

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

FINANCIAL REPORT

June 30, 2007

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 4/9/08

## HILL, INZINA & COMPANY

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## 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 - 10
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 <i>GOVERNMENT AUDITING STANDARDS</i>	11 and 12
SCHEDULE OF FINDINGS AND QUESTIONED COSTS WITH MANAGEMENT'S RESPONSE AND PLANNED CORRECTIVE ACTION	13 and 14
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS	15

# 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, 2007, 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, 2007, 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 December 4, 2007 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, grants, 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.

December 4, 2007

**FINANCIAL STATEMENTS**

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

STATEMENT OF FINANCIAL POSITION  
June 30, 2007

ASSETS

Current assets:	
Cash	\$ 14,202
Due from grantors	66,106
Investments	<u>142,541</u>
Total current assets	<u>\$ 222,849</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 709
Payroll taxes payable	<u>6,539</u>
Total current liabilities	\$ 7,248
Net assets - unrestricted	<u>215,601</u>
Total liabilities and net assets	<u>\$ 222,849</u>

See notes to financial statements.

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

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2007

<b>Revenues and other support:</b>	
Federal grants	\$ 293,906
State grants	118,125
Other grants	21,880
Contributions	7,194
Fund-raising	2,666
Investment	22,432
Other	<u>3,318</u>
<b>Total revenues and other support</b>	<b><u>\$ 469,521</u></b>
<b>Expenses:</b>	
Program	\$ 363,369
Support:	
Management and general	119,640
Fund-raising	<u>451</u>
<b>Total expenses</b>	<b><u>\$ 483,460</u></b>
Change in net assets - unrestricted	\$( 13,939)
Net assets - unrestricted - beginning	<u>229,540</u>
Net assets - unrestricted - ending	<b><u>\$ 215,601</u></b>

See notes to financial statements

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

STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2007

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Decrease in unrestricted net assets	\$( 13,939)
Adjustments to reconcile decrease in unrestricted net assets to net cash used by operating activities:	
Unrealized gain on investments	( 7,825)
(Increase) decrease in due from grantors	( 3,597)
(Increase) decrease in prepaid expenses	438
Increase (decrease) in accounts payable	( 4,197)
Increase (decrease) in payroll taxes payable	<u>( 1,471)</u>
Net cash flows provided (used) by operating activities	\$( 30,591)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
(Increase) decrease in investments	<u>11,120</u>
Increase (decrease) in cash	\$( 19,471)
Cash - beginning	<u>33,673</u>
Cash - ending	<u><u>\$ 14,202</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, 2007

	<u>Program</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Totals</u>
Salaries	\$ 126,673	\$ 78,848	\$ -	\$ 205,521
Payroll taxes	17,319	7,977	-	25,296
Other employee benefits	4,507	900	-	5,407
Supplies and equipment	17,971	2,908	-	20,879
Building rent, utilities, and maintenance	12,002	6,253	-	18,255
Postage	3,260	604	-	3,864
Telephone	3,411	1,680	-	5,091
Internet access	1,080	-	-	1,080
Travel	13,280	2,246	-	15,526
Accounting and audit fees	1,633	804	-	2,437
Commissions	-	444	-	444
Insurance	2,679	2,555	-	5,234
Promotions	1,423	1,122	-	2,545
LACAN	119,508	-	-	119,508
Parent stipend	5,570	-	-	5,570
PROMPT	30	-	-	30
LaSIG	5,359	-	-	5,359
Discretionary fund disbursements	15,338	-	-	15,338
SDE seminar	4,901	-	-	4,901
Christopher Reeve Foundation	4,592	-	-	4,592
Chase Foundation	196	-	-	196
Board meetings	43	2,086	-	2,129
Miscellaneous	<u>2,594</u>	<u>11,213</u>	<u>451</u>	<u>14,258</u>
 Total functional expenses	 <u>\$ 363,369</u>	 <u>\$ 119,640</u>	 <u>\$ 451</u>	 <u>\$ 483,460</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, 2007

**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, 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. Nonnegotiable certificates of deposit with original maturities exceeding 90 days are reported in the accompanying financial statements at cost.

### 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. 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.

### 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, 2007, Families Helping Families of Northeast Louisiana, Inc., had cash (book balances) as follows:

Checking accounts	\$ 14,102
Petty cash	<u>100</u>
 Total cash	 <u>\$ 14,202</u>

### Note 3. Investments

Investments held by Families Helping Families of Northeast Louisiana, Inc., as of June 30, 2007 consisted of:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Certificates of deposit	\$ 50,000	\$ 50,000	\$ -
Cash equivalent	77	77	-
Fixed income securities	28,000	28,000	-
Equities/options	17,567	20,746	3,179
REIT's/tangibles	<u>39,072</u>	<u>43,718</u>	<u>4,646</u>
 Total investments	 <u>\$ 134,716</u>	 <u>\$ 142,541</u>	 <u>\$ 7,825</u>

Investment income for the year ended June 30, 2007 is summarized as follows:

Interest	\$ 6,032
Dividends	3,984
Gain on sale of investments	4,591
Unrealized gain	<u>7,825</u>
 Total investment income	 <u>\$ 22,432</u>

NOTES TO FINANCIAL STATEMENTS

Note 4. Due from Grantors

A summary of amounts due from grantors as of June 30, 2007 is as follows:

Louisiana State Planning Council on Developmental Disabilities	\$ 32,746
Louisiana Department of Education	12,167
Louisiana Department of Health and Hospitals - Office of Public Health	7,092
Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities	5,417
Bayou Land Families Helping Families	3,315
Families Helping Families of Greater New Orleans	1,744
Families Helping Families of Louisiana	<u>3,625</u>
 Total due from grantors	 <u>\$ 66,106</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, 2007:

Louisiana State Planning Council on Developmental Disabilities:	
CFMS641238	\$ 106,911
CFMS630249	20,542
CFMS635447	53,125
CFMS641210	4,265
CFMS630224	1,795
Louisiana Department of Education:	
CFMS634256	73,000
Louisiana Department of Health and Hospitals- Office of Public Health - CFMS642479	74,713
Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities - CFMS635302	65,000
Families Helping Families of Louisiana - LASIG	12,680
Bayou Land Families Helping Families - ECSS	17,380
Families Helping Families of Greater New Orleans - OMH	<u>4,500</u>
 Total recognized revenue	 <u>\$ 433,911</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.

SEE NOTES TO FINANCIAL STATEMENTS

Note 6. Litigation and Claims

As of June 30, 2007, Families Helping Families of Northeast Louisiana, Inc., was not involved in any litigation nor aware of any unasserted claims.

# 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, 2007, and have issued our report thereon dated December 4, 2007. 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

In planning and performing our audit, we considered Families Helping Families of Northeast Louisiana, Inc.'s financial reporting as a basis for designing our auditing procedures 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 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 would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Families Helping Families of Northeast Louisiana, Inc.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Families Helping Families of Northeast Louisiana, Inc.'s

financial statements that is more than inconsequential will not be prevented or detected by Families Helping Families of Northeast Louisiana, Inc.'s internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2007-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Families Helping Families of Northeast Louisiana, Inc.'s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described above 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.

sHILL, INZINA & CO.

December 4, 2007

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, 2007

We have audited the financial statements of Families Helping Families of Northeast Louisiana, Inc., as of and for the year ended June 30, 2007, and have issued our report thereon dated December 4, 2007. 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, 2007 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

Material Weaknesses  Yes  No Reportable Conditions  Yes  No

Compliance

Material to Financial Statements  Yes  No

Section II - Financial Statement Findings

2007-1 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, 2007

Section I - Financial Statement Findings

2006-1 Inadequate Segregation of Duties

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

Unresolved -2007-1.

Section II - Management Letter

None issued.