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FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

**FINANCIAL STATEMENTS AND
AUDITOR'S REPORT**

June 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-16-05

CASCIO, DAVIS & SCHMIDT, LLP
Certified Public Accountants

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

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MEMBERS:

AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS
*MEMBER TAX DIVISION
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Families Helping Families of Greater New Orleans

We have audited the accompanying statement of financial position of Families Helping Families of Greater New Orleans (a non-profit corporation) as of June 30, 2004, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Families Helping Families of Greater New Orleans' management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Corporation's 2003 financial statements and, in our report dated December 5, 2003, we expressed an unqualified opinion on these financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 Families Helping Families of Greater New Orleans as of June 30, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 3, 2004, on our consideration of Families Helping Families of Greater New Orleans' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Families Helping Families of Greater New Orleans taken as a whole. The supplemental information listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is required by the 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.

Cassio, Davis & Schmidt, L.P.

Metairie, Louisiana
December 3, 2004

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

STATEMENT OF FINANCIAL POSITION

June 30, 2004

ASSETS		TOTAL MEMORANDUM ONLY <u>JUNE 30, 2003</u>
Cash, including certificate of deposit of \$30,662	\$ 87,971	\$ 141,847
Receivables		
Grants (notes A6 and B)	347,684	216,498
Other	29	-
Prepaid expenses and deposits	2,400	2,400
Property and equipment-at cost (Notes A3 and C)	<u>8,493</u>	<u>3,037</u>
Total assets	<u>\$ 446,577</u>	<u>\$ 363,782</u>
 LIABILITIES AND NET ASSETS 		
Accounts payable and accrued liabilities	\$ 81,561	\$ 67,558
Accrued vested leave payable	<u>38,736</u>	<u>23,755</u>
Total liabilities	120,297	91,313
Commitment (Note D)	-	-
Net assets		
Unrestricted	316,419	263,754
Temporarily restricted	<u>9,861</u>	<u>8,715</u>
Total net assets	<u>326,280</u>	<u>272,469</u>
Total liabilities and net assets	<u>\$ 446,577</u>	<u>\$ 363,782</u>

The accompanying notes are an integral part of this financial statement.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

STATEMENT OF ACTIVITIES

For the year ended June 30, 2004

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL MEMORANDUM ONLY</u>	
			<u>Year ended June 30, 2004</u>	<u>Year ended June 30, 2003</u>
REVENUES				
Grant appropriations	\$ -	\$ 1,465,630	\$ 1,465,630	\$ 1,059,259
Fees	-	-	-	2,397
Other	5,743	4,134	9,877	11,463
Net assets released from restrictions	<u>1,468,618</u>	<u>(1,468,618)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,474,361</u>	<u>1,146</u>	<u>1,475,507</u>	<u>1,073,119</u>
EXPENSES				
Personnel costs	849,446	-	849,446	569,815
Contractual services	142,397	-	142,397	69,676
Travel	104,100	-	104,100	119,009
Supplies	92,303	-	92,303	42,169
Occupancy	55,219	-	55,219	40,764
Printing and publications	64,314	-	64,314	26,171
Postage	24,760	-	24,760	21,252
Telephone	23,949	-	23,949	15,873
Insurance	12,320	-	12,320	13,215
Repairs and maintenance	14,089	-	14,089	6,229
Other	<u>38,799</u>	<u>-</u>	<u>38,799</u>	<u>82,584</u>
Total expenses	<u>1,421,696</u>	<u>-</u>	<u>1,421,696</u>	<u>1,006,757</u>
Increase (decrease) in net assets	52,665	1,146	53,811	66,362
Net assets, beginning of year	<u>263,754</u>	<u>8,715</u>	<u>272,469</u>	<u>206,107</u>
Net assets, end of year	<u>\$ 316,419</u>	<u>\$ 9,861</u>	<u>\$ 326,280</u>	<u>\$ 272,469</u>

The accompanying notes are an integral part of this financial statement.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

STATEMENT OF CASH FLOWS

For the year ended June 30, 2004

Increase (decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Increase in net assets		\$ 53,811
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation	\$ 3,280	
Changes in assets and liabilities:		
Increase in grants receivable	(131,186)	
Increase in other receivables	(29)	
Increase in accounts payable and accrued liabilities	14,003	
Increase in accrued vested leave payable	<u>14,981</u>	(<u>98,951</u>)
Net cash used in operating activities		(<u>45,140</u>)
Cash flows from investing activities		
Acquisition of property and equipment		(<u>8,736</u>)
Net cash used in investing activities		(<u>8,736</u>)
Net decrease in cash and cash equivalents		(53,876)
Cash and cash equivalents, beginning of year		<u>141,847</u>
Cash and cash equivalents, end of year		\$ <u>87,971</u>

The accompanying notes are an integral part of this financial statement.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

June 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Nature of Activities

Families Helping Families of Greater New Orleans is a non-profit corporation organized to assist and strengthen Louisiana families of individuals with special needs (disabilities) through a coordinated network of resources, support, and services with respect for the racial, ethnic and cultural diversity of families.

2. Presentation of Financial Statements

The corporation's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) as set forth in the Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-For-Profit Organizations". Accordingly, the net assets of the corporation are classified to present the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. There were no permanently restricted net assets.

Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

3. Property and Equipment

Families Helping Families of Greater New Orleans records property acquisitions at cost. Donated assets are recorded at estimated value at date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. The depreciation expense for the year ending June 30, 2004 was \$3,280.

It is the policy of the corporation to capitalize all property, furniture, and equipment with an acquisition cost in excess of \$5,000.

4. Revenue Recognition

For financial reporting, the corporation recognizes all contributed support as income in the period received. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Revenue Recognition - continued

expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as “net assets released from restrictions”.

Grant revenue is recognized as it is earned in accordance with approved contracts.

5. Cash Equivalents

For purposes of the Statement of Cash Flows, the corporation considers all demand deposits to be cash equivalents.

6. Receivables

The corporation considers accounts receivable to be fully collectible since the balance consists principally of payments due under governmental contracts. If amounts become uncollectible, they will be charged to operations when that determination is made.

7. 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 these estimates.

8. Fair Values of Financial Instruments

The carrying amounts of cash and cash equivalents reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

9. Memorandum Only Columns

Total columns are captioned “Memorandum Only” to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2004

NOTE B - GRANTS RECEIVABLE

The grants receivable at June 30, 2004 consist of the following:

U. S. Department of Education	\$ 85,255
Jefferson Parish Human Services Authority	36,819
Louisiana State University Medical Center	21,603
Louisiana State Planning Council on Developmental Disabilities	18,800
Louisiana Department of Health and Hospitals	144,334
Louisiana Department of Education	31,625
Louisiana Governor's Office of Disability Affairs	8,178
Jefferson Parish Public School System	<u>1,070</u>
	<u>\$ 347,684</u>

NOTE C- PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2004 consists of the following:

Office equipment	\$ 17,849
Less accumulated depreciation	<u>(9,356)</u>
	<u>\$ 8,493</u>

NOTE D - COMMITMENT

The corporation leases its administrative and program offices under various operating leases. The rental expenses totaled \$50,225 for the year ended June 30, 2004.

NOTE E - INCOME TAXES

The corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE F - BOARD OF DIRECTORS COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2004

NOTE G - ECONOMIC DEPENDENCY

The corporation is supported primarily through government grants passed through the State of Louisiana. The grant amounts are appropriated each year by the federal government. If significant budget cuts are effected at the federal level, the amount of the funds the Corporation 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 Corporation will receive in the next fiscal year. Approximately 99% of the Corporation's support for the year ended June 30, 2004, was received from these grants.

SUPPLEMENTAL INFORMATION

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS
COMBINED STATEMENT OF ACTIVITIES

For the year ended June 30, 2004

		LOUISIANA STATE PLANNING COUNCIL ON DEVELOPMENTAL DISABILITIES PARTNERS IN POLICYMAKING	LOUISIANA STATE PLANNING COUNCIL ON DEVELOPMENTAL DISABILITIES FAMILY RESOURCE CENTER	STATE OF LOUISIANA DEPARTMENT OF SOCIAL SERVICES CHILDREN'S SPECIAL HEALTH SERVICES	OFFICE OF MENTAL HEALTH FAMILY RESOURCE CENTER
REVENUES					
Grant appropriations	\$ 3,000	\$ 65,860	\$ 112,504	\$ 86,320	\$ 49,328
Other	<u>5,743</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>8,743</u>	<u>65,860</u>	<u>112,504</u>	<u>86,320</u>	<u>49,328</u>
EXPENSES					
Personal costs	12,818	3,399	59,096	69,583	8,170
Contractual services	-	8,350	3,070	-	37,637
Travel	3,656	49,804	1,145	1,316	-
Supplies	2,433	405	16,439	1,180	760
Occupancy	35	-	9,595	-	-
Printing and publications	393	1,767	3,756	150	1,162
Postage	750	320	3,330	36	1,046
Telephone	-	-	8,642	2	640
Insurance	275	-	4,119	-	602
Repairs and maintenance	1,717	-	1,330	76	948
Other	<u>7,814</u>	<u>7,423</u>	<u>417</u>	<u>-</u>	<u>-</u>
Total expenses	<u>29,891</u>	<u>71,468</u>	<u>110,939</u>	<u>72,343</u>	<u>50,965</u>
Increase (decrease) in net assets	(21,148)	(5,608)	1,565	13,977	(1,637)
Transfers to/from general	65,077	4,439	(1,565)	(13,977)	592
Capitalization of equipment	8,736	-	-	-	-
Net assets, beginning of year	<u>263,754</u>	<u>1,169</u>	<u>-</u>	<u>-</u>	<u>1,045</u>
Net assets, end of year	<u>\$ 316,419</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

COMBINED STATEMENT OF ACTIVITIES - CONTINUED

For the year ended June 30, 2004

	LOUISIANA STATE PLANNING COUNCIL ON DEVELOPMENTAL DISABILITIES VOCATIONAL REHAB	LOUISIANA STATE PLANNING COUNCIL ON DEVELOPMENTAL DISABILITIES STIPENDS	OFFICE OF CITIZENS WITH DEVELOPMENTAL DISABILITIES FAMILY RESOURCE CENTER	JEFFERSON PARISH HUMAN SERVICES AUTHORITY FAMILY RESOURCE CENTER
REVENUES				
Grant appropriations	\$ 21,874	\$ 11,125	\$ 65,000	\$ 60,000
Other	-	-	65	-
Total revenues	<u>21,874</u>	<u>11,125</u>	<u>65,065</u>	<u>60,000</u>
EXPENSES				
Personal costs	18,984	-	33,648	27,379
Contractual services	-	-	19	-
Travel	237	3,119	3,183	93
Supplies	1,060	-	5,027	3,594
Occupancy	-	-	6,788	5,108
Printing and publications	163	-	2,871	2,602
Postage	526	17	2,318	2,290
Telephone	269	-	783	606
Insurance	-	-	1,142	851
Repairs and maintenance	76	-	754	754
Other	-	7,993	711	138
Total expenses	<u>21,315</u>	<u>11,129</u>	<u>57,244</u>	<u>43,415</u>
Increase (decrease) in net assets	559	(4)	7,821	16,585
Transfers to/from general	(559)	4	(7,821)	(16,585)
Capitalization of equipment	-	-	-	-
Net assets, beginning of year	-	-	-	-
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS
COMBINED STATEMENT OF ACTIVITIES - CONTINUED**

For the year ended June 30, 2004

	<u>JEFFERSON PARISH HUMAN SERVICES AUTHORITY EMPOWERMENT PROGRAM</u>	<u>JEFFERSON PARISH HUMAN SERVICES AUTHORITY SELF-ADVOCACY</u>	<u>LOUISIANA DEPARTMENT OF HEALTH AND HOSPITAL BUREAU OF COMMUNITY SUPPORTS AND SERVICES</u>	<u>LOUISIANA STATE UNIVERSITY YOUTH LEADERSHIP FORUM</u>
REVENUES				
Grant appropriations	\$ 89,598	\$ 50,906	\$ 19,697	\$ 67,567
Other	<u>-</u>	<u>-</u>	<u>150</u>	<u>-</u>
Total revenues	<u>89,598</u>	<u>50,906</u>	<u>19,847</u>	<u>67,567</u>
EXPENSES				
Personal costs	41,380	41,524	6,486	32,344
Contractual services	32,466	112	155	4,875
Travel	1,878	2,089	-	13,691
Supplies	6,728	1,050	-	10,490
Occupancy	-	-	-	-
Printing and publications	892	264	574	2,175
Postage	525	332	-	1,151
Telephone	-	238	15	243
Insurance	-	-	-	1,267
Repairs and maintenance	-	-	-	132
Other	<u>778</u>	<u>4,873</u>	<u>60</u>	<u>1,374</u>
Total expenses	<u>84,647</u>	<u>50,482</u>	<u>7,290</u>	<u>67,742</u>
Increase (decrease) in net assets	4,951	424	12,557	(175)
Transfers to/from general	(4,951)	(424)	(12,557)	(305)
Capitalization of equipment	-	-	-	-
Net assets, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>480</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS
COMBINED STATEMENT OF ACTIVITIES - CONTINUED

For the year ended June 30, 2004

	<u>LOUISIANA DEPARTMENT OF EDUCATION IDEA - PART B DISCRETIONARY</u>	<u>LOUISIANA STATE PLANNING COUNCIL ON DEVELOPMENTAL DISABILITIES-YOUTH LEADERSHIP FORUM</u>	<u>UNIVERSITY OF NEW ORLEANS</u>	<u>LOUISIANA DEPARTMENT OF HEALTH AND HOSPITAL PART C EARLY INTERVENTION</u>
REVENUES				
Grant appropriations	\$ 49,500	\$ -	\$ -	\$ 309,737
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	49,500	-	-	309,737
EXPENSES				
Personal costs	21,211	-	-	166,587
Contractual services	1,800	-	-	43,820
Travel	3,775	-	-	4,546
Supplies	9,326	-	-	17,125
Occupancy	-	-	-	18,888
Printing and publications	10,214	-	-	28,710
Postage	416	-	-	3,474
Telephone	32	36	-	5,587
Insurance	-	-	-	16
Repairs and maintenance	100	-	-	6,979
Other	<u>730</u>	<u>-</u>	<u>-</u>	<u>342</u>
Total expenses	47,604	36	-	296,074
Increase (decrease) in net assets	1,896	(36)	-	13,663
Transfers to/from general	(1,896)	-	-	(4,927)
Capitalization of equipment	-	-	-	(8,736)
Net assets, beginning of year	<u>-</u>	<u>991</u>	<u>4,888</u>	<u>-</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ 955</u>	<u>\$ 4,888</u>	<u>\$ -</u>

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS
COMBINED STATEMENT OF ACTIVITIES - CONTINUED

For the year ended June 30, 2004

	STATE OF LOUISIANA GOVERNOR'S OFFICE OF DISABILITY AFFAIRS	JEFFERSON PARISH PUBLIC SCHOOL SYSTEM	LOUISIANA DEVELOPMENTAL DISABILITIES COUNSEL LIFE PROJECT	YOUTH LEADERSHIP FORUM
REVENUES				
Grant appropriations	\$ 35,586	\$ 7,919	\$ 10,540	\$ -
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,909</u>
Total revenues	35,586	7,919	10,540	3,909
EXPENSES				
Personal costs	32,187	635	6,245	-
Contractual services	-	6,593	-	-
Travel	651	-	471	-
Supplies	2,330	-	20	33
Occupancy	-	-	-	-
Printing and publications	171	-	9	-
Postage	-	2	24	-
Telephone	59	-	-	-
Insurance	-	-	-	-
Repairs and maintenance	188	-	85	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	35,586	7,230	6,854	33
Increase (decrease) in net assets	-	689	3,686	3,876
Transfers to/from general	-	(689)	(3,686)	-
Capitalization of equipment	-	-	-	-
Net assets, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>142</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,018</u>

**FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS
COMBINED STATEMENT OF ACTIVITIES - CONTINUED**

For the year ended June 30, 2004

	LOUISIANA DEPARTMENT OF EDUCATION LASIG	LOUISIANA STATE UNIVERSITY HEALTH SCIENCES CENTER OUTREACH PROJECT	TOTAL
REVENUES			
Grant appropriations	\$ 36,874	\$ 2,411	\$ 1,465,630
Other	-	-	<u>9,877</u>
Total revenues	<u>36,874</u>	<u>2,411</u>	<u>1,475,507</u>
EXPENSES			
Personal costs	28,131	2,282	849,446
Contractual services	500	-	142,397
Travel	1,092	-	104,100
Supplies	1,994	-	92,303
Occupancy	-	-	55,219
Printing and publications	18	-	64,314
Postage	45	63	24,760
Telephone	-	-	23,949
Insurance	-	-	12,320
Repairs and maintenance	-	-	14,089
Other	<u>4,990</u>	<u>-</u>	<u>38,799</u>
Total expenses	<u>36,770</u>	<u>2,345</u>	<u>1,421,696</u>
Increase (decrease) in net assets	104	66	53,811
Transfers to/from general	(104)	(66)	-
Capitalization of equipment	-	-	-
Net assets, beginning of year	<u>-</u>	<u>-</u>	<u>272,469</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326,280</u>

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2004

<u>PROGRAM</u>	<u>CFDA#</u>	<u>EXPENDITURES</u>
U.S. DEPARTMENT OF EDUCATION		
Project Prompt	84.328M	\$ 310,294
Funds passed through the Louisiana		
Department of Education:		
IDEA-Part B Set Aside	84.027A	47,604
LASIG	84.323A	<u>36,770</u>
Total U.S. Department of Education		<u>394,668</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN RESOURCES		
Funds passed through the		
Louisiana State Planning Council		
on Developmental Disabilities:		
Partners in Policymaking	93.630	65,860
Family Resource Center	93.630	112,504
Stipends	93.630	11,125
Vocational Rehabilitation	93.630	21,315
Youth Leadership Forum	93.630	36
Inclusive Education	93.630	3,000
Life Project	93.630	10,540
Funds passed through Louisiana Department		
of Health and Hospitals:		
Children's Special Health Services	93.994	86,320
OMH-FRC	93.958	49,328
OCDD-FRC	93.958	65,000
Bureau of Community Supports and Services	93.768	19,697
Part C Early Intervention	84.181A	304,810
Funds passed through Louisiana State		
University Health Development Center:		
Outreach Project	96.008	2,345
YLF Grant	84.324R	67,742
Funds passed through State of Louisiana		
Governor's Office of Disability Affairs:		
Youth Leadership Forum	93.630	<u>33,122</u>
Total U.S. Department of Health and		
Human Resources		<u>852,744</u>
Total Federal awards		\$ <u>1,247,412</u>

Notes to Schedule of Expenditures of Federal Awards

1. The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

FRANCIS J. CASCIIO, CPA
JAN E. DAVIS, CPA*
STEVEN A. SCHMIDT, CPA

MEMBERS:

AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS
*MEMBER TAX DIVISION
AMERICAN INSTITUTE OF 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**

Board of Directors
Families Helping Families of Greater New Orleans

We have audited the financial statements of Families Helping Families of Greater New Orleans as of and for the year ended June 30, 2004, and have issued our report thereon dated December 3, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Families Helping Families of Greater New Orleans' 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 provision 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 reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Families Helping Families of Greater New Orleans' 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 to 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 auditing 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.

This report is intended solely for the information and use of the audit committee, management, others within the organization, federal awarding agencies, the Louisiana Legislative Auditor, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Cascio, Davis & Schmidt, L.L.P.

Metairie, Louisiana
December 3, 2004

FRANCIS J. CASCIIO, CPA
JAN E. DAVIS, CPA*
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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
Families Helping Families of Greater New Orleans

Compliance

We have audited the financial statements of Families Helping Families of Greater New Orleans 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, 2004. Families Helping Families of Greater New Orleans' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Families Helping Families of Greater New Orleans' management. Our responsibility is to express an opinion on Families Helping Families of Greater New Orleans' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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 Families Helping Families of Greater New Orleans' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Families Helping Families of Greater New Orleans' compliance with those requirements.

In our opinion, Families Helping Families of Greater New Orleans 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, 2004.

Internal Control Over Compliance

The management of Families Helping Families of Greater New Orleans is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Families Helping Families of Greater New Orleans' internal control over compliance with requirements that could have a direct 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 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 weaknesses 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 solely for the information and use of the audit committee, management, others within the organization, federal awarding agencies, the Louisiana Legislative Auditor, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Cassio, Davis + Schmidt, LLP.

Metairie, Louisiana
December 3, 2004

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2004

A. SUMMARY OF THE AUDITOR'S RESULTS

1. An unqualified opinion was issued on the financial statements of the auditee.
2. The statement that reportable conditions in internal control were disclosed by the audit of the financial statements and whether such conditions were material weakness is not applicable.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of the auditee.
4. The statement that reportable conditions in internal control over major programs were disclosed by the audit and whether such conditions were material weakness is not applicable
5. An unqualified opinion was issued on compliance for major programs.
6. The audit disclosed no findings which are required to be reported under Section 501(a) of Circular A-133.
7. The major programs for the year ended June 30, 2004, were as follows:
 - U.S. Department of Education:
Project Prompt (CFDA #84.328M)

 - U. S. Department of Health and
Human Resources*
Part C Early Intervention (CFDA #84.181A)
8. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
9. The auditee did not qualify as a low-risk auditee.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2004

B. FINANCIAL STATEMENTS FINDINGS

There were no findings related to the financial statements for the year ended June 30, 2004.

C. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

There were not items identified in the course of our testing during the current year required to be reported.

D. STATUS OF PRIOR YEAR AUDIT FINDINGS

<u>Reportable conditions</u>	<u>Resolved</u>	<u>Unresolved</u>
1. Budget and Interim Financial Statements	X	