

**CENTER FOR CHILDREN AND FAMILIES, INC.**

*Financial Statements  
For the Years Ended June 30, 2013 and 2012*

CENTER FOR CHILDREN AND FAMILIES, INC.  
FINANCIAL REPORT  
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

INDEX

---

|  | <u>Page</u> |
|--|-------------|
| Independent Auditor's Report -----   | 1-2         |
| Statements of Financial Position -----   | 3           |
| Statements of Activities -----   | 4           |
| Statements of Functional Expenses -----  | 5           |
| Statements of Cash Flows -----   | 6           |
| Notes to Financial Statements -----  | 7-11        |
| <u>Supplemental Information</u>  |             |
| Schedule of Expenditures of Federal Awards-----  | 12-13       |
| Independent Auditor's Report on Internal Control Over<br>Financial Reporting And on Compliance and Other Matters<br>Based on an Audit of Financial Statements Performed in<br>Accordance With <i>Government Auditing Standards</i> ----- | 14-15       |
| Independent Auditor's Report on Compliance<br>For Each Major Program and on Internal Control<br>Over Compliance Required by OMB Circular A-133-----  | 16-17       |
| Schedule of Findings and Questioned Costs-----   | 18          |
| Schedule of Prior Audit Findings and Questioned Costs-----   | 19          |

---

INDEPENDENT AUDITOR'S REPORT

Board of Directors of  
Center for Children and Families, Inc.  
Monroe, Louisiana

***Report on the Financial Statements***

I have audited the accompanying financial statements of the Center for Children and Families, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2013, 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***

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 those 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 the entity'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 the entity's internal control. 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.

***Opinion***

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center for Children and Families, Inc. as of June 30, 2013, 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 Matters***

My audit was conducted for the purpose of forming an opinion on the financial statements of the Center for Children and Families, Inc., taken as a whole. The accompanying schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated September 30, 2013, on my consideration of the Center for Children and Families, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the Center for Children and Families, Inc.'s internal control over financial reporting and compliance.

David M. Hart, CPA (APAC)

West Monroe, Louisiana  
September 30, 2013

CENTER FOR CHILDREN AND FAMILIES, INC.  
STATEMENTS OF FINANCIAL POSITION

ASSETS

|                                | June 30,       |                |
|--------------------------------|----------------|----------------|
|                                | 2013           | 2012           |
| Current Assets:                |                |                |
| Cash and Cash Equivalents      | \$ 24,531      | \$ 150,586     |
| Grants Receivable              | 263,797        | 433,816        |
| Prepaid Insurance              | -              | -              |
| Total Current Assets           | 288,328        | 584,402        |
| Property and Equipment:        |                |                |
| Furniture and Equipment        | 313,857        | 312,587        |
| Less: Accumulated Depreciation | (280,414)      | (266,384)      |
| Net Property and Equipment     | 33,443         | 46,203         |
| <br><u>TOTAL ASSETS</u>        | <br>\$ 321,771 | <br>\$ 630,605 |

LIABILITIES AND NET ASSETS

|   |                |                |
|---|----------------|----------------|
| Current Liabilities:                        |                |                |
| Payroll Liabilities                         | \$ 165         | \$ -           |
| Obligations Under Line of Credit            | 60,000         | 100,000        |
| Obligations Under Capital Lease - Current   | -              | 2,247          |
| Total Current Liabilities                   | 60,165         | 102,247        |
| Obligations Under Capital Lease - Long-Term | -              | -              |
| Net Assets:                                 |                |                |
| Unrestricted                                | 261,606        | 528,358        |
| <br><u>TOTAL LIABILITIES AND NET ASSETS</u> | <br>\$ 321,771 | <br>\$ 630,605 |

The accompanying notes are an integral part of these financial statements.

CENTER FOR CHILDREN AND FAMILIES, INC.  
STATEMENTS OF ACTIVITIES

| <u>PUBLIC SUPPORT, GRANT REVENUE<br/>AND OTHER SUPPORT</u> | For the Years Ended<br>June 30, |              |
|--|---------------------------------|--------------|
|  | 2013                            | 2012         |
| Government Grants and Contracts                            | \$ 2,938,799                    | \$ 2,908,467 |
| Contributions  | 29,368                          | 19,898       |
| Fundraising  | 65,726                          | 60,244       |
| Interest Income  | 228                             | 237          |
|  | 3,034,121                       | 2,988,846    |
| <u>EXPENSES</u>  |                                 |              |
| Program Services:  |                                 |              |
| TANF   | 773,957                         | 789,724      |
| Home Builders  | -                               | 232,109      |
| VOCA   | 125,280                         | 94,772       |
| Therapeutic Services                                       | 2,166,729                       | 1,766,078    |
| Children's Advocacy Centers of Louisiana                   | 6,595                           | 4,949        |
| Safe Schools   | -                               | 2,999        |
| Louisiana Children's Trust Fund                            | 11,999                          | 27,236       |
| Total Program Services                                     | 3,084,560                       | 2,917,867    |
| Management and General                                     | 141,203                         | 149,022      |
| Fundraising  | 36,552                          | 24,810       |
|  | 3,262,315                       | 3,091,699    |
| <u>DECREASE IN NET ASSETS</u>                              | (228,194)                       | (102,853)    |
| <u>NET ASSETS AT BEGINNING OF YEAR (Restated)</u>          | 489,800                         | 631,211      |
| <u>NET ASSETS AT END OF YEAR</u>                           | \$ 261,606                      | \$ 528,358   |

The accompanying notes are an integral part of these financial statements.

CENTER FOR CHILDREN AND FAMILIES, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

|   | PROGRAM SERVICES         |                          |                            |                        |                                 |
|---|--------------------------|--------------------------|----------------------------|------------------------|---------------------------------|
|   | TANF                     | VOCA                     | Therapeutic<br>Services    | LA<br>CASA             | La.<br>Children's<br>Trust Fund |
| Advertising/Promotion                               | \$ -                     | \$ -                     | \$ 1,730                   | \$ -                   | \$ -                            |
| Dues and Subscriptions                              | -                        | -                        | -                          | -                      | -                               |
| Fundraising Events                                  | -                        | -                        | -                          | -                      | -                               |
| Insurance   | 279                      | -                        | 24,722                     | -                      | -                               |
| Interest  | -                        | -                        | 500                        | -                      | -                               |
| Legal and Professional                              | -                        | -                        | 10,500                     | -                      | -                               |
| Meetings/Seminars                                   | -                        | -                        | 540                        | 3,166                  | -                               |
| Miscellaneous                                       | 1,131                    | -                        | 25,562                     | 38                     | -                               |
| Office  | 28,070                   | -                        | 31,577                     | 350                    | -                               |
| Postage   | 4,183                    | -                        | 2,395                      | -                      | -                               |
| Project Coordination                                | 664,955                  | 119,119                  | 1,918,329                  | 1,185                  | 11,999                          |
| Rent  | 27,155                   | -                        | 37,500                     | -                      | -                               |
| Repairs and Maintenance                             | 1,412                    | -                        | 39,645                     | -                      | -                               |
| Training  | 7,279                    | -                        | 24,548                     | 1,856                  | -                               |
| Utilities   | 39,493                   | 6,161                    | 49,181                     | -                      | -                               |
| Depreciation  | -                        | -                        | -                          | -                      | -                               |
| <b>Total Expenses, year ended<br/>June 30, 2013</b> | <b><u>\$ 773,957</u></b> | <b><u>\$ 125,280</u></b> | <b><u>\$ 2,166,729</u></b> | <b><u>\$ 6,595</u></b> | <b><u>\$ 11,999</u></b>         |
| <b>Total Expenses, year ended<br/>June 30, 2012</b> | <b><u>\$ 789,724</u></b> | <b><u>\$ 94,772</u></b>  | <b><u>\$ 1,766,078</u></b> | <b><u>\$ 4,949</u></b> | <b><u>\$ 27,236</u></b>         |

| PROGRAM SERVICES |                   |                        |                        |                  |                     | TOTALS              |  |
|------------------|-------------------|------------------------|------------------------|------------------|---------------------|---------------------|--|
| Safe Schools     | Home Builders     | Total Program Services | Management and General | Fundraising      | 2013                | 2012                |  |
| \$ -             | \$ -              | \$ 1,730               | \$ -                   | \$ -             | \$ 1,730            | \$ 988              |  |
| -                | -                 | -                      | -                      | -                | -                   | -                   |  |
| -                | -                 | -                      | -                      | 36,552           | 36,552              | 24,810              |  |
| -                | -                 | 25,001                 | -                      | -                | 25,001              | 23,129              |  |
| -                | -                 | 500                    | -                      | -                | 500                 | 2,549               |  |
| -                | -                 | 10,500                 | -                      | -                | 10,500              | 68,532              |  |
| -                | -                 | 3,706                  | 2,853                  | -                | 6,559               | 192,205             |  |
| -                | -                 | 26,731                 | 8,955                  | -                | 35,686              | 39,818              |  |
| -                | -                 | 59,997                 | 5,919                  | -                | 65,916              | 58,435              |  |
| -                | -                 | 6,578                  | 400                    | -                | 6,978               | 6,085               |  |
| -                | -                 | 2,715,587              | 96,945                 | -                | 2,812,532           | 2,364,662           |  |
| -                | -                 | 64,655                 | -                      | -                | 64,655              | 70,126              |  |
| -                | -                 | 41,057                 | 5,753                  | -                | 46,810              | 47,243              |  |
| -                | -                 | 33,683                 | 3,091                  | -                | 36,774              | 63,039              |  |
| -                | -                 | 94,835                 | 3,258                  | -                | 98,093              | 104,698             |  |
| -                | -                 | -                      | 14,029                 | -                | 14,029              | 25,380              |  |
| <u>\$ -</u>      | <u>\$ -</u>       | <u>\$ 3,084,560</u>    | <u>\$ 141,203</u>      | <u>\$ 36,552</u> | <u>\$ 3,262,315</u> |                     |  |
| <u>\$ 2,999</u>  | <u>\$ 232,109</u> | <u>\$ 2,917,867</u>    | <u>\$ 149,022</u>      | <u>\$ 24,810</u> |                     | <u>\$ 3,091,699</u> |  |

The accompanying notes are an integral part of these financial statements.



CENTER FOR CHILDREN AND FAMILIES, INC.  
STATEMENTS OF CASH FLOWS

|  | For the Years Ended |                   |
|--|---------------------|-------------------|
|  | June 30,            |                   |
|  | <u>2013</u>         | <u>2012</u>       |
|  |                     | (Restated)        |
| <b>Cash Flows from Operating Activities:</b>   |                     |                   |
| Decrease in Net Assets   | \$ (228,194)        | \$ (102,853)      |
| Adjustments to Reconcile Change in Net Assets<br>to Net Cash Provided by Operating Activities: |                     |                   |
| Changes in Assets and Liabilities:   |                     |                   |
| Depreciation   | 14,029              | 25,380            |
| (Increase) Decrease in Grants Receivable   | 131,627             | (67,310)          |
| (Increase) Decrease in Prepaid Insurance   | -                   | 7,457             |
| Net Cash Provided (Used) by Operating Activities   | <u>(82,538)</u>     | <u>(137,326)</u>  |
| <br><b><u>Cash Flows from Investing Activities:</u></b>  |                     |                   |
| Proceeds (Decrease) from Line of Credit  | (40,000)            | 100,000           |
| Payment on Capital Lease Obligation  | (2,247)             | (2,700)           |
| Purchase of Property and Equipment   | <u>(1,270)</u>      | <u>(27,838)</u>   |
| Net Cash Used by Investing Activities  | (43,517)            | 69,462            |
| <br><b><u>Increase (Decrease) in Cash and Cash Equivalents</u></b>                             | (126,055)           | (67,864)          |
| <br><b><u>Cash at Beginning of Year</u></b>  | <u>150,586</u>      | <u>218,450</u>    |
| <br><b><u>CASH AND CASH EQUIVALENTS, END OF YEAR</u></b>                                       | <u>\$ 24,531</u>    | <u>\$ 150,586</u> |

The accompanying notes are an integral part of these financial statements.

CENTER FOR CHILDREN AND FAMILIES, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Center for Children and Families, Inc. (the Center) is a nonprofit public service association organized under the laws of the State of Louisiana on February 8, 1999. The Center was organized for the advocacy of children in the court and foster care systems within the Fourth District of Louisiana, and to do any and all things germane, incidental, and necessary to carry out these purposes into full effect. Revenues are derived primarily from the State of Louisiana, contributions from the general public, and fundraising efforts. On January 13, 2004, Center for Children and Families, Inc. changed its legal name from CASA of Northeast Louisiana, Inc. (Court Appointed Special Advocates) to better represent to the public its functions of helping youth and juvenile offenders and their families.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

The financial statements of the Center have been prepared on the accrual basis of accounting as applicable to voluntary health and welfare organizations. The more significant accounting policies of the Center are described below.

The financial statements of the Center are presented as recommended by the Financial Accounting Standards Board in ASC 958-55 (formerly SFAS No. 116, *Accounting for Contributions Received and Contributions Made*) and ASC 958-205 (formerly SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*). Under 958-205, the Center is required to report information regarding its financial position and activities according to three classes of net assets:

*Unrestricted Net Assets* – Net assets that are not subject to donor-imposed stipulations. As of June 30, 2013 and 2012 all net assets were unrestricted.

*Temporarily Restricted Assets* – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Center and/or passage of time. As of June 30, 2013 and 2012 there were no temporarily restricted assets.

*Permanently Restricted Net Assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Center. Generally, the donors of these assets permit the Center to use all of, or part of, the income earned on the related investments for general or specific purposes. As of June 30, 2013 and 2012, there were no permanently restricted net assets.

CENTER FOR CHILDREN AND FAMILIES, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)

Grants Receivable

Grants receivable represent amounts that have been expensed for grant purposes and are to be reimbursed in full by the grantor and have been promised over the next twelve months.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method:

|                         | <u>Years</u> |
|-------------------------|--------------|
| Furniture and Equipment | 5            |

Public Support and Revenue

Annual contributions are recorded as revenue when received and are generally available for unrestricted use unless specifically restricted by the donor.

Unreimbursed expenses are recorded as income and as grants receivable when requests for reimbursement are submitted to the grants.

Contributions of donated non-cash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values.

Functional Allocation of Expenses

The cost of providing the various programs and activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Fair Value of Financial Instruments

ASC section 820 *Fair Value Measurements and Disclosures* and ASC section 825 *Financial Instruments* require all entities to disclose the fair value of financial instruments for which it is practicable to estimate fair value.

The carrying amount of cash and cash equivalents, accrued interest receivable, and bequests receivable approximates fair value because of the short maturity of these financial instruments. The carrying value, which is the fair value of investments and funds held in trust by others, is based upon quoted market values. In the limited cases where such values are not available, historical cost is used as an estimate of market value.

CENTER FOR CHILDREN AND FAMILIES, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

Note 2 - Cash and Cash Equivalents

The Center maintains its cash balance in a local financial institution. At June 30, 2013, the bank balance was \$53,581, all of which is insured by the Federal Deposit Insurance Corporation.

Note 3 - Income Taxes

The Center is a nonprofit corporation exempted from federal income taxes under Sec. 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made; however, should the Organization engage in activities unrelated to its exempt purpose, taxable income could result. The Organization had no material unrelated business income for the year ended June 30, 2013. The earliest income tax year that is subject to examination is 2009.

Note 4 - Grants Receivable

Grants receivable consisted of the following at June 30, 2013 and 2012:

|                                 | <u>2013</u>       | <u>2012</u>       |
|---------------------------------|-------------------|-------------------|
| TANF Grant                      | \$ 76,411         | \$ 144,290        |
| Family Foundation               | 17,024            | 97,782            |
| La. Children's Trust Fund       | 11,999            | 10,433            |
| VOCA (Victims of Criminal Acts) | 28,213            | 94,023            |
| Home Builders                   | -                 | 36,554            |
| Mentoring Program               | -                 | 4,522             |
| Therapeutic Services            | <u>130,150</u>    | <u>46,212</u>     |
| Total Grants Receivable         | <u>\$ 263,797</u> | <u>\$ 433,816</u> |

Note 5 - Property and Equipment

A summary of furniture, equipment and accumulated depreciation at June 30, 2013 and 2012 is as follows:

|                            | <u>2013</u>       | <u>2012</u>       |
|----------------------------|-------------------|-------------------|
| Furniture & Equipment      | \$ 313,857        | \$ 312,587        |
| Accumulated Depreciation   | <u>( 280,414)</u> | <u>( 266,384)</u> |
| Net Property and Equipment | <u>\$ 33,443</u>  | <u>\$ 46,203</u>  |

Depreciation expense for the years ended June 30, 2013 and 2012 was \$14,029 and \$25,380, respectively.

Note 6 - Lease Expense - Operating

The Center has a three year operating lease for the main office in Monroe, LA for \$2,988 per month. This lease is on a month to month basis. The Center also has a twelve month lease for its Farmerville office for \$400 per month. This lease was set to expire at September 30, 2012. For the year ended June 30, 2013, the Center had a twelve month lease for their Rayville office for \$2,400 per month until April 1, 2013 when it was reduced to \$400 per month.

CENTER FOR CHILDREN AND FAMILIES, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

Note 6 - Lease Expense – Operating (continued)

Minimum future rental payments under non-cancelable operating leases as of June 30, 2013, is as follows:

|               |          |
|---------------|----------|
| June 30, 2013 | \$ 8,400 |
|---------------|----------|

Note 7 - Letters of Credit

During the year ended June 30, 2011, the Center was extended a line of credit in the amount of \$300,000 at 3.25% interest per year. As of June 30, 2013, the Center owed \$60,000 on the line of credit.

Note 8 - Financial Instruments

Fair Values

The Center's financial instruments consist of cash, receivables, accounts payable and a line of credit. The carrying values of these instruments approximate their fair values.

Concentrations of Credit Risk

The Center has concentrated credit risk for cash by maintaining deposits in one bank. At June 30, 2013 and 2012 there were no deposits in excess of the deposit liabilities reported by the bank over the amount that would have been covered by federal insurance.

Collateralization Policy

The Center does not require collateral to support financial instruments subject to credit risk unless otherwise disclosed.

Note 9 - Disclosures About Concentrations

The Center receives the majority of its revenue in the form of grants from various federal and state agencies. These grants are subject to review by the grantor agencies, which could result in disallowed costs, and there are no guarantees as to future funding.

Note 10 - Prior Period Adjustment of Net Assets

Medicaid reimbursements account for the majority of revenue in the Therapeutic Services Programs that the Center for Children and Families, Inc. provides. When reimbursements are submitted to Medicaid for payment, some of the costs are not reimbursed for various reasons that are determined by Medicaid. In the years prior to 2013, \$38,556 was not reimbursed by Medicaid and was never removed from the accounts receivable by management. During 2013, management decided to remove these uncollectible amounts from the accounts receivable, resulting in a decrease of net assets of \$38,556.

CENTER FOR CHILDREN AND FAMILIES, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

Note 11- Subsequent Events

Subsequent events have been evaluated through September 30, 2013, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

SUPPLEMENTAL INFORMATION

CENTER FOR CHILDREN AND FAMILIES, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013

| Federal Grants/Pass Through<br>Grantor/Program Title                          | CFDA<br>Number | Agency or Pass -<br>Through Number | Expenditures      |
|---|----------------|------------------------------------|-------------------|
| <b>Department of Health and Human Services</b>                                |                |                                    |                   |
| Temporary Assistance for Needy Families                                       | 93.558         | None                               | * \$ 773,957      |
| Children and Family Services -<br>Community Based Family Resources<br>Support | 93.590         | None                               | 11,999            |
| <b>Department of Justice</b>  |                |                                    |                   |
| Victims of Criminal Acts (VOCA)   | 16.575         | C10-2-001                          | 122,899           |
|   |                |                                    | <u>\$ 908,855</u> |

1. General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Center for Children and Families, Inc. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

2. Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Center's financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. Relationship of the Schedule of Expenditures of Federal Awards to the Primary Financial Statements

The following reconciliation is provided to help the reader of the Center's financial statements and supplementary information relate such information to the Schedule of Expenditures of Federal Awards for the year ended June 30, 2013.

\*Denotes Major Federal Assistance Program.



CENTER FOR CHILDREN AND FAMILIES, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013 (continued)

3. Relationship of the Schedule of Expenditures of Federal Awards to the Primary Financial Statements  
(continued)

TANF Program Services

|   |                |
|---|----------------|
| Interest Paid on Capital Lease - Copier | \$ 1,124       |
| Insurance                               | 279            |
| Miscellaneous                           | 1,131          |
| Office                                  | 28,070         |
| Postage                                 | 4,183          |
| Project Coordination                    | 664,955        |
| Rent                                    | 27,155         |
| Repairs and Maintenance                 | 1,412          |
| Training                                | 7,279          |
| Utilities                               | 39,493         |
| Fixed Asset Purchases                   | 1,270          |
| Total Program Services                  | <u>776,351</u> |

Total Expenditures Requested for Reimbursement \$ 776,351

Grant Revenue \$ 776,351

**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  
Center for Children and Families, Inc.

I 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 the Center for Children and Families, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated September 30, 2013.

***Internal Control Over Financial Reporting***

In planning and performing my audit of the financial statements, I considered the Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, I do not express an opinion on the effectiveness of the Center'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 the entity'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.

My 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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*David M. Hartt, CPA (APAC)*

West Monroe, Louisiana  
September 30, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
OMB CIRCULAR A-133**

Board of Directors  
Center for Children and Families, Inc.

***Report on Compliance for Each Major Federal Program***

I have audited the Center for Children and Families, Inc.'s (the Center) compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on the Center's major federal program for the year ended June 30, 2013. The Center's major program is identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

***Auditor's Responsibility***

My responsibility is to express an opinion on compliance for the Center's major federal program based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as I consider necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion for the major federal program. However, my audit does not provide a legal determination of the Center's compliance.

***Opinion on Each Major Federal Program***

In my opinion, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2013.

***Report on Internal Control Over Compliance***

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the requirements referred to above. In planning and performing my audit of compliance, I considered the Center's internal control over compliance with the requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Center's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*David M. Ault, CPA (APAC)*

West Monroe, Louisiana  
September 30, 2013

CENTER FOR CHILDREN AND FAMILIES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013

**Summary of Auditor's Results**

1. The auditor's report expresses an unqualified opinion on the financial statements of Center for Children and Families, Inc.
2. No significant deficiencies relating to the audit of the financial statements were reported.
3. No instances of noncompliance material to the financial statements of Center for Children and Families, Inc. were disclosed during the audit.
4. No significant deficiencies relating to the audit of a major federal award program are reported.
5. The auditor's report on compliance for the major federal award programs for Center for Children and Families, Inc. expresses an unqualified opinion.
6. There were no findings relative to major federal award programs for Center for Children and Families, Inc.
7. The programs tested as major programs included:

| <u>Program</u>                                 | <u>CFDA No.</u> |
|--|-----------------|
| TANF (Temporary Assistance for Needy Families) | 93.558          |

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Center for Children and Families, Inc. was determined to be a low-risk auditee.
10. No management letter was issued related to the financial statements for the year ended June 30, 2013.

**Findings and Questioned Costs – Financial Statements Audit**

None

**Findings and Questioned Costs – Major Federal Award Programs**

None

CENTER FOR CHILDREN AND FAMILIES, INC.  
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013

**Findings and Questioned Costs – Financial Statements Audit**

None

**Findings and Questioned Costs – Major Federal Award Programs**

None