

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC
MONROE, LOUISIANA

FINANCIAL REPORT

June 30, 2011

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 **FEB 22 2012**

HILL, INZINA & COMPANY

Certified Public Accountants • A Professional Corporation
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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

We have audited the accompanying statement of financial position of Families Helping Families of Northeast Louisiana, Inc (a nonprofit organization), as of June 30, 2011, 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, 2011, 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 9, 2011 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

December 9, 2011

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Certified Public Accountants • A Professional Corporation
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FINANCIAL STATEMENTS

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC
MONROE, LOUISIANA

STATEMENT OF FINANCIAL POSITION
June 30, 2011

ASSETS

Current assets	
Cash	\$ 60,843
Due from grantors	54,942
Investments	<u>107,852</u>
Total current assets	<u>\$ 223,637</u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	\$ 10,975
Payroll taxes payable	<u>6,494</u>
Total current liabilities	\$ 17,469
Net assets - unrestricted	<u>206,168</u>
Total liabilities and net assets	<u>\$ 223,637</u>

See notes to financial statements

FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC
MONROE, LOUISIANA

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

Revenues and other support	
Federal grants	\$ 264,751
State grants	175,797
Other grants	31,657
Contributions	15,584
Investment income	19,877
Other	<u>3,509</u>
Total revenues and other support	<u>\$ 511,175</u>
Expenses	
Program	\$ 401,553
Support	<u>93,681</u>
Total expenses	<u>\$ 495,234</u>
Increase in net assets - unrestricted	\$ 15,941
Net assets - unrestricted - beginning	<u>190,227</u>
Net assets - unrestricted - ending	<u><u>\$ 206,168</u></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, 2011**

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in unrestricted net assets	\$ 15,941
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities	
Unrealized gain on investments	(12,475)
(Increase) decrease in due from grantors	(13,102)
Increase (decrease) in accounts payable	5,873
Increase (decrease) in payroll taxes payable	<u>629</u>
Net cash flows provided (used) by operating activities	\$(3,134)
 CASH FLOWS FROM INVESTING ACTIVITIES	
(Increase) decrease in investments	<u>2,006</u>
 Decrease in cash	 \$(1,128)
 Cash - beginning	 <u>61,971</u>
 Cash - ending	 <u><u>\$ 60,843</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, 2011

	<u>Program</u>	<u>Management and General</u>	<u>Totals</u>
Salaries	\$ 160,968	\$ 64,338	\$ 225,306
Payroll taxes and related	20,481	7,020	27,501
Other employee benefits	5,073	450	5,523
Supplies and equipment	22,270	3,798	26,068
Building rent, utilities, and maintenance	10,806	4,125	14,931
Postage	2,144	430	2,574
Telephone	3,767	1,465	5,232
Internet access	778	302	1,080
Travel	9,320	658	9,978
Accounting and audit fees	-	4,335	4,335
Insurance	-	5,122	5,122
Promotions and advertising	1,232	388	1,620
LACAN	111,147	-	111,147
LaTeach	3,806	-	3,806
Parent stipend	2,760	-	2,760
SDE conferences and workshops	18,968	-	18,968
OCDD fiscal intermediary	8,890	-	8,890
OCDD "8150 funds"	4,386	-	4,386
Adult programs	322	-	322
Discretionary fund disbursements	10,836	-	10,836
LaPTIC	1,038	-	1,038
FCW program	2,233	-	2,233
Board meetings	-	628	628
Miscellaneous	328	622	950
	<hr/>	<hr/>	<hr/>
Total functional expenses	<u>\$ 401,553</u>	<u>\$ 93,681</u>	<u>\$ 495,234</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, 2011

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 92% 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, 2011, Families Helping Families of Northeast Louisiana, Inc , had cash (book balances) as follows

Checking accounts	\$ 60,743
Petty cash	<u>100</u>
 Total cash	 <u>\$ 60,843</u>

Note 3 Investments and Fair Value Measurements

Investments held by Families Helping Families of Northeast Louisiana, Inc , as of June 30, 2011 consisted of

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Cash equivalent	\$ 593	\$ 593	\$ -
Fixed income	22,169	22,430	261
Mutual funds	19,064	18,575	(489)
Equities	<u>50,051</u>	<u>66,254</u>	<u>16,203</u>
 Total investments	 <u>\$ 91,877</u>	 <u>\$ 107,852</u>	 <u>\$ 15,975</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 \$107,852

Investment income for the year ended June 30, 2011 is summarized as follows

Interest	\$ 2,551
Dividends	4,851
Unrealized gain on investments	<u>12,475</u>
 Total investment income	 <u>\$ 19,877</u>

NOTES TO FINANCIAL STATEMENTS

Note 4 Due from Grantors

A summary of amounts due from grantors as of June 30, 2011 is as follows

Louisiana State Planning Council on Developmental Disabilities	\$ 23,209
Louisiana Department of Education	9,623
Louisiana Department of Health and Hospitals - Office of Public Health	8,682
Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities	9,227
Bayou Land Families Helping Families	3,320
Families Helping Families of Southwest Louisiana	584
Other	<u>297</u>
Total due from grantors	<u>\$ 54,942</u>

Note 5 Contingencies, Risks, and Uncertainties

Approximately 92% 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, 2011 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

SEE 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, 2011

Louisiana State Planning Council on Developmental Disabilities	
CFMS690369	\$ 41,701
CFMS696768	95,600
CFMS696762	3,000
CFMS684918	29,807
Louisiana Department of Education	
CFMS689356	96,248
Louisiana Department of Health and Hospitals - Office of Public Health	
CFMS664922	75,654
Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities	
CFMS676672	58,500
CFMS689962	9,988
CFMS689480	25,665
“8150 Funds”	4,386
Bayou Land Families Helping Families	
ECSS	19,200
F2FHIC	4,050
Families Helping Families of Southwest Louisiana - LaTeach	3,806
Louisiana Parent Training and Information Center - LaPTIC	<u>4,600</u>
 Total recognized revenue	 <u>\$ 472,205</u>

Note 7 Litigation and Claims

As of June 30, 2011, 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, December 9, 2011, 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

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, 2011 and have issued our report thereon dated December 9, 2011. 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 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 2011-1 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.

/s/ Hill, Inzina & Co

December 9, 2011

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, 2011

We have audited the financial statements of Families Helping Families of Northeast Louisiana, Inc , as of and for the year ended June 30, 2011, and have issued our report thereon dated December 9, 2011. 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, 2011 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

2011-1 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, 2011

Section I - Financial Statement Findings

2010-1 Inadequate Segregation of Duties

Adequate segregation of duties is essential to a proper
internal control

Unresolved-2011-1

Section II - Management Letter

None issued