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BACK IN FILECHILDREN'S BUREAU OF NEW ORLEANSFINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
REPORTS ON INTERNAL CONTROL AND COMPLIANCE
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDSYear Ended June 30, 1997

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 Budget House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Released Date: **Feb 11 1998**

CHILDREN'S BUREAU OF NEW ORLEANS

Year Ended June 30, 1992

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MEMBER OF
THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

President 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, 1997, 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.

We conducted our audit in accordance with generally accepted auditing standards 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 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, 1997, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with Children's Bureau of New Orleans' financial statements for the year ended June 30, 1996, from which the summarized information was derived.

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

In accordance with Government Auditing Standards, we have also issued reports dated November 30, 1997, 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 grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information on pages 14 and 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Spitzberg, Smith, Tynan & Parris

November 30, 1997

CHILDREN'S BUREAU OF NEW ORLEANS
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 1997
 With Summarized Financial Information
 for the Year Ended June 30, 1996

	<u>Unrestricted</u>
SUPPORT AND REVENUE	
Contributions, private grants and membership dues	\$ 68,606
Fees and grants from governmental agencies	391,569
Program service fees	78,168
Conference registration fees	17,505
Dividends and interest	11,941
Net realized and unrealized gains on investments	23,455
Fund raising	26,789
Miscellaneous	3,399
United Way allocation and designations	23,767
Net assets released from restrictions	<u>409,887</u>
Total Support and Revenue	<u>1,049,342</u>
EXPENSES	
Program services:	
Adoption/Foster care	349,812
Counseling	240,740
Great Expectations	62,370
Loss and Survival Team program	298,269
Family Preservation	<u>201,263</u>
	<u>812,454</u>
Supporting services:	
Management and general	118,814
Fund raising	<u>8,218</u>
	<u>127,032</u>
Total Expenses	<u>1,941,884</u>
Increase (Decrease) in Net Assets Before Extraordinary Item	<u>(1,892)</u>
Extraordinary Item - Gain on Pension Settlement	<u>8,322</u>
Increase (Decrease) in Net Assets	6,430
NET ASSETS	
Beginning of year	<u>394,378</u>
End of year	<u>\$ 401,308</u>

See accompanying notes to financial statements.

CHILDREN'S BUREAU OF NEW ORLEANS
 STATEMENT OF FINANCIAL POSITION
 JUNE 30, 1987
 With Summarized Financial Information
 For the Year Ended June 30, 1986

	1987	1986
ASSETS		
Cash and cash equivalents:		
Board designated	\$125,361	\$ 0
Undesignated	<u>37,361</u>	<u>25,324</u>
	162,722	25,324
Accounts receivable	161,168	89,181
Contributions receivable	0	4,000
Prepaid insurance	6,107	1,172
Prepaid pension cost	0	144,743
Investments	187,804	138,155
Investments restricted for the purchase of property and equipment	28,000	28,000
Equipment	48,763	37,453
Accumulated depreciation	<u>(129,312)</u>	<u>(24,994)</u>
Total Assets	<u>\$228,814</u>	<u>\$283,424</u>
LIABILITIES		
Accounts payable	\$ 18,342	\$ 7,483
Accrued salaries and wages	18,917	27,873
Accrued retirement	14,118	23,078
Accrued unemployment	4,014	4,014
Accrued vacation	<u>22,522</u>	<u>22,982</u>
Total Liabilities	<u>\$22,893</u>	<u>\$22,152</u>
NET ASSETS		
Unrestricted	401,331	284,274
Temporarily restricted	<u>24,753</u>	<u>52,188</u>
Total Net Assets	<u>\$227,888</u>	<u>\$283,424</u>
Total Liabilities and Net Assets	<u>\$228,814</u>	<u>\$283,424</u>

See accompanying notes to financial statements.

<u>Temporarily</u> <u>Restricted</u>	1987 <u>Total</u>	1986 <u>Total</u>
\$ 88,317	\$ 144,828	\$214,434
0	382,899	274,284
0	78,168	60,845
0	17,838	0
0	18,741	11,491
0	25,455	9,218
0	35,789	7,478
0	2,399	1,160
330,317	324,064	311,536
(88,987)	0	0
<u>4,847</u>	<u>1,044,782</u>	<u>792,482</u>
0	147,012	128,245
0	248,748	302,198
0	82,373	64,833
0	289,209	199,162
<u>0</u>	<u>867,342</u>	<u>704,438</u>
<u>0</u>	<u>916,562</u>	<u>702,242</u>
0	136,814	88,548
<u>0</u>	<u>8,318</u>	<u>2,290</u>
<u>0</u>	<u>128,032</u>	<u>90,838</u>
<u>0</u>	<u>1,841,598</u>	<u>792,080</u>
<u>4,847</u>	<u>3,125</u>	<u>(2,387)</u>
<u>0</u>	<u>8,387</u>	<u>0</u>
4,847	11,502	(2,387)
<u>82,108</u>	<u>446,482</u>	<u>448,868</u>
\$ <u>56,263</u>	\$ <u>457,984</u>	\$ <u>446,482</u>

CHILDREN'S BUREAU OF NEW ORLEANS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 1967
 With Summarized Financial Information
For the Year Ended June 30, 1967

	Program Expenses			
	Adoptive/ Foster Care	Custodial	Direct Support	Low and Survival Care
Salaries	\$104,844	\$186,482	\$41,648	\$161,712
Employee retirement benefits and medical insurance	1,489	8,783	1,018	18,081
Payroll taxes	<u>8,588</u>	<u>14,836</u>	<u>8,338</u>	<u>13,784</u>
Total Employee Compensation	114,921	209,101	51,994	193,577
Professional fees and contract service payments	4,307	4,750	0	18,768
Supplies	1,218	3,425	182	3,182
Telephone	1,744	8,487	1,003	8,046
Postage and messenger service	182	339	180	7,881
Occupancy	7,138	18,380	4,080	8,437
Equipment maintenance	264	974	0	184
Furnitureing purchases	0	0	0	0
Printing and publications	234	638	77	7,128
Travel and other transportation	1,248	292	1,513	3,158
Conferences and meetings	210	584	582	2,144
Specific assistance	2,126	0	0	0
Membership dues	800	0	0	0
Grants and gifts	0	0	0	0
Depreciation	0	0	0	974
Surveys	0	0	2,144	0
OTSD Conference	0	0	0	20,344
Miscellaneous and insurance	<u>3,883</u>	<u>3,321</u>	<u>548</u>	<u>2,882</u>
Total Expenses	\$148,002	\$248,746	182,220	\$258,289

See accompanying notes to financial statements.

ASSOCIATED SERVICES

Family Participations	Total Program Expenses	ASSOCIATED SERVICES			Total Program and Supporting Services Expenses	
		Management and Counsel	Fund- raising	Total Supporting Services	1977	1978
1289,408	8403,862	8 66,948	8 0	8 66,948	8 732,487	8 827,283
8,087	46,848	8,083	0	8,083	33,871	37,788
<u>13,175</u>	<u>38,322</u>	<u>4,871</u>	<u>0</u>	<u>4,871</u>	<u>66,658</u>	<u>65,248</u>
181,488	768,428	78,328	0	78,328	822,678	820,800
750	31,081	14,925	0	14,925	48,518	43,007
1,874	8,081	3,413	2,323	8,814	13,487	11,283
8,091	18,572	3,364	0	3,364	30,916	28,828
280	2,483	2,038	800	2,838	8,313	3,688
2,478	48,354	8,918	0	8,918	48,173	43,808
0	3,828	3,083	0	3,083	3,827	4,808
0	0	8	893	875	975	828
127	8,328	3,828	388	3,824	10,134	3,893
8,871	13,261	3,435	0	3,435	13,698	12,762
1,488	8,348	3,842	0	3,842	4,888	8,238
0	3,134	8	0	0	3,134	4,208
0	400	3,818	0	3,418	3,212	838
0	0	17	0	17	17	24
0	774	4,842	0	4,842	8,218	4,414
0	8,198	8	0	0	8,198	0
0	10,248	8	0	0	10,244	0
<u>3,127</u>	<u>18,368</u>	<u>4,273</u>	<u>3,842</u>	<u>8,115</u>	<u>20,883</u>	<u>18,824</u>
<u>528,283</u>	<u>1816,362</u>	<u>1216,814</u>	<u>18,228</u>	<u>1235,042</u>	<u>81,881,524</u>	<u>812,828</u>

CHILDREN'S BUREAU OF NEW ORLEANS
 STATEMENT OF CASH FLOWS
 YEAR ENDED JUNE 30, 1997
 With Summarized Financial Information
 For the Year Ended June 30, 1996

	1997	1996
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase (decrease) in net assets	\$ 11,502	\$ (2,387)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used for) operating activities:		
Depreciation	9,318	4,414
Net realized and unrealized gains on investments	(20,455)	(9,328)
(Increase) decrease in net assets:		
Accounts receivable	(71,987)	(14,293)
Contributions receivable	4,000	(4,000)
Prepaid insurance	(8,035)	650
Prepaid pension cost	144,741	(9,300)
Increase (decrease) in liabilities:		
Accounts payable	3,779	(880)
Accrued salaries and wages	(8,780)	17,877
Accrued retirement	1,043	8,479
Accrued unemployment	0	1,834
Accrued vacation	10,818	729
Net Cash Provided by (Used for) Operating Activities	<u>73,162</u>	<u>(607)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of equipment	(3,312)	(7,400)
Purchase of investments	(18,894)	(10,983)
Sales of investments	<u>22,500</u>	<u>0</u>
Net Cash Provided by (Used for) Investing Activities	<u>494</u>	<u>(18,383)</u>
Net Increase (Decrease) in cash and Cash Equivalents	74,256	(18,990)
Cash and cash equivalents -		
Beginning of Year	<u>85,926</u>	<u>104,886</u>
End of year	<u>\$160,182</u>	<u>\$ 85,896</u>

See accompanying notes to financial statements.

CHILDREN'S BUREAU OF NEW ORLEANS
STATEMENT OF CASH FLOWS
(CONTINUED)
YEAR ENDED JUNE 30, 1993
With Summarized Financial Information
for the Year Ended June 30, 1992

	1992	1991
Supplemental Schedule of Cash Flow Information		
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, 1997

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 services to children and families. Its principal programs include: (1) adoption/foster care services; (2) counseling individuals and families; and (3) specialized counseling through the Great Expectations, Project T.A.S.T. (Loss and Survival Team), and Family Preservation programs.

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.

B. 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

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, Children's Bureau 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.

Estimates

Children's Bureau uses estimates and assumptions in preparing financial statements. These 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 these estimates.

Cash and Cash Equivalents

For the purposes of the statements 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.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 1983

Summary of Significant Accounting Policies (Cont'd)

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.

Equipment

Children's Bureau capitalizes all expenditures for equipment in excess of \$1,000. Purchased equipment is carried at cost. Donated equipment is carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over a five-year useful life.

Unemployment Insurance

Children's Bureau is self-insured for unemployment benefits related to terminated employees. The agency has historically had low payment claims related to unemployment benefits due to low employee turnover. The agency has provided estimated reserves for unemployment benefits based on the cost of maintaining third party insurance coverage.

Net Assets

Net assets are included in one of the following 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, 1997

Summary of Significant Accounting Policies (Cont'd)

Contributions

Under SFAS No. 116, "Accounting for Contributions Received and Made," 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. Cash 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, \$16,223 of donated medical, legal and other professional services were received.

Functional Expenses

Costs are charged to program services, management and general, and fund raising functions based on direct expenses incurred. Expenses not directly chargeable to these functional categories are allocated based on direct expenses.

CHILDREN'S BUREAU OF NEW ORLEANS
 NOTES TO FINANCIAL STATEMENTS
 (continued)
JUNE 30, 1987

C. Accounts Receivable

The accounts receivable at June 30, 1987 are categorized by source as follows.

Fees and grants from governmental agencies	\$155,851
Program service fees	<u>9,217</u>
Total	<u>\$165,068</u>

Management considers all accounts receivable to be collectible; accordingly, no allowance for doubtful accounts is required.

D. Equipment

Equipment consists of the following.

Equipment	\$82,768
Less: Accumulated depreciation	<u>30,312</u>
	<u>\$52,456</u>

In 1987, depreciation expense was \$5,318.

E. Investments

Investments are stated at fair value, which is based on quoted market prices for these investments. The values of the investments at June 30, 1987 are as follows.

Money Market funds -	
Temporarily restricted for the	
purchase of property and equipment	\$ 228
Mutual funds	87,378
Mortgage-backed securities - F.N.M.A.	<u>95,205</u>
Total Investments	<u>\$182,811</u>

The following schedule summarizes the investment income which is classified as unrestricted in the Statement of Activities for the year ended June 30, 1987.

Dividends and interest income	\$31,941
Realized and unrealized gains on investments	<u>21,833</u>
	<u>\$53,774</u>

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 1997

F. Unrestricted Net Assets

Unrestricted net assets consist of the following:

Carrying value after accumulated depreciation of equipment	\$ 16,451
Net assets available for general activities	<u>338,778</u>
	<u>\$355,229</u>

The Board of Directors has designated \$122,101 of the net assets available for general activities to be used to fund future contributions to the Profit Sharing/Defined Contribution Plan. This amount is included in Cash and Cash Equivalents at June 30, 1997.

G. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes.

Specialized Counseling Program Activities: Loss and Survival Team Program	531,753
Purchases of property and equipment	<u>25,000</u>
	<u>\$556,753</u>

The following temporarily restricted net assets were released during 1997 due to the satisfaction of donor restrictions.

Adoption Program activities	\$ 84,343
Counseling Program activities	103,474
Specialized Counseling Program activities: Loss and Survival Team Program	<u>118,170</u>
	<u>\$405,987</u>

H. Defined Benefit Pension Plan

On February 18, 1998, Children's Bureau's defined benefit pension plan ceased to accrue benefits, and all participants became 100% vested in their accrued benefits.

On December 6, 1996, Children's Bureau's defined benefit pension plan was settled for \$153,848. This event resulted in a gain on pension settlement of \$8,383.

The pension settlement is recorded as an extraordinary item due to its unusual and infrequent nature.

CHILDREN'S BUREAU OF NEW ORLEANS
 NOTES TO FINANCIAL STATEMENTS
 (Continued)
JUNE 30, 1997

1. Profit Sharing/Defined Contribution Plan

On March 1, 1996 Children's Bureau established a profit sharing/defined contribution retirement plan covering full-time employees over 21 years old having at least one year of service. Contributions to the plan are at the discretion of the Board of Directors. Contributions during the year, totaling \$24,118, were based on 14 of the wages of the eligible employees.

3. Leases

During the year, Children's Bureau conducted its operations from a facility which was leased under a four-year operating lease dated August 16, 1993 and ending August 31, 1997.

On June 27, 1997, Children's Bureau entered into a 10-year operating lease for building space with the term commencing on September 1, 1997 and ending on August 31, 2007. This lease has a renewal option for one five-year term at the market rate.

Future minimum commitments under non-cancelable operating leases having initial or remaining terms in excess of one year as of June 30, 1997 for each of the next five years and in the aggregate are:

June 30,	
1998	\$ 57,250
1999	60,000
2000	70,000
2001	72,000
2002	82,000
Thereafter	<u>508,000</u>
	<u>\$849,250</u>

Summary of rental expense under all operating leases is as follows.

Minimum rentals	\$43,508
Escalation clause	<u>1,872</u>
Total Rent Expense	<u>\$45,380</u>

In addition, these leases contain escalation clauses whereby Children's Bureau shall pay to lessor its proportionate share of the increase of any operational cost over and above the base period operating costs as established in the lease agreements.

EXHIBITARY INFORMATION

CHILDREN'S BUREAU OF NEW ORLEANS
 SCHEDULE OF PROGRAM SERVICES SUPPORT,
 REVENUE AND EXPENSES
YEAR ENDED JUNE 30, 1957

	Adoption Foster Care	Counseling
SUPPORT AND REVENUE		
Contributions and private grants	\$ 3,847	\$ 3,000
Fees and grants from governmental agencies	0	0
Program service fees	48,781	21,487
Conference registration fees	0	0
Dividends and interest	0	0
United Way allocation	<u>24,361</u>	<u>202,474</u>
Total Direct Support and Revenue	76,989	226,961
Supporting revenue allocated (Schedule)	<u>21,114</u>	<u>22,143</u>
Total Support and Revenue	<u>98,103</u>	<u>249,104</u>
EXPENSES		
Salaries	108,844	184,482
Employees' retirement benefits and medical insurance	7,459	8,783
Payroll taxes	<u>2,804</u>	<u>24,928</u>
Total Employee Compensation	119,107	218,193
Professional fees and contract service payments	4,307	4,778
Supplies	1,378	3,423
Telephone	2,784	5,462
Postage and messenger service	183	330
Occupancy	7,159	19,280
Equipment maintenance	364	876
Printing and publications	304	438
Travel and other transportation	1,248	283
Conferences and meetings	210	184
Specific assistance	1,178	0
Membership dues	608	0
Depreciation	0	0
Surveys	0	0
IFSB Conference	8	0
Miscellaneous and insurance	<u>1,861</u>	<u>2,721</u>
Total Direct Expenses	149,511	348,748
Supporting services expenses allocated (Schedule)	<u>20,380</u>	<u>22,884</u>
Total Expenses	<u>169,891</u>	<u>371,632</u>
CHANGE IN NET ASSETS	\$ <u>28,212</u>	\$ (22,528)

<u>Grant Expectations</u>	<u>Loss and Survival Team Program</u>	<u>Family Preservation</u>	<u>Total Program Services</u>
\$ 0	\$ 88,310	\$ 0	\$ 88,310
89,840	124,827	211,914	384,883
0	0	0	30,188
0	17,838	0	17,838
0	388	0	388
<u>0</u>	<u>42,888</u>	<u>0</u>	<u>330,217</u>
89,840	170,781	211,914	587,388
<u>8,318</u>	<u>17,741</u>	<u>24,986</u>	<u>137,428</u>
<u>67,386</u>	<u>188,821</u>	<u>238,822</u>	<u>1,044,788</u>
42,840	181,712	189,506	453,868
8,818	16,881	8,887	48,848
<u>4,888</u>	<u>21,788</u>	<u>13,378</u>	<u>55,788</u>
51,825	181,467	181,469	738,430
0	28,788	750	31,891
282	2,182	1,876	8,881
1,813	8,888	8,107	18,872
160	1,881	160	2,498
4,888	8,417	2,478	42,254
0	188	0	1,838
77	7,128	117	8,218
1,713	3,156	8,271	11,861
882	2,148	1,458	5,348
0	0	0	3,338
0	0	0	800
0	778	0	378
2,138	0	0	2,150
0	18,348	0	18,344
<u>888</u>	<u>2,882</u>	<u>3,881</u>	<u>13,788</u>
42,278	288,269	201,263	816,882
<u>8,882</u>	<u>28,788</u>	<u>17,881</u>	<u>128,811</u>
<u>78,771</u>	<u>282,828</u>	<u>218,778</u>	<u>1,841,884</u>
\$ <u>(3,414)</u>	\$ <u>18,474</u>	\$ <u>18,832</u>	\$ <u>3,182</u>

CHILDREN'S BUREAU OF NEW ORLEANS
 SCHEDULE OF SUPPORTING REVENUE AND SUPPORTING
 SERVICES EXPENSES ALLOCATED TO PROGRAMS
YEAR ENDED JUNE 30, 1957

SUPPORTING REVENUE

contributions	\$ 48,094
Membership dues	6,110
Investment income	10,007
Fund raising	14,238
Miscellaneous	3,284
United Way - Designations	<u>22,281</u>
Total Supporting Revenue	\$123,822

Allocated to programs as follows:

Adoption/Foster care	\$ 31,254
Counseling	23,143
Great Expectations	8,318
Loss and survival team program	37,782
Family Preservation	<u>16,925</u>

\$123,822

SUPPORTING SERVICES EXPENSES

Salaries	\$ 88,845
Employees' retirement benefits and medical insurance	8,023
Payroll taxes	<u>4,671</u>
Total Employee compensation	98,299

Professional fees and contract service payments	14,828
Supplies	4,618
Telephone	1,348
Postage and messenger service	2,818
Occupancy	2,918
Equipment maintenance	2,082
Refreshments lunches	975
Printing and publications	1,828
travel and other transportation	1,428
Conferences and meetings	1,648
Membership dues	1,418
Awards and grants	17
Depreciation	4,542
Miscellaneous and insurance	<u>8,115</u>

Total Supporting Services Expenses **\$125,029**

Allocated to programs as follows:

Adoption/Foster care	\$ 28,182
Counseling	23,804
Great Expectations	8,500
Loss and survival team program	34,789
Family Preservation	<u>27,507</u>

\$123,692

SPEIDELBY, HAMILTON, LEGENDRE & PACEIRA

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MEMBER OF
SPEIDELBY HAMILTON LEGENDRE & PACEIRA
SPEIDELBY HAMILTON LEGENDRE & PACEIRA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.**

President 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 ("Children's Bureau") as of and for the year ended June 30, 1997, and have issued our report thereon dated November 20, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Children's Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

does not reduce to a relatively low level the risk that misstatements 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 over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of Children's Bureau in a separate letter.

This report is intended for the information of the President, Board of Directors, and management. However, this report is a matter of public record and its distribution is not limited.

Spilberg, Smith, Snyder & Rennie

November 28, 1997

SPILLSBURY, HAMILTON, LEGGERS & PACERA

1989-91, 1992-93, 1994-95
1996-97, 1998-99, 2000-01
2002-03, 2004-05, 2006-07

CERTIFIED PUBLIC ACCOUNTANTS

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MEMBER OF
SERVICES GROUP
1989-91, 1992-93, 1994-95
1996-97, 1998-99, 2000-01
2002-03, 2004-05, 2006-07

February 18, 1998

President and Board of Directors
Children's Bureau of New Orleans
1001 Howard Avenue, Suite 1800
New Orleans, LA 70113

In planning and performing our audit of the financial statements of Children's Bureau of New Orleans ("Children's Bureau") for the year ended June 30, 1997, we considered Children's Bureau's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated November 20, 1997, on the financial statements of Children's Bureau.

Organizational Structure

The size of Children's Bureau's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Directors remain involved in the financial affairs of Children's Bureau to provide oversight and independent review functions.

Accounting System

During our audit procedures, we noted that the accounting and financial accounting computer program was not meeting the Organization's needs. Items noted included the inability to:

- generate reports required by funding sources;
- provide reports to the Board in a timely manner; and,
- use subledgers to account for accounts receivable and accounts payable.

The new financial reporting package installed subsequent to year-end should correct these deficiencies. This software, designed for not-for-profit organizations, has the capability of generating reports and information necessary for effective management.

Audit Completion and Transmittal of Reports - Timely Noncompliance

Children's Bureau first came under the provisions of the Louisiana Governmental Audit Guide in the engagement period ended June 30, 1987. Louisiana Revised Statute 24:923 and Section 329.01 of the Louisiana Governmental Audit Guide require all engagements to be completed and transmitted to the legislative auditor within six months of the close of the entity's fiscal year.

The audit field work was completed as of November 20, 1987. The Legislative Auditor was informed by telephone in late December that some presentation issues had not been resolved and that the legal representation letter had not been received. It was anticipated at that time that these issues would be resolved in time for a completion in early January 1988, and that this was to serve as notification that the six-month filing date would not be met. It was pointed out that these issues were procedural only and not issues which would affect our report, since the legal representations had been conveyed orally but not in writing.

Several factors, including the aforementioned presentation issues and the non-receipt of the legal representation letter, contributed to the additional delay, none of which were related in any way to a condition that would affect our report dated November 20, 1987 on the financial statements of Children's Bureau.

In subsequent years, all parties must prioritize their efforts to insure the timely completion and transmittal of the report.

We wish to thank you and the accounting department for the support and assistance given us during our audit. This report is intended solely for your information and use by members of the management within your organization.

Sincerely,



SPILBURY, HAMILTON, LEGENDRE AND PACIERA
Certified Public Accountants