005 C08-9-009	\$ 53,729
C10-9-006 C09-9-005	117,394
C09-7-010 C10-7-010	<u>28,101</u>
	<u>199,224</u>
CFMS #685972	61,783
CFMS #694991	55,240
N/A	25,011
N/A	221,897
N/A	<u>139,983</u>
	<u>503,914</u>
FIPS #000- U4110-00	<u>26,183</u>
	<u>\$729,321</u>

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2011

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Children's Bureau of New Orleans, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CHILDREN'S BUREAU OF NEW ORLEANS
 SCHEDULE OF REVENUE AND EXPENSES
 UNITED WAY BUDGET FORMAT - UNAUDITED
YEAR ENDED JUNE 30, 2011

	<u>Agency Total</u>
<u>REVENUE</u>	
4201 Client-generated self-support	\$ 142,299
5000 Government grants and contracts	770,069
4800 Other foundations or national grants	107,441
6700 Other revenue	<u>58,090</u>
<i>Total Self-Generated Revenue</i>	1,077,899
4702 United Way designations	9,829
4703 CFC designations	1,850
4704 Other United Way grants	<u>0</u>
<i>Total Revenue</i>	1,089,578
4701 United Way GNO request	<u>338,080</u>
<i>Grand Total Revenue</i>	<u>1,427,658</u>
<u>EXPENSES</u>	
7000 Salaries	1,001,695
7100 Benefits	97,167
7200 Taxes	88,598
8400 Occupancy expenses	94,723
8700 Travel and transportation expenses	54,636
8100 Office supplies	20,561
8600 Printing	3,502
8900 Direct assistance to individuals	0
9400 Other	<u>151,372</u>
<i>Grand Total Expenses</i>	<u>1,512,254</u>
Net Difference	<u>\$ (84,596)</u>

EXPENSE ANALYSIS

Total direct program expenses
 Percent of total program expenses
 Distribution of management and general expenses
 Grand total program expenses
 Projected unduplicated people served
 Cost per person

<u>Administration</u> <u>Fund-Raising</u>	<u>Total</u> <u>Program</u> <u>Services</u>	<u>Program Services</u>		
		<u>Child and</u> <u>Family</u> <u>Counseling</u>	<u>Family</u> <u>Preservation</u>	<u>Quality</u> <u>Start</u>
\$ 63,401	\$ 78,898	\$ 78,898	\$ 0	\$ 0
0	770,069	327,937	55,240	386,892
20,226	87,215	87,215	0	0
<u>58,090</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
141,717	936,182	494,050	55,240	386,892
9,829	0	0	0	0
1,850	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
153,396	936,182	494,050	55,240	386,892
<u>0</u>	<u>338,080</u>	<u>338,080</u>	<u>0</u>	<u>0</u>
<u>153,396</u>	<u>1,274,262</u>	<u>832,130</u>	<u>55,240</u>	<u>386,892</u>
105,649	896,046	586,901	56,148	252,997
11,462	85,705	54,041	3,544	28,120
8,732	79,866	53,427	4,790	21,649
30,175	64,548	38,258	0	26,290
2,949	51,687	31,937	2,268	17,482
1,298	19,263	17,970	0	1,293
866	2,636	2,636	0	0
0	0	0	0	0
<u>85,590</u>	<u>65,782</u>	<u>51,549</u>	<u>10,045</u>	<u>4,188</u>
<u>246,721</u>	<u>1,265,533</u>	<u>836,719</u>	<u>76,795</u>	<u>352,019</u>
<u>\$(93,325)</u>	<u>\$ 8,729</u>	<u>\$(4,589)</u>	<u>\$(21,555)</u>	<u>\$ 34,873</u>
		<u>\$836,719</u>	<u>\$76,795</u>	<u>\$352,019</u>
		<u>66.12%</u>	<u>6.07%</u>	<u>27.81%</u>
		<u>\$163,122</u>	<u>\$14,972</u>	<u>\$68,627</u>
		<u>\$999,841</u>	<u>\$91,767</u>	<u>\$420,646</u>
		<u>2,461</u>	<u>51</u>	<u>1950</u>
		<u>\$406</u>	<u>\$1,799</u>	<u>\$216</u>

PACIERA, GAUTREAU & PRIEST, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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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**

President/CEO and Board of Directors
Children's Bureau of New Orleans
New Orleans, Louisiana

We have audited the financial statements of Children's Bureau of New Orleans, a non-profit organization, as of and for the year ended June 30, 2011, and have issued our report thereon dated October 21, 2011. 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 Children's Bureau's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Children's Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Children's Bureau'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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the President/CEO, Board of Directors, management, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Paciera, Gautreau & Priest, LLC

October 21, 2011

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

President/CEO and Board of Directors
Children's Bureau of New Orleans
New Orleans, Louisiana

Compliance

We have audited Children's Bureau of New Orleans' ("Children's Bureau") compliance with the types of compliance requirements described in OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Children's Bureau's major federal programs for the year ended June 30, 2011. Children's Bureau'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 Children's Bureau's management. Our responsibility is to express an opinion on Children's Bureau'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 Children's Bureau'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 on Children's Bureau's compliance with those requirements.

In our opinion, Children's Bureau of New Orleans complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Internal Control Over Compliance

Management of Children's Bureau of New Orleans 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 Children's Bureau's internal control over compliance with the requirements that could have a direct and material effect on a major federal program 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 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 Children's Bureau'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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the President/CEO, Board of Directors, management, federal awarding agencies, pass-through entities, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Paciera, Gautreau & Priest

October 21, 2011

CHILDREN'S BUREAU OF NEW ORLEANS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.575	Department of Health and Human Services, Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund

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

Auditee qualified as low-risk auditee? Yes No

CHILDREN'S BUREAU OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)
YEAR ENDED JUNE 30, 2011

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None