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GULF COAST TEACHING
FAMILY SERVICES, INC.
(A NON PROFIT ORGANIZATION)

FINANCIAL REPORT AND
SUPPLEMENTARY INFORMATION

JUNE 30, 1999 and 1998

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 2-2-00

GULF COAST TEACHING FAMILY SERVICES, INC.

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Bernard & Franks
A Corporation of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Board of Directors
Gulf Coast Teaching Family Services, Inc.
New Orleans, Louisiana

We have audited the accompanying statements of financial position of Gulf Coast Teaching Family Services, Inc., a nonprofit corporation, as of June 30, 1999 and 1998, and the related statements of activities, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of Gulf Coast Teaching Family Services, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits provide 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 Gulf Coast Teaching Family Services, Inc. as of June 30, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 23, 1999, on our consideration of Gulf Coast Teaching Family Services, Inc.'s internal control over financial reporting and its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. 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.

December 23, 1999

Bernard + Franks

GULF COAST TEACHING FAMILY SERVICES, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 1999 and 1998

<u>ASSETS</u>	<u>June 30, 1999</u>	<u>June 30, 1998</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 17,979	\$ 180,170
Investment securities	107,557	102,701
Receivables:		
Program	2,332,514	1,784,008
Allowance for doubtful accounts	(233,770)	(253,264)
Other	<u>56,979</u>	<u>34,667</u>
	2,155,723	1,565,411
Prepaid expenses	<u>133,821</u>	<u>67,955</u>
Total current assets	<u>\$ 2,415,080</u>	<u>\$ 1,916,237</u>
PROPERTY AND EQUIPMENT – AT COST		
Land	\$ 247,360	\$ 247,360
Building and improvements	930,725	876,907
Software	62,949	30,574
Leasehold improvements	86,123	35,151
Furniture and equipment	524,599	404,232
Transportation equipment	109,573	109,573
Leased equipment under capitalized leases	<u>13,783</u>	<u>13,783</u>
	\$ 1,975,112	\$ 1,717,580
Less accumulated depreciation and amortization	<u>(527,280)</u>	<u>(400,911)</u>
	<u>\$ 1,447,832</u>	<u>\$ 1,316,669</u>
DEPOSITS	<u>\$ 8,980</u>	<u>\$ 3,033</u>
Total assets	<u>\$ 3,871,892</u>	<u>\$ 3,235,939</u>

See notes to financial statements.

<u>LIABILITIES AND NET ASSETS</u>	<u>June 30, 1999</u>	<u>June 30, 1998</u>
CURRENT LIABILITIES		
Notes payable	\$ 29,414	\$ 19,936
Current portion of obligations under capital leases	3,852	2,852
Current portion of mortgage notes payable	45,004	38,673
Accounts payable	396,932	260,075
Accrued liabilities	<u>838,187</u>	<u>688,292</u>
 Total current liabilities	 <u>\$ 1,313,389</u>	 <u>\$ 1,009,828</u>
 LONG-TERM LIABILITIES, LESS CURRENT PORTION		
Obligations under capital leases	\$ 3,859	\$ 6,852
Mortgage notes payable	<u>555,128</u>	<u>606,479</u>
 Total	 <u>\$ 558,987</u>	 <u>\$ 613,331</u>
 COMMITMENTS AND CONTINGENCIES	 <u>\$ -</u>	 <u>\$ -</u>
 UNRESTRICTED NET ASSETS	 <u>\$ 1,999,516</u>	 <u>\$ 1,612,780</u>
 Total liabilities and net assets	 <u>\$ 3,871,892</u>	 <u>\$ 3,235,939</u>

GULF COAST TEACHING FAMILY SERVICES, INC.

STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

UNRESTRICTED NET ASSETS	<u>1999</u>	<u>1998</u>
REVENUES, GAINS AND SUPPORT:		
Grants and fees for services	\$ 17,799,171	\$ 15,019,265
Donations	75,177	418,647
Interest income	30,342	37,181
Other income	<u>1,510</u>	<u>66,740</u>
Total revenues, gains and support	<u>\$ 17,906,200</u>	<u>\$ 15,541,833</u>
EXPENSES:		
PROGRAM SERVICES:		
Community group homes	\$ 499,243	\$ 501,244
Foster care	2,116,582	1,651,636
Personal care attendants	4,771,534	3,764,735
Supervised independent living	3,741,411	2,260,640
Respite services	2,884,767	2,553,780
Others, in total	<u>887,388</u>	<u>2,234,267</u>
Total program expenses	<u>\$ 14,900,925</u>	<u>\$ 12,966,302</u>
ADMINISTRATIVE AND GENERAL	<u>\$ 2,618,539</u>	<u>\$ 2,556,065</u>
Total expenses	<u>\$ 17,519,464</u>	<u>\$ 15,522,367</u>
INCREASE IN UNRESTRICTED NET ASSETS	386,736	19,466
NET ASSETS, BEGINNING	<u>\$ 1,612,780</u>	<u>\$ 1,593,314</u>
NET ASSETS, ENDING	<u>\$ 1,999,516</u>	<u>\$ 1,612,780</u>

See notes to financial statements.

GULF COAST TEACHING FAMILY SERVICES, INC.

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998**

	<u>1999</u>	<u>1998</u>
Unrestricted net assets, beginning of year	\$ 1,612,780	\$ 1,593,314
Increase in unrestricted net assets	<u>386,736</u>	<u>19,466</u>
Unrestricted net assets, end of year	<u>\$ 1,999,516</u>	<u>\$ 1,612,780</u>

See notes to financial statements.

GULF COAST TEACHING FAMILY SERVICES, INC.

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in unrestricted net assets	\$ 386,736	\$ 19,466
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities:		
Depreciation	126,369	81,123
Donation of property received	-	(348,000)
Changes in assets and liabilities:		
(Increase) decrease in program receivables	(568,000)	193,683
Increase in other receivables	(22,312)	(16,400)
(Increase) decrease in prepaid expenses	(65,866)	34,750
Increase in accounts payable and accrued liabilities	<u>286,752</u>	<u>185,809</u>
Net cash provided by operating activities	<u>\$ 143,679</u>	<u>\$ 150,431</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in investment securities, net	\$ (4,856)	\$ (5,101)
Purchases of property and equipment, net of non cash items	(257,532)	(151,855)
Deposits made	<u>(5,947)</u>	<u>-</u>
Net cash used in investing activities	<u>\$ (268,335)</u>	<u>\$ (156,956)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from mortgage notes payable	\$ -	\$ 30,000
Proceeds from notes payable	66,182	42,031
Principal payments on notes payable	(56,704)	(55,732)
Principal payments on obligations under capital leases	(1,993)	(1,284)
Principal payments on mortgage notes payable	<u>(45,020)</u>	<u>(27,377)</u>
Net cash used in financing activities	<u>\$ (37,535)</u>	<u>\$ (12,362)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	\$ (162,191)	\$ (18,887)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>180,170</u>	<u>199,057</u>
End of year	<u>\$ 17,979</u>	<u>\$ 180,170</u>

(CONTINUED)

GULF COAST TEACHING FAMILY SERVICES, INC.

STATEMENT OF CASH FLOWS

(CONTINUED)

FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Acquisition of land and building with a mortgage note payable	\$ <u>- 0-</u>	\$ <u>400,000</u>
Donation of land and building	\$ <u>-0-</u>	\$ <u>348,000</u>
Cash Payments		
Interest	\$ <u>59,000</u>	\$ <u>32,800</u>

See notes to financial statements.

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

Note 1 – ORGANIZATION

Gulf Coast Teaching Family Services, Inc. is a nonprofit corporation organized exclusively for charitable, religious, educational and scientific purposes. The Organization maintains group homes, child and family centers and other related programs for the youth and their families and provides a program, which will give the young people and their families an opportunity to become normalized, independent, productive and respected citizens of the community. These services are provided in the South Louisiana area.

The Organization's major programs include the following:

Professional Care Program - This program provides foster homes in the community for abused, neglected or troubled children and adolescents, emotional disturbed children and children and adults with physical and/or mental disabilities.

Supported Independent Living - The SIL program works with individuals with mental and /or physical disabilities and for older adolescents in need of extra support, assistance and monitoring.

Respite Services - Respite Services are offered to parents with children or adults with physical/mental illness and is designed to offer relief from the demanding care for there special needs.

Personal Care Attendant Services - PCA provides assistance for adults or children with mental or physical disabilities in performing the activities of daily living that they might otherwise not be able to perform alone.

Community Group Homes – A residential treatment facility for mentally impaired adults.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies used in the preparation of the accompanying financial statements follows:

1. Basis of Accounting and Financial Statement Presentation

The accompanying financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999 AND 1998

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization follows the financial statement presentation recommended by Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations. Under SFAS No. 117, the Organization 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) based upon the existence or absence of donor-imposed restrictions. In addition, the Organization is required to present a statement of cash flows. At present, all of the Organizations funds are included in the Unrestricted category.

The Organization also follows the recommendations included in SFAS No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. As of June 30, 1999 and 1998, the Organization has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. Income Taxes

The Organization is a nonprofit organization and exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Code as other than a private foundation.

4. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers cash on hand and demand deposits to be cash equivalents.

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999 AND 1998

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Allowance For Doubtful Accounts

The Organization has established an allowance for doubtful accounts in order to allow for corrections and billing adjustments that may be related to accounts receivable balances at June 30, 1999 and 1998.

Actual billing adjustments and bad debts, if any, are charged to the specific fund or programs as determined.

6. Depreciation and Amortization

Property and equipment are carried at cost. Depreciation and amortization are calculated using the straight-line method. Depreciable lives for most assets in the class are as follows: Buildings, 20 years; Leasehold improvements, 10 years or lease term if shorter; Furniture and fixtures, 10 years; Computers and related equipment, 3 to 5 years; Transportation equipment, 3 to 5 years. When assets are retired or disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. Donated property is capitalized at fair value. Depreciation and amortization expense amounted to \$126,369 and \$81,123 for the years ended June 30, 1999 and 1998, respectively.

7. Capital Leases

For financial reporting, the Organization has capitalized certain leased equipment. The statement of financial position reflects all capitalized lease equipment as assets and obligations under capital lease. The capital lease obligations are recorded at the present value of the future minimum lease payments discounted at the interest rate implicit in each lease.

8. Employee Vacation Benefits

Employee vacation benefits are accrued and expensed in the period earned by the employee.

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 1999 AND 1998

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Program Revenues

Program revenues earned under reimbursement type contracts are recorded as revenues in the appropriate program when the related expenses are incurred.

Program revenues earned on fee for service and per-diem contracts are recorded as revenues when services are provided.

10. Allocated Costs

The Organization allocated administrative costs of the central and regional offices in the amount of \$2,567,825 and \$2,208,317 to the various programs it administered during the years ended June 30, 1999 and 1998, respectively. The allocation is based on proportion of direct program cost to total direct program costs.

11. Contributions - Donations

Contributed property and equipment is recorded at fair value at the date of donation. If the donors stipulate how long the assets must be used, the contribution is recorded as restricted support. In the absence of such stipulation, contributions of property and equipment are recorded as unrestricted support. To date, all contributions have been included in unrestricted support.

12. In Kind - Matching

Independent Living Program contracts require a match of Program B funds by Gulf Coast Teaching Family Services, Inc. of an equal amount. This match is provided through in-kind services. These services are reported to the funding agency on monthly billings. They are not included in the revenues and expenditures in the Statements of Activities of the financial statements, or in the supplemental information schedules. During the year ended June 30, 1999, in-kind services provided as match were \$21,500 in Lafayette and \$57,794 in Houma. During the year ended June 30, 1998, in-kind services provided as match were \$20,652 in Lafayette and \$52,113 in Houma.

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999 AND 1998

Note 3 - INVESTMENT SECURITIES

Investment securities at June 30, 1999 and 1998 consist of the following:

	<u>1999</u>	<u>1998</u>
Mutual Fund -- U.S. Government Obligations Fund	\$ <u>107,557</u>	\$ <u>102,701</u>

Cost and fair market value are the same at June 30, 1999 and 1998.

These funds earned approximately \$4,959 and \$5,200 and incurred expenses of approximately \$100 and \$200 for the years ended June 30, 1999 and 1998, respectively.

Note 4 - PROGRAM RECEIVABLES

Program receivables consist of reimbursements for expenses incurred or revenue earned on fee for service and per-diem contracts. Program receivables consist of the following as of June 30, 1999:

	<u>1999</u>
State of Louisiana:	
Department of Public Safety and Corrections	\$ 93,072
Department of Health & Hospitals	1,421,442
Department of Labor	18,663
Housing Urban Development	22,833
Office of Mental Health	157,722
Office of Community Services	408,579
Office of Citizens with Developmental Disabilities	88,428
Louisiana Rehabilitation Services	62,373
Other:	
Private	35,090
JPSHA	7,180
Georgia	<u>17,132</u>
Subtotal	\$ 2,332,514
Less: Allowance for Doubtful Accounts	<u>(233,770)</u>
Total, net	<u>\$ 2,098,744</u>

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 1999 AND 1998

Note 5 - NOTES PAYABLE

Notes payable consist of the following at June 30, 1999:

Note payable to Cannanwill, Inc. dated 2-22-99 in the original amount of \$68,435 and payable in nine monthly payments of \$7,604. Note bears interest at 8.10%. Final payment due 11-22-99.

\$ 29,414

Notes payable consist of the following at June 30, 1998:

Notes payable to GMAC, dated 6-7-95 in the original amount of \$19,555 and payable in 48 monthly payments of \$549. Note bears interest at 15.5% and is secured by automobile. Final payment due June, 1999.

\$ 5,659

Note payable to Cannanwill, Inc. dated 2-12-98 in the original amount of \$42,031 and payable in nine monthly payments of \$4,852. Note bears interest at 9.5%. Final payment due 10-12-98.

14,277

Total

\$ 19,936

Note 6 - OBLIGATIONS UNDER CAPITAL LEASES

The obligations under capital leases consist of the following at June 30, 1999:

Lease payable to NTFC Capital Corporation, dated June 10, 1997 in the original amount of \$15,055 and payable in 48 monthly payments of \$321. Lease bears interest at 13.5% and is secured by telephone equipment. Principal payments are due as follows:

2000 - current	\$	3,852
2001	\$	3,859

Future interest amounts to \$1,002.

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 1999 AND 1998

Note 7 - MORTGAGE NOTES PAYABLE

Mortgage notes payable consists of the following at June 30, 1999:

	<u>Current</u>	<u>Long-term</u>
Note payable to Randolph Trappey, dated 9-10-95 in the original amount of \$90,319 and payable in 60 monthly payments of \$1,941. Note bears interest at 10.5 % and is secured by real estate. Final payment is due 8-10-2000.	\$ 21,338	\$ 2,447
Note payable to Richard X. Patin dated 7-1-97 in the original amount of \$ 180,000 and payable in 180 monthly payments of \$1,772. Note bears interest at 8.5 % and is secured by real estate. Final payment due July 2012.	7,407	158,444
Note payable to Richard X. Patin dated 11-12-97 in the original amount of \$ 30,000 and payable in 180 monthly payments of \$ 295. Note bears interest at 8.5 % and is secured by real estate. Final payment due 11-12- 2012.	1,089	27,225
Note payable to Hibernia National Bank dated 6-4-98 in the original amount of \$ 400,000 and payable in 180 monthly payments of \$3,876. Note bears interest at 2.55 % over the interest rate on 1-5 year U.S. Treasury Securities. Rate at issue was 8.11%. Note is secured by real estate having an appraisal value of \$ 648,000.	<u>15,170</u>	<u>367,012</u>
Total	<u>\$ 45,004</u>	<u>\$ 555,128</u>

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 1999 AND 1998

Note 7 - MORTGAGE NOTES PAYABLE (CONTINUED)

Mortgage notes payable consists of the following at June 30, 1998:

	<u>Current</u>	<u>Long-term</u>
Note payable to Randolph Trappey, dated 9-10-95 in the original amount of \$90,319 and payable in 60 monthly payments of \$1,941. Note bears interest at 10.5 % and is secured by real estate. Final payment is due 8-10-2000.	\$ 17,948	\$ 25,499
Note payable to Richard X. Patin dated 7-1-97 in the original amount of \$ 180,000 and payable in 180 monthly payments of \$1,772. Note bears interest at 8.5 % and is secured by real estate. Final payment due July 2012.	6,757	166,493
Note payable to Richard X. Patin dated 11-12-97 in the original amount of \$ 30,000 and payable in 180 monthly payments of \$ 295. Note bears interest at 8.5 % and is secured by real estate. Final payment due 11-12- 2012.	1,089	28,312
Note payable to Hibernia National Bank dated 6-4-98 in the original amount of \$ 400,000 and payable in 180 monthly payments of \$3,876. Note bears interest at 2.55 % over the interest rate on 1-5 year U.S. Treasury Securities. Rate at issue was 8.11%. Note is secured by real estate having an appraisal value of \$ 648,000.	<u>12,879</u>	<u>386,175</u>
Total	<u>\$ 38,673</u>	<u>\$ 606,479</u>

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999 AND 1998

Note 7 - MORTGAGE NOTES PAYABLE (CONTINUED)

The maturities for the mortgage notes payable are as follows:

Year Ending June 30:

2000	<u>\$ 45,004</u>
2001	\$ 34,421
2002	30,564
2003	33,152
2004	36,117
2005	39,264
Thereafter	<u>381,610</u>
Total	<u>\$ 555,128</u>

Interest expense for the years ended June 30, 1999 and 1998 amounted to \$59,029 and \$36,275, respectively.

Note 8 - ACCRUED LIABILITIES

Accrued liabilities consist of the following at June 30, 1999 and 1998:

	<u>1999</u>	<u>1998</u>
Accrued salaries and payroll taxes	\$ 472,709	\$ 370,917
Compensated absences	287,854	236,466
Due to agencies	71,930	71,475
Other	<u>5,694</u>	<u>9,434</u>
Total	<u>\$ 838,187</u>	<u>\$ 688,292</u>

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 1999 AND 1998

Note 9 - COMMITMENTS

The Organization leases facilities and equipment under operating leases expiring through the year 2004. Rental expense related to these leases was \$336,281 and \$362,120 for the years ended June 30, 1999 and 1998, respectively. Minimum future rental payments due under these leases as of June 30, 1999 are as follows:

Year Ending <u>June 30,</u>	
2000	\$ 213,595
2001	167,224
2002	121,952
2003	97,397
2004	<u>56,342</u>
Total	<u>\$ 656,510</u>

Management expects that in the normal course of business leases will be renewed or replaced by other leases.

Note 10 – PENSION PLAN

The Organization had a defined contribution pension plan covering substantially all of its full-time and part-time employees. There were no contributions for the years ended June 30, 1998. The Plan was terminated as of June 30, 1998. The IRS has approved the termination.

Note 11 - CONCENTRATIONS OF CREDIT RISK

State law requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralizations includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. The Organization, being a quasi-public nonprofit entity, is required to comply with these regulations. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. At various times during the year, deposits in excess of FDIC insurance were collateralized by the securities described above.

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 1999 AND 1998

Note 12 - UNEMPLOYMENT INSURANCE FUND

Effective July 1, 1992, the Organization became self-insured for employee unemployment compensation claims through the establishment of an Organization unemployment insurance fund.

For the year ended June 30, 1998, \$74,607 in unemployment expense was charged to the programs and is accounted for as an expense of the related programs. The unemployment insurance fund reimburses the general fund for all direct and indirect costs in administering the program and transfers all interest income earned on unemployment insurance funds to the general fund.

Actual payments to the State for Unemployment benefits paid totaled \$48,922 in 1999 and \$47,946 in 1998.

All known claims as of June 30, 1999 have been recorded in the financial statements. The fund balance of the Unemployment Insurance Fund totaled \$63,926 and \$64,041 as of June 30, 1999 and 1998, respectively. The Unemployment Insurance Fund balance is included in unrestricted net assets for financial statement presentation.

Note 13 - ECONOMIC DEPENDENCY

The Organization receives a majority of its revenue from funds provided through programs administered by the State of Louisiana. The program amounts are appropriated each year by the federal and state governments. If significant budget cuts are effected at the federal and /or state level, the amount of the funds the Organization receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Organization will receive in the next fiscal year.

Note 14 - CONTINGENCIES

Programs administered by the Organization are subject to review and audit by the various funding agencies. Accordingly, any disallowed payments which may arise as a result of these audits, may be recovered by the funding agencies in subsequent years.

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 1999 AND 1998

Note 15 - RECLASSIFICATION OF EXPENSES

In prior years, all program director's and other program administrative salaries and related employee benefits were charged to the account group – Therapeutic and Training. For 1999, these salaries and benefits were charged directly to General and Administrative expense. Management estimates that approximately \$3,000,000 of salaries have been reclassified into General and Administrative expense for 1999.

SUPPLEMENTARY INFORMATION

Bernard & Franks
A Corporation of Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors
Gulf Coast Teaching Family Services, Inc.
New Orleans, Louisiana

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information 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.

Bernard & Franks

December 23, 1999

GULF COAST TEACHING FAMILY SERVICES, INC.

**SCHEDULE 1 - COMBINED STATEMENT OF REVENUES
AND EXPENSES BY COST REPORT GROUPING
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998**

	<u>1999</u>	<u>1998</u>
REVENUE		
Programs	\$ 17,799,171	\$ 15,019,265
Donations	75,177	418,647
Interest	30,342	37,181
Other	<u>1,510</u>	<u>66,740</u>
Total revenue	<u>\$ 17,906,200</u>	<u>\$ 15,541,833</u>
EXPENSES		
Administrative and general	\$ 6,514,059	\$ 3,548,126
Plant operation and maintenance	144,916	130,216
Cost related to capital assets	526,885	490,665
Dietary, laundry and linen	81,365	57,994
Housekeeping	11,917	12,623
Personal client needs	161,265	139,664
Therapeutic and training	9,946,904	10,898,247
Medical and nursing	30,993	34,691
Recreational	24,717	26,276
Consultants	76,443	181,782
Educational	-	3,737
Ancillary Service	<u>-</u>	<u>(1,654)</u>
Total expenses	<u>\$ 17,519,464</u>	<u>\$ 15,522,367</u>
INCREASE IN UNRESTRICTED NET ASSETS	<u>\$ 386,736</u>	<u>\$ 19,466</u>

See notes to financial statements.

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND
YEAR ENDED JUNE 30, 1999

	Community Group Homes				Foster Care			
	Trappey Community Home	Amelia Community Home New	Randy Dumas extra rate New Orleans	Vance Manning New Orleans	Regular Foster Care Baton Rouge TIPS #020008014	Department of Corrections Lafayette	Department of Corrections Baton Rouge	Department of Corrections Houma
	Provider # 1718106	Provider # 1716928	Provider # 1716928	Provider # 1716928	Provider # 1716928	Provider # 1716928	Provider # 1716928	Provider # 1716928
Administrative and general	\$ 91,681	\$ 82,731	\$ 372	\$ 4,679	\$ 85,962	\$ 37,511	\$ 9,571	\$ 12,636
Plant operation and capital asset costs	21,433	36,831	-	-	4,516	1,505	268	-
Dietary, laundry & linen, and housekeeping	41,138	9,442	-	-	713	(107)	67	-
Personal client needs	9,969	5,812	31	31	7,827	1,759	198	442
Medical and nursing	508	766	-	-	-	20	-	-
Therapeutic and training	94,184	53,203	11,735	12,833	276,608	60,113	6,588	17,565
Recreational	3,665	1,027	-	-	-	43	-	-
Consultants	5,483	11,689	-	-	25	-	2	-
subtotal programs	\$ 268,062	\$ 201,500	\$ 12,138	\$ 17,543	\$ 375,651	\$ 100,843	\$ 16,693	\$ 30,643
subtotal administrative and general								
Administrative costs - allocated	38,752	38,328	2,308	3,331	75,992	14,578	3,378	6,369
Totals	\$ 306,814	\$ 239,829	\$ 14,446	\$ 20,873	\$ 451,643	\$ 115,421	\$ 20,071	\$ 37,011

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 1999

		Foster Care									
Department Of	Forever Families New Orleans #403-581 R4	Regular Foster Care Lafayette TIPS #020008015	Regular Foster Care Houma TIPS #020015894	Regular Foster Care New Orleans TIPS #010007819	L. Dickerson Foster GA Houma	Parent Training Lafayette DSS/OCS 06109/01400	Children's Trust Fund Alexandria				
Administrative and general	\$ 56,081	\$ 101,116	\$ 41,264	\$ 46,830	\$ 128,228	\$ 5,181	\$ 3,445	\$ 752			
Plant operation and capital asset costs	-	-	217	40	225	-	-	-			
Dietary, laundry & linen, and housekeeping	48	54	(81)	125	(671)	-	152	-			
Personal client needs	1,455	5,059	3,296	3,806	12,611	254	410	-			
Medical and nursing	-	-	298	127	-	-	-	-			
Therapeutic and training	38,101	318,125	83,296	111,045	318,200	10,335	8,573	-			
Recreational	-	-	43	-	-	-	-	-			
Consultants	225	1,173	-	-	2,475	-	12,000	-			
subtotal programs	\$ 95,911	\$ 425,528	\$ 128,332	\$ 161,973	\$ 461,068	\$ 15,771	\$ 24,580	\$ 752			
subtotal administrative and general	18,201	80,957	18,553	33,657	87,766	3,283	3,553	108			
Administrative costs - allocated	\$ 114,111	\$ 506,485	\$ 146,885	\$ 195,630	\$ 548,834	\$ 19,054	\$ 28,133	\$ 861			

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 1999

		Foster Care									
		Family Intervention & Prevention New Orleans	Family Unification New Orleans	Bayou Land Family Private Foster Care Houma TIPS #952115718	Substitute Family Care New Orleans Provider #1920002	Children's Trust Fund Baton Rouge	Children's Wrap Around Baton Rouge	Substitute Family Care Baton Rouge	Adam Jackson Baton Rouge		
Administrative and general	\$	2,164	971	-	-	9,000	519	830		\$	3,226
Plant operation and capital asset costs		-	-	-	-	-	-	10			-
Dietary, laundry & linen, and housekeeping		-	-	-	-	244	-	0			-
Personal client needs		587	-	20	-	12	-	-			238
Medical and nursing		-	-	-	-	-	-	73			-
Therapeutic and training		162	-	-	10,898	-	1,694	4,840			12,339
Recreational		-	-	-	-	-	-	-			-
Consultants		-	-	-	-	-	-	-			-
subtotal programs	\$	2,913	971	20	10,898	9,255	2,213	5,753		\$	15,803
subtotal administrative and general											
Administrative costs - allocated		551	184	4	2,073	1,870	448	1,165			3,194
Totals	\$	3,464	1,155	24	12,971	11,125	2,661	6,918		\$	18,997

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 1999

	Foster Care						Supervised Independent Living				
	Children's Trust Fund Lake Charles	Children's Trust Fund Lafayette	Children's Mental Health Services Lafayette	Children's Wrap Around Lafayette	Young Adult Program New Orleans	LRS Personal Care Attendant Houma	LRS Personal Care Attendant Baton Rouge	LRS Personal Care Attendant Lafayette			
Administrative and general	\$ 1,306	\$ 2,922	\$ 153,666	\$ 151	\$ 3,435	\$ 346	\$ 3,346	\$ 1,394			
Plant operation and capital asset costs	-	-	230	-	-	-	-	-			
Dietary, laundry & linen, and housekeeping	-	-	387	-	-	-	-	-			
Personal client needs	-	-	15,914	27,419	-	-	-	77			
Medical and nursing	-	-	33	-	-	-	-	165			
Therapeutic and training	118	-	24,478	-	-	5,490	13,372	7,561			
Recreational	-	-	-	950	-	-	-	-			
Consultants	-	-	-	-	-	-	65	70			
subtotal programs	\$ 1,424	\$ 2,922	\$ 194,708	\$ 28,520	\$ 3,435	\$ 5,836	\$ 16,783	\$ 9,266			
subtotal administrative and general											
Administrative costs - allocated	205	423	28,148	4,123	658	1,215	3,399	1,339			
Totals	\$ 1,629	\$ 3,345	\$ 222,856	\$ 32,644	\$ 4,092	\$ 7,051	\$ 20,181	\$ 10,605			

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)

YEAR ENDED JUNE 30, 1999

Supervised Independent Living

	Personal Care Attendant Orleans Provider #1910686	Personal Care Attendant Baton Rouge Provider #1912913	Personal Care Attendant Houma Provider #1935166	Personal Care Attendant Lafayette Provider #1910384	Personal Care Attendant Alexandria Provider #1690538	Traumatic Head & Spinal Cord Injuries New Orleans DHH/OCDD	Personal Care Attendant Hammond Provider #1690082	Personal Care Attendant Lake Charles Provider #1984205
Administrative and general	\$ 117,862	\$ 190,602	\$ 74,838	\$ 186,194	\$ 118,287	\$ 24,016	\$ 88,121	\$ 93,874
Plant operation and capital asset costs	104	11,399	326	6,167	5,761	-	6,224	2,398
Dietary, laundry & linen, and housekeeping	304	1,707	88	93	227	-	827	429
Personal client needs	81	337	-	1,015	2,882	33	-	-
Medical and nursing	455	466	2,502	2,623	2,630	-	3,644	730
Therapeutic and training	586,204	605,771	338,804	774,761	364,940	12,155	243,451	327,935
Recreational	304	11	837	100	-	-	-	-
Consultants	(333)	2,149	282	-	75	-	-	-
subtotal programs	\$ 704,981	\$ 812,442	\$ 417,677	\$ 970,954	\$ 494,802	\$ 36,204	\$ 342,267	\$ 425,366
subtotal administrative and general	134,124	164,290	86,862	140,365	71,531	6,889	43,852	61,493
Administrative costs - allocated	\$ 839,105	\$ 976,732	\$ 504,538	\$ 1,111,319	\$ 566,333	\$ 43,093	\$ 386,119	\$ 486,859
Totals								

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 1999

	Supervised Independent Living										
	Special Personal Care Attendant C. Herbert Houma DHH #56790	OCDD Personal Care Attendant Respite	Tramautic Head & Spinal Cord Injuries Hourna	Personal Care Attendant Supervised Independent Living Baton Rouge	Outside Training Baton Rouge	Traumatic Head & Spinal Cord Injuries Lake Charles	Personal Care Attendant Supervised Independent Living Hammond	Personal Care Attendant Supervised Independent Living Hammond	Personal Care Attendant Supervised Independent Living Hammond	Personal Care Attendant Supervised Independent Living Hammond	Personal Care Attendant Supervised Independent Living Hammond
Administrative and general	\$ 2,148	\$ 1,717	\$ 26,149	\$ 45,455	\$ 666	\$ 5,124	\$ 6,093	\$ 6,093	\$ 6,093	\$ 3,405	
Plant operation and capital asset costs	-	-	20	1,294	-	646	269	269	269	202	
Dietary, laundry & linen, and housekeeping	-	-	-	300	-	-	72	72	72	40	
Personal client needs	-	-	-	-	-	-	-	-	-	-	
Medical and nursing	-	-	670	121	-	-	-	-	-	-	
Therapeutic and training	1,998	7,589	66,130	72,440	-	22,180	5,883	5,883	5,883	6,979	
Recreational	-	-	-	-	-	-	-	-	-	-	
Consultants	-	-	-	91	-	-	-	-	-	-	
subtotal programs	\$ 4,146	\$ 9,306	\$ 92,968	\$ 119,700	\$ 666	\$ 27,951	\$ 12,316	\$ 12,316	\$ 12,316	\$ 10,626	
subtotal administrative and general											
Administrative costs - allocated	862	1,937	19,337	24,208	135	4,041	1,578	1,578	1,578	1,361	
Totals	\$ 5,008	\$ 11,243	\$ 112,305	\$ 143,908	\$ 801	\$ 31,992	\$ 13,894	\$ 13,894	\$ 13,894	\$ 11,987	

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 1999

		Supervised Independent Living														
		Personal Care					Independent Living									
		Attendant	Supervised	Independent	Living New Orleans	Personal Care Attendant Supervised Independent Living Houma	Rehabilitation Option Lafayette Provider # 1973084	Independent Living Program Lafayette DSS/OCS 06172/01432	Independent Living Program Houma DSS/OCS	Supportive Employment Lafayette LRS	Supervised Independent Living Lake Charles					
		Traumatic Head & Spinal Cord Injury Lafayette														
Administrative and general	\$	7,835	\$	11,164	\$	32,154	\$	59,244	\$	95,594	\$	33,001	\$	11,053	\$	58,636
Plant operation and capital asset costs	-	-	-	-	10	-	-	7,937	-	5,714	-	1,057	-	2,428	-	-
Dietary, laundry & linen, and housekeeping	-	-	-	-	43	(40)	-	-	-	2,765	-	-	-	154	-	-
Personal client needs	-	-	-	-	11	-	-	-	-	-	-	-	-	477	-	933
Medical and nursing	-	-	-	-	298	98	-	-	-	-	-	-	-	-	-	127
Therapeutic and training	48,478	113,682	43,563	43,946	26,101	39,526	86,149	-	-	-	-	-	-	-	-	-
Recreational	-	-	-	-	43	-	-	-	-	1,005	-	-	-	-	-	-
Consultants	-	-	-	-	-	5,775	-	-	-	-	-	-	-	-	-	-
subtotal programs	\$	56,313	\$	124,846	\$	76,121	\$	109,023	\$	129,632	\$	82,011	\$	12,587	\$	148,428
subtotal administrative and general	8,141	23,753	15,819	15,761	18,740	17,129	1,820	21,458	-	-	-	-	-	-	-	-
Administrative costs - allocated	\$	64,454	\$	148,598	\$	91,940	\$	124,784	\$	148,372	\$	99,140	\$	14,406	\$	169,886
Totals																

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
YEAR ENDED JUNE 30, 1999

		Supervised Independent Living									
Supervised Independent Living ILP	Supervised Independent Living Lafayette Vendor #06143	Supportive Employment Alexandria	Living Program Title XIX Alexandria Provider #1690520	Supportive Living New Orleans DHH/OCDD 5516/000198	Vocational Rehabilitation Hammond LRS Contract #403-562-R4	Department of Corrections Tracker Plus Hammond	Department of Corrections Trackers Houma	Individualized Supported Living Samuel Hamilton Houma DHH #55934			
Administrative and general	\$ 14	\$ 176	\$ 153,381	\$ 10,803	\$ 88,494	\$ 17,584	\$ 49,119	\$ 10,391			
Plant operation and capital asset costs	-	449	5,701	-	15,253	803	29	-			
Dietary, laundry & linen, and housekeeping	-	-	223	105	3,084	119	13	-			
Personal client needs	-	-	3,362	6,925	-	-	-	-			
Medical and nursing	-	-	2,040	-	30	-	-	-			
Therapeutic and training	-	4,191	1,077,775	1,922	62,697	35,298	22,984	-			
Recreational	-	-	-	-	10	-	-	13			
Consultants	-	-	75	-	-	-	-	-			
subtotal programs	\$ 14	\$ 4,815	\$ 1,242,557	\$ 19,755	\$ 169,569	\$ 53,804	\$ 72,145	\$ 10,405			
subtotal administrative and general	2	696	179,629	3,754	21,725	6,891	14,982	2,163			
Administrative costs - allocated	\$ 16	\$ 5,512	\$ 1,422,186	\$ 23,509	\$ 191,294	\$ 60,696	\$ 87,127	\$ 12,568			

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 1999

		Supervised Independent Living									
Supervised Independent Living Title	Non Medicaid Supervised Independent Living	Supportive Employment	Resettlement Apt Support	Supervised Independent Living Contract	Department of Corrections Trackers	CAHSD B. Sullivan Baton Rouge	CAHSD Supervised Independent Living Baton Rouge	CAHSD B. Sullivan Baton Rouge	Department of Corrections Trackers Alexandria	Supervised Independent Living Contract Alexandria	CAHSD B. Sullivan Baton Rouge
Provider #1690104	Orleans Vendor #263	Baton Rouge	3S-704	Houma MH98- Living Contract	Alexandria	Alexandria	Alexandria	Alexandria	Alexandria	Alexandria	Alexandria
Administrative and general	\$ 4,265	\$ 14,157	\$ 18,297	\$ 4,079	\$ 16,101	\$ 46	\$ 3,036	\$ 3,236	\$ 46	\$ 16,101	\$ 3,036
Plant operation and capital asset costs	254	-	538	-	1,489	-	-	143	-	1,489	-
Dietary, laundry & linen, and housekeeping	41	-	54	-	76	-	-	14	-	76	-
Personal client needs	16	2,020	-	281	707	-	-	-	-	707	-
Medical and nursing	-	-	33	-	418	-	-	-	-	418	-
Therapeutic and training	3,909	636	-	5,027	5,185	-	12,086	1,004	-	5,185	12,086
Recreational	-	-	-	-	-	-	-	-	-	-	-
Consultants	-	-	3	200	-	-	185	1	-	-	185
subtotal programs	\$ 8,485	\$ 16,813	\$ 18,924	\$ 9,587	\$ 23,975	\$ 46	\$ 15,307	\$ 4,397	\$ 46	\$ 23,975	\$ 15,307
subtotal administrative and general	1,087	3,199	3,828	1,993	3,466	7	3,097	889	7	3,466	3,097
Administrative costs - allocated	\$ 9,572	\$ 20,012	\$ 22,753	\$ 11,580	\$ 27,441	\$ 53	\$ 18,404	\$ 5,287	\$ 53	\$ 27,441	\$ 18,404
Totals	\$ 9,572	\$ 20,012	\$ 22,753	\$ 11,580	\$ 27,441	\$ 53	\$ 18,404	\$ 5,287	\$ 53	\$ 27,441	\$ 18,404

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 1999

	Supervised Independent Living										Respite
CAHSD	Supervised Independent Living Baton Rouge	Welfare to Work Lake Charles	Sidney Goldberg New Orleans	Supervised Independent Living Contract Alexandria	Supported Living Apartments Jefferson Parish JPHSA #298	RM Supervised Independent Living Houma	OMH Respite Houma MH#98 3S-671	Respite New Orleans Provider #1910694			
Administrative and general	\$ 798	\$ 38,654	\$ -	\$ 27	\$ 23,324	\$ 1,119	\$ 675	\$ 107,821			
Plant operation and capital asset costs	(1)	3,524	-	-	-	-	-	88			
Dietary, laundry & linen, and housekeeping	-	-	-	-	242	-	-	243			
Personal client needs	-	-	1,865	-	89	711	-	-			
Medical and nursing	-	85	-	-	-	-	-	772			
Therapeutic and training	-	315	-	-	10,602	1,444	6,014	402,206			
Recreational	-	-	-	-	-	-	-	136			
Consultants	-	-	-	-	-	-	-	267			
subtotal programs	\$ 797	\$ 42,577	\$ 1,865	\$ 27	\$ 34,257	\$ 3,274	\$ 6,689	\$ 511,533			
subtotal administrative and general	161	6,155	353	4	6,516	678	1,392	97,301			
Administrative costs - allocated	\$ 959	\$ 48,733	\$ 2,218	\$ 30	\$ 40,773	\$ 3,952	\$ 8,081	\$ 608,834			
Totals											

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 1999

		Respite						
	Respite Darrell Cooper	Respite Baton Rouge Provider #1912921	Respite Houma Provider #1935158	Emergency Respite Jefferson Parish JPHSA #242	Respite Lafayette Provider #1934119	Respite Alexandria Provider #1690511	Wrap Around Service Baton Rouge DHF/OCDD #58117/00051	Respite Hammond Provider #1690091
Administrative and general	\$ 9,313	\$ 115,586	\$ 72,559	\$ 96,041	\$ 120,222	\$ 52,103	\$ 14,209	\$ 34,000
Plant operation and capital asset costs	-	6,512	345	-	5,946	5,821	539	1,953
Dietary, laundry & linen, and housekeeping	-	1,059	74	50	347	223	54	230
Personal client needs	61	254	-	148	768	408	-	-
Medical and nursing	-	299	1,868	152	1,522	1,902	-	991
Therapeutic and training	71,235	313,164	235,643	31,399	517,325	125,833	32,063	81,670
Recreational	-	-	750	177	100	-	-	-
Consultants	-	1,327	20	-	-	-	3	-
subtotal programs	\$ 80,608	\$ 438,203	\$ 311,259	\$ 127,967	\$ 646,230	\$ 186,290	\$ 46,868	\$ 118,845
subtotal administrative and general	11,653	88,612	64,715	24,389	124,196	26,931	9,481	15,226
Totals	\$ 92,261	\$ 526,814	\$ 375,974	\$ 152,356	\$ 770,427	\$ 213,221	\$ 56,349	\$ 134,071

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 1999

	Respite										Other Programs
	Respite Lake Charles Provider #1984213	Respite Care In Home New Orleans DHH/OCDD 55423/000147	Crisis Respite New Orleans JSPA #227	Respite Houma DHH/OCDD 55118/060202	Crisis Intervention Alexandria	Crisis Intervention Houma	Respite Private Houma	Crisis Intervention Houma	Respite Private Houma	Camp Nuff Houma #MH98- 3S-148	
Administrative and general	\$ 61,336	\$ 35,647	\$ 10,473	\$ (2,116)	\$ 1,275	\$ 1,213	\$ 1,698	\$ 1,213	\$ 1,698	\$ 19,421	
Plant operation and capital asset costs	2,367	-	-	-	-	-	-	-	-	4,335	
Dietary, laundry & linen, and housekeeping	162	50	72	-	-	-	1,006	-	1,006	3,440	
Personal client needs	-	240	73	-	7,452	761	-	-	-	-	
Medical and nursing	418	152	287	-	950	-	-	-	-	-	
Therapeutic and training	145,024	48,249	46,263	16,269	4,670	10,286	10,608	10,286	10,608	19,018	
Recreational	-	186	4,071	-	-	-	981	-	981	2,810	
Consultants	-	-	-	-	150	-	-	-	-	3,000	
subtotal programs	\$ 209,307	\$ 84,523	\$ 61,240	\$ 14,153	\$ 14,498	\$ 12,260	\$ 14,293	\$ 12,260	\$ 14,293	\$ 52,025	
subtotal administrative and general	30,258	16,087	11,645	2,939	2,096	2,547	2,975	2,547	2,975	10,852	
Administrative costs - allocated											
Totals	\$ 239,565	\$ 100,610	\$ 72,885	\$ 17,092	\$ 16,594	\$ 14,807	\$ 17,268	\$ 14,807	\$ 17,268	\$ 62,877	

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)

YEAR ENDED JUNE 30, 1999

	Other Programs									
	Department of					Other Programs				
	Corrections									
	Parenting									
	Education									
	Program									
	Houma									
	Contract #403-									
	Rehabilitation									
	LRS Lafayette									
	Central Office									
	Autism									
	Autism Daigle									
	Central Office									
	Houma									
	Kid's Camp									
	Alexandria									
	Private									
	Contracts									
Administrative and general	\$ 67,545	\$ 581	\$ 95,949	\$ 20,654	\$ 28,169	\$ (7)	\$ 10,779	\$ 2,775		
Plant operation and capital asset costs	3,022	-	214	2,114	-	-	15	-		
Dietary, laundry & linen, and housekeeping	-	-	206	-	-	-	-	-		
Personal client needs	1,326	-	330	225	-	-	-	623		
Medical and nursing	-	-	-	-	-	-	-	-		
Therapeutic and training	-	-	7,470	-	4,764	-	3,038	12,774		
Recreational	-	-	2,952	-	-	-	-	-		
Consultants	-	-	3,961	-	-	-	-	-		
subtotal programs	\$ 71,893	\$ 581	\$ 111,081	\$ 22,993	\$ 32,933	\$ (7)	\$ 13,831	\$ 16,171		
subtotal administrative and general	10,394	84	23,078	3,324	3,252	(1)	2,888	2,337		
Administrative costs - allocated										
Totals	\$ 82,286	\$ 665	\$ 134,160	\$ 26,317	\$ 36,184	\$ (7)	\$ 16,720	\$ 18,509		

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 1999

		Other Programs											
		Rehabilitation	Option New	S. Burton	OMH Drop In	Orleans	Provider	DH/OCDD	OMH Flex	Private	Extra Mile		
		Center Houma	#1975893	#57274/000364	MH-98-3S-151	Center Houma	Provider	DH/OCDD	Fund Houma	Contracts	Lafayette or G.	Cancer	
		MH98-3S-151	#1975893	#57274/000364	MH-98-3S-152	MH98-3S-151	Provider	DH/OCDD	Fund Houma	Baton Rouge	Rouge	Houma	Services
Administrative and general	\$	5,048	\$ 85,559	\$ 5,637	\$ (7,419)	\$ 1,728	\$ 599	\$ 1,391	\$ 2,785				
Plant operation and capital asset costs		2,228	135	259	-	-	-	65	-	-	-	-	-
Dietary, laundry & linen, and housekeeping		1,194	50	35	47	-	-	84	-	-	-	-	-
Personal client needs		20	237	-	13,152	-	-	100	-	-	-	-	-
Medical and nursing		177	-	758	-	-	-	-	-	-	-	-	-
Therapeutic and training		5,901	87,694	10,175	-	3,696	414	6,355	3,382				
Recreational		521	120	-	70	-	-	-	-	-	-	-	-
Consultants		-	16,575	2	180	-	-	-	-	-	-	-	-
subtotal programs	\$	15,089	\$ 190,370	\$ 16,866	\$ 6,029	\$ 5,424	\$ 1,013	\$ 7,996	\$ 6,167				
subtotal administrative and general		3,136	36,258	3,415	1,256	1,097	207	1,662	1,248				
Administrative costs - allocated	\$	18,225	\$ 226,627	\$ 20,281	\$ 7,285	\$ 6,521	\$ 1,220	\$ 9,658	\$ 7,415				
Totals													

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)

YEAR ENDED JUNE 30, 1999

	Other Programs									
	Baton Rouge	Joe Stewart	Diagnostic &	Summer Camp	James	James	Bourgeois per	W. Bolian New	Florida Blvd	
	Other	New Orleans	Assessment	Lafayette	Trust Lafayette	Diem Lafayette	Orleans	Orleans	Building	
			New Orleans							
Administrative and general	\$ (626)	\$ 188	\$ 3,810	\$ 4,428	\$ -	\$ -	\$ (2,000)	\$ -	\$ 13,208	
Plant operation and capital asset costs	-	-	-	3,785	-	-	-	-	53,553	
Dietary, laundry & linen, and housekeeping	-	-	32	286	-	-	-	-	484	
Personal client needs	-	-	-	425	6,804	-	-	-	-	
Medical and nursing	-	-	-	-	-	-	-	-	-	
Therapeutic and training	-	3,134	8,835	16,507	4,229	458	-	-	-	
Recreational	-	-	-	1,412	-	-	-	-	-	
Consultants	-	-	-	-	75	-	-	-	(2,200)	
subtotal programs	\$ (626)	\$ 3,322	\$ 12,677	\$ 26,844	\$ 11,107	\$ 458	\$ (2,000)	\$ -	\$ 65,045	
subtotal administrative and general	(127)	629	2,412	3,881	1,605	66	(378)		10,865	
Administrative costs - allocated										
Totals	\$ (752)	\$ 3,952	\$ 15,090	\$ 30,725	\$ 12,713	\$ 524	\$ (2,378)	\$ -	\$ 75,911	

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 1999

Other Programs

	Scribe - Thisci Houma	Scribe Houma	Children's Assertive Treatment Program Houma	HUD	NSU Scribe Houma	HUD Homeless Fund Houma	Enterprise	Subtotal Programs
Administrative and general	\$ 427	\$ 672	\$ (2,149)	\$ -	\$ -	\$ 15,319	\$ 92,053	\$ 4,343,914
Plant operation and capital asset costs	-	-	-	-	-	-	743	255,767
Dietary, laundry & linen, and housekeeping	-	-	-	-	-	-	-	73,314
Personal client needs	-	-	-	-	-	-	-	159,695
Medical and nursing	-	-	-	-	-	-	-	30,673
Therapeutic and training	1,395	1,078	12,940	76,129	1,496	-	-	9,947,054
Recreational	-	-	-	-	-	-	-	24,562
Consultants	-	-	-	-	-	-	-	65,948
subtotal programs	\$ 1,822	\$ 1,750	\$ 10,791	\$ 76,129	\$ 1,496	\$ 15,319	\$ 92,796	\$ 14,900,925
subtotal administrative and general	379	364	2,246	-	312	-	9,162	2,567,825
Totals	\$ 2,202	\$ 2,114	\$ 13,037	\$ 76,129	\$ 1,808	\$ 15,319	\$ 101,958	\$ 17,468,750

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 1999

General and Administrative

	Hammond	Baton Rouge	New Orleans	Houma	Lafayette	Central Office	Hammond Unallowable	New Orleans Unallowable
Administrative and general	\$ 12,680	\$ 147,954	\$ 175,272	\$ 119,153	\$ 214,023	\$ 1,224,146	\$ 132	\$ 34,985
Plant operation and capital asset costs	5,981	51,293	97,367	47,985	59,581	153,666	-	-
Dietary, laundry & linen, and housekeeping	487	181	6,047	3,946	2,490	3,005	-	-
Personal client needs	-	(50)	177	10	209	236	-	-
Medical and nursing	-	-	188	132	-	-	-	-
Therapeutic and training	-	-	-	-	-	(150)	-	-
Recreational	-	-	156	-	-	-	-	-
Consultants	-	1,269	-	3,774	-	(600)	-	-
subtotal programs	\$ 19,148	\$ 200,648	\$ 279,206	\$ 175,000	\$ 276,302	\$ 1,380,303	\$ 132	\$ 34,985
subtotal administrative and general	(19,148)	(200,648)	(309,193)	(175,000)	(291,228)	(1,577,402)	17	757
Administrative costs - allocated								
Totals	\$ -	\$ 0	\$ (29,987)	\$ 0	\$ (14,926)	\$ (197,099)	\$ 149	\$ 35,742

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 1999

General and Administrative

	Hourma Unallowable	Lafayette Unallowable	Central Office Unallowable	Unemployment Fund	Totals - Program, Administrative, and General Funds
Administrative and general	\$ 220	\$ 17,677	\$ 223,798	\$ 105	\$ 6,514,059
Plant operation and capital asset costs	9	-	153		671,801
Dietary, laundry & linen, and housekeeping	750	-	3,063		93,282
Personal client needs	662	-	326		161,265
Medical and nursing	-	-	-		30,993
Therapeutic and training	-	-	-		9,946,904
Recreational	-	-	-		24,717
Consultants	1,114	1,226	3,712		76,443
subtotal programs					\$ 14,900,925
subtotal administrative and general	\$ 2,756	\$ 18,902	\$ 231,052	\$ 105	\$ 2,618,539
Administrative costs - allocated	588	392	3,029	10	-
Totals	\$ 3,344	\$ 19,294	\$ 234,081	\$ 115	\$ 17,519,464

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 3 - STATEMENT OF EXPENSES BY PROGRAM / FUND
YEAR ENDED JUNE 30, 1998

	Trappey Community Home Lafayette Provider # 1718106	Amelia Community Home Orleans Provider # 1716928	Rehabilitation Option Lafayette Provider # 1973084	Independent Living Program Lafayette DSS/OCS 06172/01432	Independent Living Program Houma DSS/OCS	Department of Corrections Lafayette Baton Rouge	Department of Corrections Houma	Department Of Public Safety and Corrections DOC #403- 581-R4	Scribe Houma	
Administrative and general	\$ 49,738	\$ 60,693	\$ 16,828	\$ 28,885	\$ 9,537	\$ 7,804	\$ 2,582	\$ 484	\$ 7,896	\$ 176
Plant operation and maintenance	28,994	15,275	1,698	906	2,038	570	36	-	57	12
Cost related to capital assets	8,215	22,334	711	7,532	666	1,465	3	-	465	-
Dietary	26,812	8,220	-	-	698	(422)	-	-	202	-
Laundry and linen	333	24	-	-	-	-	-	-	-	-
Housekeeping	5,543	2,870	-	-	11	-	-	-	-	-
Personal client needs	7,522	4,322	8	-	307	1,596	133	415	8,548	-
Medical and nursing	5,895	604	-	80	37	-	-	-	5	-
Therapeutic and training	100,551	129,865	108,822	76,057	62,084	109,065	8,688	20,850	64,068	5,009
Recreational	2,893	1,126	-	225	204	268	-	-	7	-
Consultants	5,835	13,464	7,238	-	-	10	-	-	16,060	-
Educational	114	-	-	-	748	-	-	-	-	-
Ancillary Service	4	-	-	-	-	-	-	183	-	-
subtotal programs	\$ 242,449	\$ 258,795	\$ 135,305	\$ 113,686	\$ 76,330	\$ 120,356	\$ 11,442	\$ 21,931	\$ 97,307	\$ 5,197
subtotal administrative and general	40,303	42,228	22,481	22,322	24,944	19,865	2,325	4,041	15,894	1,009
Administrative costs - allocated	\$ 282,752	\$ 301,023	\$ 157,786	\$ 136,008	\$ 101,274	\$ 140,221	\$ 13,768	\$ 25,972	\$ 113,201	\$ 6,206

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 3 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
YEAR ENDED JUNE 30, 1998

	Children's Assertive Treatment Program Houma	OMH Respite Houma MH#98-3S- 671	Supported Employment Lafayette LRS 55463/000107	OMR Apartment Program Lafayette DHH/OCDD 55463/000107	Forever Families New Orleans TIPS # 020025366	Supervised Apartment Program OMH Lafayette #MH98-4S- 193	Lake Charles SIL #020008014	Regular Foster Care Baton Rouge TIPS #020008015	Regular Foster Care Lafayette TIPS #020015894	
Administrative and general	\$ 330	\$ 0	\$ 1,707	\$ 7,608	\$ 24,039	\$ 2,694	\$ 12,087	\$ 31,180	\$ 8,472	\$ 10,448
Plant operation and maintenance	-	-	100	100	79	21	380	840	368	37
Cost related to capital assets	-	-	264	4,407	3,997	-	1,353	511	1,465	-
Dietary	-	-	-	-	4,065	-	50	5	37	-
Laundry and linen	-	-	-	-	-	-	-	-	-	-
Housekeeping	-	-	-	-	-	-	-	-	-	-
Personal client needs	-	-	530	228	5,084	3,170	286	8,329	2,777	4,324
Medical and nursing	-	-	-	150	-	-	6	-	-	52
Therapeutic and training	4,889	901	2,429	42,024	362,765	8,032	72,762	342,021	112,783	164,891
Recreational	-	-	-	-	179	-	8	-	390	-
Consultants	1,360	-	-	-	11,273	-	-	465	10	536
Educational	-	-	-	-	300	-	-	-	-	-
Ancillary Service	-	-	-	-	-	-	-	-	-	-
subtotal programs	\$ 6,580	\$ 902	\$ 5,030	\$ 54,517	\$ 411,781	\$ 13,917	\$ 86,934	\$ 383,352	\$ 126,301	\$ 180,288
subtotal administrative and general	1,278	175	836	9,058	67,260	2,312	14,462	77,900	20,813	34,434
Administrative costs - allocated	\$ 7,857	\$ 1,077	\$ 5,866	\$ 63,575	\$ 479,040	\$ 16,229	\$ 101,396	\$ 461,252	\$ 147,114	\$ 214,723

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 3 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 1998

	Department of												
	Regular Foster Care New Orleans #010007819		Personal Care		Department of Corrections Tracking New Orleans Contract #403-559-4		Department of Corrections Parenting Education Program Houma Contract #403-588-R4		OMH In Home Crisis Lafayette #MH198-4S-199		Personal Care Attendant New Orleans Central Office Autism Daigle		
	\$		\$		\$		\$		\$		\$		\$
Administrative and general	27,524	1,143	309	36,106	24,992	2,834	8,048	18	21,003			247	
Plant operation and maintenance	33	-	-	203	198	100	121	-	-	-	-	-	-
Cost related to capital assets	676	-	-	198	479	2,095	533	-	-	-	-	-	-
Dietary	3	-	-	-	275	-	-	-	-	-	-	-	-
Laundry and linen	-	-	-	-	-	-	-	-	-	-	-	-	-
Housekeeping	-	-	-	-	-	-	-	-	-	-	-	-	-
Personal client needs	16,448	50	157	-	917	10	246	-	-	-	-	-	-
Medical and nursing	-	-	-	222	-	-	-	-	-	-	-	-	-
Therapeutic and training	489,888	8,804	12,038	137,790	81,141	18,203	58,112	540	138,855			1,419	
Recreational	211	-	-	1,500	3,778	-	-	-	-	-	-	-	-
Consultants	1,636	-	-	-	2,815	-	10	-	4,620			-	
Educational	-	-	-	-	169	-	-	-	-			-	
Ancillary Service	-	-	-	-	-	-	-	-	-			-	
subtotal programs	\$ 536,420	\$ 9,997	\$ 12,505	\$ 176,019	\$ 114,763	\$ 23,242	\$ 67,071	\$ 558	\$ 164,478	\$ 1,666			
subtotal administrative and general													
Administrative costs - allocated	87,617	2,032	2,428	28,751	22,288	3,862	11,144	91	14,451			146	
Totals	\$ 624,037	\$ 12,028	\$ 14,933	\$ 204,769	\$ 137,051	\$ 27,104	\$ 78,215	\$ 649	\$ 178,929	\$ 1,812			

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 3 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
YEAR ENDED JUNE 30, 1998

	Emergency Respite Jefferson Parish JPHSA #242	Supported Living Program Houma MH-98-3S-507	Personal Care Attendant Lafayette Provider #1910384	Respite Lafayette Provider #1934119	Personal Care Attendant Alexandria Provider #1690538	Supervised Independent Living Program Title XIX Houma Provider #1930377	Vance Manning New Orleans	Supervised Independent Living Program Title XIX New Orleans Provider #1910708	Supervised Independent Living Program Title XIX Lafayette Provider #1910392	Respite Alexandria Provider #1690511
Administrative and general	\$ 6,399	\$ 18,238	\$ 65,842	\$ 49,050	\$ 29,779	\$ 8,212	\$ 411	\$ 23,930	\$ 25,324	\$ 19,867
Plant operation and maintenance	89	406	2,357	563	369	93	-	105	189	365
Cost related to capital assets	128	379	6,424	7,838	2,776	-	-	222	8,915	2,838
Dietary	14	13	5	5	108	-	-	-	-	103
Laundry and linen	-	-	-	-	-	-	-	-	-	-
Housekeeping	-	-	-	-	-	-	-	16	-	-
Personal client needs	-	3,357	3,145	3,130	925	(138)	-	1,477	1,365	925
Medical and nursing	396	-	1,334	989	1,029	126	-	374	418	909
Therapeutic and training	47,703	86,360	759,394	508,514	333,393	104,356	14,952	338,000	288,915	144,020
Recreational	63	1,361	310	310	-	9	-	152	-	-
Consultants	2,374	27	-	5	15	347	-	985	20	5
Educational	-	-	-	-	-	7	-	-	-	-
Ancillary Service	-	-	-	-	-	-	-	-	-	-
subtotal programs	\$ 57,166	\$ 110,141	\$ 838,811	\$ 570,404	\$ 368,394	\$ 113,011	\$ 15,363	\$ 365,261	\$ 325,146	\$ 169,032
subtotal administrative and general	9,337	21,391	139,169	94,759	61,383	21,944	2,509	59,624	54,025	28,084
Administrative costs - allocated	\$ 66,504	\$ 131,531	\$ 977,979	\$ 665,163	\$ 429,777	\$ 134,954	\$ 17,872	\$ 424,885	\$ 379,171	\$ 197,116
Totals										

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 3 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 1998

	OMH	Camp Nuff	Parent Training	SIL/ILP	Case Management	Wrap Around	Supervised Independent Living	Supported Living New Orleans	Vocational Rehabilitation
	Therapeutic Foster Care Houma MH-98-3S-671	Houma #MH98-3S-148	Lafayette DSS/OCS 06109/01400	Lafayette Vendor #06143	Lafayette Provider #1973165	Rouge DHH/OCDD #58117/00051	Alexandria Provider #1690520	Orleans DHH/OCDD MH98-3S-151	Hammond LRS Vendor #8886
Administrative and general	\$ 112	\$ 6,137	\$ 1,974	\$ 923	\$ 351	\$ 4,937	\$ 50,889	\$ 1,579	\$ 29,144
Plant operation and maintenance	-	2,680	139	-	-	34	263	2,073	3,533
Cost related to capital assets	-	3,121	-	783	-	6	3,037	746	9,738
Dietary	-	2,261	-	-	-	-	97	606	-
Laundry and linen	-	-	-	-	-	-	-	-	-
Housekeeping	-	189	-	-	-	-	-	-	1,815
Personal client needs	-	-	-	50	15	-	2,875	-	133
Medical and nursing	-	-	-	-	-	-	1,290	-	16
Therapeutic and training	197	38,847	13,841	836	-	28,681	624,814	9,496	147,728
Recreational	-	798	-	-	-	-	-	645	(88)
Consultants	-	3,000	-	-	-	-	20	-	30
Educational	-	-	-	-	-	-	-	-	-
Ancillary Service	-	-	-	-	-	-	-	-	-
subtotal programs	\$ 308	\$ 57,032	\$ 15,954	\$ 2,592	\$ 366	\$ 33,659	\$ 683,287	\$ 15,145	\$ 192,050
subtotal administrative and general	58	11,076	2,651	431	61	6,840	113,563	2,941	21,747
Administrative costs - allocated	\$ 366	\$ 68,108	\$ 18,604	\$ 3,022	\$ 427	\$ 40,499	\$ 796,850	\$ 18,086	\$ 213,797

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 3 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
YEAR ENDED JUNE 30, 1998

Department of	Individualized											
	Corrections	Tracker Plus Hammond	Contract #403-562-R4	Trackers Houma	Rehabilitation Option New Orleans Provider #1975893	Traumatic Head & Sc Injuries New Orleans DHH/OCDD	Personal Care Attendant Hammond Provider #1690082	Respite Hammond Provider #1690091	Respite Lake Charles Provider #1984213	Personal Care Attendant Lake Charles Provider #1984205	Supported Living Samuel Houma DHH #55934	Respite /Care In Home New Orleans DHH/OCDD
Administrative and general	\$ 19,689	\$ 19,099	\$ 3,312	\$ 969	\$ 28,847	\$ 15,356	\$ 15,674	\$ 29,546	\$ 2,847	\$ 17,373		
Plant operation and maintenance	290	-	748	-	561	151	425	425	-	89		
Cost related to capital assets	1,463	-	36	-	3,502	2,884	1,637	1,527	69	64		
Dietary	16	-	-	-	-	-	70	70	-	14		
Laundry and linen	-	-	-	-	-	-	-	-	-	-		
Housekeeping	-	-	-	-	-	-	-	-	-	-		
Personal client needs	276	-	14	2,000	-	-	83	86	856	-		
Medical and nursing	-	-	-	-	5,877	1,959	616	543	-	378		
Therapeutic and training	44,729	39,488	28,238	12,613	273,650	127,644	107,342	245,252	3,238	37,508		
Recreational	-	-	-	-	(19)	(19)	8	8	-	2,470		
Consultants	42	-	5,015	-	102	70	25	25	-	4,440		
Educational	-	-	-	-	-	-	-	-	-	-		
Ancillary Service	-	-	-	-	-	-	-	-	-	-		
subtotal programs	\$ 66,504	\$ 58,587	\$ 37,364	\$ 15,581	\$ 312,519	\$ 148,046	\$ 125,881	\$ 277,484	\$ 7,011	\$ 62,336		
subtotal administrative and general	7,531	11,378	6,103	2,545	35,390	16,765	20,930	46,140	1,362	10,182		
Administrative costs - allocated	\$ 74,035	\$ 69,965	\$ 43,467	\$ 18,126	\$ 347,909	\$ 164,811	\$ 146,811	\$ 323,624	\$ 8,373	\$ 72,517		
Totals												

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 3 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 1998

	Bayou Land	Family Care	Special Respite	Crisis Respite	S. Burton	OCDD	OMH Flex	G. Williams	Respite Houma	Sil Title XIX
	F. C.	New Orleans	C. Herbert	New Orleans	Baton Rouge	OCDD	Fund Houma	DHH OCDD	DHH/OCDD	Hammond
	#952115718	#1920002	Houma DHH #56790	JSPHA #227	#57274/00036	pca/rcspite	MH-98-3S-152	Baton Rouge	55118/060202	Provider
					4					#1690104
Administrative and general	\$ 11	\$ 5	\$ 232	\$ 5,453	\$ 1,917	\$ 101	\$ 1,880	\$ 117	\$ 795	\$ 1,520
Plant operation and maintenance	-	-	-	89	19	-	162	-	-	68
Cost related to capital assets	-	80	-	64	3	-	-	-	-	63
Dietary	-	-	-	27	-	-	180	-	-	57
Laundry and linen	-	-	-	-	-	-	-	-	-	-
Housekeeping	-	-	-	-	-	-	-	-	-	-
Personal client needs	-	435	55	200	-	-	2,776	-	-	216
Medical and nursing	-	-	-	107	186	-	-	-	-	-
Therapeutic and training	832	1,708	2,241	39,695	14,507	2,664	255	1,433	14,093	18,046
Recreational	-	-	-	449	-	-	-	-	-	-
Consultants	180	2,355	-	8,097	-	-	-	-	-	60
Educational	-	-	-	-	-	-	70	-	-	-
Ancillary Service	-	-	-	-	-	-	-	-	-	-
subtotal programs	\$ 1,024	\$ 4,583	\$ 2,528	\$ 54,180	\$ 16,632	\$ 2,765	\$ 5,324	\$ 1,550	\$ 14,888	\$ 20,030
subtotal administrative and general	199	749	491	8,850	3,380	537	1,034	315	2,891	2,268
Administrative costs - allocated	\$ 1,222	\$ 5,331	\$ 3,019	\$ 63,030	\$ 20,012	\$ 3,302	\$ 6,357	\$ 1,865	\$ 17,779	\$ 22,298

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 3 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)

YEAR ENDED JUNE 30, 1998

	Non Medicaid Sil New Orleans Vendor #263	Supported Employment Baton Rouge	Private Contracts Baton Rouge	Extra Mile		Traumatic Head & Sc Injuries Houma	Resettlement Apt Support Houma MH98- 3S-704	SIL Alexandria	Private Contracts Alexandria	M. McCoy Alexandria
				Lafayette or G. Williams DHH OCS Baton Rouge	Donald Rogers Houma					
Administrative and general	\$ 1,210	\$ 22,437	\$ 706	\$ 276	\$ 262	\$ 4,470	\$ 40	\$ 5,691	\$ 661	\$ 295
Plant operation and maintenance	-	147	-	-	-	12	-	219	-	-
Cost related to capital assets	-	6	355	-	-	-	-	1,213	-	-
Dietary	-	-	-	-	-	-	-	78	-	-
Laundry and linen	-	-	-	-	-	-	-	-	-	-
Housekeeping	-	-	-	-	-	-	-	-	-	-
Personal client needs	-	-	-	-	-	-	-	223	-	-
Medical and nursing	-	-	-	-	-	280	-	46	-	-
Therapeutic and training	3,579	2,622	1,567	4,004	8,097	57,378	-	1,725	1,811	4,655
Recreational	-	-	-	-	-	-	-	-	-	-
Consultants	-	-	-	-	-	44	-	-	-	-
Educational	-	-	-	-	-	46	-	-	-	-
Ancillary Service	-	-	-	-	-	-	-	-	-	-
subtotal programs	\$ 4,789	\$ 25,213	\$ 2,628	\$ 4,280	\$ 8,359	\$ 62,230	\$ 40	\$ 9,195	\$ 2,471	\$ 4,951
subtotal administrative and general	782	5,123	534	870	1,623	12,086	8	1,528	411	823
Administrative costs - allocated	\$ 5,572	\$ 30,336	\$ 3,162	\$ 5,150	\$ 9,983	\$ 74,316	\$ 48	\$ 10,722	\$ 2,882	\$ 5,773
Totals										

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 3 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 1998

	CAHSD B.				Outside		Traumatic		PCA LRS Hammond	
	PCA - SIL Baton Rouge	Sullivan Baton Rouge	CAHSD SIL Baton Rouge	Cancer Services	Baton Rouge Training	Adam Jackson Baton Rouge	Baton Rouge Unallowable	Brain Injuries Lake Charles		PCA - SIL Hammond
Administrative and general	\$ 4,904	\$ 816	\$ 1,192	\$ 451	\$ (83)	\$ 494	\$ 5,149	\$ 14,628	\$ 1,013	\$ 1,846
Plant operation and maintenance	62	-	8	-	-	-	-	103	68	28
Cost related to capital assets	13	-	2	-	-	-	-	642	63	54
Dietary	-	-	-	-	-	-	58	22	-	-
Laundry and linen	-	-	-	-	-	-	-	-	-	-
Housekeeping	-	-	-	-	-	-	-	-	-	-
Personal client needs	33	-	1,000	-	-	-	36	-	-	-
Medical and nursing	-	-	-	-	-	-	53	6	-	-
Therapeutic and training	63,102	12,448	3,931	5,033	-	2,977	-	25,947	12,742	13,401
Recreational	-	-	-	-	-	-	14	-	-	-
Consultants	-	-	-	-	-	-	-	-	-	-
Educational	-	-	-	-	-	-	266	-	-	-
Ancillary Service	-	-	-	-	-	-	-	-	-	-
subtotal programs	\$ 68,113	\$ 13,265	\$ 6,132	\$ 5,484	\$ (83)	\$ 3,472	\$ 5,575	\$ 41,347	\$ 13,886	\$ 15,329
subtotal administrative and general	13,842	2,695	1,246	1,114	(17)	705	1,133	6,912	1,572	1,734
Administrative costs - allocated	\$ 81,955	\$ 15,959	\$ 7,378	\$ 6,598	\$ (100)	\$ 4,177	\$ 6,707	\$ 48,259	\$ 15,458	\$ 17,064
Totals										

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 3 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 1998

	Direct Job Placement Hammond	Hammond Unallowable	Respite Day Camp Lafayette	Summer Camp Lafayette	LSU Home of My Own	Traumatic Brain Injury LA	Children's Mental Health Services Lafayette		Children's Wrap Around LA	Lafayette Unallowable	PCA - SIL New Orleans
							LA	LA			
Administrative and general	\$ 1,347	\$ 724	\$ 6,720	\$ 4,418	\$ 926	\$ 3,554	\$ 17,471	\$ 9,963	\$ 837		
Plant operation and maintenance	38	-	460	191	-	-	-	-	-	-	
Cost related to capital assets	360	-	300	1,500	-	-	-	-	-	-	
Dietary	-	-	772	738	68	-	-	-	-	-	
Laundry and linen	-	-	-	-	-	-	-	-	-	-	
Housekeeping	-	-	-	-	-	-	-	-	-	-	
Personal client needs	-	-	189	-	-	-	16,908	14,716	-	-	
Medical and nursing	-	-	-	-	-	-	-	-	-	-	
Therapeutic and training	7,405	-	7,255	9,114	-	48,203	83,293	-	271	30,861	
Recreational	-	-	1,701	1,771	-	-	334	-	-	-	
Consultants	10	-	-	-	-	-	-	-	-	-	
Educational	-	-	-	-	-	-	-	-	-	-	
Ancillary Service	-	-	-	-	-	-	-	-	-	-	
subtotal programs	\$ 9,160	\$ 724	\$ 17,397	\$ 17,732	\$ 993	\$ 51,757	\$ 118,005	\$ 14,716	\$ 10,234	\$ 31,697	
subtotal administrative and general	1,037	82	2,891	2,946	165	8,599	19,713	2,446	1,700	5,177	
Administrative costs - allocated	\$ 10,197	\$ 806	\$ 20,288	\$ 20,678	\$ 1,158	\$ 60,356	\$ 137,718	\$ 17,162	\$ 11,934	\$ 36,875	
Totals											

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 3 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
YEAR ENDED JUNE 30, 1998

	Supported Living Apartments	Jefferson Parish JPHSA #298	Randy Dumas ext rate New Orleans		W. Bolian New Orleans		LRS PCA New Orleans		Young Adult Program New Orleans		New Orleans Unallowable		Florida Blvd Building		PCA - SIL Houma		Scribe = Thisci Houma		Crisis Intervention Houma	
			\$		\$		\$		\$		\$		\$		\$		\$		\$	
Administrative and general		\$ 4,209	\$ 200	-	-	\$ 20	\$ 643	\$ 112	\$ 6,443	\$ 3,847	\$ 52	\$ 497								
Plant operation and maintenance		-	-	-	-	-	3,229	-	34	-	-	-								
Cost related to capital assets		17	-	-	-	-	5,532	-	-	-	-	-								
Dietary		(4)	-	-	-	-	-	-	-	-	-	97								
Laundry and linen		-	-	-	-	-	-	-	-	-	-	-								
Housekeeping		-	-	-	-	-	-	-	-	-	-	-								
Personal client needs		14	-	-	-	-	833	-	-	13	-	4,385								
Medical and nursing		-	-	-	-	-	-	-	-	117	-	540								
Therapeutic and training		16,857	7,118	-	-	623	2,604	-	118	51,589	1,535	2,638								
Recreational		-	-	-	-	-	-	-	-	-	-	-								
Consultants		4,292	-	-	-	-	-	-	2,618	275	-	-								
Educational		-	-	-	-	-	-	-	-	76	-	-								
Ancillary Service		-	-	-	-	-	-	-	-	-	-	-								
subtotal programs		\$ 25,385	\$ 7,318	\$ -	\$ 643	\$ 3,437	\$ 112	\$ 17,940	\$ 55,951	\$ 1,587	\$ 8,157									
subtotal administrative and general		4,146	1,190	0	105	561	23	1,535	10,870	308	1,584									
Administrative costs - allocated		\$ 29,531	\$ 8,508	\$ 0	\$ 748	\$ 3,998	\$ 136	\$ 19,475	\$ 66,821	\$ 1,895	\$ 9,741									
Totals																				

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 3 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 1998

	<u>General and administrative</u>								
	Respite Private Houma	Rm Sil Houma	Family Support Houma	Houma Unallowable	Enterprise	Subtotal Programs	Hammond	Baton Rouge	New Orleans
Administrative and general	\$ 33	\$ 210	\$ 14	\$ 1,833	\$ 185,711	\$ 1,563,082	\$ 8,778	\$ 146,311	\$ 153,899
Plant operation and maintenance	-	-	-	-	814	79,951	1,674	5,470	894
Cost related to capital assets	-	-	-	-	3,328	136,390	4,950	48,855	65,336
Dietary	-	-	-	-	193	47,513	371	808	3,015
Laundry and linen	-	-	-	-	-	357	-	-	-
Housekeeping	-	-	-	-	-	10,674	1,084	254	48
Personal client needs	-	633	-	85	-	136,949	-	-	-
Medical and nursing	-	-	-	-	-	34,659	-	-	33
Therapeutic and training	82	1,038	486	66	4,342	10,793,384	0	8,256	8,360
Recreational	-	-	-	-	-	24,320	(23)	-	1,179
Consultants	-	-	-	9,739	4,340	135,589	1,517	1,598	-
Educational	-	-	-	923	-	3,247	-	-	-
Ancillary Service	-	-	-	-	-	187	-	-	-
subtotal programs	\$ 115	\$ 1,882	\$ 500	\$ 12,646	\$ 198,727	\$ 12,966,302	\$ 18,351	\$ 211,553	\$ 232,764
subtotal administrative and general							(18,351)	(211,553)	(232,764)
Administrative costs - allocated	22	365	227	2,455	17,408	2,208,317			
Totals	\$ 137	\$ 2,247	\$ 727	\$ 15,100	\$ 216,135	\$ 15,174,620	\$ -	\$ -	\$ -

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 3 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 1998

General and administrative

	Houma	Lafayette	Central Office	Total Administrative Funds			Unemployment Fund	Totals - Program, Administrative, and General Funds
				General Fund	General Fund	General Fund		
Administrative and general	\$ 115,168	\$ 256,569	\$ 1,075,264	\$ 1,755,991	\$ 181,107	\$ 47,946	\$ 3,548,126	
Plant operation and maintenance	11,426	7,957	25,295	52,716	(2,451)	-	130,216	
Cost related to capital assets	36,960	59,039	129,125	344,264	10,011	-	490,665	
Dietary	666	2,415	2,336	9,611	513	-	57,637	
Laundry and linen	-	-	-	-	-	-	357	
Housekeeping	342	-	-	1,728	220	-	12,623	
Personal client needs	-	-	-	-	2,715	-	139,664	
Medical and nursing	-	-	-	33	-	-	34,691	
Therapeutic and training	6,901	14,228	50,810	88,554	16,310	-	10,898,247	
Recreational	-	800	-	1,956	-	-	26,276	
Consultants	1,383	5,771	36,382	46,651	(458)	-	181,782	
Educational	-	-	-	-	490	-	3,737	
Ancillary Service	-	-	(1,087)	(1,087)	(754)	-	(1,654)	
subtotal programs	\$ 172,845	\$ 346,779	\$ 1,318,126	\$ 2,300,417	\$ 207,702	\$ 47,946	\$ 12,966,302	
Administrative costs - allocated	(172,845)	(345,610)	(1,250,824)	(2,231,947)	19,429	4,200	-	
Totals	\$ -	\$ 1,169	\$ 67,302	\$ 68,471	\$ 227,131	\$ 52,146	\$ 15,522,367	

SPECIAL REPORTS OF INDEPENDENT AUDITOR

Bernard & Franks
A Corporation of Certified Public Accountants

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

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

To the Board of Directors
Gulf Coast Teaching Family Services, Inc.
New Orleans, Louisiana

We have audited the financial statements of Gulf Coast Teaching Family Services, Inc., as of and for the years ended June 30, 1999 and 1998, and have issued our report thereon dated December 23, 1999. We conducted our audits 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 Gulf Coast Family Teaching Services, 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 that are required to be reported under Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered Gulf Coast Family Teaching Services, Inc.'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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could

adversely affect Gulf Coast Family Teaching Services, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

The reportable conditions noted are described in the accompanying Schedule 2 – Reportable Conditions – Financial Statements – Current Year.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Directors, management and the State of Louisiana and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

Bernard & Franks

December 23, 1999

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

To the Board of Directors
Gulf Coast Teaching Family Services, Inc.
New Orleans, Louisiana

We have audited the compliance of Gulf Coast Teaching Family Services, Inc. (a nonprofit organization) with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended June 30, 1999. Gulf Coast Teaching Family Services, Inc.'s (the Organization's) major federal programs are identified in the summary of audit results section and on the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Organization's management. Our responsibility is to express an opinion of the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization'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 the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

INTERNAL CONTROL OVER COMPLIANCE

The Organization's management 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 the Organization'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 and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the Board of Directors, management and the State of Louisiana and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

Bernard + Frantz

December 23, 1999

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SCHEDULE 1 – SUMMARY OF AUDIT RESULTS
YEAR ENDED JUNE 30, 1999

1. The independent auditor's report on the financial statements expressed an unqualified opinion.
2. Reportable conditions disclosed during the audit of the financial statements are reported in Schedule 2 – Reportable Conditions – Financial Statements – Current Year which follows. None of the reportable conditions are considered to be material weaknesses.
3. No instances of noncompliance considered to be material to the financial statements were disclosed by the audit.
4. No instances of reportable conditions were disclosed during the audit of major federal award programs. No management letter was issued during this period.
5. The auditor's report on compliance for major federal award programs for Gulf Coast Teaching Family Services, Inc. expressed an unqualified opinion on all major federal programs.
6. There were no findings to be reported on the Schedule of Federal Awards Findings and Questioned Costs.
7. Major programs for the fiscal year ended June 30, 1999 were as follows:

Department of Health and Human Services – Title IV-E – Independent Living	<CFDA # 93.674>
Department of Health and Human Services – SSBC	<CFDA# 93.667>
U.S. Department of Labor – Welfare to Work Housing and Urban Development	<CFDA# 17.253> LA 48B97-0301
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Gulf Coast Teaching Family Services, Inc. was not determined to be a low-risk auditee.

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SCHEDULE 2 – REPORTABLE CONDITIONS –
FINANCIAL STATEMENTS – CURRENT YEAR
YEAR ENDED JUNE 30, 1999

BILLING AND COLLECTION SYSTEM

CONDITION: The subsidiary ledgers of Program receivables were not reconciled to the general ledger control accounts on a current basis. Billing errors and collection differences were not reconciled on a timely basis.

RECOMMENDATION: The subsidiary ledgers of receivables should be reconciled to the general ledger control accounts on a monthly basis and all billing and cash receipt collection differences should be followed up and adjusted on a current basis. All receipts should be reconciled to the related billings and all differences adjusted monthly.

EXPENSE AND ACCOUNTS PAYABLE SYSTEM

CONDITION: The detailed accounts payable subsidiary ledgers were not reconciled to the general ledger control accounts on a current basis. The printouts of the detailed accounts payable listings were not verified and agreed to the general ledger control accounts.

RECOMMENDATION: Each month the detailed accounts payable listing should be verified by comparing the listing to open invoices and the total should be reconciled with the general ledger control account.

ACCOUNT CODING OF EXPENSE INVOICES

CONDITION: A prior year's finding concerned the documentation of the coding on expense requests. The codings are now reviewed and approved by at least two individuals.

RECOMMENDATION: The procedures in place to check expense coding should continue to be monitored closely, especially in light of employee turnover in this area. Both those doing the original coding and those responsible for checking the coding should review any changes in the programs and the expenses to make sure that the coding continues to be done accurately.

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SCHEDULE 2 – REPORTABLE CONDITIONS –
FINANCIAL STATEMENTS – CURRENT YEAR (CONTINUED)
YEAR ENDED JUNE 30, 1999

SUPPORT FOR DISBURSEMENTS

CONDITION: A prior finding noted some payments being made without proper supporting documentation. We have made several changes in the system to help insure the proper support is attached to all check requests. The system has greatly improved in 1999.

RECOMMENDATION: Management should continue its review of the new system requirements and monitor compliance on a continuing basis.

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SCHEDULE 3 – REPORTABLE CONDITIONS –
MAJOR FEDERAL AWARDS PROGRAMS AUDIT
YEAR ENDED JUNE 30, 1999

No instances of reportable conditions found.

GULF COAST TEACHING FAMILY SERVICES, INC.

**SCHEDULE 4 – SUMMARY OF PRIOR YEAR'S
AUDIT FINDINGS
YEAR ENDED JUNE 30, 1999**

BILLING AND COLLECTION SYSTEM

We are still working on the problems in this area. Due to the number and the diversity of our programs, we are still encountering problems in reconciling our billings and collections from the various agencies. We now have three full time staff who are working on the problems in this area. We feel certain that the new accounting software installed this year will aid greatly in solving the problems in this area.

EXPENSE AND ACCOUNTS PAYABLE SYSTEM

Due to turnover in some key personnel, the reconciliations of the accounts payable subsidiary ledgers with the general ledger control accounts were not always done timely. The new accounts payable clerk has been instructed to perform these procedures each month. A staff now checks all expense codings and will follow up on the reconciliation procedures in the future.

ACCOUNT CODING OF EXPENSE INVOICES

As noted above, we have now assigned the job of checking the account coding to a new staff accountant. We will continue to monitor this verification procedure and to correct any causes of coding errors noted.

SUPPORT FOR DISBURSEMENTS

Our system demands written support for all disbursements. On rare occasions, documentation will be lost or missing, but in these instances the check request must be authorized by a management executive. We will continue to stress the need for proper support for disbursements.

GULF COAST TEACHING FAMILY SERVICES, INC.

**SCHEDULE 5 – MANAGEMENT’S CORRECTIVE ACTION PLAN
FOR CURRENT YEAR FINDINGS
YEAR ENDED JUNE 30, 1999**

BILLING AND COLLECTION SYSTEM

Beginning on July 1, 1998, we changed our accounting software which now includes a module for our accounts receivable. We plan to reconcile the detail accounts receivable subledger balance to the general ledger control each month. In addition, we plan to break the various receivables into groups and assign a small group of funds to various individuals who will be responsible for follow up on billing and collection differences. We plan to make the billing and collection system the responsibility of an accounting and management supervisor. The Chief Executive Officer will be responsible to make sure that the supervisor is keeping the monthly reconciliations up to date.

EXPENSE AND ACCOUNTS PAYABLE SYSTEM

Our new accounting software will produce a monthly listing of open accounts payable balances. We plan to verify the major balances on these monthly printouts to the supporting invoices each month. We now require that all check requests and vouchers be approved by at least two individuals and that all supporting documentation be attached.

ACCOUNT CODING OF EXPENSE INVOICES

We now have a second staff accountant that checks all check request codings before the vouchers are processed by the accounts payable clerk. The staff accountant discusses any questionable coding with the responsible party and agrees on the proper coding before processing. The new system seems to be working well.

SUPPORT FOR DISBURSEMENTS

We have again stressed the need for proper documentation for all disbursements. The system is greatly improved and we continue to monitor it closely.

GULF COAST TEACHING FAMILY SERVICES, INC.

**SCHEDULE 6 – SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS FOR THE YEAR ENDED JUNE 30, 1999
AND RELATED NOTES**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
MAJOR PROGRAMS:			
U.S. Department of Health and Human Services Pass-through Department of Social Services Office of Community Services Title IV-E Independent Living	93.674	514468	\$ 99,903
Title IV-E Independent Living	93.674	514466	<u>119,433</u>
			\$ 219,336
U.S. Department of Health and Human Services Pass-through Department of Social Services Office of Community Services SSBG	93.667	507870	\$ <u>28,133</u>
Total U.S. Department of Health and Human Services			\$ 247,469
U.S. Department of Labor Pass-through Louisiana Department of Labor Welfare to Work	17.253	12-WtW- 98/991	48,733
Housing and Urban Development Houma-Terrebonne and Lafourche Parish	LA48B97- 0301		<u>76,129</u>
Total Expenditures of Federal Awards			\$ <u>372,331</u>

GULF COAST TEACHING FAMILY SERVICES, INC.

**SCHEDULE 6 – SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS FOR THE YEAR ENDED JUNE 30, 1999
AND RELATED NOTES**

Note A – Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note B – Risk-Based Audit Approach

The dollar threshold used to distinguish between Type A and Type B programs is \$300,000. The Organization does not qualify as a low-risk auditee.

Note C – Matching Contributions

U.S. Department of Health and Human Services federal awards passed through the State of Louisiana Office of Community Service required matching funds as follows:

Title IV-E Independent Living Lafayette	\$ 52,800
Title IV-E Independent Living Houma	\$ 28,200