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**GULF COAST TEACHING
FAMILY SERVICES, INC.
(A NONPROFIT ORGANIZATION)**

**FINANCIAL REPORT AND
SUPPLEMENTARY INFORMATION**

June 30, 2004 and 2003

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 2/2/05

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, 2004 and 2003, and the related statements of activities and cash flows for the years then ended and the statement of functional expenses for the year ended June 30, 2004. 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 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. 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, 2004 and 2003, and the changes in its net assets and its cash flows for the years 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 our report dated December 22, 2004, on our consideration of Gulf Coast Teaching Family Services, Inc.'s 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 performed for the purpose of forming an opinion on the basic financial statements of Gulf Coast Teaching Family Services, Inc. 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.

Bernard + Franks

December 22, 2004

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

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2004 AND 2003

ASSETS	2004	2003
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,452,913	\$ 602,077
Investment securities	123,932	123,176
Receivables:		
Program	3,067,162	2,433,424
Allowance for doubtful accounts	(300,000)	(195,000)
Other receivables	21,757	19,204
Total receivables	2,788,919	2,257,628
Prepaid expenses	189,481	158,344
Total current assets	\$ 5,555,245	\$ 3,141,225
PROPERTY AND EQUIPMENT - AT COST		
Land	\$ 247,360	\$ 247,360
Building and improvements	1,021,978	983,170
Software	169,540	130,268
Leasehold improvements	98,706	93,466
Furniture and equipment	822,260	699,825
Transportation equipment	141,176	112,166
Leased equipment under capitalized leases	13,783	13,783
	2,514,803	2,280,038
Less accumulated depreciation and amortization	(1,202,033)	(1,007,001)
	\$ 1,312,770	\$ 1,273,037
DEPOSITS	\$ 7,790	\$ 7,790
 Total assets	 \$ 6,875,805	 \$ 4,422,052

See Notes to Financial Statements.

LIABILITIES AND NET ASSETS	<u>2004</u>	<u>2003</u>
CURRENT LIABILITIES		
Notes payable	\$ 62,083	\$ 61,334
Current portion of mortgage notes payable	40,432	43,871
Accounts payable	494,234	495,612
Accrued liabilities	<u>1,826,144</u>	<u>998,457</u>
 Total current liabilities	 <u>\$ 2,422,893</u>	 <u>\$ 1,599,274</u>
 LONG-TERM LIABILITIES, LESS CURRENT PORTION		
Mortgage notes payable	<u>\$ 384,557</u>	<u>\$ 423,711</u>
 COMMITMENTS AND CONTINGENCIES		
	<u>\$ -</u>	<u>\$ -</u>
 UNRESTRICTED NET ASSETS		
	<u>\$ 4,068,355</u>	<u>\$ 2,399,067</u>
 Total liabilities and net assets	 <u><u>\$ 6,875,805</u></u>	 <u><u>\$ 4,422,052</u></u>

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

STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2004 AND 2003

UNRESTRICTED NET ASSETS

	2004	2003
REVENUE, GAINS, AND SUPPORT:		
Grants and fees for services	\$ 25,097,418	\$ 19,838,785
Donations	336,724	292,032
Interest income	9,529	1,363
Other income	5,999	31,863
	\$ 25,449,670	\$ 20,164,043
 EXPENSES:		
PROGRAM SERVICES:		
Community group homes	\$ 570,725	\$ 532,619
Foster Care/Professional Care	1,451,758	1,533,703
Personal care attendants	8,027,632	5,203,604
Supervised independent living	5,563,714	4,369,294
Respite services	1,155,309	3,141,095
Others, in total	1,526,119	1,238,681
Homeless/Housing	1,308,961	602,547
Elderly Services	151,813	131,106
	\$ 19,756,031	\$ 16,752,649
ADMINISTRATIVE AND GENERAL	\$ 3,760,943	\$ 2,904,171
Fund raising	263,408	232,667
	\$ 23,780,382	\$ 19,889,487
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	\$ 1,669,288	\$ 274,556
NET ASSETS, BEGINNING OF YEAR	2,399,067	2,124,511
NET ASSETS, END OF YEAR	\$ 4,068,355	\$ 2,399,067

See Notes to Financial Statements.

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

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2004

	Program Services				
	<i>Community Group Homes</i>	<i>Professional/ Foster Care</i>	<i>Personal Care Attendants</i>	<i>Supervised Independent Living</i>	<i>Respite Services</i>
Salaries and wages	\$ 246,986	\$ 366,518	\$ 6,718,862	\$ 4,524,077	\$ 876,121
Severance package	-	-	-	-	-
Employee benefits	7,151	9,553	67,440	50,290	15,410
Payroll taxes	18,759	27,499	525,137	349,740	67,096
Workmen's compensation	8,157	12,443	220,636	148,941	32,747
Total payroll cost	<u>281,053</u>	<u>416,013</u>	<u>7,532,075</u>	<u>5,073,048</u>	<u>991,374</u>
Office supplies	1,117	1,995	17,396	14,620	3,942
Advertising	-	3,224	5,057	4,231	1,029
Bad debts	19,226	1,420	109,911	89,014	41,842
Telephone	2,532	5,827	29,126	25,096	9,552
Training	1,017	3,128	19,098	16,245	6,250
Travel	2,941	18,463	109,921	129,337	19,335
HUD supporting services	-	-	-	-	-
Professional services	1,132	-	-	31,252	1,440
Insurance	27,913	-	-	2,347	-
Repairs and maintenance	10,096	455	15,393	10,319	4,676
Depreciation	22,219	-	3,278	1,239	-
Interest	10,007	-	-	-	-
Lease expense	-	7,408	83,729	48,773	21,621
Client needs	27,320	26,906	1,841	25,875	3,611
Room and board	-	273,717	-	-	4,125
Contractual services	-	660,814	-	-	-
Utilities	15,887	872	12,355	1,784	3,707
Consultants	12,617	-	4,530	6,123	2,295
Computer expenses	-	-	3,059	2,739	-
Recognition expense	-	2,692	16,020	10,174	2,784
Care facilities fees	50,398	-	-	-	-
Rental expense	-	-	-	-	-
Food	45,769	-	-	-	-
Life skills training	-	-	-	-	-
Medical supplies	2,418	45	12,963	6,772	1,731
Others, in total	<u>37,063</u>	<u>28,779</u>	<u>51,880</u>	<u>64,726</u>	<u>35,995</u>
Total direct expenses	<u>\$ 570,725</u>	<u>\$ 1,451,758</u>	<u>\$ 8,027,632</u>	<u>\$ 5,563,714</u>	<u>\$ 1,155,309</u>
Administrative & general allocated	\$ 96,551	\$ 269,580	\$ 1,413,562	\$ 949,924	\$ 214,964

Program Services				Supporting Services			GRAND TOTALS
<i>Housing/ Homeless</i>	<i>Elderly Services</i>	<i>Other Programs</i>	Total Program Services	Administrative and General	Fund Raising	Total Supporting	
\$ 498,564	\$ 122,443	\$ 872,971	\$ 14,226,542	\$ 1,770,366	\$ 60,752	\$ 1,831,118	\$ 16,057,660
-	-	-	-	473,148	-	473,148	473,148
16,203	910	21,749	188,706	29,625	2,653	32,278	220,984
37,196	9,685	67,051	1,102,163	122,458	4,338	126,796	1,228,959
16,351	4,125	28,839	472,239	46,576	2,045	48,621	520,860
568,314	137,163	990,610	15,989,650	2,442,173	69,788	2,511,961	18,501,611
7,730	742	6,286	53,828	82,301	6,130	88,431	142,259
-	264	3,077	16,882	8,608	141,817	150,425	167,307
-	-	2,309	263,722	685	-	685	264,407
18,153	1,094	19,065	110,445	63,019	1,441	64,460	174,905
2,348	1,258	8,906	58,250	31,777	-	31,777	90,027
26,715	3,618	150,065	460,395	20,360	1,377	21,737	482,132
98,802	-	-	98,802	-	-	-	98,802
7,375	-	44,596	85,795	259,358	1,081	260,439	346,234
-	-	25,409	55,669	110,412	-	110,412	166,081
2,240	361	4,574	48,114	34,111	1,025	35,136	83,250
5,502	-	20,873	53,111	141,164	608	141,772	194,883
-	-	8,539	18,546	10,661	-	10,661	29,207
-	1,805	18,207	181,543	306,139	-	306,139	487,682
317,380	1,697	177,091	581,721	-	-	-	581,721
10,966	-	2,934	291,742	-	-	-	291,742
-	-	6,426	667,240	-	-	-	667,240
-	704	4,353	39,662	15,874	-	15,874	55,536
22,255	-	-	47,820	-	-	-	47,820
24,338	-	2,257	32,393	32,358	422	32,780	65,173
-	-	549	32,219	30,760	340	31,100	63,319
-	-	-	50,398	-	-	-	50,398
128,381	-	-	128,381	1,307	-	1,307	129,688
-	-	-	45,769	-	-	-	45,769
53,695	-	-	53,695	-	-	-	53,695
-	518	285	24,732	-	-	-	24,732
14,767	2,589	29,708	265,507	169,876	39,379	209,255	474,762
<u>\$ 1,308,961</u>	<u>\$ 151,813</u>	<u>\$ 1,526,119</u>	<u>\$ 19,756,031</u>	<u>\$ 3,760,943</u>	<u>\$ 263,408</u>	<u>\$ 4,024,351</u>	<u>\$ 23,780,382</u>
\$ -	\$ 22,315	\$ 243,838	\$ 3,210,734	\$ 551,310	\$ 22,099	\$ 573,409	\$ 3,784,143

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

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2004 AND 2003

	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in unrestricted net assets	\$ 1,669,288	\$ 274,556
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities:		
Depreciation	195,032	176,551
Changes in assets and liabilities:		
(Increase) decrease in program receivables	(528,738)	(290,392)
(Increase) decrease in other receivables	(2,553)	6,475
(Increase) decrease in prepaid expenses	(31,137)	(30,658)
Increase (decrease) in accounts payable and accrued liabilities	826,309	130,510
Net cash provided by operating activities	\$ 2,128,201	\$ 267,042
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in investment securities, net	\$ (756)	\$ (1,240)
Purchases of property and equipment	(234,765)	(90,112)
Deposits (made) returned	-	4,059
Net cash used in investing activities	\$ (235,521)	\$ (87,293)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	\$ 289,771	\$ 109,134
Principal payments made on notes payable	(139,022)	(100,196)
Principal payments on mortgage notes payable	(192,593)	(31,006)
Net cash used in financing activities	\$ (41,844)	\$ (22,068)
Net increase (decrease) in cash and cash equivalents	\$ 1,850,836	\$ 157,681
Cash and cash equivalents, beginning of year	602,077	444,396
Cash and cash equivalents, end of year	\$ 2,452,913	\$ 602,077
 SUPPLEMENTAL DISCLOSURES OF CASH INFORMATION		
Cash paid for:		
Interest	\$ 28,571	\$ 42,685

See Notes to Financial Statements.

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004 and 2003

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:

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

Professional Care Program - This program provides foster homes in the community for abused, neglected or troubled children and adolescents, emotionally disturbed children and children and adults with physical and/or mental disabilities. This program also locates and serves runaways and homeless youth through prevention, crisis intervention and follow up services.

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.

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 their special needs.

Housing/Homeless – Supportive Housing and services to assist the homeless transition into temporary housing and later to permanent housing. Services include but are not limited to assistance in finding housing, acquiring necessary furnishings, integration into the community and establishing community supports. Management Information Systems are also established and maintained for present and future assistance to the homeless.

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004 and 2003

Note 1 – ORGANIZATION (Continued)

Elderly – This type of service covers all needs of the elderly such as general hygiene needs, assisting with grocery shopping, meal planning and preparation, teaching and assisting with activities, finding resources and encouraging interactions with other persons with similar interest.

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.

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, 2004 and 2003, 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.

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004 and 2003

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2004 and 2003.

Actual billing adjustments and bad debts, if any, are charged to the specific fund or programs as determined. Bad debt expense for the years ended June 30, 2004 and 2003 was \$264,407 and \$256,686, respectively.

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 \$195,032 and \$176,551 for the years ended June 30, 2004 and 2003, respectively.

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004 and 2003

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

Expenses are charged to each program directly when the charge is identified to the program. Program expenditures which cannot be directly identified to a program are allocated based on square footage, usage statistics and ratio of program payroll expenses to total payroll expenses as appropriate. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide the overall support and direction of the Center.

For management analysis purposes, the Organization allocated administrative costs of the central and regional offices in the amount of \$3,210,734 and \$2,526,809 to the various programs it administered during the years ended June 30, 2004 and 2003, respectively. The allocation is based on proportion of direct program cost to total direct program costs. These allocated costs are included in Administrative and General expenses in the Statement of Activities.

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004 and 2003

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and HUD 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, 2004 in-kind services provided as match were \$33,631 in Lafayette and \$37,531 in Houma. During the year ended June 30, 2004, in-kind services provided as match were \$147,485 for the HUD program. During the year ended June 30, 2003, in-kind services provided as match were \$32,266 in Lafayette and \$25,177 in Houma. During the year ended June 30, 2003, in-kind services provided as match were \$8,678 for the HUD program.

Note 3 - INVESTMENT SECURITIES

Investment securities at June 30, 2004 and 2003 consist of the following:

	<u>2004</u>	<u>2003</u>
Mutual Fund – U.S. Government Obligations Fund	\$ <u>123,932</u>	\$ <u>123,176</u>

Cost and fair market value are the same at June 30, 2004 and 2003.

These funds earned approximately \$876 and \$1,363 and incurred expenses of approximately \$58 and \$123 for the years ended June 30, 2004 and 2003, respectively.

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004 and 2003

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, 2004 and 2003:

	2004	2003
U.S. Department of Health and Human Services	\$ 101,640	\$ ---
Medicaid	2,012,246	1,540,423
U.S. Department of Housing and Urban Development	172,920	69,852
State of Louisiana:		
Department of Public Safety and Corrections	39,497	61,652
Office of Mental Health	139,585	210,817
Office of Community Services	408,266	395,152
Office of Citizens with Developmental Disabilities	20,879	35,296
Louisiana Rehabilitation Services	39,572	24,110
Department of Health & Hospitals CAHSD	16,440	9,356
Office of Youth Development	63,336	---
Other:		
Capital Area Agency on Aging	22,044	27,270
Private	3,960	22,658
JPHSA	26,361	36,423
Various	416	415
Subtotal	\$ 3,067,162	\$ 2,433,424
Less: Allowance for Doubtful Accounts	(300,000)	(195,000)
Total, net	\$ 2,767,162	\$ 2,238,424

Note 5 - NOTES PAYABLE

Notes payable consist of the following at June 30, 2004:

Note payable to Cannanwill, Inc. dated 2-16-2004 in the original amount of \$139,771 and payable in nine monthly payments of \$15,521. Note bears interest at 5.5%.

Final payment due 11-14-2004. \$ 62,083

Notes payable consist of the following at June 30, 2003:

Note payable to Cannanwill, Inc. dated 3-12-2003 in the original amount of \$109,134 and payable in nine monthly payments of \$12,438. Note bears interest at 6.14%.

Final payment due 11-12-2003. \$ 61,334

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004 and 2003

Note 6 – ADDITIONAL BREAKDOWN OF PROGRAM AND OPERATING EXPENSES

For reporting purposes, the Organization has separated two additional Program Groups, Homeless/Housing and Elderly Services, which in the past were included with in the Other Program grouping. In addition, the Organization has separated its Fund Raising expenses from Administrative and general for the current reporting period.

Note 7 - MORTGAGE NOTES PAYABLE

Mortgage notes payable consist of the following at June 30, 2004:

	<u>Current</u>	<u>Long-term</u>
Note payable to Hibernia National Bank, dated October 21, 2003 in the original amount of \$150,000 and payable in 59 monthly installments of \$1,252 with a final payment of \$114, 923 due October 21, 2008. Note bears interest at the rate of 5.75 percent.	\$ 6,832	\$ 138,826
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 4.9%. Note is secured by real estate having an appraisal value of \$648,000.	<u>33,600</u>	<u>245,731</u>
Total	<u>\$ 40,432</u>	<u>\$ 384,557</u>

Mortgage notes payable consist of the following at June 30, 2003:

	<u>Current</u>	<u>Long-term</u>
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 was due July 2012. Paid off in 2003.	\$ 10,320	\$ 123,160

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004 and 2003

Note 7 - MORTGAGE NOTES PAYABLE (Continued)

	<u>Current</u>	<u>Long-term</u>
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. Paid off in 2003.	1,651	21,266
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>31,900</u>	<u>279,285</u>
Total	<u>\$ 43,871</u>	<u>\$ 423,711</u>

The maturities for the mortgage notes payable are as follows:

Year Ending June 30:

2005	<u>\$ 40,432</u>
2006	\$ 42,235
2007	44,663
2008	162,828
2009	40,800
Thereafter	<u>94,031</u>
Total	<u>\$ 384,557</u>

Interest expense for the years ended June 30, 2004 and 2003 amounted to \$28,571 and \$42,685, respectively.

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004 and 2003

Note 8 - ACCRUED LIABILITIES

Accrued liabilities consist of the following at June 30, 2004 and 2003:

	<u>2004</u>	<u>2003</u>
Accrued salaries and payroll taxes	\$ 708,055	\$ 465,221
Refunds due State of Louisiana	157,087	195,871
Compensated absences	426,330	333,534
Other	61,524	3,831
Severance package	<u>473,148</u>	<u>---</u>
Total	<u>\$ 1,826,144</u>	<u>\$ 998,457</u>

Severance Package

The Organization has signed a severance agreement with its former Executive Director. The Agreement calls for an initial payment of \$60,000 and a monthly payment of \$4,231 from January, 2004 until October, 2008. The Agreement has been recorded as expense for the current year and the related liability has been recorded at its net present value as of June 30, 2004.

Due to State of Louisiana

This liability is being paid off monthly by offsetting current amounts due from the State against the liability.

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004 and 2003

Note 9 - COMMITMENTS

The Organization leases facilities and equipment under operating leases expiring through the year 2011. Rental expense related to these leases was \$481,846 and \$440,818 for the years ended June 30, 2004 and 2003, respectively. Minimum future rental payments due under these leases as of June 30, 2004 are as follows:

Year Ending <u>June 30,</u>	<u>All Renewed</u>	<u>Non-Cancelable</u>
2005	\$ 453,000	\$ 285,000
2006	463,000	296,000
2007	473,000	305,000
2008	483,000	305,000
2009	<u>483,000</u>	<u>305,000</u>
Total	<u>\$ 2,355,000</u>	<u>\$ 1,496,000</u>

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

Note 10 - 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.

Note 11 - 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.

GULF COAST TEACHING FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004 and 2003

Note 11 - UNEMPLOYMENT INSURANCE FUND (Continued)

Actual payments to the State for Unemployment benefits paid totaled \$46,126 in 2004 and \$50,963 in 2003.

All known claims as of June 30, 2004 have been recorded in the financial statements. The fund balance of the Unemployment Insurance Fund totaled \$65,539 and \$64,787 as of June 30, 2004 and 2003, respectively. The Unemployment Insurance Fund balance is included in unrestricted net assets for financial statement presentation.

Note 12 - 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 13 - 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.

Note 14 - LINE OF CREDIT

The Organization signed a Line of Credit Agreement on July 1, 2004 with a local national bank. The agreement has a principal amount of \$750,000, a maturity date of July 1, 2005, and a variable interest rate equal to the Wall Street Journal Prime Rate. Any loans against the line will be secured by a Security Agreement that includes most of the Organization's assets. The agreement also calls for several financial covenants and ratio requirements. There were no outstanding loans against the line at June 30, 2004. Fees of \$7,500 each year were paid to secure the agreement in 2004 and 2003.

SUPPLEMENTARY INFORMATION



BERNARD & FRANKS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

NICHOLAS F. CHETTA, C.P.A.

NICHOLAS W. LAFRANZ III, C.P.A.

JAMES L. WHITE, C.P.A.

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 contained on pages 19 to 38 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 22, 2004

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

**SCHEDULE 1 - COMBINED STATEMENT OF REVENUES
AND EXPENSES BY COST REPORT GROUPING
YEARS ENDED JUNE 30, 2004 AND 2003**

	2004	2003
REVENUE		
Programs	\$ 25,097,418	\$ 19,838,785
Donations	336,724	292,032
Interest income	9,529	1,363
Other income	5,999	31,863
	<u>\$ 25,449,670</u>	<u>\$ 20,164,043</u>
 EXPENSES:		
Administrative and general	\$ 9,253,299	\$ 7,573,181
Plant operation and maintenance	138,782	131,459
Cost related to capital assets	843,370	782,485
Dietary, laundry, and linen	68,200	60,769
Housekeeping	9,361	10,180
Personal client needs	642,660	291,166
Therapeutic and training	12,711,540	10,915,869
Medical and nursing	24,827	17,531
Recreational	40,368	74,766
Consultants	47,975	32,081
	<u>\$ 23,780,382</u>	<u>\$ 19,889,487</u>
 INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS		
	<u>\$ 1,669,288</u>	<u>\$ 274,556</u>

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND
 YEAR ENDED JUNE 30, 2004

	Community Group Homes				Foster Care			
	Trappey Community Home	Spain Street Community Home New Orleans Provider # 1716928	Randy Dumas extra rate New Orleans	Subtotal Community Group Homes	Regular Foster Care Baton Rouge TIPS #02008014	Department of Corrections Lafayette	Department of Corrections Houma	Department of Corrections New Orleans DOC #403-581 R4
Administrative and general	\$ 105,393	\$ 133,184	\$ 4,422	\$ 242,999	\$ 59,943	\$ 25,743	\$ 450	\$ 603
Plant operation and capital asset costs	22,878	35,967	-	58,845	1,432	2,737	-	-
Dietary, laundry & linen, and housekeeping	41,149	20,127	-	61,276	-	33	-	-
Personal client needs	27,363	6,227	-	33,590	5,653	2,933	-	-
Medical and nursing	2,048	370	-	2,418	45	-	-	-
Therapeutic and training	78,905	59,902	17,199	156,006	189,542	41,923	-	-
Recreational	2,151	823	-	2,974	117	15	-	-
Consultants	4,303	8,314	-	12,617	-	-	-	-
subtotal programs	\$ 284,190	\$ 264,914	\$ 21,621	\$ 570,725	\$ 256,732	\$ 73,384	\$ 450	\$ 603
subtotal administrative and general	41,989	50,445	4,117	96,551	48,865	10,842	83	115
Administrative costs - allocated	\$ 326,179	\$ 315,359	\$ 25,738	\$ 667,276	\$ 305,597	\$ 84,226	\$ 533	\$ 718
Totals								

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 2004

		Foster Care							
	Forever Families New Orleans TIPS #	Regular Foster Care Lafayette TIPS #	Regular Foster Care Houma TIPS #	Regular Foster Care New Orleans TIPS #	Substitute Family Care New Orleans #	Diagnostic & Assessment Program New Orleans		Subtotal Foster Care	
Administrative and general	\$ 122,520	\$ 24,918	\$ 49,231	\$ 145,513	\$ 123	\$ 2,073	\$	\$ 431,117	
Plant operation and capital asset costs	-	4,492	75	-	-	-	-	8,736	
Dietary, laundry & linen, and housekeeping	13	-	-	-	-	-	-	46	
Personal client needs	4,207	1,580	3,135	9,398	-	-	-	26,906	
Medical and nursing	-	-	-	-	-	-	-	45	
Therapeutic and training	275,071	34,840	86,313	298,122	19,855	38,320		983,986	
Recreational	272	28	77	288	-	-		797	
Consultants	-	-	125	-	-	-		125	
subtotal programs	\$ 402,083	\$ 65,858	\$ 138,956	\$ 453,321	\$ 19,978	\$ 40,393	\$	\$ 1,451,758	
subtotal administrative and general	76,565	9,731	25,562	86,321	3,804	7,692		269,580	
Administrative costs - allocated	\$ 478,648	\$ 75,589	\$ 164,518	\$ 539,642	\$ 23,782	\$ 48,085	\$	\$ 1,721,338	
Totals									

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 2004

	Personal Care Attendant									
	LRS Personal Care Attendant Hourna	LRS Personal Care Attendant Baton Rouge	Personal Care Attendant Orleans Provider #1910686	Special Personal Care Attendant Waiver Baton Rouge	Personal Care Attendant PCS Baton Rouge	Personal Care Attendant Baton Rouge Provider #1912913	Personal Care Attendant Houma Provider #1935166	Personal Care Attendant Lafayette Provider #1910384		
Administrative and general	\$ 528	\$ 229	\$ 215,838	\$ 18,533	\$ 47	\$ 234,512	\$ 267,082	\$ 188,759		
Plant operation and capital asset costs	-	-	-	3	-	4,988	34,647	26,514		
Dietary, laundry & linen, and housekeeping	-	-	-	-	-	-	2,858	196		
Personal client needs	-	-	474	-	-	-	503	-		
Medical and nursing	-	-	959	81	-	1,046	4,222	2,467		
Therapeutic and training	-	1,910	1,429,921	88,694	2,075	1,052,717	1,232,700	897,701		
Recreational	-	-	17	-	-	323	-	3,654		
Consultants	-	-	-	400	-	1,292	-	871		
subtotal programs	\$ 528	\$ 2,139	\$ 1,647,209	\$ 107,711	\$ 2,122	\$ 1,294,878	\$ 1,542,012	\$ 1,120,162		
subtotal administrative and general	97	407	313,662	20,501	404	246,458	283,675	165,504		
Administrative costs - allocated	\$ 625	\$ 2,546	\$ 1,960,871	\$ 128,212	\$ 2,526	\$ 1,541,336	\$ 1,825,687	\$ 1,285,666		
Totals										

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 2004

	Personal Care Attendant									
	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	OCDD Personal Care Attendant Respite Houma	Tramautic Head & Spinal Cord Injuries Houma	Personal Care Attendant Living Baton Rouge	Personal Care Attendant Supervised Independent	Personal Care Attendant Hammond	
Administrative and general	\$ 75,510	\$ 504	\$ 194,513	\$ 82,458	\$ 6,731	\$ 27,091	\$ 12,635	\$ -		
Plant operation and capital asset costs	7,560	-	23,143	11,814	-	-	832	-		
Dietary, laundry & linen, and housekeeping	-	-	898	85	-	-	-	-		
Personal client needs	-	-	175	6	-	-	628	-		
Medical and nursing	117	-	3,182	664	-	56	16	-		
Therapeutic and training	216,707	3,860	760,379	659,206	10,337	49,319	29,417	114		
Recreational	(100)	-	-	-	-	-	74	-		
Consultants	-	-	1,230	-	-	54	-	-		
subtotal programs	\$ 299,794	\$ 4,364	\$ 983,520	\$ 754,233	\$ 17,068	\$ 76,520	\$ 43,602	\$ 114		
subtotal administrative and general	45,539	831	95,562	192,502	3,140	14,076	8,299	11		
Administrative costs - allocated	\$ 345,333	\$ 5,195	\$ 1,079,082	\$ 946,735	\$ 20,208	\$ 90,596	\$ 51,901	\$ 125		
Totals										

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 2004

	Personal Care Attendant											
	Traumatic Head & Spinal Cord Injuries Lake Charles		Personal Care Attendant Supervised Independent Living Hammond		Crisis Intervention Houma		Traumatic Head & Spinal Cord Injury Lafayette		Personal Care Attendant Supervised Independent Living Houma		Personal Care Attendant Supervised Independent Living Lafayette	
Administrative and general	\$ 2,615	\$ 469	\$ 540	\$ 7,553	\$ 20,655	\$ 5,524	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ -
Plant operation and capital asset costs	3,272	-	-	2,131	-	-	-	-	-	-	-	-
Dietary, laundry & linen, and housekeeping	-	-	-	-	-	-	-	-	-	-	-	-
Personal client needs	-	-	-	-	-	-	-	-	-	-	-	-
Medical and nursing	-	-	-	-	153	-	-	-	-	-	-	-
Therapeutic and training	6,312	10,303	-	31,722	34,898	1,984	361	159	-	-	-	-
Recreational	-	-	-	-	200	-	-	-	-	-	-	-
Consultants	-	-	-	-	683	-	-	-	-	-	-	-
subtotal programs	\$ 12,199	\$ 10,772	\$ 540	\$ 41,406	\$ 56,589	\$ 7,508	\$ 364	\$ 159	\$ -	\$ -	\$ -	\$ -
subtotal administrative and general	2,991	1,047	99	6,118	10,775	1,381	54	25	-	-	-	-
Administrative costs - allocated	\$ 15,190	\$ 11,819	\$ 639	\$ 47,524	\$ 67,364	\$ 8,889	\$ 418	\$ 184	\$ -	\$ -	\$ -	\$ -
Totals												

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 2004

	Personal Care Attendant		Supervised Independent Living				Supervised Independent Living Title	Supported Living Program
	LRS-Personal Care Attendant New Orleans	Subtotal Personal Care Attendant	OMR Apartment Lafayette	Independent Living Program Lafayette	Independent Living Program Houma	Supervised Independent Living Lake Charles	XIX Baton Rouge Provider #1912930	Houma MH-98-3S-507
Administrative and general	\$ 73	\$ 1,362,402	\$ 60,440	\$ 82,310	\$ 46,234	\$ 73,308	\$ 207,854	\$ 71,541
Plant operation and capital asset costs	-	114,904	1,252	100	1,195	6,694	2,484	-
Dietary, laundry & linen, and housekeeping	-	4,037	-	3	1,101	38	-	-
Personal client needs	-	1,786	2,053	1,563	148	103	3,430	69
Medical and nursing	-	12,963	-	-	-	783	410	-
Therapeutic and training	2,046	6,522,842	805	18,549	8,893	272,731	660,201	795
Recreational	-	4,168	893	366	5,454	160	888	78
Consultants	-	4,530	-	-	1,170	-	-	-
subtotal programs	\$ 2,119	\$ 8,027,632	\$ 65,443	\$ 102,891	\$ 64,195	\$ 353,817	\$ 875,267	\$ 72,483
subtotal administrative and general	404	1,413,562	9,669	15,202	11,809	94,743	166,592	13,334
Administrative costs - allocated	\$ 2,523	\$ 9,441,194	\$ 75,112	\$ 118,093	\$ 76,004	\$ 448,560	\$ 1,041,859	\$ 85,817
Totals								

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 2004

	Supervised Independent Living										
	Supervised Independent Living Program Title XIX Houma Provider #1930377	Independent Living Program Title XIX New Orleans Provider #1910708	Supervised Independent Living Program Title XIX Lafayette Provider #1910392	Supervised Independent Living Program Title XIX Alexandria Provider #1690520	Supportive Living New Orleans DHH/OCDD 5516/000198	Supervised Independent Living Title XIX Hammond Provider #1690104	Non Medicaid Supervised Independent Living New Orleans Vendor #263	Resettlement Apt Support Houma MH98- 3S-704			
Administrative and general	\$ 47,080	\$ 156,938	\$ 228,891	\$ 443,116	\$ 740	\$ 29,950	\$ 2,373	\$ 30,412			
Plant operation and capital asset costs	-	7	19,014	28,026	-	3,851	-	-			
Dietary, laundry & linen, and housekeeping	13	3	876	869	-	179	-	-			
Personal client needs	101	922	2,386	3,867	9,656	1,009	473	581			
Medical and nursing	103	610	1,407	3,403	-	56	-	-			
Therapeutic and training	57,090	614,635	609,755	1,637,328	265	27,200	5,068	21,806			
Recreational	-	338	6,296	2,282	-	-	-	-			
Consultants	-	650	-	4,260	-	43	-	-			
subtotal programs	\$ 104,387	\$ 774,103	\$ 868,625	\$ 2,123,151	\$ 10,661	\$ 62,288	\$ 7,914	\$ 52,799			
subtotal administrative and general	19,203	147,405	128,339	319,436	2,030	6,052	1,507	9,713			
Administrative costs - allocated	\$ 123,590	\$ 921,508	\$ 996,964	\$ 2,442,587	\$ 12,691	\$ 68,340	\$ 9,421	\$ 62,512			
Totals											

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 2004

	Supervised Independent Living										Respite		
	VR-PCA Baton Rouge	Subtotal Supervised Independent Living	Respite New Orleans Provider #1910694	River Parish Respite Houma	Rouge Provider #1912921	Respite Baton Rouge Provider #1935158	Respite Houma Provider #1935158	Emergency Respite Jefferson Parish JPHSA #242	Respite Lafayette Provider #1934119				
Administrative and general	\$ 9,030	\$ 1,490,217	\$ 60,952	\$ 2,761	\$ 52,739	\$ 57,587	\$ 23,117	\$ 42,244					
Plant operation and capital asset costs	-	62,623	-	-	2,529	8,120	-	7,553					
Dietary, laundry & linen, and housekeeping	-	3,082	-	-	-	790	-	-					
Personal client needs	-	26,361	-	3,530	-	-	24	-					
Medical and nursing	-	6,772	218	-	181	398	91	360					
Therapeutic and training	16,660	3,951,781	197,950	4,787	108,461	99,098	24,998	101,462					
Recreational	-	16,755	-	6,440	167	-	-	-					
Consultants	-	6,123	-	-	217	-	-	-					
subtotal programs	\$ 25,690	\$ 5,563,714	\$ 259,120	\$ 17,518	\$ 164,294	\$ 165,993	\$ 48,230	\$ 151,619					
subtotal administrative and general	4,890	949,924	49,342	3,222	31,270	30,536	9,184	22,402					
Administrative costs - allocated	\$ 30,580	\$ 6,513,638	\$ 308,462	\$ 20,740	\$ 195,564	\$ 196,529	\$ 57,414	\$ 174,021					
Totals													

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 2004

	Respite									
	Respite Alexandria Provider #1690511	CAHSD B. Sullivan Baton Rouge	Respite Hammond Provider #1690091	Respite Lake Charles Provider #1984213	Respite Care In Home New Orleans DHH/OCDD 55423/000147	Respite Private Houma 55118/060202	Respite Houma DHH/OCDD 55118/060202	S.F. Respite Doris Houma		
Administrative and general	\$ 27,852	\$ 716	\$ 36,900	\$ 19,058	\$ 24,963	\$ 1,103	\$ 464	\$ 765		
Plant operation and capital asset costs	3,522	-	6,565	2,566	-	-	-	-		
Dietary, laundry & linen, and housekeeping	-	-	239	-	-	-	-	-		
Personal client needs	-	-	-	-	-	-	-	-		
Medical and nursing	-	-	392	-	91	-	-	-		
Therapeutic and training	52,592	5,286	42,817	45,268	26,908	-	5,843	1,315		
Recreational	(100)	-	-	-	41	-	-	-		
Consultants	-	-	168	-	-	-	-	-		
subtotal programs	\$ 83,866	\$ 6,002	\$ 87,081	\$ 66,892	\$ 52,003	\$ 1,103	\$ 6,307	\$ 2,080		
subtotal administrative and general	12,697	1,142	8,461	27,063	9,902	203	1,160	383		
Administrative costs - allocated	\$ 96,563	\$ 7,144	\$ 95,542	\$ 93,955	\$ 61,905	\$ 1,306	\$ 7,467	\$ 2,463		
Totals										

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 2004

	Respite		Homeless/Housing				
	Camp Nuff Hourma	Subtotal Respite	Basis Center Hourma	HUD The Network Hourma	HUD Moving Upward Hourma	Bridge the Gap Hourma HUD LA48B	
Planned Crisis Respite							
New Orleans Provider # 1910694							
Administrative and general	\$ 3,952	\$ 373,323	\$ 95,634	\$ 116,160	\$ 208,161	\$ 8,367	
Plant operation and capital asset costs	-	30,971	-	7,952	36,190	4,957	
Dietary, laundry & linen, and housekeeping	-	1,177	134	-	-	-	
Personal client needs	47	3,658	54,313	30,781	64,707	7,859	
Medical and nursing	-	1,731	-	-	-	-	
Therapeutic and training	4,125	732,166	6,991	-	758	7,261	
Recreational	(500)	9,988	-	-	-	-	
Consultants	-	2,295	19,650	2,005	-	-	
subtotal programs	\$ 7,624	\$ 1,155,309	\$ 176,722	\$ 156,898	\$ 309,816	\$ 28,444	
subtotal administrative and general	1,452	214,964	-	-	-	-	
Administrative costs - allocated							
Totals	\$ 9,076	\$ 1,370,273	\$ 176,722	\$ 156,898	\$ 309,816	\$ 28,444	

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 2004

	Homeless/Housing					Elderly Services		
	Transitional Living Program Houma	Vision HUD Houma	HUD Service Net Baton Rouge	Vision II Houma	Subtotal Homeless/Housing	Service for the Elderly Baton Rouge	Service for the Elderly Hammond	Service for the Elderly Houma
Administrative and general	\$ 130,927	\$ 105,220	\$ 3,075	\$ 90,693	\$ 758,237	\$ 23,579	\$ 20,361	\$ 7,339
Plant operation and capital asset costs	40,688	17,283	-	29,053	136,123	278	2,818	-
Dietary, laundry & linen, and housekeeping	-	-	-	-	134	-	155	3
Personal client needs	131,931	27,461	-	54,031	371,083	1,541	-	156
Medical and nursing	-	-	-	-	-	153	365	-
Therapeutic and training	3,975	-	-	2,144	21,129	37,548	45,568	11,919
Recreational	-	-	-	-	-	-	-	-
Consultants	600	-	-	-	22,255	-	30	-
subtotal programs	\$ 308,121	\$ 149,964	\$ 3,075	\$ 175,921	\$ 1,308,961	\$ 63,099	\$ 69,297	\$ 19,417
subtotal administrative and general	-	-	-	-	-	-	-	-
Administrative costs - allocated	-	-	-	-	-	12,010	6,733	3,572
Totals	\$ 308,121	\$ 149,964	\$ 3,075	\$ 175,921	\$ 1,308,961	\$ 75,109	\$ 76,030	\$ 22,989

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 2004

	Other Programs										
	Subtotal Elderly Services	OMH (closed) Lafayette	Private Contracts Lake Charles	Rehab-Option Lafayette	Crisis Respite New Orleans	Vocational Rehabilitation LRS Lafayette	OMH Drop In Houma	OCDD S. Burton New Orleans			
Administrative and general	\$ 51,279	\$ 263	\$ -	\$ (2,051)	\$ 25,591	\$ 260	\$ 497	\$ -			
Plant operation and capital asset costs	3,096	-	1,792	-	-	-	137	-			
Dietary, laundry & linen, and housekeeping	158	-	-	-	-	-	-	-			
Personal client needs	1,697	-	-	-	489	-	-	708			
Medical and nursing	518	-	-	-	91	-	-	-			
Therapeutic and training	95,035	-	-	-	38,223	-	-	-			
Recreational	-	-	-	-	3,599	-	-	-			
Consultants	30	-	-	-	-	-	-	-			
subtotal programs	\$ 151,813	\$ 263	\$ 1,792	\$ (2,051)	\$ 67,993	\$ 260	\$ 634	\$ 708			
subtotal administrative and general	22,315	39	499	(303)	12,947	38	117	135			
Administrative costs - allocated	\$ 174,128	\$ 302	\$ 2,291	\$ (2,354)	\$ 80,940	\$ 298	\$ 751	\$ 843			
Totals											

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 2004

	Other Programs									
	Comprehensive Child Services Lafayette	Family Intervention New Orleans	OCDD Family Support New Orleans	Private Contracts Baton Rouge	Transportation Lafayette	Hospital Diversion Lafayette	Multi System Lafayette	OCS Parent Training Lafayette		
Administrative and general	\$ 217,257	\$ 129	\$ -	\$ 375	\$ 651	\$ 239,741	\$ 2,520	\$ 18,893		
Plant operation and capital asset costs	325	-	-	-	-	4,430	-	439		
Dietary, laundry & linen, and housekeeping	-	-	-	-	-	30	-	-		
Personal client needs	60,035	2,979	1,961	-	3,516	2,428	72	511		
Medical and nursing	-	-	-	-	-	-	-	-		
Therapeutic and training	14,114	924	-	16	-	145	5,232	-		
Recreational	173	-	-	-	-	-	-	-		
Consultants	-	-	-	-	-	-	-	-		
subtotal programs	\$ 291,904	\$ 4,032	\$ 1,961	\$ 391	\$ 4,167	\$ 246,774	\$ 7,824	\$ 19,843		
subtotal administrative and general	43,129	768	373	75	616	36,461	1,156	2,932		
Administrative costs - allocated	\$ 335,033	\$ 4,800	\$ 2,334	\$ 466	\$ 4,783	\$ 283,235	\$ 8,980	\$ 22,775		
Totals										

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 2004

	Other Programs										
	Summer Camp Lafayette	Florida Blvd Building Central	Positive Youth Development Training Lafayette	Supportive Employment Program Alexandria	Supportive Employment Program Baton Rouge	Supportive Employment Lafayette	Private Contracts Lafayette	Foster Parent Training Lafayette			
Administrative and general	\$ 16,470	\$ 34,208	\$ 3,258	\$ 312	\$ 1,160	\$ (29)	\$ 4	\$ 11,589			
Plant operation and capital asset costs	-	29,394	-	-	-	-	-	439			
Dietary, laundry & linen, and housekeeping	1,015	295	-	-	-	-	-	-			
Personal client needs	13,707	-	-	-	-	-	-	-			
Medical and nursing	-	-	-	-	-	-	-	-			
Therapeutic and training	8,143	-	-	113	-	-	16	-			
Recreational	-	-	-	-	-	-	-	-			
Consultants	-	-	-	-	-	-	-	-			
subtotal programs	\$ 39,335	\$ 63,897	\$ 3,258	\$ 425	\$ 1,160	\$ (29)	\$ 20	\$ 12,028			
subtotal administrative and general											
Administrative costs - allocated	5,812	5,295	481	65	221	(4)	3	1,777			
Totals	\$ 45,147	\$ 69,192	\$ 3,739	\$ 490	\$ 1,381	\$ (33)	\$ 23	\$ 13,805			

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 2004

Other Programs

	VR Lake Charles	The Casey Family Baton Rouge	Adult Day Habilitation Baton Rouge	Family Reservation Houma	Outside Training Baton Rouge	DOC Tracker Plus Lafayette	Tracker Baton Rouge	DOC Tracker Plus Hammond
Administrative and general	\$ 8,646	\$ 2,168	\$ 20,421	\$ 83,539	\$ 1,419	\$ 137,718	\$ 50,504	\$ 29,571
Plant operation and capital asset costs	-	3	1,499	4,525	-	4,466	35	5,221
Dietary, laundry & linen, and housekeeping	-	-	6	-	-	-	-	102
Personal client needs	-	-	108	218	-	-	-	-
Medical and nursing	-	-	21	-	-	-	173	-
Therapeutic and training	541	9,360	286	-	-	53,279	233	40,422
Recreational	-	-	1,589	-	-	-	-	-
Consultants	-	-	-	-	-	-	-	-
subtotal programs	\$ 9,187	\$ 11,531	\$ 23,930	\$ 88,282	\$ 1,419	\$ 195,463	\$ 50,945	\$ 75,316
subtotal administrative and general	3,702	2,195	4,554	16,240	270	28,880	9,697	7,318
Administrative costs - allocated	\$ 12,889	\$ 13,726	\$ 28,484	\$ 104,522	\$ 1,689	\$ 224,343	\$ 60,642	\$ 82,634
Totals								

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 2004

	Other Programs									
	DOC Tracker Hourna	DOC Tracker Lake Charles	DOC Tracker New Orleans	Youth Transition Mentor Hourna	Youth Transition Mentor Lafayette	Scribe Hourna	Scribe THSCI Hourna	Private Contract Alexandria		
Administrative and general	\$ 44,505	\$ 28,832	\$ 56,201	\$ 520	\$ 4,390	\$ 6	\$ 56	\$ 595		
Plant operation and capital asset costs	-	153	-	-	-	-	-	4,135		
Dietary, laundry & linen, and housekeeping	3	-	-	54	12	-	-	-		
Personal client needs	-	-	936	-	-	-	-	-		
Medical and nursing	-	-	-	-	-	-	-	-		
Therapeutic and training	27,882	25,657	4,230	-	83	34	-	11,567		
Recreational	-	-	220	-	-	-	-	-		
Consultants	-	-	-	-	-	-	-	-		
subtotal programs	\$ 72,390	\$ 54,642	\$ 61,587	\$ 574	\$ 4,485	\$ 40	\$ 56	\$ 16,297		
subtotal administrative and general	13,333	14,271	11,727	105	663	7	10	2,453		
Administrative costs - allocated										
Totals	\$ 85,723	\$ 68,913	\$ 73,314	\$ 679	\$ 5,148	\$ 47	\$ 66	\$ 18,750		

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 2004

	Other Programs					Fund Raising		
	Educational & Training Lafayette	OMH Flex Fund Houma	Education & Training Houma	Subtotal Other Programs	Subtotal Programs	Enterprise Central	Bonne Terre Houma	Subtotal Fund Raising
Administrative and general	\$ 3,451	\$ -	\$ 492	\$ 1,044,132	\$ 5,753,706	\$ 258,891	\$ 2,695	\$ 261,586
Plant operation and capital asset costs	-	-	-	56,993	472,291	1,687	-	1,687
Dietary, laundry & linen, and housekeeping	-	-	-	1,517	71,427	135	-	135
Personal client needs	35,137	37,294	16,992	177,091	642,172	-	-	-
Medical and nursing	-	-	-	285	24,732	-	-	-
Therapeutic and training	20	-	-	240,520	12,703,465	-	-	-
Recreational	-	-	-	5,581	40,263	-	-	-
Consultants	-	-	-	-	47,975	-	-	-
subtotal programs	\$ 38,608	\$ 37,294	\$ 17,484	\$ 1,526,119	\$ 19,756,031	\$ 260,713	\$ 2,695	\$ 263,408
subtotal administrative and general	5,704	6,861	3,216	243,838	3,210,734	21,603	496	22,099
Administrative costs - allocated	\$ 44,312	\$ 44,155	\$ 20,700	\$ 1,769,957	\$ 22,966,765	\$ 282,316	\$ 3,191	\$ 285,507
Totals								

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 2004

General and Administrative

	Hammond	Alexandria	Baton Rouge	New Orleans	Houma	Lafayette	Lake Charles	Central Office	New Orleans Unallowable
Administrative and general	\$ 14,487	\$ 6,381	\$ 208,927	\$ 269,073	\$ 183,377	\$ 391,191	\$ 128,333	\$ 1,538,684	\$ 6
Plant operation and capital asset costs	2,473	17	58,483	148,594	52,490	60,340	2,249	183,528	-
Dietary, laundry & linen, and housekeeping	-	-	2,126	433	1,355	934	594	557	-
Personal client needs	-	-	-	-	468	20	-	-	-
Medical and nursing	-	-	95	-	-	-	-	-	-
Therapeutic and training	58	-	-	-	-	-	-	7,523	79
Recreational	-	-	-	-	-	-	105	-	-
Consultants	-	-	-	-	-	-	-	-	-
subtotal programs	\$ 17,018	\$ 6,398	\$ 269,631	\$ 418,100	\$ 237,690	\$ 452,485	\$ 131,281	\$ 1,730,292	\$ 85
subtotal administrative and general	(17,016)	(6,397)	(290,904)	(418,100)	(237,690)	(452,485)	(131,282)	(1,720,320)	16
Administrative costs - allocated	\$ 2	\$ 1	\$ (21,273)	\$ -	\$ -	\$ -	\$ (1)	\$ 9,972	\$ 101
Totals									

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE 2 - STATEMENT OF EXPENSES BY PROGRAM / FUND (CONTINUED)
 YEAR ENDED JUNE 30, 2004

	General and Administrative					
	Houma Unallowable	Lafayette Unallowable	Central Office Unallowable	Unemployment Fund Central Ofc.	Subtotal General and Administrative	Totals - Program, Administrative, and General Funds
Administrative and general	\$ 1,125	\$ 728	\$ 495,643	\$ 52	\$ 3,238,007	\$ 9,253,299
Plant operation and capital asset costs	-	-	-	-	508,174	982,152
Dietary, laundry & linen, and housekeeping	-	-	-	-	5,999	77,561
Personal client needs	-	-	-	-	488	642,660
Medical and nursing	-	-	-	-	95	24,827
Therapeutic and training	(119)	-	534	-	8,075	12,711,540
Recreational	-	-	-	-	105	40,368
Consultants	-	-	-	-	-	47,975
subtotal programs	\$ 1,006	\$ 728	\$ 496,177	\$ 52	\$ 3,760,943	\$ 20,019,439
subtotal administrative and general	186	112	41,047	4	(3,232,829)	\$ 3,760,943
Administrative costs - allocated						
Totals	\$ 1,192	\$ 840	\$ 537,224	\$ 56	\$ 528,114	\$ 23,780,382

SPECIAL REPORTS OF INDEPENDENT AUDITOR



BERNARD & FRANKS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

NICHOLAS F. CHETTA, C.P.A.

NICHOLAS W. LAFRANZ III, C.P.A.

JAMES L. WHITE, C.P.A.

**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. (a nonprofit organization), as of and for the years ended June 30, 2004 and 2003, and have issued our report thereon dated December 22, 2004. We conducted our audits 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 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or

operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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 these specified parties.

Bernard + Franks

December 22, 2004



B E R N A R D & F R A N K S
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

NICHOLAS F. CHETTA, C.P.A.

NICHOLAS W. LAFRANZ III, C.P.A.

JAMES L. WHITE, C.P.A.

**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

COMPLIANCE

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, 2004. 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 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 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, 2004.

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 + Franks

December 22, 2004

GULF COAST TEACHING FAMILY SERVICES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SCHEDULE 1 – SUMMARY OF AUDIT RESULTS
YEAR ENDED JUNE 30, 2004

1. The independent auditor's report on the financial statements expressed an unqualified opinion.
2. The statement that reportable conditions in internal control were disclosed by the audit of the financial statements and whether any such conditions were material weaknesses is not applicable.
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, 2004 were as follows:

Department of Health and Human Services – Title IV-E – Independent Living	<CFDA # 93.674>
Department of Housing and Urban Development	<CFDA # 14.235>
Department of Health and Human Services Transitional Living Program	<CFDA # 95.550>
8. The threshold for distinguishing Types A and B programs was \$500,000.
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, 2004

No instances of reportable conditions found.

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, 2004

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, 2004**

No instances of reportable conditions found.

GULF COAST TEACHING FAMILY SERVICES, INC.

**SCHEDULE 5 – MANAGEMENT’S CORRECTIVE ACTION PLAN
FOR CURRENT YEAR FINDINGS
YEAR ENDED JUNE 30, 2004**

No instances of reportable conditions found.

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

**SCHEDULE 6 - SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS FOR THE YEAR ENDED JUNE 30, 2004
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 Housing and Urban Development			
Supportive Housing Program			
Moving Up - Renewal	14.235	LA48B008002	\$ 276,360
Visions	14.235	LA48B108002	\$ 121,972
Visions II	14.235	LA48B208002	\$ 140,683
The Network	14.235	LA48B908002	\$ 111,750
Bridging the Gap	14.235	LA48B802001	\$ 25,551
Service Net	14.235	LA48B304002	\$ 996
			<u>\$ 677,312</u>
U.S. Department of Health and Human Services			
Administration for Children and Families			
Louisiana Dept. of Social Services-Office of Community Services			
Transitional Living Program	93.550	06CX0732/02	\$ 230,657
Title IV - Independent Living Program	93.674	567051	\$ 76,307
Title IV - Independent Living Program	93.674	568903	\$ 115,129
Chaffee Educational & Training Voucher	93.674	601408	\$ 20,787
Chaffee Educational & Training Voucher	93.674	601439	\$ 44,378
			<u>\$ 256,601</u>
TOTAL MAJOR PROGRAMS			<u>\$ 1,164,570</u>
OTHER FEDERAL PROGRAMS			
U.S. Department of Health and Human Services			
Louisiana Department of Social Services			
Office of Community Services			
Basic Center Grant	93.623	06CY076401	\$ 111,334
Foster Parent Training	93.667	587148	\$ 13,816
Foster Parent Training	93.667	575092	22,782
			<u>\$ 36,598</u>
Respite Camp - Camp Nuff	93.958	597921	\$ 15,201
TOTAL OTHER FEDERAL AWARDS			<u>163,133</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,327,703</u></u>

GULF COAST TEACHING FAMILY SERVICES, INC.

**SCHEDULE 6 – SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS FOR THE YEAR ENDED JUNE 30, 2004
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 \$500,000. 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	\$	33,631
Title IV-E Independent Living Houma	\$	37,531
HUD Program matching funds were:	\$	147,485