

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.  
MONROE, LOUISIANA

FINANCIAL REPORT

June 30, 2012

## **HILL, INZINA & COMPANY**

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# HILL, INZINA & COMPANY

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## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Board of Directors  
Families Helping Families of Northeast Louisiana, Inc.  
Monroe, Louisiana

We have audited the accompanying statement of financial position of Families Helping Families of Northeast Louisiana, Inc. (a nonprofit organization), as of June 30, 2012, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the management of Families Helping Families of Northeast Louisiana, Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families Helping Families of Northeast Louisiana, Inc., as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2012 on our consideration of Families Helping Families of Northeast Louisiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 should be considered in assessing the results of our audit.

*/s/ Hill, Inzina & Co.*

October 26, 2012

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FINANCIAL STATEMENTS

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.  
MONROE, LOUISIANA

STATEMENT OF FINANCIAL POSITION  
June 30, 2012

ASSETS

Current assets:	
Cash	\$ 32,770
Due from grantors	47,396
Investments	<u>125,466</u>
Total current assets	<u>\$ 205,632</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 3,199
Payroll taxes payable	<u>5,232</u>
Total current liabilities	\$ 8,431
Net assets - unrestricted	<u>197,201</u>
Total liabilities and net assets	<u>\$ 205,632</u>

See notes to financial statements.

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.  
MONROE, LOUISIANA

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2012

Revenues and other support:	
Federal grants	\$ 282,018
State grants	85,863
Other grants	79,466
Contributions	14,703
Investment income	3,649
Other	5,179
Total revenues and other support	<u>\$ 470,878</u>
Expenses:	
Program	\$ 382,178
Support	97,667
Total expenses	<u>\$ 479,845</u>
Increase (decrease) in net assets - unrestricted	\$( 8,967)
Net assets - unrestricted - beginning	<u>206,168</u>
Net assets - unrestricted - ending	<u>\$ 197,201</u>

See notes to financial statements

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.  
MONROE, LOUISIANA

STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2012

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase (decrease) in unrestricted net assets	\$( 8,967)
Adjustments to reconcile increase (decrease) in unrestricted net assets to net cash provided (used) by operating activities:	
Unrealized loss on investments	4,211
(Increase) decrease in due from grantors	7,546
Increase (decrease) in accounts payable	( 7,776)
Increase (decrease) in payroll taxes payable	<u>( 1,262)</u>
Net cash flows provided (used) by operating activities	\$( 6,248)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
(Increase) decrease in investments	<u>( 21,825)</u>
Increase (decrease) in cash	\$( 28,073)
Cash - beginning	<u>60,843</u>
Cash - ending	<u><u>\$ 32,770</u></u>

See notes to financial statements.

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.  
MONROE, LOUISIANA

STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2012

	<u>Program</u>	<u>Management and General</u>	<u>Totals</u>
Salaries	\$ 152,146	\$ 68,593	\$ 220,739
Payroll taxes and related	14,783	7,281	22,064
Other employee benefits	6,739	1,502	8,241
Supplies and equipment	15,126	3,668	18,794
Building rent, utilities, and maintenance	10,460	5,152	15,612
Postage	1,577	281	1,858
Telephone	3,185	1,569	4,754
Internet access	724	357	1,081
Travel	8,982	69	9,051
Accounting and audit fees	-	4,018	4,018
Insurance	2,496	2,279	4,775
Promotions and advertising	1,527	702	2,229
LACAN	109,559	-	109,559
Parent stipend	3,233	-	3,233
SDE conferences and workshops	23,084	-	23,084
OCDD fiscal intermediary	8,997	-	8,997
CSHS RIW/transport/travel	1,479	-	1,479
Adult programs	1,314	-	1,314
Discretionary fund disbursements	12,882	-	12,882
FCW program	323	-	323
Board meetings	-	1,239	1,239
Miscellaneous	<u>3,562</u>	<u>957</u>	<u>4,519</u>
 Total functional expenses	 <u>\$ 382,178</u>	 <u>\$ 97,667</u>	 <u>\$ 479,845</u>

See notes to financial statements.



FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.  
MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2012

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations:

Families Helping Families of Northeast Louisiana, Inc., is a nonprofit organization whose purpose is to serve individuals with disabilities and their families in Region VIII of northeast Louisiana by providing information and referrals on available services, parent-to-parent support, education, and training. The organization is governed by eight non-compensated directors.

Basis of Presentation:

The financial statements of Families Helping Families of Northeast Louisiana, Inc., have been prepared in conformity with generally accepted accounting principles (GAAP).

Basis of Accounting:

The financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when the related liability is incurred.

Income Taxes:

Families Helping Families of Northeast Louisiana, Inc., is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3). Families Helping Families of Northeast Louisiana, Inc., has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

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.

## NOTES TO FINANCIAL STATEMENTS

### Uncollectible Allowance:

The statements contain no provision for uncollectible accounts. Management considers all amounts due from grantors to be fully collectible.

### Investments:

Families Helping Families of Northeast Louisiana, Inc., has adopted Statement of Financial Accounting Standards (SFAS) No. 124, *Accounting for Certain Investments Held by Non-Profit Organizations*. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Realized and unrealized gains and losses are included in the change in net assets.

### Equipment and Furniture:

Equipment and furniture of Families Helping Families of Northeast Louisiana, Inc., is not capitalized as title to the assets, which are purchased with resources from grants, reverts to the grantors. The full cost of equipment and furniture is charged as an expense upon purchase. Maintenance and repairs of equipment and furniture are charged to operations.

### Revenues and Other Support:

Revenues received under grant programs are recorded as revenue when Families Helping Families of Northeast Louisiana, Inc., has incurred expenditures in compliance with the specific restrictions. Approximately 95% of its revenues and other support are received under federal, state, and local grant agreements. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Families Helping Families of Northeast Louisiana, Inc. has not received any contributions with donor-imposed restrictions that would result in temporary or permanent restrictions on net assets.

### Functional Expenses:

Expenses are charged directly to program, management and general, or fund-raising categories based on specific identification. Accordingly, certain indirect costs have been allocated among the activities benefitted based on salary expenditures.

## NOTES TO FINANCIAL STATEMENTS

### Note 2. Cash

As of June 30, 2012, Families Helping Families of Northeast Louisiana, Inc., had cash (book balances) as follows:

Checking accounts	\$ 32,670
Petty cash	<u>100</u>
 Total cash	 <u>\$ 32,770</u>

### Note 3. Investments and Fair Value Measurements

Investments held by Families Helping Families of Northeast Louisiana, Inc., as of June 30, 2012 consisted of:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Cash equivalent	\$ 451	\$ 451	\$ -
Fixed income	11,473	11,879	406
Mutual funds	51,466	48,837	( 2,629)
Equities	<u>50,192</u>	<u>64,299</u>	<u>14,107</u>
 Total investments	 <u>\$ 113,582</u>	 <u>\$ 125,466</u>	 <u>\$ 11,884</u>

The fair values for the investments were determined by reference to quoted market prices and other relevant information generated by market transactions. The quoted prices in active markets for identical assets (level 1) were \$125,466.

Investment income for the year ended June 30, 2012 is summarized as follows:

Interest	\$ 1,598
Dividends	6,262
Unrealized gain (loss) on investments	<u>( 4,211)</u>
 Total investment income	 <u>\$ 3,649</u>

## NOTES TO FINANCIAL STATEMENTS

### Note 4. Due from Grantors

A summary of amounts due from grantors as of June 30, 2012 is as follows:

Louisiana State Planning Council on Developmental Disabilities	\$ 25,936
Louisiana Department of Education	4,260
Louisiana Department of Health and Hospitals - Office of Public Health	8,864
Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities	2,518
Louisiana Clinical Services, Inc.	4,875
Bayou Land Families Helping Families	400
Families Helping Families of Southwest Louisiana	313
Other	<u>230</u>
 Total due from grantors	 <u>\$ 47,396</u>

### Note 5. Contingencies, Risks, and Uncertainties

Approximately 95% of Families Helping Families of Northeast Louisiana, Inc.'s revenues and support are received under federal, state, and local grant agreements. Funding for the various programs is provided on a year-to-year basis, with no requirement that the programs be renewed at all, or if renewed, that funding levels be maintained or increased.

Families Helping Families of Northeast Louisiana, Inc. participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that Families Helping Families of Northeast Louisiana, Inc. has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable as of June 30, 2012 may be impaired. In the opinion of Families Helping Families of Northeast Louisiana, Inc.'s management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

## NOTES TO FINANCIAL STATEMENTS

### Note 6. Summary of Grants/Contract Funding

Families Helping Families of Northeast Louisiana, Inc., was primarily funded through the following grants and contracts for the year ended June 30, 2012:

Louisiana State Planning Council on Developmental Disabilities:	
CFMS700862	\$ 41,437
CFMS696768	25,005
CFMS707784	95,051
CFMS707777	2,243
CFMS696762	1,000
Louisiana Department of Education:	
CFMS704119	97,798
Louisiana Department of Health and Hospitals - Office of Public Health	
CFMS703747	66,348
CFMS708255	3,000
Louisiana Clinical Services -	
Office for Citizens with Developmental Disabilities:	
LCS84396	58,500
Louisiana Department of Health and Hospitals -	
Office for Citizens with Developmental Disabilities:	
CFMS701177	9,999
CFMS700709	26,000
Bayou Land Families Helping Families:	
ECSS	13,420
F2FHIC	6,400
Families Helping Families Crossroads of Louisiana - CSHS Transport	<u>1,146</u>
Total recognized revenue	<u>\$ 447,347</u>

### Note 7. Litigation and Claims

As of June 30, 2012, Families Helping Families of Northeast Louisiana, Inc., was not involved in any litigation nor aware of any unasserted claims.

### Note 8. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 26, 2012, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

# HILL, INZINA & COMPANY

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

Board of Directors  
Families Helping Families of Northeast Louisiana, Inc.  
Monroe, Louisiana

We have audited the financial statements of Families Helping Families of Northeast Louisiana, Inc. (a nonprofit organization), as of and for the year ended June 30, 2012 and have issued our report thereon dated October 26, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

## Internal Control Over Financial Reporting

Management of Families Helping Families of Northeast Louisiana, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Families Helping Families of Northeast Louisiana, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Families Helping Families of Northeast Louisiana, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Families Helping Families of Northeast Louisiana, Inc.'s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Family Helping Families of Northeast Louisiana, Inc.'s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2012-1 to be a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Families Helping Families of Northeast Louisiana, Inc.'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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Families Helping Families of Northeast Louisiana, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Families Helping Families of Northeast Louisiana, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of Families Helping Families of Northeast Louisiana, Inc. and funding agencies and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by Louisiana Legislative Auditor as a public document.

*/s/ Hill, Inzina & Co.*

October 26, 2012

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.  
MONROE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS WITH  
MANAGEMENT'S RESPONSE AND PLANNED CORRECTIVE ACTION  
For the Year Ended June 30, 2012

We have audited the financial statements of Families Helping Families of Northeast Louisiana, Inc., as of and for the year ended June 30, 2012, and have issued our report thereon dated October 26, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2012 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Internal Control

Significant Deficiencies  Yes  No

Material Weaknesses  Yes  No

Compliance

Material to Financial Statements  Yes  No

Section II - Financial Statement Findings

2012-1 Inadequate Segregation of Duties (initially cited in first audit conducted by our firm as of and for the year ended June 30, 2001)

Criteria: Adequate segregation of duties is essential to a proper internal control structure.

Condition: The segregation of duties is inadequate to provide effective internal control.

Cause: The condition is due to economic limitations.

Effect: Not determined.

Recommendation: No action is recommended.



Management's  
response and  
planned cor-  
rective action:

We concur in the finding, but it is not economically feasible for corrective action to be taken.

Section III - Management Letter

None issued.

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.  
MONROE, LOUISIANA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended June 30, 2012

Section I - Financial Statement Findings

2011-1 Inadequate Segregation of Duties

Adequate segregation of duties is essential to a proper  
internal control.

Unresolved-2012-1.

Section II - Management Letter

None issued.