

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

FINANCIAL REPORT

June 30, 2015

HILL, INZINA & COMPANY

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HILL, INZINA & COMPANY

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

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, 2015, 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, 2015, 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.

The other supplementary 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, the other supplementary 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 November 13, 2015, 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.

November 13, 2015

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

STATEMENT OF FINANCIAL POSITION
June 30, 2015

ASSETS

Current assets:

Cash	\$	42,147
Due from grantors		34,520
Other receivables		910
Investments		<u>116,599</u>
Total current assets	\$	<u>194,176</u>

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$	11,674
Payroll taxes payable		<u>6,987</u>
Total current liabilities	\$	18,661

Net assets - unrestricted 175,515

Total liabilities and net assets \$ 194,176

See notes to financial statements.

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

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

Revenues and other support:	
Federal grants	\$ 219,314
State grants	55,515
Other grants	132,817
Contributions	78,322
Investment income	7,366
Other	16,653
Unrealized gain (loss) on investments	<u>(35,582)</u>
Total revenues and other support	<u>\$ 474,405</u>
Expenses:	
Program	\$ 354,124
Support - management and general	<u>156,988</u>
Total expenses	<u>\$ 511,112</u>
Increase (decrease) in net assets - unrestricted	\$(36,707)
Net assets - unrestricted - beginning (restated)	<u>212,222</u>
Net assets - unrestricted - ending	<u>\$ 175,515</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, 2015

	<u>Program</u>	<u>Support - Management and General</u>	<u>Totals</u>
Salaries and related	\$ 127,636	\$ 92,463	\$ 220,099
Payroll taxes	9,955	7,822	17,777
Other employee benefits	4,646	2,236	6,882
Supplies and equipment	16,276	8,790	25,066
Building rent, utilities, and maintenance	20,920	16,437	37,357
Postage	1,651	1,005	2,656
Telephone	2,232	1,757	3,989
Internet access	916	720	1,636
Travel	6,702	839	7,541
Accounting and audit fees	-	4,945	4,945
Insurance	2,706	2,801	5,507
Promotions and advertising	2,217	5,046	7,263
LACAN	99,612	-	99,612
Parent stipend	1,518	-	1,518
SDE conferences and seminars	5,507	-	5,507
OCDD fiscal intermediary	9,000	-	9,000
CSHS transport and travel	23,876	-	23,876
Adult programs	2,010	-	2,010
Discretionary fund disbursements	10,283	-	10,283
Bank charges	-	160	160
Board meetings	-	1,518	1,518
Miscellaneous	6,461	10,449	16,910
	<u>6,461</u>	<u>10,449</u>	<u>16,910</u>
 Total functional expenses	 <u>\$ 354,124</u>	 <u>\$ 156,988</u>	 <u>\$ 511,112</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, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in unrestricted net assets	\$(36,707)
Adjustments to reconcile increase (decrease) in unrestricted net assets to net cash provided by operating activities:	
Unrealized gain (loss) on investments	35,582
(Increase) decrease in due from grantors	7,231
(Increase) decrease in other receivables	(910)
Increase (decrease) in accounts payable	2,261
Increase (decrease) in payroll taxes payable	<u>786</u>
Net cash flows provided by operating activities	\$ 8,243
 CASH FLOWS FROM INVESTING ACTIVITIES	
(Increase) decrease in investments	<u>(18,345)</u>
 Increase (decrease) in cash	 \$(10,102)
 Cash - beginning	 <u>52,249</u>
 Cash - ending	 <u><u>\$ 42,147</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, 2015

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 14 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, 2012, 2013, and 2014 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 86% 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, 2015, Families Helping Families of Northeast Louisiana, Inc., had cash (book balances) as follows:

Checking accounts		\$ 42,047
Petty cash		<u>100</u>
 Total cash		 <u><u>\$ 42,147</u></u>

Note 3. Investments and Fair Value Measurements

Investments held as of June 30, 2015 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	\$ 1,511	\$ 1,511	\$ -
Fixed income	5,617	5,862	245
Mutual funds	79,444	74,272	(5,172)
Equities	<u>55,371</u>	<u>34,954</u>	<u>(20,417)</u>
 Totals	 <u><u>\$ 141,943</u></u>	 <u><u>\$ 116,599</u></u>	 <u><u>\$(25,344)</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 \$116,599.

Investment income for the year ended June 30, 2015 is summarized as follows:

Interest		\$ 503
Dividends		<u>6,863</u>
 Total investment income		 <u><u>\$ 7,366</u></u>

NOTES TO FINANCIAL STATEMENTS

Note 4. Due from Grantors

A summary of amounts due from grantors as of June 30, 2015 is as follows:

Louisiana State Planning Council on Developmental Disabilities	\$ 14,854
Louisiana Department of Education	8,117
Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities	1,140
Louisiana Department of Health and Hospitals - Office of Public Health	4,957
Louisiana Clinical Services, Inc.	<u>5,452</u>
Total due from grantors	<u>\$ 34,520</u>

Note 5. Restatement of Beginning Net Assets

The following provides a summary of the change in beginning net assets for the year ended June 30, 2015:

Net assests - unrestricted - beginning (as previously reported)	\$ 216,460
Prior year due from grantor overstated	<u>(4,238)</u>
Net assets - unrestricted - beginning (restated)	<u>\$ 212,222</u>

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, 2015:

Louisiana State Planning Council on Developmental Disabilities:	
CFMS727897	\$ 55,515
CFMS732489	86,990
CFMS717613	24,567
CFMS732485	1,350
CFMS725422	497
Louisiana Department of Education:	
CFMS730168	80,000
Louisiana Clinical Services:	
87101	36,459
84396	58,500
112200	10,000
Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities:	
CFMS727760	25,910
Families Helping Families of Southwest Louisiana - LATeach	286
Bayou Land Families Helping Families - F2FHIC	4,800
Families Helping Families Crossroads of Louisiana - CSHS Transport	<u>22,772</u>
 Total recognized revenue	 <u>\$ 407,646</u>

Note 7. Contingencies, Risks, and Uncertainties

As stated earlier, approximately 86% 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.

NOTES TO FINANCIAL STATEMENTS

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, 2015 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, 2015, 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, November 13, 2015, 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, 2015

Families Helping Families of Northeast Louisiana, Inc. paid no compensation, reimbursements, or benefits to any agency heads during the year ended June 30, 2015.

See accountant's compilation report.

HILL, INZINA & COMPANY

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, 2015, 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 November 13, 2015.

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. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2015-1, 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.

November 13, 2015

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, 2015

We have audited the financial statements of Families Helping Families of Northeast Louisiana, Inc., as of and for the year ended June 30, 2015, and have issued our report thereon dated November 13, 2015. 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, 2015 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

2015-1 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, 2015

Section I - Financial Statement Findings

2014-1 Inadequate Segregation of Duties

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

Unresolved-2015-1.

Section II - Management Letter

None issued.