

**GREAT EXPECTATIONS FOUNDATION, INC.
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2009**

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 9/1/10

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Silva Gurtner & Abney

Certified Public Accountants & Consultants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Great Expectations Foundation, Inc.
New Orleans, Louisiana

We have audited the accompanying statement of financial position of Great Expectations Foundation, Inc. (the "Corporation"), a Louisiana not-for-profit corporation, as of December 31, 2009, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. 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 for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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 Great Expectations Foundation, Inc. as of December 31, 2009, and the results of its operations 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 June 15, 2010 on our consideration of Great Expectations Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 the 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.

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Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Great Expectations Foundation, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards, which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of federal financial assistance are presented for purposes of additional analysis, and are 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.

Silva Gurtner & Abney, LLC

June 15, 2010

GREAT EXPECTATIONS FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009

ASSETS

Current Assets	
Grants receivable	<u>\$ 157,481</u>
Total current assets	157,481
Property and Equipment	
Furniture and equipment	230,162
Less accumulated depreciation	<u>(226,290)</u>
Total property and equipment	<u>3,872</u>
Total Assets	<u><u>\$ 161,353</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Overdraft payable	\$ 5,066
Accrued leave payable	3,019
Other current liabilities	<u>5,182</u>
Total current liabilities	13,267
Net Assets	
Unrestricted	<u>148,086</u>
Total Liabilities and Net Assets	<u><u>\$ 161,353</u></u>

The accompanying notes are an integral part of this statement.

**GREAT EXPECTATIONS FOUNDATION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Revenues and Other Support	
Center for Disease Control	\$ 327,758
Federal grants	420,254
Corporate grant	26,094
United Way	15,300
Contributions	417
Rent income	12,278
Other income	<u>2,316</u>
Total Revenues and Other Support	<u>804,417</u>
Expenses	
Program Expenses	
HIV/AIDS services, education, and prevention	632,341
Youth services	<u>150,587</u>
Total Program Expenses	782,928
Support Expenses	
General and administrative	<u>77,656</u>
Total Expenses	<u>860,584</u>
Changes in Net Assets	(56,167)
Net Assets - Beginning of Year	<u>204,253</u>
Net Assets - End of Year	<u>\$ 148,086</u>

The accompanying notes are an integral part of this statement.

GREAT EXPECTATIONS FOUNDATION, INC.
 SCHEDULE OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Program Services										Support Services		Total
	Youth Services					AIDS					General and Administrative		
	TANF	United Way	HOPWA	National Aid	OMP	CM	HIA	SISTA	General Fund	LANO			
EXPENSES	\$ -	\$ 1,011	\$ 1,763	\$ 6,861	\$ 4,430	\$ 3,343	\$ 1,200	\$ 6,291	\$ -	\$ -	\$ 24,899		
Accounting and audit fees	-	-	-	-	-	-	-	-	109	-	109		
Advertising	-	555	-	-	170	-	-	170	250	-	1,145		
Computer repair and servicing	-	-	91	2,831	-	-	91	1,625	2,087	-	6,725		
Business expenses	154	-	-	-	516	-	91	539	1,804	-	3,104		
401K processing fees	150	-	-	-	-	-	-	1,085	-	-	1,235		
Contract services	233	-	645	-	747	1,077	146	727	-	-	3,575		
Copier usage	-	-	-	-	-	-	-	-	887	-	887		
Depreciation	-	-	-	-	-	-	-	-	-	-	33		
Equipment	-	-	-	-	33	-	-	-	-	-	33		
Fringe benefits	3,955	287	2,174	1,052	4,325	1,879	978	6,041	5,856	-	26,547		
Insurance	-	-	-	500	1,791	-	-	3,712	-	-	6,003		
Membership and dues	-	104	-	-	-	-	-	-	-	60	164		
Miscellaneous	-	-	-	-	-	-	-	-	7,242	600	7,842		
Supplies	386	237	1,009	-	1,007	1,265	625	2,568	856	-	7,953		
Postage	-	-	-	-	42	-	-	-	218	-	260		
Printing	-	-	-	-	-	-	-	1,047	-	-	1,047		
Program expenses	-	-	-	-	8,332	-	-	22,556	288	-	31,176		
Incentives	1,076	560	-	-	-	-	-	-	-	-	1,636		
Field trips	2,693	804	-	-	-	-	-	-	-	-	3,497		
Nutritional supplements	96	-	-	-	-	-	-	-	-	-	96		
Education supplies	557	-	-	-	-	-	-	-	-	-	557		
Recreation equipment and supplies	-	-	73,670	-	-	2,654	61,099	-	-	-	137,423		
Client services	-	-	-	-	-	-	-	-	-	-	6,728		
Staff development	-	-	-	-	-	-	-	6,418	280	30	6,728		
Rent	11,151	682	5,869	2,558	13,007	3,099	2,915	20,619	18,520	-	78,420		
Payroll and payroll taxes	115,990	6,899	57,318	12,399	78,575	26,604	15,240	142,524	37,386	-	492,935		
Telephone	2,378	549	1,975	-	4,402	489	1,177	4,297	98	-	15,365		
Travel	80	-	-	-	1,143	-	-	-	-	-	1,223		
Total Expenses	\$ 138,899	\$ 11,688	\$ 144,514	\$ 26,201	\$ 118,520	\$ 40,410	\$ 83,562	\$ 219,134	\$ 76,966	\$ 690	\$ 860,584		

The accompanying notes are an integral part of this statement.

**GREAT EXPECTATIONS FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in net assets	\$ (56,167)
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Depreciation	887
Changes in operating assets:	
Grants receivable	(427)
Other current assets	368
Changes in operating liabilities:	
Overdraft payable	5,066
Accrued leave payable	(2,843)
Other current liabilities	4,528
	<u> </u>
Net cash used in operating activities	<u>(48,588)</u>
Net Decrease in Cash and Cash Equivalents	(48,588)
Cash and Cash Equivalents - Beginning of Year	<u>48,588</u>
Cash and Cash Equivalents - End of Year	<u>\$ -</u>
 SUPPLEMENTARY CASH FLOW INFORMATION	
Cash paid during the year for:	
Interest	<u>\$ 26,547</u>

The accompanying notes are an integral part of this statement.

**GREAT EXPECTATIONS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Corporation

Great Expectations Foundation, Inc. (the "Corporation"), which was formed in 1996, is a non-profit that provides a variety of services to women who are at risk of contracting HIV/AIDS, individuals who have contracted HIV/AIDS, and youth in the New Orleans area. Its principal programs include:

1. HIV/AIDS prevention education to women ages 15 through 39 who are at risk for contracting HIV/AIDS because of certain life styles,
2. Assistance with the insurance premium, copayment, or deductible payments to individuals with HIV/AIDS,
3. Assistance with rent or mortgage payments to individuals with HIV/AIDS, and
4. After school activities and summer camp activities for youth between the ages of 8 and 18.

Financial Statement Presentation

The Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets depending on the existence and/or nature of any donor restrictions.

The Corporation requests funds from Center for Disease Control (CDC) and the City of New Orleans Office of Recovery and Development, in accordance with the grant agreements. According to CDC policies, all funds disbursed should be in compliance with the specific terms of the grant as defined. CDC may, at its discretion, request reimbursement for expenses or return of expended funds, or both, as a result of noncompliance by the Corporation within the terms of the grant agreements. In addition, if the Corporation terminated its CDC grant activities, all unexpended funds are to be returned to CDC.

The Corporation requests funds from the State of Louisiana Department of Social Services in accordance with a grant agreement based on contract hours and units of service.

These financial statements are presented on the accrual basis of accounting. Therefore, revenues are recorded when earned and expenses are recorded when incurred.

Basis of Presentation

The financial statements are prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America. The Corporation classifies resources for accounting and reporting purposes into three net asset categories which are unrestricted, temporarily restricted and permanently restricted net assets according to externally (donor) imposed restrictions.

A description of the three net asset categories is as follows:

- Unrestricted net assets include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of the Corporation are included in this category. The Corporation has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of the Corporation and, therefore, the Corporation's policy is to record these net assets as unrestricted.

**GREAT EXPECTATIONS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation, continued

- Temporarily restricted net assets include realized gains and losses, investment income and gifts and contributions for which donor imposed restrictions have not been met. There were no temporarily restricted net assets as of December 31, 2009.
- Permanently restricted net assets are contributions which are required by the donor imposed restriction to be invested in perpetuity and only the income be made available for program operation in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor-imposed restrictions. There were no permanently restricted net assets as of December 31, 2009.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Programs

SISTA (Sisters Informing Sisters on Topics about AIDS) – provides tools needed to educate sexually active African American women between the ages of 15 and 39 to reduce their risk of becoming HIV positive. Health Educators facilitate an exciting five-session group intervention curriculum.

Healthy Choices Program – promotes better lifestyle choices by equipping teens with appropriate life skills and opportunities for positive growth and success. Health Choices Program also works to decrease the incidence of teen pregnancy and to teach teen parents effective parenting skills.

Health Insurance Program – provides health insurance assistance to ensure a better quality of life for persons living with HIV/AIDS. Health Insurance Program services include payments for primary medical care insurance co-payments, deductibles and insurance premiums.

Case Management Program – provides medical case management services, medical transportation services, and non-medical case management service to individuals in need of these services.

HOPWA (Housing Opportunities for Persons With AIDS) – provides rent/mortgage and utilities assistance to prevent homelessness and improve housing accessibility for persons living with HIV/AIDS and their families. These services are available for individuals who reside in the New Orleans region.

**GREAT EXPECTATIONS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Corporation considers all restricted highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents include demand deposits and interest bearing demand deposits.

Grants Receivable

Grants receivable represent amounts due from federal and state cost reimbursement grants and contracts. Amounts are stated at cost and management estimates that all amounts are collectible.

Allowance for Bad Debts

The Corporation uses the direct write-off method to provide for uncollectible accounts. Management believes use of this method does not result in a material difference from the valuation method required by accounting principles generally accepted in the United States of America.

Property and Equipment

Property and equipment are recorded at cost, with the exception of donated items, which are recorded at fair market value at the date of the donation. It is the Corporation's policy to capitalize expenditures for items in excess of \$2,000 with a useful life of at least three years. Acquisitions and donations of property and equipment are made with unrestricted assets, unless the donor imposes a restriction. Depreciation is provided over the estimated useful lives of the respective assets, approximately three to seven years, on a straight-line basis. Depreciation expense for the year ended December 31, 2009 was \$887.

Donated Assets and Services

The Corporation records noncash donations as contributions at its estimated fair value at the date of the donation. Portions of the Corporation's functions are conducted by unpaid officers, board members, and volunteers. The Corporation did not receive any donated assets for the year ended December 31, 2009.

The Corporation recognizes donated services, if significant in amount, which create or enhance non-financial assets or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Income Taxes

The Corporation is a not-for-profit corporation that is exempt from both federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Management has evaluated its tax positions and has determined that there are no uncertainties in income taxes that require adjustments to or disclosures in the financial statements.

**GREAT EXPECTATIONS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restrictions expire in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, 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 activities and changes in net assets as net assets released from restrictions. For the year ended December 31, 2009, there were no restricted transactions.

Functional Expense Allocation

Functional expenses are allocated among the various program services and general and administrative categories based on actual use or management's estimate of the costs involved.

NOTE B – CONCENTRATION OF CREDIT RISK

The Corporation maintains its cash balances in one financial institution located in New Orleans, Louisiana that may, at times, exceed amounts covered by insurance provided by the Federal Deposit Insurance Corporation up to \$250,000. The Corporation's cash balances were not in excess of the FDIC insurance at December 31, 2009. The Corporation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

NOTE C – ACCRUED LEAVE PAYABLE

As of December 31, 2009, accrued annual leave is calculated to be \$3,019. The Corporation allows an employee to accrue up to forty (40) hours of annual leave. The amount of annual leave an employee earns is based on the equivalent number of years of service. Eligible employees earn equal amounts of paid time off each pay period at various rates. Paid time off in excess of forty hours may not be carried over and accumulated in subsequent calendar years.

NOTE D – GRANTS RECEIVABLE

The Corporation has grants from various federal and state funded programs. Grants are funded on a cost reimbursement basis. At December 31, 2009, certain requested reimbursements associated with these grants remained outstanding. The balance for grants receivable is net of grants receivable which were not collected due to denial or revision by the funding source.

NOTE E – SIGNIFICANT CONCENTRATION

Great Expectations Foundation, Inc. receives substantially most of its funding from federal and state programs. If any of the funding sources reduces funding of these programs, the Corporation would have to reduce its services and personnel, accordingly.

GREAT EXPECTATIONS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE F – THIRD PARTY REVENUES

A substantial share of contract revenues for services to clients is derived under federal and state third-party reimbursement programs. These revenues are based, in part, on cost reimbursement principles and are subject to audit and retroactive adjustment by the respective third-party providers. Retroactive adjustments, if any, are not considered by management to be material to the financial position or results of operations of the Corporation.

NOTE G – OPERATING LEASES

The Corporation provides services from one location in the City of New Orleans. The Organization originally leased this location, through July 1, 2009. On June 17, 2009, the lease was renewed. The current lease is scheduled to expire on June 30, 2010 with an option to renew.

NOTE H – EMPLOYEE BENEFIT PLAN

The Organization maintains an employee retirement plan to provide eligible employees with a monthly pension benefit upon retirement. The Plan includes provisions for normal retirement at age sixty-five (65) and early retirement or disability retirement benefits for employees meeting certain qualifications. All regular employees must be employed with Great Expectations Foundation, Inc. for a year to qualify for retirement plan benefits. The Corporation matches up to 4% of the employee contribution. Employer retirement plan expense for 2009 was \$3,442.

NOTE I – EMPLOYEE HEALTH INSURANCE

The Corporation is responsible for 80% of each full time employee's health insurance premium. Employees pay 100% of the premiums for health insurance coverage of their eligible dependents through payroll deduction. Employer health insurance expense for 2009 was \$16,209.

NOTE J – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 15, 2010, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

GREAT EXPECTATIONS FOUNDATION, INC.
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2009

Description	CFDA Number	Pass-through Grant Number	Grant Period		Total Grant Award	Accrued/ (Deferred) Revenue December 31, 2008	Assistance Received during the Year	Accrued/ (Deferred) Revenue December 31, 2009	Total Revenue Recognized	Total Federal Expenditures
			From	Through						
U.S. Department of Health and Human Services:										
Center for Disease Control (SISTA)										
	93.939	N/A	7/1/2008	6/30/2010	\$ 463,194	\$ 27,371	\$ 223,801	\$ 16,998	\$ 213,428	\$ 219,134
HIV Prevention Projects for Community-Based Organizations (OMF)										
	93.118	N/A	1/1/2009	12/31/2009	122,816	11,730	117,321	8,538	114,329	118,520
Pass through City of New Orleans										
Healthy Choices										
	93.558	647875	3/1/2007	9/30/2009	446,076	87,250	213,292	34,248	160,290	150,587
Housing Opportunities for Persons with Aids (HOPWA)										
	93.145	HOPWA-018G	1/1/2009	12/31/2009	300,000	20,067	91,859	72,935	144,727	144,514
Ryan White										
	93.958	N/A	3/1/2009	2/28/2010	129,220	-	27,439	8,784	36,223	40,410
Case Management										
	93.914	N/A	3/1/2009	2/28/2010	102,000	10,636	72,431	15,642	77,457	83,562
Health Insurance Assistance										
TOTAL					\$ 1,563,306	\$ 157,054	\$ 746,363	\$ 157,145	\$ 746,454	\$ 756,727

See independent auditors' report.

**GREAT EXPECTATIONS FOUNDATION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

<u>PROGRAM</u>	<u>CFDA #</u>	<u>Amount</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Center for Disease Control (SISTA) HIV Prevention Projects for Community-Based Organizations (OMP)	93.939	\$ 219,134
	93.118	118,520
Pass-through programs from City of New Orleans:		
Healthy Choices	93.558	150,587
Housing Opportunities for Persons with Aids (HOPWA)	93.145	144,514
Ryan White		
Case Management (CM)	93.958	40,410
Health Insurance Assistance (HIA)	93.914	83,562
Total Federal Expenditures		<u>\$ 756,727</u>

Notes to Schedule of Expenditures of Federal Awards

Note 1 - Summary of Significant Accounting Policies

a. Basis of Presentation

This schedule includes the federal grant activity of Great Expectations Foundation, Inc. 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*.

b. Accrued Reimbursement

Various reimbursement procedures are used for federal awards received by the Organization. Consequently, timing differences between expenditures and program reimbursements exist at the end of the year.

Note 2 - Reconciliation of Federal Grants Revenue to Expenditures of Federal Awards

Expenditures of federal awards during 2009	\$ 756,727
Expenditures recognized in prior year but revenue received during 2009	(20,189)
Expenditures disallowed under the grant	9,916
Total Federal Grants Revenue	<u>\$ 746,454</u>

See independent auditors' report.

OTHER INDEPENDENT AUDITORS' REPORTS

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REPORT ON INTERNAL CONTROL AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Great Expectations Foundation, Inc.
New Orleans, Louisiana

We have audited the financial statements of Great Expectations Foundation, Inc. as of and for the year ended December 31, 2009, and have issued our report thereon dated June 15, 2010. 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 Great Expectations Foundation, Inc.'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 Great Expectations Foundation, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Great Expectations Foundation, Inc.'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 Great Expectation Foundation, Inc.'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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Great Expectations Foundation, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 matter that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the finance committee, the Board of Directors, management, United Way, federal awarding agencies, pass-through entities, and the Louisiana Legislative Auditor. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silva Gurtner & Abney, LLC

June 15, 2010

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133

To the Board of Directors
Great Expectations Foundation, Inc.
New Orleans, Louisiana

Compliance

We have audited the compliance of Great Expectations Foundation, Inc. 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 its major federal program for the year ended December 31, 2009. Great Expectations Foundation, Inc.'s major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Great Expectations Foundation, Inc.'s management. Our responsibility is to express an opinion on Great Expectations Foundation, Inc.'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 for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (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 Great Expectations Foundation, Inc.'s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Great Expectations Foundation, Inc.'s compliance with those requirements.

In our opinion, Great Expectations Foundation, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2009.

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Internal Control over Compliance

The management of Great Expectations Foundation, Inc. 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 Great Expectations Foundation, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Great Expectations Foundation, Inc.'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 the 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 for the information and use of the finance committee, the Board of Directors, management, United Way, federal awarding agencies, pass-through entities, and the Louisiana Legislative Auditor. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silva Gurtner & Alney, LLC

June 15, 2010

**GREAT EXPECTATIONS FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:		Unqualified	
Internal control over financial reporting:			
Material weaknesses identified?	_____ yes	_____ X _____	no
Significant deficiencies identified not considered to be material weaknesses?	_____ yes	_____ X _____	none reported
Noncompliance material to financial statements noted?	_____ yes	_____ X _____	no

Federal Awards

Internal control over major programs:			
Material weaknesses identified?	_____ yes	_____ X _____	no
Significant deficiencies identified not considered to be material weaknesses?	_____ yes	_____ X _____	none reported

Type of auditors' report issued on compliance for major programs:		Unqualified
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Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	_____ yes	_____ X _____	no
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Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

93.939

Center for Disease Control (SISTA)

Dollar threshold used to distinguish
between Type A and Type B programs:

300,000

Auditee qualified as low-risk audit?

_____ **X** _____ yes _____ no

**Section II - Internal Control & Compliance
Governmental Auditing Standards
OMB Circular A-133**

No findings noted for the year ended December 31, 2009.