

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

FINANCIAL REPORT

June 30, 2005

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 12-14-05

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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, 2005, 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, 2005, 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 9, 2005 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.

November 9, 2005

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FINANCIAL STATEMENTS

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

STATEMENT OF FINANCIAL POSITION
June 30, 2005

ASSETS

Current assets:	
Cash	\$ 16,991
Due from grantors	57,798
Investments	<u>160,794</u>
Total current assets	<u>\$ 235,583</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 85
Payroll taxes payable	<u>6,017</u>
Total current liabilities	\$ 6,102
Net assets - unrestricted	<u>229,481</u>
Total liabilities and net assets	<u>\$ 235,583</u>

See notes to financial statements.

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

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2005

Revenues and other support:	
Federal grants	\$ 225,299
State grants	158,907
Other grants	23,537
Contributions	9,194
Interest	<u>4,055</u>
Total revenues and other support	<u>\$ 420,992</u>
Expenses:	
Program	\$ 308,257
Management and general	<u>100,346</u>
Total expenses	<u>\$ 408,603</u>
Change in net assets - unrestricted	\$ 12,389
Net assets - unrestricted - beginning	<u>217,092</u>
Net assets - unrestricted - ending	<u>\$ 229,481</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, 2005

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in unrestricted net assets	\$ 12,389
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities:	
Unrealized gain on investments	(759)
(Increase) decrease in due from grantors	(11,687)
Increase (decrease) in accounts payable	(96)
Increase (decrease) in payroll taxes payable	<u>1,146</u>
Net cash flows provided by operating activities	\$ 993
 CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES	
Purchase of investments	<u>(32,035)</u>
 Increase (decrease) in cash	 \$(31,042)
Cash - beginning	<u>48,033</u>
Cash - ending	<u><u>\$ 16,991</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, 2005

	<u>Program</u>	<u>Management and General</u>	<u>Totals</u>
Salaries	\$ 126,033	\$ 71,443	\$ 197,476
Payroll taxes	12,424	6,989	19,413
Other employee benefits	4,363	-	4,363
Supplies and equipment	20,346	3,485	23,831
Building rent, utilities, and maintenance	10,573	5,680	16,253
Postage	4,016	597	4,613
Telephone	3,494	1,966	5,460
Internet access	778	437	1,215
Travel	15,003	1,211	16,214
Accounting and audit	-	2,376	2,376
Insurance	2,440	2,742	5,182
Advertising	846	476	1,322
Bank charges and fees	10	226	236
LACAN	62,360	-	62,360
Parent stipend	9,535	-	9,535
LaSIG	15,247	-	15,247
LA-4	312	-	312
SDE seminar	4,461	-	4,461
OCDD Family Forum	2,165	-	2,165
Miscellaneous	<u>13,851</u>	<u>2,718</u>	<u>16,569</u>
 Total functional expenses	 <u>\$ 308,257</u>	 <u>\$ 100,346</u>	 <u>\$ 408,603</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, 2005

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 with 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:

Equipment and furniture of 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 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 or management and general 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, 2005, Families Helping Families of Northeast Louisiana, Inc., had cash (book balances) as follows:

Checking accounts	\$	16,891
Petty cash		<u>100</u>
 Total cash		 <u>\$ 16,991</u>

Note 3. Investments

Investments held by Families Helping Families of Northeast Louisiana, Inc., as of June 30, 2005 consists of:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Certificates of deposit	\$ 133,000	\$ 133,000	\$ -
Equities/options	14,611	14,866	254
REIT's/tangibles	<u>12,422</u>	<u>12,928</u>	<u>505</u>
 Total investments	 <u>\$ 160,033</u>	 <u>\$ 160,794</u>	 <u>\$ 759</u>

As of June 30, 2005, cash and certificates of deposit (bank balances) of \$14,765 were uninsured by Federal Deposit Insurance Corporation (FDIC).

NOTES TO FINANCIAL STATEMENTS

Note 4. 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, 2005:

<u>Funding Source</u>	<u>Recognized Revenue</u>
Louisiana State Planning Council on Developmental Disabilities:	
CFMS610864	\$ 50,000
CFMS617095	4,497
CFMS603492	1,500
CFMS599782	9,848
CFMS617780	55,785
CFMS599684	1,763
CFMS617096	8,310
CFMS618468	7,059
Louisiana Department of Education:	
CFMS608154	30,350
CFMS611034	49,500
Louisiana Department of Health and Hospitals- Office of Public Health - CFMS618013	92,355
Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities - CFMS595306	65,500
Bureau of Community Supports and Services - CFMS619790	3,375
Bureau of Community Supports and Services - CFMS607321	4,364
Bayou Land Families Helping Families - ECSS	8,560
Bayou Land Families Helping Families - LA-4	635
Louisiana State University Human Development Center	9,842
Families Helping Families of Greater New Orleans - CFMS614924	<u>4,500</u>
 Total recognized revenue	 <u>\$ 407,743</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 5. Due from Grantors

A summary of amounts due from grantors as of June 30, 2005, is as follows:

Louisiana State Planning Council on Developmental Disabilities	\$	18,673
Louisiana Department of Education		11,181
Louisiana Department of Health and Hospitals - Office of Public Health		16,823
Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities		5,417
Bureau of Community Supports and Services		450
Bayou Land Families Helping Families		2,130
Families Helping Families of Greater New Orleans		1,617
Louisiana State University Human Development Center		1,395
Other		<u>112</u>
Total due from grantors	\$	<u>57,798</u>

Note 6. Litigation and Claims

As of June 30, 2005, 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 INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
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, 2005, and have issued our report thereon dated November 9, 2005. 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 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 an opinion 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 2005-1.

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 caused by error or fraud 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.

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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 or other matters that are required to be reported under *Government Auditing Standards*.

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.

November 9, 2005

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, 2005

We have audited the financial statements of Families Helping Families of Northeast Louisiana, Inc., as of and for the year ended June 30, 2005, and have issued our report thereon dated November 9, 2005. 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, 2005 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

Report on Internal Control over Financial Reporting and on Compliance Based on an Audit
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

2005-1 Inadequate Segregation of Duties (initially cited 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, 2005

Section I - Compliance and Internal Control Material to Financial Statements

2004-1 Inadequate Segregation of Duties

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

Unresolved - 2005-1.

Section II - Management Letter

None issued.