

**FAMILY SERVICE  
OF  
GREATER NEW ORLEANS  
  
FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION  
  
For the Years Ended June 30, 2011 and 2010**

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 **OCT 12 2011**

## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report .....	1
<b>Financial Statements:</b>	
Statements of Financial Position .....	3
Statements of Activities .....	4
Statements of Functional Expenses .....	6
Statements of Cash Flows .....	8
Notes to Financial Statements .....	9
<b>Supplementary Information:</b>	
Schedule of Expenditures of Federal Awards .....	20
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing</i> <i>Standards</i> .....	23
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	25
Schedule of Findings and Questioned Costs .....	27
Summary of Schedule of Prior Audit Findings .....	28



Carr, Riggs & Ingram, LLC  
3501 North Causeway Boulevard  
Suite 810  
Metairie, Louisiana 70002

(504) 837-9116  
(504) 837-0123 (fax)  
www.cricpa.com

## INDEPENDENT AUDITOR'S REPORT

President and Board of Directors  
Family Service of Greater New Orleans  
New Orleans, Louisiana

We have audited the accompanying Statement of Financial Position of Family Service of Greater New Orleans (a nonprofit organization) ("Family Service") as of June 30, 2011, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended. These financial statements are the responsibility of Family Service's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative financial information has been derived from Family Service's 2010 financial statements, which were audited by other auditors whose report dated September 30, 2010, expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Service of Greater New Orleans as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2011, on our consideration of Family Service's internal control over financial reporting, and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Family Service taken as a whole. 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.

*Carr, Riggs & Ingram, LLC*

September 16, 2011

**FAMILY SERVICE OF GREATER NEW ORLEANS**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2011 and 2010**

<b>ASSETS</b>		
	<b>2011</b>	<b>2010</b>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 207,841	\$ 206,728
Investments - certificates of deposit	39,856	38,588
Accounts receivable, net	412,268	393,488
Contributions receivable	506,934	548,300
Prepaid expenses	11,020	10,787
Deposits	7,148	7,148
Investment permanently restricted for Clinical Symposium	30,000	30,000
Cash equivalents restricted for permanent endowment	3,460	3,460
<b>Total Current Assets</b>	<b>1,218,527</b>	<b>1,238,499</b>
Equipment and leasehold improvements, net	15,852	32,111
<b>Total Assets</b>	<b>\$ 1,234,379</b>	<b>\$ 1,270,610</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 34,382	\$ 61,441
Accrued salaries	11,956	22,659
Accrued vacation	45,738	65,774
<b>Total Current Liabilities</b>	<b>92,076</b>	<b>149,874</b>
<b>Net Assets:</b>		
Unrestricted net assets	392,339	430,906
Temporarily restricted net assets	716,504	656,370
Permanently restricted net assets	33,460	33,460
<b>Total Net Assets</b>	<b>1,142,303</b>	<b>1,120,736</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,234,379</b>	<b>\$ 1,270,610</b>

See accompanying notes to financial statements.

**FAMILY SERVICE OF GREATER NEW ORLEANS**  
**STATEMENTS OF ACTIVITIES**  
**Year Ended June 30, 2011, with Comparative Totals for 2010**

	<u>Unrestricted</u>
<b>SUPPORT, REVENUE, GAINS AND LOSSES</b>	
Fees and grants from governmental agencies	\$ 1,581,310
United Way allocations and designations	11,397
Program service fees	267,531
Private grants	9,890
Contributions	69,724
Fund-raising revenue (net of \$62,159 and \$21,968 of expenses)	36,100
Miscellaneous revenue	16,467
Interest income	1,866
Net assets released from restrictions	689,072
	<u>2,683,357</u>
 <b>EXPENSES</b>	
Program services:	
At-risk children and youth	1,257,065
Counseling	1,070,765
Family and individual support	7,211
	<u>2,335,041</u>
Supporting services:	
Management and general	292,273
Development	94,610
	<u>386,883</u>
Total Expenses	<u>2,721,924</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(38,567)</b>
Net assets, beginning of year	430,906
Net assets, end of year	\$ 392,339

See accompanying notes to financial statements.

<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2011 Total</u>	<u>2010 Total</u>
\$ -	\$ -	\$ 1,581,310	\$ 1,552,251
506,934	-	518,331	566,216
-	-	267,531	257,744
166,000	-	175,890	98,152
70,000	-	139,724	82,703
5,000	-	41,100	58,231
-	-	16,467	2,423
1,272	-	3,138	6,670
<u>(689,072)</u>	-	-	-
<u>60,134</u>	-	<u>2,743,491</u>	<u>2,624,390</u>
-	-	1,257,065	1,420,171
-	-	1,070,765	1,038,600
-	-	<u>7,211</u>	<u>10,692</u>
-	-	<u>2,335,041</u>	<u>2,469,463</u>
-	-	292,273	273,308
-	-	<u>94,610</u>	<u>46,227</u>
-	-	<u>386,883</u>	<u>319,535</u>
-	-	<u>2,721,924</u>	<u>2,788,998</u>
60,134	-	21,567	(164,608)
<u>656,370</u>	<u>33,460</u>	<u>1,120,736</u>	<u>1,285,344</u>
<u>\$ 716,504</u>	<u>\$ 33,460</u>	<u>\$ 1,142,303</u>	<u>\$ 1,120,736</u>

**FAMILY SERVICE OF GREATER NEW ORLEANS**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2011, with Comparative Totals for 2010**

	Program Services			
	Counseling	At-Risk Children and Youth	Family and Individual Support	Total Program Services
Salaries	\$ 680,362	\$ 689,019	\$ 1,920	\$ 1,371,301
Employee benefits	48,543	47,268	38	95,849
Payroll taxes	67,475	80,265	47	147,787
<b>Total Employee Compensation</b>	<b>796,380</b>	<b>816,552</b>	<b>2,005</b>	<b>1,614,937</b>
Bad debt expense	-	-	4,721	4,721
Client assistance	1,689	214,302	-	215,991
Communications	16,935	25,450	18	42,403
Conferences and meetings	7,227	2,711	-	9,938
Depreciation and amortization	7,646	6,265	1	13,912
Dues and memberships	16,481	3,475	-	19,956
Equipment repairs and maintenance	12,875	11,523	14	24,412
Insurance	10,645	9,034	-	19,679
Interest expense	-	-	-	-
Miscellaneous	6	-	-	6
Occupancy	120,768	78,771	218	199,757
Postage and shipping	2,074	1,301	-	3,375
Printing and publications	2,915	7,746	2	10,663
Professional fees	48,219	50,791	9	99,019
Routine staff travel	7,621	6,502	208	14,331
Supplies	19,284	22,642	15	41,941
<b>Total Expenses</b>	<b>\$ 1,070,765</b>	<b>\$ 1,257,065</b>	<b>\$ 7,211</b>	<b>\$ 2,335,041</b>

See accompanying notes to financial statements.



**Supporting Services**

<u>Development</u>	<u>Management and General</u>	<u>Total Supporting Services</u>	<u>Total Program and Supporting Services Expenses</u>	
			<u>2011</u>	<u>2010</u>
\$ 67,149	\$ 186,769	\$ 253,918	\$ 1,625,219	\$ 1,806,867
3,615	53	3,668	99,517	127,034
5,694	18,342	24,036	171,823	178,320
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
76,458	205,164	281,622	1,896,559	2,112,221
-	-	-	4,721	360
-	884	884	216,875	87,834
881	1,639	2,520	44,923	68,288
1,862	9,417	11,279	21,217	7,838
665	1,682	2,347	16,259	29,937
658	2,477	3,135	23,091	2,174
1,846	5,432	7,278	31,690	34,596
934	2,706	3,640	23,319	24,679
-	341	341	341	502
-	7,259	7,259	7,265	5,556
6,140	18,657	24,797	224,554	233,699
162	447	609	3,984	5,390
1,878	203	2,081	12,744	20,694
1,613	34,172	35,785	134,804	98,120
11	3	14	14,345	14,233
1,502	1,790	3,292	45,233	42,877
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>\$ 94,610</u>	<u>\$ 292,273</u>	<u>\$ 386,883</u>	<u>\$ 2,721,924</u>	<u>\$ 2,788,998</u>

**FAMILY SERVICE OF GREATER NEW ORLEANS**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 21,567	\$ (164,608)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	16,259	29,937
(Increase) decrease in assets:		
Accounts receivable	(18,780)	(79,788)
Contribution receivable	41,366	-
Prepaid expenses and deposits	(233)	(5,465)
Increase (decrease) in liabilities:		
Accounts payable	(27,059)	(13,411)
Accrued salaries	(10,703)	2,183
Accrued vacation	(20,036)	3,576
	<u>2,381</u>	<u>(227,576)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in certificates of deposit	<u>(1,268)</u>	<u>(1,462)</u>
Net cash used for investing activities	<u>(1,268)</u>	<u>(1,462)</u>
Net increase (decrease) in cash and cash equivalents	1,113	(229,038)
Cash and cash equivalents, beginning of year	<u>210,188</u>	<u>439,226</u>
Cash and cash equivalents, end of year	<u><u>\$ 211,301</u></u>	<u><u>\$ 210,188</u></u>
<b>RECONCILIATION TO STATEMENTS OF FINANCIAL POSITION</b>		
Cash and cash equivalents	\$ 207,841	\$ 206,728
Cash restricted for permanent endowment	<u>3,460</u>	<u>3,460</u>
Total cash and cash equivalents	<u><u>\$ 211,301</u></u>	<u><u>\$ 210,188</u></u>

See accompanying notes to financial statements.

**FAMILY SERVICE OF GREATER NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011 and 2010**

**NOTE 1 - NATURE OF ACTIVITIES**

Family Service of Greater New Orleans ("Family Service"), a nonprofit organization, is a United Way agency and a member agency of the Alliance for Children and Families. Its mission is to strengthen the emotional health and foster the self-sufficiency of families and individuals. Family Service obtains the majority of its funding from governmental grants, private grants, and donor contributions.

Programs and services provided by Family Service are as follows:

**Counseling**

Group Counseling – Family Service offers a variety of group counseling programs for individuals or couples in need of guidance.

Child Abuse – Family Service provides intensive treatment and support services for families where abuse has been validated. Child abuse cases are referred to Family Service through the Office of Community Services.

Rivarde Detention Center – Family Service clinicians provide 24-hour counseling, suicide assessment, and support services for juveniles in the Rivarde Detention Center, which is located in Harvey, Louisiana.

Family Preservation – Intensive at-home counseling services are provided to families in crisis and at-risk of having their children removed from the home.

**Community Programs**

Families In Need Of Services (FINS) – A court-ordered program for juveniles in trouble with the law. The program requires counseling, participation in social work services, and drug testing. Monitors follow up with schools, parents, social services, and the courts to ensure that juveniles complete the program.

Anger Management – A program designed to help middle school youth ages 11 to 17 learn how to deal more effectively with violence.

Custody Evaluation – Helps parents and courts make custody decisions for children.

Hate Crimes Project – Assists with education and prevention of Hate Crimes throughout the New Orleans area by providing a 24 hour hotline as well as counseling and therapy for victims.

Victims of Crime (VOCA) – Family Service offers individual and support groups for victims of violence.

**FAMILY SERVICE OF GREATER NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2011 and 2010**

**NOTE 1 - NATURE OF ACTIVITIES (CONTINUED)**

Active Parenting – An educational support group designed to provide parents with children up to the age of 18 with parental advice.

Child-Adolescent Response Team (CART) – A program designed to provide crisis counseling and intervention to children, youth, and their immediate family. CART assists the family in the stabilization of their crisis and provides the family with advocacy, referral, and support.

Homelessness Prevention and Rapid Re-Housing Program (UNITY) – Family Service is in an agreement with UNITY of Greater New Orleans to provide financial assistance, housing and relocation assistance, and stabilization services to eligible participants.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Income Tax Status

Family Service is exempt from income tax under Section 501(c) (3) of the U. S. Internal Revenue Code and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Code.

The Organization's tax filings for the years prior to June 30, 2008 are no longer open for audit under statutes of limitations by the Internal Revenue Service. Management believes that all tax positions would be sustained if audited. There were no penalties or interest on income taxes incurred during the tax years ended June 30, 2011 or 2010.

Basis of Accounting

The financial statements of Family Service have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its FASB ASC Topic 958-205, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC Topic 958-205, net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Family Service and changes therein are classified and reported as follows:

Unrestricted Net Assets - Those net assets whose use is not restricted by donors.

Temporarily Restricted Net Assets - Those net assets whose use by Family Service has been limited by donors to later periods of time or after specified dates, or to specific purposes.

**FAMILY SERVICE OF GREATER NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2011 and 2010**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Permanently Restricted Net Assets - Those net assets that must be maintained in perpetuity due to donor-imposed restrictions that will neither expire with the passage of time nor be removed by meeting certain requirements.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with Family Service's financial statements for the year ended June 30, 2010, from which the summarized information was derived.

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, Family Service considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

It is the policy of Family Service to report receivables at net realizable value estimating the allowance for uncollectible accounts based on prior experience and current economic conditions. The allowance for doubtful accounts for accounts receivable was \$0 and \$279 at June 30, 2011 and 2010, respectively. Family Service charges off uncollectible accounts receivable when management determines the receivable will not be collected.

Investments

Family Service records its investments in accordance with FASB ASC Topic 958-320, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under FASB ASC Topic 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the changes in unrestricted or temporarily restricted net assets, depending on whether or not there are donor-imposed restrictions on the gains and losses.

Equipment and Leasehold Improvements

Equipment and leasehold improvements greater than \$1,000 are capitalized at their purchase price, or, in the case of a contributed asset, at the estimated fair market value at the date of receipt.

**FAMILY SERVICE OF GREATER NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2011 and 2010**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Depreciation is computed using the straight-line method over the following estimated lives:

Equipment	5 years
Leasehold improvements	10 years

Under certain cost reimbursement contracts with the State of Louisiana, Family Service is allowed to purchase equipment over \$1,000, subject to the provision that upon the termination of the contract this equipment may be claimed by the state. As a result, in conformity with the contract provisions, Family Service has expensed these items in the year of the purchase since the contracts terminate within one (1) to two (2) years. No equipment has been purchased under these cost reimbursement contracts for the years ended June 30, 2011 and 2010.

Contributions

In accordance with FASB ASC Topic 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to Family Service that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, Family Service reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Family Service reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Contributed Services

Family Service recognizes contributed services at their fair value if the services have value to the organization and requires specialized skills, are provided by individuals possessing those skills, and would have been purchased if not provided by contributors. There were no contributed services requiring such skills during the years ended June 30, 2011 and 2010.

**FAMILY SERVICE OF GREATER NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2011 and 2010**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among programs and supporting services benefited.

Advertising

Advertising costs are expensed as incurred. Advertising expenses for the years ended June 30, 2011 and 2010 totaled \$52,351 and \$45,999, respectively.

Use of Estimates

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

Subsequent Events

Subsequent events have been evaluated through September 16, 2011, the date the financial statements were available to be issued.

Reclassification

Certain amounts in the 2010 financial statements have been reclassified to conform to the 2011 presentation.

**NOTE 3 - CASH**

Family Service maintains cash balances at four (4) financial institutions. Accounts at each are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at June 30, 2011 and 2010. Additionally, in accordance with the Dodd-Frank Insurance Provision, non-interest bearing transaction accounts are fully insured by the FDIC. Total uninsured cash balances at June 30, 2011 and 2010 were \$0 and \$125,439, respectively. Money market accounts are included as cash and cash equivalents in the accompanying Statements of Financial Positions.

**FAMILY SERVICE OF GREATER NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2011 and 2010**

**NOTE 4 - LINE OF CREDIT**

Family Service has entered into a financing agreement that matures annually with a commercial bank to borrow funds for operations. At June 30, 2011 and 2010, Family Service had a line of credit available totaling \$100,000 and \$50,000, respectively. There were no borrowings on the line of credit during the years ended June 30, 2011 and 2010.

**NOTE 5 - FAIR VALUE MEASUREMENTS**

Family Service utilizes fair value measurements to record fair value adjustments to certain financial assets and to determine fair value disclosures. Certificates of deposit are recorded at fair value on a recurring basis.

Family Service uses a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

Level 1 - Observable inputs such as quoted prices in active markets.

Level 2 - Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly.

Level 3 - Unobservable inputs for which there is little or no market data, which require Family Service to develop its own assumptions.

For assets that are measured at fair value on a recurring basis in periods after initial recognition, there were no transfers between Level 1 and 2, or transfers into and out of Level 3 during the years ended June 30, 2011 or 2010. If such transfers were to occur, they would be recognized as of the actual date of the event.

A description of valuation methodologies used for assets recorded at fair value is as follows (no changes in the years ended June 30, 2011 or 2010):

*Certificates of deposit* are valued at cost plus any interest accrued or earned which estimates fair value.

As required by FASB ASC Topic 820, at June 30, 2011 and 2010, Family Service's portfolio investments were classified as follows, based on fair values:

	2011	2010
Level 1		
Certificates of Deposit	\$ -	\$ -
Level 2		
Certificates of Deposit	69,856	68,588
Level 3	-	-
Total investments	\$ 69,856	\$ 68,588



**FAMILY SERVICE OF GREATER NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2011 and 2010**

**NOTE 5 – FAIR VALUE MEASUREMENTS (CONTINUED)**

The amortized cost and fair values of investment securities available for sale at June 30, 2011 and 2010 are as follows:

	2011			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Certificates of deposit (L1)	\$ 69,856	\$ -	\$ -	\$ 69,856
Total	\$ 69,856	\$ -	\$ -	\$ 69,856

	2010			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Certificates of deposit (L1)	\$ 68,588	\$ -	\$ -	\$ 68,588
Total	\$ 68,588	\$ -	\$ -	\$ 68,588

**NOTE 6 - CONTRIBUTIONS RECEIVABLE**

The contributions receivable at June 30, 2011 and 2010 are categorized by source as follows:

	2011	2010
United Way allocations	\$ 506,934	\$ 548,300
Total	\$ 506,934	\$ 548,300

This amount is receivable in less than one year.

No discount or allowance for uncollectible amounts has been recorded for these items because management considers all amounts to be collectible and any discount or allowance to be insignificant.

**FAMILY SERVICE OF GREATER NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2011 and 2010**

**NOTE 7 - EQUIPMENT AND LEASEHOLD IMPROVEMENTS**

Equipment and leasehold improvements consist of the following:

	2011	2010
Equipment	\$ 362,409	\$ 362,409
Leasehold improvements	155,686	155,686
Less: Accumulated depreciation and amortization	(502,243)	(485,984)
Total	\$ 15,852	\$ 32,111

Depreciation expense for the years ended June 30, 2011 and 2010 totaled \$16,259 and \$29,937, respectively.

**NOTE 8 - RETIREMENT PLAN**

Family Service offers a defined contribution retirement plan for full-time employees over 21 years old having at least one (1) year of service. Contributions to the plan are at the discretion of the Board of Directors. The amounts in a participant's account are 100% vested upon the attainment of the employee's normal retirement age or, if earlier, upon meeting the applicable vesting requirements listed below.

<u>Years of Vesting Service</u>	<u>Vesting Percentage</u>
Less than 2	0
2	20
3	50
4	75
5	100

Defined contribution retirement plan expense for the years ended June 30, 2011 and 2010 totaled \$24,413 and \$38,314, respectively.

**NOTE 9 - COMMITMENTS**

Family Service conducted its operations at four (4) locations in the Metropolitan New Orleans Area for the years ended June 30, 2011 and 2010. There is currently one (1) office in Orleans Parish (Canal Street), one (1) office in East Jefferson, one (1) office in West Jefferson, and one (1) office in St. Bernard Parish. The locations have operating leases expiring through fiscal year 2014.

**FAMILY SERVICE OF GREATER NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2011 and 2010**

**NOTE 9 – COMMITMENTS (CONTINUED)**

Rental expense for occupancy amounted to \$213,721 and \$208,929 for the years ended June 30, 2011 and 2010, respectively. In addition, Family Service has five (5) 60-month operating leases for copy machines and one (1) 60-month operating lease for a fax machine. Rental payments under these leases were \$17,863 and \$21,372 for the years ended June 30, 2011 and 2010, respectively.

Future minimum commitments under all operating lease agreements are as follows:

2012	\$192,451
2013	146,329
2014	73,469
2015	1,320
2016	<u>220</u>
	<u>\$ 413,789</u>

**NOTE 10 - CONCENTRATIONS**

Family Service received \$518,331 and \$566,216 from the United Way of Greater New Orleans during fiscal years 2011 and 2010, respectively. These contributions represent 18% and 21% of total support and revenue for the years ended June 30, 2011 and 2010, respectively.

At June 30, 2011 and 2010, Family Service had a contributions receivable from the United Way totaling \$506,934 and 548,300, which represents 42% and 44% of total assets, respectively.

Approximately 56% and 18% of Family Service's revenues for the year ended June 30, 2011 came from fees and grants from governmental agencies and allocations from the United Way, respectively. Approximately 59% and 22% of Family Service's revenues for the year ended June 30, 2010 came from fees and grants from governmental agencies and allocations from the United Way, respectively.

**NOTE 11 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<u>2011</u>	<u>2010</u>
Counseling Program Activities:		
United Way	\$ 506,934	\$ 548,300
Carter Foundation	42,324	32,800
Incourage	35,828	-
Azby Foundation	30,000	20,000
Harper/Gittinger Foundation – CMHC	25,909	21,624
Booth-Bricker Mental Health in Charter Schools	19,135	-
Patrick F. Taylor	19,070	-

**FAMILY SERVICE OF GREATER NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2011 and 2010**

**NOTE 11 - TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)**

	2011	2010
Hope Oil Spill Disaster Mental Health	\$ 18,501	\$ -
Kiwanis St. Bernard	7,033	-
Blue Cross Blue Shield LA – CMHC	2,189	11,481
Murray Foundation	-	2,500
<b>Fundraising and Development:</b>		
Azby Foundation	1,916	12,000
<b>Clinical Symposium</b>	<b>7,665</b>	<b>7,665</b>
<b>Total temporarily restricted net assets</b>	<b>\$ 716,504</b>	<b>\$ 656,370</b>

The following temporarily restricted net assets were released from restrictions during 2011 and 2010 due to the satisfaction of donor restrictions:

	2011	2010
<b>Counseling Program Activities:</b>		
United Way	\$ 548,300	\$ 564,332
Carter Foundation	30,476	7,200
Hope Oil Spill Disaster Mental Health	25,899	-
Harper/Gittinger Foundation – CMHC	21,315	3,932
Azby Foundation	20,000	-
Blue Cross Blue Shield LA – CMHC	9,292	13,519
Kiwanis St. Bernard	7,967	-
Booth-Bricker Mental Health in Charter Schools	5,865	-
Murray Foundation	2,500	14,625
Patrick F. Taylor	930	-
Incourage	172	-
Jr. League of New Orleans	-	1,789
GNOF – Children Mental Health Center	-	150,799
CVS Community Grant	-	2,000
<b>Fundraising and Development:</b>		
Azby Foundation	15,084	-
<b>Time-Restricted Activities:</b>		
Other	1,272	1,473
<b>Total temporarily restricted assets released from restrictions</b>	<b>\$ 689,072</b>	<b>\$ 759,669</b>

**FAMILY SERVICE OF GREATER NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2011 and 2010**

**NOTE 12 - PERMANENTLY RESTRICTED NET ASSETS**

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is restricted as follows:

	<u>2011</u>	<u>2010</u>
Clinical Symposium	\$ 30,000	\$ 30,000
Capital Campaign contributions	<u>3,460</u>	<u>3,460</u>
Total permanently restricted net assets	<u>\$ 33,460</u>	<u>\$ 33,460</u>

For each of the years ended June 30, 2011 and 2010, the associated assets are included on the Statement of Financial Position as cash equivalents restricted for permanent endowment in the amount of \$3,460 and investments in certificates of deposit in the amount of \$30,000, respectively.

**NOTE 13 - BOARD OF DIRECTORS COMPENSATION**

The Board of Directors of Family Service serves and directs the organization on a voluntary basis. The Board does not receive compensation.

## **SUPPLEMENTAL INFORMATION**

**FAMILY SERVICE OF GREATER NEW ORLEANS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2011**

Federal Grantor Pass-through Grantor Additional Pass-through Grantor Federal CFDA Program Title <u>Family Service of Greater New Orleans Program Title</u>	Federal CFDA or Other Identifying Number	<u>Federal Expenditures</u>
<b>Department of Health and Human Services</b>		
Passed through Louisiana Department of Social Services		
Community-Based Child Abuse Prevention Grants	93.590	
Active Parenting Program		\$ 22,500
Foster Care - Title IV-E	93.658	
Foster Care (TIPS) - ARRA		5,715
<i>Total Department of Health and Human Services</i>		<u>\$ 28,215</u>
<b>Department of Justice</b>		
Passed through Louisiana Commission on Law Enforcement		
Crime Victim Assistance (1)	16.575	
Domestic Violence Counseling Program		\$ 64,095
Hate Crimes Counseling Program		23,421
Victims Assistance Program		32,892
Victim Outreach Program		26,644
Child Sexual Abuse Counseling Program		<u>10,896</u>
		157,948
Passed through Jefferson Children's Advocacy Center		
Child Abuse Counseling Program - ARRA (1)	16.801	
		<u>2,244</u>
<i>Total Department of Justice</i>		<u>\$ 160,192</u>
<b>Department of Labor</b>		
Passed through Tulane University		
WIA Youth Activities	17.259	
Youth Services - ARRA		<u>\$ 11,560</u>
<i>Total Department of Labor</i>		<u>\$ 11,560</u>

**FAMILY SERVICE OF GREATER NEW ORLEANS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
 Year Ended June 30, 2011**

Federal Grantor Pass-through Grantor Additional Pass-through Grantor Federal CFDA Program Title <u>Family Service of Greater New Orleans Program Title</u>	Federal CFDA or Other Identifying <u>Number</u>	<u>Federal          Expenditures</u>
<b>Department of Housing and Urban Development</b>		
Passed through Unity of Greater New Orleans		
Homelessness Prevention and Rapid Re-Housing Program - ARRA	(2) 14.257	\$ 341,585
<i>Total Department of Housing and Urban Development</i>		<u>\$ 341,585</u>
<i>Total Expenditures of Federal Awards</i>		<u>\$ 541,552</u>

(1) This program is excluded from coverage under OMB Circular A-133.

(2) This program is considered a "major" program under OMB Circular A-133.



**FAMILY SERVICE OF GREATER NEW ORLEANS**  
**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2011**

**NOTE 1** - 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.



Carr, Riggs & Ingram, LLC  
3501 North Causeway Boulevard  
Suite 810  
Metairie, Louisiana 70002

(504) 837-9116  
(504) 837-0123 (fax)  
www.cricpa.com

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

*Independent Auditor's Report*

President and Board of Directors  
Family Service of Greater New Orleans  
New Orleans, Louisiana

We have audited the financial statements of Family Service of Greater New Orleans (a non-profit organization) ("Family Service") as of and for the year ended June 30, 2011, and have issued our report thereon dated September 16, 2011. We conducted our audit in accordance with generally accepted auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Family Service's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Family Service's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Family Service's internal control over financial reporting.

*A deficiency in internal control exists* when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Family Service's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Operations and Administrative Committee, the Board of Directors, and others within the organization, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, LLC*

September 16, 2011



Carr, Riggs & Ingram, LLC  
3501 North Causeway Boulevard  
Suite 810  
Metairie, Louisiana 70002

(504) 837-9116  
(504) 837-0123 (fax)  
www.cricpa.com

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

*Independent Auditor's Report*

President and Board of Directors  
Family Service of Greater New Orleans  
New Orleans, Louisiana

Compliance

We have audited Family Service of Greater New Orleans's (a non-profit organization) ("Family Service") compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Family Service's major federal programs for the year ended June 30, 2011. Family Service's 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 Family Service's management. Our responsibility is to express an opinion on Family Service's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards 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 Family Service'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 on Family Service's compliance with those requirements.

In our opinion, Family Service complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

## Internal Control over Compliance

Management of Family Service 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 Family Service's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Family Service's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Operations and Administrative Committee, the Board of Directors, and others within the organization, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, LLC*

September 16, 2011

**FAMILY SERVICE OF GREATER NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of Family Service of Greater New Orleans.
2. No control deficiencies were discovered during the audit of the financial statements.
3. There were no instances of noncompliance material to the financial statements of Family Service of Greater New Orleans disclosed during the audit.
4. There were no instances of noncompliance relating to the audit of the major federal award program reported in the *Report on Compliance With Requirements Applicable to each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133*.
5. The *Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133* expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The program tested as a major program was:

CFDA #14.257 Homelessness Prevention and Rapid Re-Housing
8. The threshold used to distinguish between Type A and Type B programs was \$300,000.
9. Family Service of Greater New Orleans did not qualify as a low risk auditee.

**FAMILY SERVICE OF GREATER NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**For the Year Ended June 30, 2011**

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

There were no material weaknesses or significant deficiencies in internal control noted for the year ended June 30, 2011.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

There were no findings related to federal awards for the year ended June 30, 2011.

**D. PRIOR AUDIT FINDINGS - FINANCIAL STATEMENTS AUDIT**

**SIGNIFICANT DEFICIENCY**

2010-1 FINANCIAL STATEMENT PREPARATION (Repeat Finding)

Observation:

As is common with similar sized not-for-profit entities, Family Service of Greater New Orleans appears to have limited ability to produce a complete set of financial statements and footnotes in compliance with accounting principles generally accepted in the United States of America (GAAP).

Recommendation:

We recommend that management continue to strive to gain the necessary expertise to prepare comprehensive financial statements in compliance with GAAP.

Management's Corrective Action Plan:

Basic financial reports are prepared monthly for management and Board, but are not prepared in the format, and do not include all of the notes, etc., required by GAAP. As noted above, Family Service, as is common with similar sized not-for-profit entities, has limited ability to produce a complete set of financial statements and footnotes in compliance with GAAP. Management plans to do its best to better prepare comprehensive financial statements in compliance with GAAP.

**E. PRIOR FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

There were no findings related to federal awards for the year ended June 30, 2010.