

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

FINANCIAL REPORT

June 30, 2016

**HILL, INZINA & COMPANY**

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# HILL, INZINA & COMPANY

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## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

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

### Report on the Financial Statements

We have audited the accompanying financial statements of Families Helping Families of Northeast Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Families Helping Families of Northeast Louisiana, Inc.'s preparation and fair presentation

of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Families Helping Families of Northeast Louisiana, Inc.'s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 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, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Families Helping Families of Northeast Louisiana, Inc.'s basic financial statements. The schedule of compensation, benefits, and other payments to agency heads is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2016, 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* in considering Families Helping Families of Northeast Louisiana Inc.'s internal control over financial reporting and compliance.

/s/ Hill, Inzina & Co.

December 16, 2016

FINANCIAL STATEMENTS

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

STATEMENT OF FINANCIAL POSITION  
June 30, 2016

ASSETS

Current assets:	
Cash	\$ 24,808
Due from grantors	70,339
Due from employees	750
Investments	<u>97,159</u>
Total current assets	<u>\$ 193,056</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 6,879
Payroll taxes payable	<u>62</u>
Total current liabilities	\$ 6,941
Net assets - unrestricted	<u>186,115</u>
Total liabilities and net assets	<u>\$ 193,056</u>

See notes to financial statements.

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

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2016

Revenues and other support:	
Federal grants	\$ 191,587
State grants	55,049
Other grants	166,839
Contributions	38,236
Investment income	6,007
Other	10,983
Unrealized gain (loss) on investments	<u>( 6,484)</u>
Total revenues and other support	<u>\$ 462,217</u>
Expenses:	
Program - community and family support along with training	\$ 329,794
Support - general and administrative	<u>121,823</u>
Total expenses	<u>\$ 451,617</u>
Increase in net assets - unrestricted	\$ 10,600
Net assets - unrestricted - beginning	<u>175,515</u>
Net assets - unrestricted - ending	<u>\$ 186,115</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, 2016

	<u>Program</u>	<u>Support</u>	<u>Totals</u>
Salaries and related	\$ 115,271	\$ 81,154	\$ 196,425
Payroll taxes	9,082	6,311	15,393
Other employee benefits	5,130	1,271	6,401
Supplies and equipment	12,796	4,716	17,512
Building rent, utilities, and maintenance	7,105	4,970	12,075
Postage	1,775	771	2,546
Telephone	3,011	842	3,853
Internet access	1,426	432	1,858
Travel	2,898	176	3,074
Accounting and audit fees	-	5,289	5,289
Insurance	4,161	3,567	7,728
Promotions and advertising	622	646	1,268
LACAN	81,139	-	81,139
SDE conferences	6,002	-	6,002
OCDD fiscal intermediary	34,130	-	34,130
CSHS transport and travel	30,190	-	30,190
Adult programs	1,618	-	1,618
Discretionary fund disbursements	10,394	-	10,394
Bank charges	-	480	480
Board meetings	-	2,158	2,158
Miscellaneous	3,044	9,040	12,084
	<u>3,044</u>	<u>9,040</u>	<u>12,084</u>
 Total functional expenses	 <u>\$ 329,794</u>	 <u>\$ 121,823</u>	 <u>\$ 451,617</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, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in unrestricted net assets	\$ 10,600
Adjustments to reconcile increase in unrestricted net assets to net cash provided (used) by operating activities:	
Unrealized (gain) loss on investments	6,484
(Increase) decrease in due from grantors	( 35,819)
(Increase) decrease in due from employees	( 750)
(Increase) decrease in other receivables	910
Increase (decrease) in accounts payable	( 4,795)
Increase (decrease) in payroll taxes payable	<u>( 6,925)</u>
Net cash flows provided (used) by operating activities	\$( 30,295)

CASH FLOWS FROM INVESTING ACTIVITIES

(Increase) decrease in investments	<u>12,956</u>
Increase (decrease) in cash	\$( 17,339)
Cash - beginning	<u>42,147</u>
Cash - ending	<u><u>\$ 24,808</u></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, 2016

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 12 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 income taxes under Internal Revenue Code Section 501(c)(3) and the Internal Revenue Service (IRS) has classified it as other than a private foundation.

The organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years ended June 30, 2013, 2014, and 2015 are subject to examination by the IRS, generally for three years after each was filed.

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:

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. All other investments are reported at cost. 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 89% 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 Allocation of Expenses:

The costs of providing the various activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the activities benefitted.

NOTES TO FINANCIAL STATEMENTS

Note 2. Cash

As of June 30, 2016, Families Helping Families of Northeast Louisiana, Inc., had cash (book balances) as follows:

Checking accounts	\$ 24,708
Petty cash	<u>100</u>
 Total cash	 <u><u>\$ 24,808</u></u>

Note 3. Investments and Fair Value Measurements

Investments held as of June 30, 2016 by Families Helping Families of Northeast Louisiana, Inc. with Raymond James Financial Services consisted of:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Cash equivalents	\$ 40	\$ 40	\$ -
Fixed income	5,617	5,812	195
Mutual funds	79,444	62,730	( 16,714)
Equities	<u>50,974</u>	<u>28,577</u>	<u>( 22,397)</u>
 Totals	 <u><u>\$ 136,075</u></u>	 <u><u>\$ 97,159</u></u>	 <u><u>\$ ( 38,916)</u></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 \$97,159.

Investment income for the year ended June 30, 2016 is summarized as follows:

Interest	\$ 328
Dividends	<u>5,679</u>
 Total investment income	 <u><u>\$ 6,007</u></u>

NOTES TO FINANCIAL STATEMENTS

Note 4. Due from Grantors

A summary of amounts due from grantors as of June 30, 2016 is as follows:

Louisiana State Planning Council on Developmental Disabilities	\$ 25,988
Louisiana Department of Education	8,395
Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities	4,230
Louisiana Clinical Services, Inc.	<u>31,726</u>
Total due from grantors	<u>\$ 70,339</u>

Note 5. 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, 2016:

Louisiana State Planning Council on Developmental Disabilities:	
CFMS735597	\$ 55,049
CFMS138450	70,436
CFMS732489	19,392
Louisiana Department of Education:	
CFMS736714	80,207
Louisiana Clinical Services:	
87101	33,965
84396	58,500
112200	37,815
Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities:	
CFMS721116	21,552
Bayou Land Families Helping Families - F2FHIC	4,800
Families Helping Families Crossroads of Louisiana - CSHS Transport	<u>31,759</u>
Total recognized revenue	<u>\$ 413,475</u>

## NOTES TO FINANCIAL STATEMENTS

### Note 6. Contingencies, Risks, and Uncertainties

As stated earlier, approximately 89% 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, 2016 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.

### Note 8. Litigation and Claims

As of June 30, 2016, Families Helping Families of Northeast Louisiana, Inc., was not involved in any litigation nor aware of any unasserted claims.

### Note 9. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 16, 2016, 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.

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

SCHEDULE OF COMPENSATION, BENEFITS,  
AND OTHER PAYMENTS TO AGENCY HEADS

As of and for the Year Ended June 30, 2016

Families Helping Families of Northeast Louisiana, Inc. paid no compensation, reimbursements, or benefits to any agency heads during the year ended June 30, 2016.



# 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, 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, the financial statements of Families Helping Families of Northeast Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated December 16, 2016.

## Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Families Helping Families of Northeast Louisiana, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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. Accordingly, we do not express an opinion on the effectiveness of Families Helping Families of Northeast Louisiana, Inc.'s internal control.

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 Families Helping Families of Northeast Louisiana, Inc.'s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control that is described in the accompanying schedule of findings and questioned costs as item 2016-1 that we consider to be a significant deficiency.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Families Helping Families of Northeast Louisiana, Inc.'s financial statements are free from 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*.

### Responses to Findings

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. The response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Families Helping Families of Northeast Louisiana, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Families Helping Families of Northeast Louisiana, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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.

December 16, 2016

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, 2016

We have audited the financial statements of Families Helping Families of Northeast Louisiana, Inc., as of and for the year ended June 30, 2016, and have issued our report thereon dated December 16, 2016. 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, 2016 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

2016-1 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, 2016

Section I - Financial Statement Findings

2015-1 Inadequate Segregation of Duties

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

Unresolved-2016-1.

Section II - Management Letter

None issued.