



**INDEPENDENT AUDITOR'S REPORT**

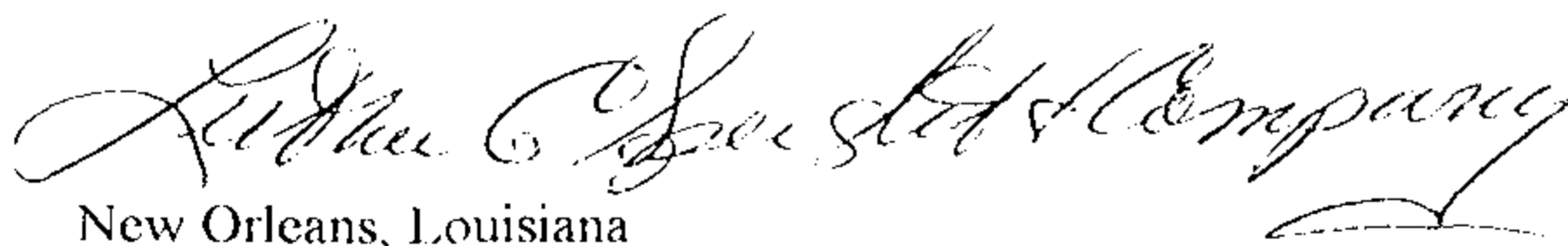
To the Board of Directors of  
Forever Our Children

We have audited the accompanying balance sheet of the Governor's Office of Urban Affairs and Development Grant of Forever Our Children (the Organization), a nonprofit organization, as of June 30, 1996, and the related statements of activity, and cash flows for the grant period then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, 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 Institutions of Higher Education and Other Nonprofit Organizations". Those standards and OMB Circular A-133 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.

As explained in NOTE 1, the financial statements present only the grant funds, and are not intended to present fairly the financial position and results of operations of the Organization in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the grant funds of the Organization as of June 30, 1996 and the results of its activities, and cash flows for the grant period then ended in conformity with generally accepted accounting principles.



New Orleans, Louisiana  
August 9, 1996



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC  
REQUIREMENTS APPLICABLE TO MAJOR PROGRAM TRANSACTIONS**

To the Board of Directors of  
Forever Our Children

We have audited the financial statements of the Governor's Office of Urban Affairs and Development Grant of Forever Our Children (the Organization), a nonprofit organization, as of and for the grant period July 1, 1995 through June 30, 1996, and have issued our report thereon dated August 9, 1996.

In connection with our audit of the financial statements of the Organization and with our consideration of the Organization's control structure used to administer federal award programs, as required by Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations," we selected certain transactions applicable to certain major federal award programs for the period July 1, 1995 through June 30, 1996.

As required by OMB Circular A-133, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; special tests and provisions that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Organization's compliance with those requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Organization had not complied, in all material respects, with those requirements.

This report is intended for the information of the Board of Directors, management, and the Governor's Office of Urban Affairs and Development. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

New Orleans, Louisiana  
August 9, 1996

**FOREVER OUR CHILDREN, INC.  
GOVERNOR'S OFFICE OF URBAN AFFAIRS AND DEVELOPMENT GRANT**

**STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 1996**

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<b>OPERATING REVENUE:</b>	
Grant Revenue	\$ 152,230
Other Income	<u>2,028</u>
Total Revenue	154,258
<b>OPERATING EXPENDITURES:</b>	
Salaries	37,792
Fringe Benefits	4,174
Travel/Conf. & Meetings	232
Rent	10,050
Telephone	1,911
Postage	2,098
Insurance	1,897
Advertising	547
Office/Instruction Supplies	5,181
Accounting & Auditing	8,000
Janitorial Services	3,683
Equipment & Maintenance	14,962
Contract Labor	55,230
Program Activities	5,699
Food	<u>1,513</u>
<b>Total Operating Expenditures</b>	<u>152,969</u>
Net Revenue over Expenditures	1,289
Fund Balance-Beginning of Year	<u>Ø</u>
Fund Balance-End of Year	<u>1,289</u>

See Accompanying Notes to the Financial Statements.

**FOREVER OUR CHILDREN, INC.  
GOVERNOR'S OFFICE OF URBAN AFFAIRS AND DEVELOPMENT GRANT**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDING JUNE 30, 1996**

**OPERATING ACTIVITIES**

Revenues over Expenditures	\$	1,289
Adjustments to Reconcile Revenues Over Expenditures To Net Cash Provided By Operating Activities:		
Increase in Accrued Interest Receivable		(125)
Increase in Accounts Payable		1,977
Increase Payroll Taxes		<u>91</u>
Net Cash Provided By Operating Activities		<u>1,943</u>
NET INCREASE IN CASH		3,232
CASH, BEGINNING OF YEAR		<u>4,343</u>
CASH, END OF YEAR	\$	<u><u>7,575</u></u>

See Accompanying Notes to the Financial Statements.

**FOREVER OUR CHILDREN, INC.  
GOVERNOR'S OFFICE OF URBAN AFFAIRS AND DEVELOPMENT GRANT**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE GRANT PERIOD JULY 1, 1995 THROUGH JUNE 30, 1996**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

*General* - Forever Our Children, Inc. is a non-profit corporation established to provide after school instructional and tutorial assistance to elementary, junior and senior high school students of the Greater New Orleans area.

*Basis of Accounting* - The financial statements of the Forever Our Children are prepared on the accrual basis of accounting. Accordingly, revenue is recorded when it is earned and expenditures are recorded when incurred.

*Grant Budget* - The Forever Our Children received a grant from the State of Louisiana in the amount of \$152,230. The funds were disbursed to the grant recipient at the beginning of the fiscal year. All of the grant funds were expended in the grant period.

*Grant Funds* - The financial statements presented only represent the funds received by Forever Our Children, Inc. from the Governor's Office of Urban Affairs and Development Grant and the related disbursements of these funds by the Organization during the grant period.

**SINGLE AUDIT REPORTS**





**INDEPENDENT AUDITOR'S REPORT ON THE  
SCHEDULE OF FEDERAL AWARDS**

To the Board of Directors of  
Forever Our Children

We have audited the financial statements of the Governor's Office of Urban Affairs and Development Grant of Forever Our Children, (the Organization), a nonprofit organization, for the grant period July 1, 1995 through June 30, 1996, and have issued our report thereon dated August 9, 1996. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, 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 Institutions of Higher Education and Other Non-profit Organizations." Those standards and OMB Circular A-133 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 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.

As explained in NOTE 1, the Schedule of Federal Awards presents only the grant fund revenue and expenditures. Accordingly, any federal financial assistance related to other Organization funds is not included in this schedule.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the grant funds of the Organization taken as a whole. The accompanying Schedule of Federal Awards for the grant period from July 1, 1995 through June 30, 1996, which is also the responsibility of the organization's management, is presented for purposes of additional analysis and is not a required part of the financial statements. The information in this schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

This report is intended for the information of the Board of Directors, management, and the Governor's Office of Urban Affairs and Development. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

New Orleans, Louisiana  
August 9, 1996

**FOREVER OUR CHILDREN, INC.  
GOVERNOR'S OFFICE OF URBAN AFFAIRS AND DEVELOPMENT GRANT**

**SCHEDULE OF FEDERAL AWARDS  
FOR THE GRANT PERIOD JULY 1, 1996 THROUGH JUNE 30, 1996**

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<u>Federal Grantor/ Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grantor's Number</u>	<u>Expenditures</u>
Department of Education/ Governor's Office of Urban Affairs & Forever Our Children	84.010	100-50741	<u>\$152,230</u>
Total			<u><u>\$152,230</u></u>

See Accompanying Notes to the Financial Statements.



**FOREVER OUR CHILDREN, INC.  
GOVERNOR'S OFFICE OF URBAN AFFAIRS AND DEVELOPMENT GRANT**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS  
FOR THE GRANT PERIOD JULY 1, 1995 THROUGH JUNE 30, 1996**

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1. **BACKGROUND**

*General* - Forever Our Children, Inc. is a non-profit corporation established to provide after-school instructional and tutorial assistance to elementary, junior and senior high school students of the Greater New Orleans area.

*Basis of Accounting* - The Schedule of Federal Awards is presented on an accrual basis. Actual grant cash receipts and accrued expenditures are reported in the schedule.

*Grant Budget* - The Forever Our Children received a grant from the State of Louisiana in the amount of \$152,230. The funds were disbursed to the grant recipient at the beginning of the fiscal year. All of the grant funds were expended in the grant period.

*Grant Funds* - The financial statements presented only represent the funds received by Forever Our Children, Inc. from the Governor's Office of Urban Affairs and Development Grant and the related disbursements of these funds by the Organization during the grant period.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Forever Our Children

We have audited the financial statements of the Governor's Office of Urban Affairs and Development Grant of Forever Our Children (the Organization), a nonprofit organization, for the grant period of July 1, 1995 through June 30, 1996, and have issued our report thereon dated August 9, 1996.

We conducted our audit in accordance with generally accepted auditing standards, "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.

In planning and performing our audit of the financial statements of the Organization for the grant period July 1, 1995 through June 30, 1996, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

The management of the Organization is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors, irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal award programs in the following categories:

Accounting Controls:

- Grant revenues and cash receipts
- Purchases and cash disbursements
- General ledger and financial reporting
- Grant accounting

Controls used in administering compliance with Laws and Regulations:

General Requirements:

- Political Activity
- Civil Rights
- Cash Management
- Federal Financial Reports
- Allowable Costs/Cost Principles
- Drug Free Workplace Act
- Administrative Requirements

Specific Requirements:

- Types of services allowed
- Eligibility
- Federal financial reports and claims for reimbursements
- Specific requirements of the grant

For all of the control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

During the grant period July 1, 1994 through June 30, 1995, the grant fund of the Organization expended 100% of its total federal awards under major programs.

We performed tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned major programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted no matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Organization's ability to administer federal awards programs in accordance with applicable laws and regulations.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not

**FOREVER OUR CHILDREN, INC.  
GOVERNOR'S OFFICE OF URBAN AFFAIRS AND DEVELOPMENT GRANT**

**BALANCE SHEET  
AS OF JUNE 30, 1996**

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**ASSETS**

Cash	\$	7,575
Accrued Interest Receivable		125
Equipment		<u>10,935</u>
<b>TOTAL</b>	<b>\$</b>	<b><u>18,635</u></b>

**LIABILITIES**

Accounts Payable	\$	5,249
Taxes Payable		<u>1,162</u>
<b>Total Liabilities</b>		<b>6,411</b>

**NET ASSETS**

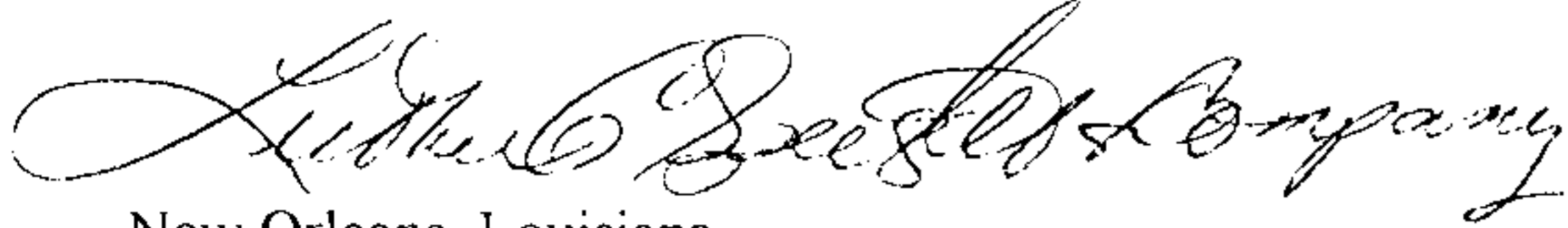
Unrestricted		1,289
Permanently Restricted		<u>10,935</u>
<b>TOTAL</b>	<b>\$</b>	<b><u>18,635</u></b>

See Accompanying Notes To The Financial Statements.

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necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

This report is intended for the information of the Board of Directors, management, and the Governor's Office of Urban Affairs and Development. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in cursive script that reads "Arthur C. Beecher & Company". The signature is written in dark ink and is positioned above the typed name and date.

New Orleans, Louisiana

August 9, 1996





**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL  
STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS**

To the Board of Directors of  
Forever Our Children

We have audited the financial statements of the Governor's Office of Urban Affairs and Development Grant of Forever Our Children (the Organization), a nonprofit organization, as of and for the grant period July 1, 1995 through June 30, 1996, and have issued our report thereon dated August 9, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit for the grant period July 1, 1995 through June 30, 1996, we considered the grant funds of the Organization's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the Organization's financial statements and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal award programs.

The management of the grant fund of the Organization is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS,  
REGULATIONS, CONTRACTS AND GRANTS BASED ON AN AUDIT OF THE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Forever Our Children

We have audited the financial statements of the Governor's Office of Urban Affairs and Development Grant of Forever Our Children (the Organization), a nonprofit organization, as of June 30, 1996 and for the grant period July 1, 1995 through June 30, 1996 and have issued our report thereon dated August 9, 1996.

We conducted our audit in accordance with generally accepted auditing standards, 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 Institutions of Higher Education and Other Non-profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grant agreements applicable to the Organization is the responsibility of the organization's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Organization's compliance with certain provisions of laws, regulations, contracts, and the grant agreement. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to items tested, the grant fund complied, in all material respects, with provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the grant had not complied, in all material respects, with those provisions.

This report is intended for the information of the Board of Directors, management, and the Governor's Office of Urban Affairs and Development. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

New Orleans, Louisiana  
August 9, 1996

**FOREVER OUR CHILDREN  
GOVERNOR'S OFFICE OF URBAN AFFAIRS AND DEVELOPMENT GRANT**

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**LUTHER C. SPEIGHT & COMPANY**  
*A Corporation of Certified Public Accountants*



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**FOREVER OUR CHILDREN  
GOVERNOR'S OFFICE OF URBAN AFFAIRS  
AND DEVELOPMENT GRANT**

**INDEPENDENT AUDITOR'S REPORT ON THE  
FINANCIAL STATEMENTS AND THE RELATED  
SINGLE AUDIT REPORTS FOR THE GRANT PERIOD  
(JULY 1, 1995 THROUGH JUNE 30, 1996)**

**Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 ~~SEP 02 1996~~**

## **STATUS OF PRIOR FINDINGS**

It should be noted that there were no prior year findings.





**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL  
REQUIREMENTS APPLICABLE TO FEDERAL AWARDS PROGRAMS**

To the Board of Directors of  
Forever Our Children

We have audited the financial statements of the Governor's Office of Urban Affairs and Development Grant of Forever Our Children (the Organization), a nonprofit organization, as of and for the grant period July 1, 1995 through June 30, 1996, and have issued our report thereon dated August 9, 1996.

We have applied procedures to test the Organization's compliance with the following requirements applicable to its federal award programs, which are identified in the accompanying schedule of federal awards, for the period July 1, 1995 through June 30, 1996: political activity, civil rights, cash management, federal financial reports, allowable costs/cost principles, drug free workplace act, administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Organizations". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Organization's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Organization has not complied, in all material respects, with those requirements.

This report is intended for the information of the Board of Directors, management, and the Governor's Office of Urban Affairs and Development. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

New Orleans, Louisiana  
August 9, 1996



Accounting Controls:

- Grant Revenue and Cash Receipts
- Purchases and Cash Disbursements
- General Ledger and Financial Reporting

Controls used in administering compliance with Laws and Regulations:

General Requirements:

- Political Activity
- Civil Rights
- Cash Management
- Federal Financial Reports
- Allowable Costs/Cost Principles
- Drug Free Workplace Act
- Administrative Requirements
- Davis-Bacon Act

Specific Requirements:

- Types of services allowed
- Eligibility
- Federal financial reports and claims for reimbursements
- Specific requirements of the grant

For all of the control categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Directors, management, and the Governor's Office of Urban Affairs. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



New Orleans, Louisiana  
August 9, 1996