

5618
OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

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

FINANCIAL REPORT

June 30, 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 2-18-04

CONTENTS

	Page(s)
INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statement of financial position	2
Statement of activities	3
Statement of cash flows	4
Statement of functional expenses	5
Notes to financial statements	6 - 9
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	10 and 11
SCHEDULE OF FINDINGS AND QUESTIONED COSTS WITH MANAGEMENT'S PLANNED CORRECTIVE ACTION	12 and 13
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS	14

HILL, INZINA & COMPANY

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, 2003, 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, 2003, 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 November 6, 2003, 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, 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.

Hill, Inzina & Co.

November 6, 2003

-1-

FINANCIAL STATEMENTS

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

STATEMENT OF FINANCIAL POSITION
June 30, 2003

ASSETS

Cash	\$ 134,735
Due from grantors	<u>45,706</u>
Total assets	<u>\$ 180,441</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ 986
Payroll taxes payable	<u>909</u>
Total liabilities	\$ 1,895
Net assets - unrestricted	<u>178,546</u>
Total liabilities and net assets	<u>\$ 180,441</u>

See notes to financial statements.

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

STATEMENT OF ACTIVITIES
Year Ended June 30, 2003

Revenues and other support:	
Federal grants	\$ 152,245
State grants	129,457
Other grants	21,516
Contributions	2,272
Fund raising	8,326
Interest	1,513
Miscellaneous	730
	<u>\$ 316,059</u>
Expenses:	
Program	\$ 227,226
Management and general	57,963
Fund raising	5,882
	<u>\$ 291,071</u>
Increase in net assets - unrestricted	\$ 24,988
Net assets - unrestricted - beginning	<u>153,558</u>
Net assets - unrestricted - ending	<u>\$ 178,546</u>

See notes to financial statements

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

STATEMENT OF CASH FLOWS
Year Ended June 30, 2003

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in unrestricted net assets	\$ 24,988
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities:	
(Increase) decrease in due from employee	1,000
(Increase) decrease in due from grantors	(21,471)
Increase (decrease) in accounts payable	(3,306)
Increase (decrease) in payroll taxes payable	<u>909</u>
Net cash flows provided by operating activities	\$ 2,120
Cash - beginning	<u>132,615</u>
Cash - ending	<u>\$ 134,735</u>

See notes to financial statements.

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

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2003

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Totals</u>
Salaries	\$ 97,633	\$ 35,841	\$ -	\$ 133,474
Payroll taxes	9,834	3,637	-	13,471
Other employee benefits	2,886	-	-	2,886
Supplies and equipment	20,924	6,129	1,555	28,608
Building rent, utilities, and maintenance	7,843	2,793	-	10,636
Postage	3,236	579	-	3,815
Telephone	4,181	1,294	-	5,475
Internet access	1,352	446	-	1,798
Travel	6,802	295	-	7,097
Accounting and audit	-	2,795	-	2,795
Insurance	2,430	2,234	-	4,664
Advertising	914	559	-	1,473
Bank charges and fees	-	222	-	222
LACAN	35,220	-	-	35,220
Parent stipend	6,517	-	-	6,517
LIFE contract	493	-	-	493
BCSS	267	-	-	267
SDE seminar	4,453	-	-	4,453
LaSig Family Academy	8,401	-	-	8,401
OCDD Family Forum	5,229	-	-	5,229
Miscellaneous	<u>8,611</u>	<u>1,139</u>	<u>4,327</u>	<u>14,077</u>
	<u>\$ 227,226</u>	<u>\$ 57,963</u>	<u>\$ 5,882</u>	<u>\$ 291,071</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, 2003

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 VII of northeast Louisiana by providing information and referrals on available services, parent-to-parent support, and education and training. The organization is governed by twelve 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.

Equipment and Furniture:

Equipment and furniture of Families Helping Families of Northeast Louisiana, Inc., is not capitalized because 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. Contributions are considered to be available for unrestricted use *unless specifically restricted by the donor.*

Functional Expenses:

Expenses are charged directly to program, management and general, or fund raising categories based on specific identification. Indirect expenses have been allocated on salary expenditures.

Note 2. Cash

As of June 30, 2003, Families Helping Families of Northeast Louisiana, Inc., had cash (book balances) totaling \$134,735, as follows:

Checking accounts	\$	30,839
Money market account		103,796
Petty cash		<u>100</u>
Total	\$	<u>134,735</u>

Cash (bank balances) of \$3,796 as of June 30, 2003, was uninsured by Federal Deposit Insurance Corporation (FDIC).

NOTES TO FINANCIAL STATEMENTS

Note 3. Summary of Grant/Contract Funding

Families Helping Families of Northeast Louisiana, Inc., was primarily funded through the following grants and contracts for the year ended June 30, 2003:

<u>Funding Source</u>	<u>Recognized Revenue</u>
Louisiana State Planning Council on Developmental Disabilities:	
DD1195 CFMS584606	\$ 6,000
DD1140 CFMS562274	50,008
DD1177 DHH69256 CFMS562407	6,912
DD1156 DHH69229 CFMS562231	37,842
DD1236 CFMS 593085	5,000
Louisiana Department of Education:	
00-B2-TOC	19,998
588265	10,962
Louisiana Department of Health and Hospitals- Office of Public Health - CFMS587203	73,313
Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities - CFMS584084	70,000
Bureau of Community Supports and Services - 72781	1,667
Easter Seals	7,296
Chase Manhattan Foundation	3,000
Bayou Land Families Helping Families	6,720
Families Helping Families of Greater New Orleans	<u>4,500</u>
 Total	 <u>\$ 303,218</u>

Funding for the 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

Note 4. Due from Grantors

A summary of amounts due from grantors as of June 30, 2003, is as follows:

Louisiana State Planning Council on Developmental Disabilities	\$	9,444
Louisiana Department of Education		6,302
Louisiana Department of Health and Hospitals - Office of Public Health		17,534
Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities		5,417
Bureau of Community Supports and Services		1,667
Bayou Land Families Helping Families		3,330
Families Helping Families of Greater New Orleans		<u>2,012</u>
Total	\$	<u>45,706</u>

Note 5. Litigation and Claims

As of June 30, 2003, Families Helping Families of Northeast Louisiana, Inc., was not involved in any litigation nor aware of any unasserted claims.

HILL, INZINA & COMPANY

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
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, 2003, and have issued our report thereon dated November 6, 2003. 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.

Compliance

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 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 Families Helping Families of Northeast Louisiana, 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Families Helping Families of Northeast Louisiana, Inc.'s

ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2003-1.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above to be a material weakness.

This report is intended solely for the information and use of management of Families Helping Families of Northeast Louisiana, Inc., funding agencies, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Hill, Prigmore & Co.

November 6, 2003

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS WITH
MANAGEMENT'S PLANNED CORRECTIVE ACTION

For the Year Ended June 30, 2003

We have audited the financial statements of Families Helping Families of Northeast Louisiana, Inc., as of and for the year ended June 30, 2003, and have issued our report thereon dated November 6, 2003. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2003, resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

Report on Compliance and Internal Control Material to the Financial Statements

Compliance

Compliance Material to Financial Statements Yes No

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Section II - Financial Statement Findings

2003-1 Inadequate Segregation of Duties (initial citing 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.

Effect: Not determined.

Cause: The condition is due to economic and space limitations.

Recommendation: No action is recommended.

Management's
response and
planned cor-

rective action: We concur in the finding, but it is not economically feasible nor does
space allow 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, 2003

Section I - Compliance and Internal Control Material to Financial Statements

2002-1 Inadequate Segregation of Duties

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

Unresolved - 2003-1.

Section II - Management Letter

None issued.