

**CHILDREN'S COALITION  
FOR NORTHEAST LOUISIANA, INC.  
MONROE, LOUISIANA  
JUNE 30, 2014 AND 2013**

**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.**

**MONROE, LOUISIANA**

**JUNE 30, 2014 AND 2013**

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# HEARD, McELROY, & VESTAL

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December 8, 2014

The Board of Directors  
Children's Coalition for Northeast Louisiana, Inc.  
Monroe, Louisiana

## Independent Auditors' Report

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Children's Coalition for Northeast Louisiana, Inc. (a nonprofit Louisiana corporation) which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, functional expenses and cash flows for the years 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***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 the 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. Accordingly, we express no such opinion. 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.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Children's Coalition for Northeast Louisiana, Inc. as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of changes in net assets are presented for the purpose of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by 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 audits of the financial statements and certain additional procedures, including comparing and reconciling such information 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 our opinion the information 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*, we have also issued our report dated December 8, 2014 on our consideration of Children's Coalition for Northeast Louisiana, Inc.'s internal control over financial reporting and on our 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 our 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 Children's Coalition for Northeast Louisiana, Inc.'s internal control over financial reporting and compliance.

*Heard, McElroy & Vestal, LLC*  
Monroe, Louisiana

## FINANCIAL STATEMENTS

**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

	<b>JUNE 30</b>	
	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash	\$ 385,045	\$ 179,547
Accounts Receivable	165,587	127,920
Furniture and Equipment	255,917	230,592
Accumulated Depreciation	(161,172)	(132,703)
Prepaid Expenses	<u>8,034</u>	<u>7,273</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 653,411</u></u>	<u><u>\$ 412,629</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts Payable	\$ 4,027	\$ 466
Accrued Payroll Liabilities	11,997	9,796
Capital Leases Payable - Current	5,896	8,308
Capital Leases Payable - Long-Term	-	5,896
Notes Payable - Bank line-of-credit	<u>69,499</u>	<u>148,170</u>
Total Liabilities	91,419	172,636
<b>Net Assets</b>		
Net Assets - Unrestricted/Undesignated	235,703	100,027
Net Assets - Unrestricted/Designated	305,458	106,882
Net Assets - Temporarily Restricted	<u>20,831</u>	<u>33,084</u>
Total Net Assets	<u><u>561,992</u></u>	<u><u>239,993</u></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 653,411</u></u>	<u><u>\$ 412,629</u></u>

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

**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and Revenues</b>			
Donations and Sponsorships	\$ 637,867	\$ -	\$ 637,867
In-Kind Donations at Fair Value	4,392	-	4,392
Grants - Federal	672,979	-	672,979
Grants - Vendor Contracts	223,955	-	223,955
Grants - Other	176,463	34,209	210,672
Registration and Tuition Fees	33,517	-	33,517
Memberships	24,520	-	24,520
Interest	699	-	699
Contributions and Net Revenue from Special Events			
Special Event Revenue	47,827	-	47,827
Other Revenue	4,732	-	4,732
Total	<u>1,826,951</u>	<u>34,209</u>	<u>1,861,160</u>
Net Assets Released from Restrictions	<u>46,462</u>	<u>(46,462)</u>	<u>-</u>
Total Support and Revenue	1,873,413	(12,253)	1,861,160
<b>Expenses</b>			
Program Services			
Health Care	36,397	-	36,397
Early Childhood Education	1,059,017	-	1,059,017
Youth Development	91,435	-	91,435
Parenting Initiative	21,537	-	21,537
Total Program Services	<u>1,208,386</u>	<u>-</u>	<u>1,208,386</u>
Supporting Services			
Management & General	229,955	-	229,955
Fund Raising	100,821	-	100,821
Total Supporting Services	<u>330,775</u>	<u>-</u>	<u>330,775</u>
Total Expenses	<u>1,539,161</u>	<u>-</u>	<u>1,539,161</u>
Change in Net Assets	334,252	(12,253)	321,999
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>206,909</u>	<u>33,084</u>	<u>239,993</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 541,161</u>	<u>20,831</u>	<u>\$ 561,992</u>

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

**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Donations and Sponsorships	\$ 330,686	\$ -	\$ 330,686
In-Kind Donations at Fair Value	4,392	-	4,392
Grants - Federal	770,543	-	770,543
Grants - Vendor Contracts	220,380	-	220,380
Grants - Other	61,233	88,894	150,127
Registration and Tuition Fees	37,038	-	37,038
Memberships	26,240	-	26,240
Interest	699	-	699
Contributions and Net Revenue from Special Events			
Special Event Revenue	35,606	-	35,606
Other Revenue	4,555	-	4,555
Total	<u>1,491,372</u>	<u>88,894</u>	<u>1,580,266</u>
Net Assets Released from Restrictions	<u>115,207</u>	<u>(115,207)</u>	<u>-</u>
Total Support and Revenue	1,606,579	(26,313)	1,580,266
<b>Expenses</b>			
Program Services			
Health Care	249,103	-	249,103
Early Childhood Education	773,525	-	773,525
Youth Development	171,729	-	171,729
Parenting Initiative	68,187	-	68,187
Total Program Services	<u>1,262,544</u>	<u>-</u>	<u>1,262,544</u>
Supporting Services			
Management & General	235,606	-	235,606
Fund Raising	53,603	-	53,603
Total Supporting Services	<u>289,209</u>	<u>-</u>	<u>289,209</u>
Total Expenses	<u>1,551,753</u>	<u>-</u>	<u>1,551,753</u>
Change in Net Assets	54,826	(26,313)	28,513
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>152,083</u>	<u>59,397</u>	<u>211,480</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 206,909</u>	<u>\$ 33,084</u>	<u>\$ 239,993</u>

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



**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Program Services</u>					<u>Supporting Services</u>		
		<u>Early</u>			<u>Total</u>			<u>Total</u>
	<u>Health Care</u>	<u>Childhood Education</u>	<u>Youth Development</u>	<u>Parenting Initiative</u>	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fund Raising</u>	<u>Expenses</u>
Salaries	\$ 22,047	\$ 599,693	\$ 59,705	\$ 19,107	\$ 700,552	\$ 135,196	\$ 43,254	\$ 879,002
Payroll Taxes	1,757	47,798	4,759	1,523	55,837	10,776	3,448	70,060
Related Benefits	580	19,899	1,347	347	22,173	10,268	3,285	35,726
Total Salaries and Related Expenses	<u>24,384</u>	<u>667,390</u>	<u>65,811</u>	<u>20,977</u>	<u>778,562</u>	<u>156,239</u>	<u>49,987</u>	<u>984,788</u>
Advertising	1,630	63,186	-	-	64,816	11,576	3,643	80,035
Bank Charges	-	-	-	-	-	1,304	-	1,304
Board Expenses	-	-	-	-	-	2,846	-	2,846
Computer Maintenance	-	5,913	-	-	5,913	1,303	-	7,216
Contract for Services	500	21,910	6,732	-	29,142	5,711	28,213	63,066
Dues and Subscriptions	-	15,958	-	-	15,958	1,450	-	17,408
Equipment Lease	-	4,507	-	-	4,507	213	-	4,720
Insurance	-	1,569	-	-	1,569	474	-	2,043
Interest	-	-	-	-	-	7,316	-	7,316
Internet	290	1,151	-	-	1,441	1,449	-	2,890
Janitorial	-	-	-	-	-	500	-	500
Maintenance & Repairs	-	6,300	-	-	6,300	1,898	-	8,198
Meetings	2,826	6,696	2,510	-	12,032	3,037	9,493	24,562
Miscellaneous	-	-	-	-	-	2,866	-	2,866
Postage and Delivery	-	3,427	-	-	3,427	802	89	4,318
Printing & Reproduction	940	9,418	-	-	10,358	2,885	2,066	15,309
Professional Development	-	6,637	-	-	6,637	-	65	6,702
Professional Fees	-	8,434	-	-	8,434	5,622	1,550	15,606
Property Taxes	-	-	-	-	-	200	-	200
Rent	501	53,550	-	-	54,051	12,959	160	67,170
Scholarships	-	80,588	-	-	80,588	-	-	80,588
Security	-	-	-	-	-	257	-	257
Supplies	4,307	8,164	14,282	-	26,753	1,504	2,527	30,784
Telephone	7	7,585	60	-	7,652	1,290	-	8,942
Training	-	12,881	-	-	12,881	35	-	12,916
Travel	326	32,268	318	154	33,066	562	1,129	34,757
Utilities	-	21,537	-	-	21,537	1,325	-	22,862
Total	<u>35,711</u>	<u>1,039,069</u>	<u>89,713</u>	<u>21,131</u>	<u>1,185,624</u>	<u>225,623</u>	<u>98,922</u>	<u>1,510,169</u>
Depreciation	686	19,948	1,722	406	22,761	4,331	1,899	28,992
Total Functional Expenses	<u>\$ 36,397</u>	<u>\$ 1,059,017</u>	<u>\$ 91,435</u>	<u>\$ 21,537</u>	<u>\$ 1,208,386</u>	<u>\$ 229,955</u>	<u>\$ 100,821</u>	<u>\$ 1,539,161</u>

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

**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Program Services</u>				<u>Supporting Services</u>			
	<u>Health Care</u>	<u>Early Childhood Education</u>	<u>Youth Development</u>	<u>Parenting Initiative</u>	<u>Total Program Services</u>	<u>Management &amp; General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Salaries	\$ 175,633	\$ 467,657	\$ 134,446	\$ 48,530	\$ 826,266	\$ 115,564	\$ 27,423	\$ 969,253
Payroll Taxes	14,163	37,711	10,841	3,913	66,628	9,319	2,211	78,158
Related Benefits	4,592	12,228	3,515	1,269	21,604	3,023	717	25,344
Total Salaries and Related Expenses	<u>194,388</u>	<u>517,596</u>	<u>148,802</u>	<u>53,712</u>	<u>914,498</u>	<u>127,906</u>	<u>30,350</u>	<u>1,072,754</u>
Advertising	7,814	-	-	-	7,814	5,967	3,692	17,473
Bank Charges	60	-	-	-	60	1,738	-	1,798
Board Expenses	-	-	-	-	-	2,072	-	2,072
Computer Maintenance	-	4,036	-	-	4,036	289	-	4,325
Contract for Services	1,000	10,845	6,030	-	17,875	18,540	6,029	42,444
Dues and Subscriptions	-	6,305	-	-	6,305	1,175	-	7,480
Equipment Lease	-	3,485	-	-	3,485	(144)	-	3,341
Insurance	-	2,924	-	-	2,924	1,140	-	4,064
Interest	-	-	-	-	-	9,646	-	9,646
Internet	446	811	87	-	1,344	1,743	-	3,087
Janitorial	-	-	-	-	-	828	-	828
Maintenance & Repairs	1,970	5,030	60	-	7,060	1,259	-	8,319
Meetings	4,817	1,831	3,000	324	9,972	11,509	4,986	26,467
Miscellaneous	-	-	-	-	-	2,713	-	2,713
Postage and Delivery	119	3,235	46	-	3,400	1,010	-	4,410
Printing & Reproduction	2,845	5,312	2,148	523	10,828	4,343	70	15,241
Property Taxes	215	-	-	-	215	-	-	215
Professional Development	-	2,900	-	35	2,935	1,581	-	4,516
Professional Fees	-	7,644	-	-	7,644	3,445	6,950	18,039
Rent	974	60,500	-	-	61,474	10,433	-	71,907
Scholarships	1,763	73,125	-	-	74,888	3,165	-	78,053
Security	-	-	-	-	-	435	-	435
Supplies	16,029	4,680	2,907	8,370	31,986	5,537	338	37,861
Telephone	950	5,866	540	-	7,356	1,504	-	8,860
Training	-	2,655	-	1,305	3,960	-	-	3,960
Travel	10,193	21,716	4,304	2,407	38,620	5,720	-	44,340
Utilities	-	15,888	-	-	15,888	4,639	-	20,527
Loss on Disposal of Assets	-	-	-	-	-	2,192	-	2,192
Total	<u>243,583</u>	<u>756,384</u>	<u>167,924</u>	<u>66,676</u>	<u>1,234,567</u>	<u>230,385</u>	<u>52,415</u>	<u>1,517,367</u>
Depreciation	<u>5,520</u>	<u>17,141</u>	<u>3,805</u>	<u>1,511</u>	<u>27,977</u>	<u>5,221</u>	<u>1,188</u>	<u>34,386</u>
Total Functional Expenses	<u>\$ 249,103</u>	<u>\$ 773,525</u>	<u>\$ 171,729</u>	<u>\$ 68,187</u>	<u>\$ 1,262,544</u>	<u>\$ 235,606</u>	<u>\$ 53,603</u>	<u>\$ 1,551,753</u>

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

**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC**  
**STATEMENTS OF CASH FLOWS**

	<b>YEAR ENDED JUNE 30</b>	
	<b>2014</b>	<b>2013</b>
<b>Cash Flows From Operating Activities</b>		
Change in Net Assets	\$ 321,999	\$ 28,513
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	28,992	34,386
Loss on Disposal of Equipment	-	2,192
Changes in assets and liabilities:		
Accounts Receivable	(37,667)	29,635
Prepaid Expenses	(762)	(1,684)
Accounts Payable	3,561	(4,055)
Accrued Payroll Liabilities	2,201	1,374
Net cash provided by operating activities	318,324	90,361
<b>Cash Flow From Investing Activities</b>		
Purchase of equipment	(25,847)	(5,456)
Net cash used in investing activities	(25,847)	(5,456)
<b>Cash Flow From Financing Activities</b>		
Payments of capital lease obligations	(8,308)	(11,200)
Net payments of notes payable - LOC	(78,671)	(13,089)
Net cash used in financing activities	(86,979)	(24,289)
<b>Increase in Cash</b>	205,498	60,616
<b>Cash at Beginning of Year</b>	179,547	118,931
<b>Cash at End of Year</b>	\$ 385,045	\$ 179,547
 <b>SUPPLEMENTAL DATA:</b>		
Interest Paid	\$ 7,316	\$ 9,646

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

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

**NOTE 1 - DESCRIPTION OF ORGANIZATION**

The Children's Coalition for Northeast Louisiana, Inc. - a voluntary health and welfare organization (the Coalition) was established in 2000 to act as a coordinating agency to develop a comprehensive and integrated system of resources that support children and their families as they live and grow to their full potential.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Coalition conform to generally accepted accounting principles as applicable to voluntary health and welfare organizations. The more significant accounting policies of the Coalition are described below:

*A. Basis of Presentation*

The financial statements have been prepared on an accrual basis of accounting in accordance with generally accepted accounting principles.

The financial statements of the Coalition are presented as recommended by the Financial Accounting Standards Board in ASC 958-205 (formerly Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*). Under ASC 958-205, the Coalition is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At June 30, 2014 and 2013, the Coalition had no permanently restricted net assets.

*B. Contributions*

The Coalition has also adopted ASC 958-55 (formerly SFAS No. 116, *Accounting for Contributions Received and Contributions Made*). In accordance with ASC 958-55, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Under ASC 958-55, such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the related time restrictions or the funds are expended in accordance with the donor's intention. The organization has elected to recognize temporarily restricted contributions which are released from the restriction in the same year as unrestricted contributions.

The School Readiness Tax Credits are not considered restricted net assets. The Board of Directors has designated these contributions for support of School Readiness programs.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*C. Donated Services*

Members, agencies, business firms, volunteers and others contribute substantial services toward the fulfillment of projects initiated by the Coalition. No amounts have been recognized in the Statement of Activities because the criteria for recognition of such volunteer effort under ASC 958-55 have not been satisfied.

*D. Furniture and Equipment*

Furniture and equipment are stated at cost. All donated capital assets are recorded at fair market value on the date of the donation. Depreciation is computed on a straight-line basis over the useful lives of the assets using the following estimated lives:

	<u>Years</u>
Furniture and Equipment	3 – 10

Expenditures for major renewals or betterments which extend the useful lives of property, improvements, and equipment are capitalized. Expenditures for maintenance and repairs are expensed as incurred. All expenditures for furniture and equipment in excess of \$500 generally are capitalized.

*E. Leased Equipment Capitalized*

The imputed cost of leased equipment is capitalized and charged to earnings using the straight-line method of amortization over estimated useful lives of five years for financial reporting purposes. Generally, when items of leased property are retired or otherwise disposed of, the cost and related accumulated amortization are removed from the accounts and any resulting gain or loss is reflected in income. Amortization of assets under capital leases is included in depreciation expense for 2014 and 2013.

*F. Compensated Absences*

Employees earn forty hours of vacation after completing six months of employment. After one year, they earn eighty hours and after five years, they earn one hundred twenty hours increasing to one hundred sixty hours after ten years. Employees earn eight days of sick leave after six months. After one year, they earn sixteen days increasing to twenty days after five years. The financial statements do not include any accrual for vacation or sick pay. The Coalition's policy is that vacation days are taken in the year accrued or compensated prior to year-end. Sick days may be accumulated to a maximum of 30 days; however, employees are not paid for any unused sick days upon termination.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*G. Functional Expenses*

Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

*H. Programs*

The Children's Coalition's principal programs and primary funding sources are:

**Health Care**

The **Nurse Family Partnership** program is funded through the Louisiana Department of Health and Hospitals—Bureau of Family Health. The Coalition administered one team of two RNs who implemented this home visiting program in Morehouse and Ouachita Parishes. This program is for first time mothers and can work with the family for up to two years. This program combines health care, parent education and connection to community resources for these families. Mid-year this contract was consolidated and reorganized by Bureau of Family Health and transferred to Southeast AHEC.

The **Safe and Healthy Kids Program** was funded through a grant from the Living Well Foundation, local sponsorships and general funds. A Child Safety Coordinator conducted training and education sessions through five parishes in the region. Significant outreach to the Hispanic population was part of this initiative including organizing the Dia De La Familia: Family Fun Day in Union Parish. The Coordinator conducted training on car seat safety, safe sleep and water safety. The program involved providing car seats and pack and plays to anyone eligible. A Safe Sleep Summit was held in the fall with the emphasis this year on the African American Faith Based Bereavement Initiative. An additional activity included coordinating and facilitating the Share Grief Support group for mothers who have lost an infant.

**Early Childhood Education**

**Northeast Louisiana Child Care Connections:** This initiative provides the child care resource and referral agency for the 12 parishes in northeast Louisiana. Louisiana Department of Children and Family Services provides funding for these efforts through Child Development Block Grant funds. Child Care Connections provides: consumer education and referral services; training for child care providers and staff, and technical assistance in child care centers and in family child care homes. A major focus is providing support for centers who voluntarily participate in the Quality Start rating system for child care and those participating in the Community Network Pilot for Act 3. As the resource and referral agency, the Children's Coalition is eligible to receive Louisiana School Readiness Tax Credit funds from businesses and corporations to support child care and the Quality Start Rating System. These funds are used to support the early childhood efforts of the Coalition and distributed to child care centers through a grant program.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Mental Health Consultation:** A mental health consultant is made available to child care centers for up to six months to work with staff to improve the social emotional development of children in child care centers. This effort is funded through the Tulane Institute for Infant and Early Childhood Mental Health from a grant with the Louisiana Department of Children and Family Services.

**Ouachita Parish Early Childhood Network (OPENetwork):** With funding from the Louisiana Department of Education, the Children's Coalition serves as the Coordinating Partner of the Community Network Pilot for Ouachita Parish (includes Monroe City and Ouachita Parish Schools, child care, NSECD programs and Head Start programs) in the first cohort of pilots in the state to begin the implementation of Act 3, the Louisiana Early Childhood Education Act. As part of the first cohort of pilots, the OPENetwork was charged with beginning the navigation of the new system, providing feedback to LDE and serving as a model and resource for other communities in the state. This involved extensive training and technical assistance as well as the purchase and distribution of technology for early childhood classrooms. Developing a common enrollment system for all publicly funded slots is one part of the charge for this pilot.

**Morehouse Parish Early Childhood Network:** At the request of Morehouse Parish Schools, the Children's Coalition serves as the Coordinating Partner in the implementation of the Morehouse Parish Community Network Pilot in the second cohort of pilots to implement Act 3. Based upon the expertise gained in the first cohort in Ouachita Parish, the Children's Coalition provides extensive training and technical assistance as well as providing the purchase and distribution of technology to partners in the network.

**Al's Pals: Kids Making Healthy Choices:** Funded originally through the LA Department of Health and Hospitals-Office of Behavioral Health and with a partnership with Monroe City Schools and their Striving Readers Comprehensive Literacy grant, Al's Pals is a life skills program for 4 year olds. Every student in the preschool programs of Monroe City Schools as well as 4 year olds in 10 child care centers are involved in this program. The program also includes 4 year olds in Ouachita Parish Schools, Morehouse Parish Schools and Lincoln Parish Head Start. During this fiscal year, this contract and funding was transferred to the Northeast Delta Human Services Authority which now funds this evidence-based program.

**Youth Development:**

**Louisiana Partnership for Youth Suicide Prevention Coalition, Region 8:**

The Louisiana Youth Suicide Prevention Coalition was formed with funding from LA-DHH-Office of Behavioral Health in response to a suicide cluster in Ouachita Parish. The Coalition has expanded to include Morehouse Parish. Trainings in ASIST and Safe Talk were conducted, training providers and peers on how to talk about suicide and identify those at risk. During this fiscal year this contract and funding for this initiative was transferred to the Northeast Delta Human Services Authority which now funds the efforts of this coalition.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**S.O.S.—Signs of Suicide:** Organizational suicide prevention efforts transitioned this year from Teen Screen to Signs of Suicide, an evidence-based program. The goal of SOS is to help students identify signs of depression, self-injury and suicide in themselves and others and to respond effectively. The main message of the program is to ACT: Acknowledge, Care and Tell. Main activities include education/training and screening for risk factors. Funding for this program was initially through the Louisiana Department of Health and Hospitals—Office of Behavioral Health. Authority for the contracting and funding of this program was transferred to the Northeast Delta Human Services Authority.

**Juvenile Justice Reform: MacArthur Models for Change Initiative:** The MacArthur Foundation provided funding through the Baton Rouge Area Foundation for the continuation of the Models for Change in Juvenile Justice. Efforts in this phase involved prioritizing community program needs for youth and engaging community partners to select evidence based programs to meet those needs. Emphasis was placed on implementing and sustaining efforts post MacArthur funding. A Regional Advisory Committee was formed to give input to a plan to address gaps in services in NELA. A Strategic Plan for Implementing and Sustaining Evidence Based Programs in prioritized areas was completed.

**Literacy Plus:** A summer literacy program was developed for children in Monroe Housing Authority in the Burg Jones Lane area. With funding from Monroe Housing Authority and local sponsorships, this four week program involved parents in family literacy nights, K-2 students in a summer literacy program at Berg Jones Elementary School and K-6 students in afternoon enrichment at Monroe Housing Authority. With 13 community organizations involved, the Children's Coalition served as the fiscal agent, facilitator, coordinator and "bridge" among these different programs.

**Parent Education:**

The Parenting initiative is partially funded through a Louisiana Children's Trust Fund and the Sisters of Charity of the Incarnate Word Fund and general funds. This program develops parent training opportunities in the community to enhance childhood literacy, quality care, success in school and strengthening the family. A support group for pregnant and parenting teens called Just 4 Me has been an outgrowth of these efforts with leadership from the Parent Education Director. Evidence-based curriculums are used such as Nurturing Parenting and Triple P.

*I. Income Taxes*

The Coalition is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code but must file an annual return with the Internal Revenue Service that contains information on its financial operations. The Coalition is required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it continues to qualify as a tax exempt entity. It must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is



CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

required in those jurisdictions. In addition, as a tax exempt entity, the Coalition must assess whether it has any tax positions associated with unrelated business income subject to income tax. The Coalition does not expect any of these tax positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Coalition's accounting records.

The Coalition is required to file U.S. federal Form 990 for informational purposes. Its federal income tax returns for the tax years 2010 and beyond remain subject to examination by the Internal Revenue Service.

As of June 30, 2014, the Coalition had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Contributions to the Coalition are tax deductible within the limitations prescribed by the Code.

*J. Cash and Cash Equivalents*

For purposes of the Statements of Cash Flows, the Coalition considers demand deposits, time deposits and certificates of deposit with an original maturity of three months or less to be cash equivalents.

*K. Accounts Receivable - Grants*

Accounts receivable - Grants is stated at the amount management expects to collect from outstanding balances.

*L. Reclassifications*

Certain amounts in 2013 have been reclassified to conform to the 2014 presentation.

*M. Accounting Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles 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.

*N. Advertising Costs*

Advertising costs are expensed as incurred. Advertising costs totaled \$80,035 and \$17,473 for the years ended June 30, 2014 and 2013, respectively.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

**NOTE 3 - FURNITURE AND EQUIPMENT**

Furniture and Equipment consisted of the following at June 30:

	<u>2014</u>	<u>2013</u>
Furniture and Equipment	\$ 255,917	\$ 230,592
Less: Accumulated Depreciation	<u>(161,172)</u>	<u>(132,703)</u>
<b>NET FURNITURE AND EQUIPMENT</b>	<b><u>\$ 94,745</u></b>	<b><u>\$ 97,889</u></b>

The furniture and equipment serves as collateral for the notes payable – bank line of credit as discussed in Note 7.

**NOTE 4 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets as of June 30 consist of the following:

	<u>2014</u>	<u>2013</u>
Youth Development	\$ -	\$ 28,191
Healthcare	<u>20,831</u>	<u>4,893</u>
<b>Total</b>	<b><u>\$ 20,831</u></b>	<b><u>\$ 33,084</u></b>

**NOTE 5 - LEASES**

During the years ended June 30, 2014 and 2013, the Coalition had one and two capital leases, respectively. One of the capital leases is for a network server. The economic substance of this lease is that the Coalition is financing the acquisition of the network server through the lease. The network server is recorded as an asset and the lease is recorded as a liability. The other capital lease on an ultra sound machine was paid off in May, 2013 and the asset was transferred to the Ouachita Parish Public Health Department who paid for the machine.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

**NOTE 5 - LEASES (Continued)**

The following is an analysis of the leased assets included in furniture and equipment at June 30:

	<u>2014</u>	<u>2013</u>
Equipment Under Capital Lease	\$ 24,355	\$ 24,355
Less: Accumulated Depreciation	<u>(11,633)</u>	<u>(6,762)</u>
Total	<u>\$ 12,722</u>	<u>\$ 17,593</u>

The future minimum lease payments under the capital lease and the net present value of the future minimum lease payments at June 30, 2014 are as follows:

Total minimum lease payments	\$ 6,062
Amount representing interest	<u>(166)</u>
Present value of net minimum lease payments	5,896
Current portion	<u>5,896</u>
Long-term capital lease obligation	<u>\$ -</u>

The Coalition leases its copy machine under a noncancelable operating lease expiring in 2015.

The Coalition leases office space under a lease that was signed and commenced on July 12, 2007. Beginning in March, 2011, the Coalition took over another suite of rooms resulting in an increase of the monthly rental payment. Due to the termination of the FSO contract, the additional space was no longer needed and the lease for the additional space was terminated as of September 1, 2012. The lease returned to the original terms of the contract. The rent per month is \$5,250 with a lease term ending on March 31, 2016.

The minimum rental under all leases having an initial or remaining term in excess of one year from June 30, 2014, are approximated as follows:

<u>Year Ending</u>	<u>Amount</u>
2015	\$ 63,000
2016	<u>15,750</u>
Total	<u>\$ 78,750</u>

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

**NOTE 5 – LEASES (Continued)**

Total lease and rent expense for the year ended June 30, 2014 and 2013, was \$ 71,891 and \$75,248 which includes In-Kind contributions of office space and meeting rooms of \$4,392 and \$4,392 respectively.

**NOTE 6 – FINANCIAL INSTRUMENTS**

**FAIR VALUES**

The Coalition's financial instruments consist of cash (restricted and unrestricted), receivables, accounts payable, other current liabilities, and the line of credit. The carrying values of these instruments approximate their fair values.

**CONCENTRATIONS OF CREDIT RISK**

The Coalition has concentrated credit risk for cash by maintaining deposits in one bank. At June 30, 2014 there were deposits of approximately \$171,000 in deposit liabilities reported by the bank in excess of the amount that would have been covered by federal insurance.

**COLLATERALIZATION POLICY**

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

**NOTE 7 – NOTES PAYABLE**

The Coalition has an agreement with a financial institution for a \$200,400 line of credit collateralized by equipment, accounts receivable and grant income. The principal balance outstanding June 30, 2014 and 2013 was \$69,499 and \$148,170, respectively.

The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the New York Prime. The index currently is 3.25% per annum, with an interest rate of 5.00%. The Coalition will pay this loan in full immediately upon demand. If no demand is made, the Coalition will either renew or pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on July 23, 2014. The Coalition will pay regular monthly payments of all accrued unpaid interest due as of each payment date.

**NOTE 8 - DISCLOSURES ABOUT CONCENTRATIONS**

The Coalition 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.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

**NOTE 9 – RISK OF LOSS**

The Coalition is exposed to a variety of risks that may result in losses. These risks may include possible loss from acts of God, injury to employees, property damage, or breach of contract. The Coalition finances these potential losses through purchasing insurance. The level of coverage has remained constant.

**NOTE 10 – SUBSEQUENT EVENTS**

The line of credit loan with Community Trust Bank was renewed on July 28, 2014 and will mature on July 27, 2016. The available amount is \$200,650. A new grant for administration of a local Early Head Start Program totaling \$4,776,486 to be paid over five years was approved subsequent to year-end. Effective June 5, 2014, the Coalition adopted a SIMPLE-IRA Plan for eligible employees, with employee contributions beginning with July, 2014 payrolls.

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 8, 2014, which is the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**



RESTRICTED										Total
Tulane - MH	Morehouse Pilot	Lincoln Health Foundation	Baton Rouge Area Foundation	Nurse Family Partnership	EDI	Living Well Foundation	Junior League Teen Screen	United Way Teen Screen	Total Restricted	Fund Balance
-	-	-	-	-	-	4,893	4,789	2,000	33,084	239,993
81,017	23,666	34,209	20,363	30,570	8,758	19,172	-	-	1,107,606	1,861,160
(72,165)	(23,710)	(12,883)	(18,900)	(27,791)	(7,687)	(19,875)	(3,741)	(2,000)	(1,033,833)	(1,539,161)
8,852	(44)	21,326	1,463	2,779	1,071	(703)	(3,741)	(2,000)	73,773	321,999
(8,852)	44	(495)	(1,463)	(2,779)	(1,071)	(4,190)	(1,048)	-	(86,026)	-
-	-	20,831	-	-	-	-	-	-	20,831	561,992





RESTRICTED											Total
Nurse Family Partnership	Sisters of Charity	Sisters of Charity Teen Screen	Living Well FFF	Living Well Foundation	EDI	Children's Trust Fund	MacArthur Foundation/ PEP	Junior League Teen Screen	United Way Teen Screen	Total Restricted	Fund Balance
\$ -	\$ 30,492	\$ -	\$ 5,021	\$ 10,834	\$ -	\$ -	\$ 1,050	\$ 10,000	\$ 2,000	\$ 59,397	\$ 211,480
132,588	-	25,000	5,971	63,894	9,438	11,984	-	-	-	1,174,455	1,580,266
(120,992)	(25,263)	(3,598)	(6,107)	(62,243)	(8,654)	(7,309)	-	(5,211)	-	(1,091,896)	(1,551,753)
11,596	(25,263)	21,402	(136)	1,651	784	4,675	-	(5,211)	-	82,559	28,513
(11,596)	(5,229)	-	(4,885)	(7,592)	(784)	(4,675)	(1,050)	-	-	(108,872)	-
\$ -	\$ -	\$ 21,402	\$ -	\$ 4,893	\$ -	\$ -	\$ -	\$ 4,789	\$ 2,000	\$ 33,084	\$ 239,993

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014

Federal Agency Name	Pass Through Agency	Federal Program Title	CFDA Number	Other Identification Number	Revenue Recognized	Federal Expenditures
United States Department of Health and Human Services Health Resources and Services Administration	State of Louisiana Office of Public Health	Maternal and Child Health Services Block Grant to the States	93.994		30,570	30,570
United States Department of Health and Human Services Substance Abuse and Mental Health Services Administration	State of Louisiana Dept of Health & Hospitals - Office of Behavioral Health	Substance Abuse and Mental Health Services-Projects of Regional and National Significance	93.243		41,215	41,215
United States Department of Health and Human Services Administration for Children and Families	Tulane Education Fund/Dept. of Psychiatry and Behavioral Sciences - Early Childhood Community Assessment Pilot	Child Care and Development Block Grant	93.596 93.575		8,758	8,758
United States Department of Health and Human Services Administration for Children and Families	State of Louisiana Dept. of Children and Family Services	Child Care and Development Block Grant	93.596 93.575		503,637	503,637
United States Department of Health and Human Services Administration for Children and Families	State of Louisiana Dept. of Children and Family Services	Community-Based Child Abuse Prevention Grants	93.590		4,928	4,928
United States Department of Health and Human Services Administration for Children and Families	State of Louisiana Dept. of Children and Family Services	Child Care and Development Block Grant	93.575		57,433	57,433
United States Department of Health and Human Services Administration for Children and Families	State of Louisiana Dept. of Children and Family Services	Child Care and Development Block Grant	93.575		8,470	8,470
United States Department of Health and Human Services Administration for Children and Families	State of Louisiana Dept. of Children and Family Services	ARRA - Head Start	93.708		17,968	17,968
Total Pass Through Awards					<u>672,979</u>	<u>672,979</u>
Total Grants - Federal					<u>\$ 672,979</u>	<u>\$ 672,979</u>

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2014

1. Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Children's Coalition for Northeast Louisiana, Inc. and is presented on the accrual basis of accounting, which is the same basis of accounting used for the presentation of the 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 Nonprofit Organizations*.

Children's Coalition for Northeast Louisiana, Inc. did not expend any federal awards in the form of noncash assistance during the fiscal year.

## OTHER REPORTS

# HEARD, McELROY, & VESTAL

LLC

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December 8, 2014

The Board of Directors  
Children's Coalition for Northeast Louisiana, Inc.  
Monroe, Louisiana

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*

We 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 Children's Coalition for Northeast Louisiana, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 8, 2014.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Children's Coalition for Northeast Louisiana, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Children's Coalition for Northeast Louisiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Children's Coalition for Northeast Louisiana, Inc.'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization'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.

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Our consideration of internal control over financial reporting 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 our audit, we did not identify any deficiencies in internal control that we 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 Children's Coalition for 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our 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.

*Heard, McElroy & Vestal, LLC*

Monroe, Louisiana



# HEARD, McELROY, & VESTAL

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December 8, 2014

The Board of Directors  
Children's Coalition for Northeast Louisiana, Inc.  
Monroe, Louisiana

## Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133

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

We have audited the Children's Coalition for Northeast Louisiana, Inc.'s 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 each of Children's Coalition for Northeast Louisiana, Inc.'s major federal programs for the year ended June 30, 2014. Children's Coalition for Northeast Louisiana, Inc.'s major federal programs are identified in the summary of 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**

Our responsibility is to express an opinion on compliance for each of Children's Coalition for Northeast Louisiana, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our 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 we 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 Children's Coalition for Northeast Louisiana, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Children's Coalition for Northeast Louisiana, Inc.'s compliance.

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## Opinion on Each Major Federal Program

In our opinion, Children's Coalition for Northeast Louisiana, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

## Report on Internal Control Over Compliance

Management of Children's Coalition for Northeast Louisiana, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Children's Coalition for Northeast Louisiana, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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, we do not express an opinion on the effectiveness of Children's Coalition for Northeast Louisiana, Inc.'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 a 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.

Our consideration of 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. We did not identify any deficiencies in internal control over compliance that we 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 our 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.

Heard, McElroy & Vestal, LLC

Monroe, Louisiana

CHILDREN’S COALITION FOR NORTHEAST LOUISIANA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

**A. Summary of Audit Results**

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Children’s Coalition for Northeast Louisiana, Inc.
2. No instances of noncompliance material to the basic financial statements of Children’s Coalition for Northeast Louisiana, Inc. were disclosed during the audit.
3. No material weaknesses or significant deficiencies in internal control, relating to the audit of the financial statements are reported.
4. No material weaknesses in internal control over compliance, 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 Children’s Coalition for Northeast Louisiana, Inc. expresses an unmodified opinion.
6. There were no audit findings relative to major federal award programs for Children’s Coalition for Northeast Louisiana, Inc.
7. The programs tested as major programs included:

<u>Program</u>	<u>CFDA No.</u>
DHHS – Child Care and Development Block Grant	93.575 & 93.596

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Children’s Coalition for Northeast Louisiana, Inc. was determined to be a low-risk auditee.

**B. Findings - Financial Statement Audit**

None

**C. Findings and Questioned Costs - Major Federal Award Programs**

None

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2014

No findings were reported as a result of the prior year's audit.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

MANAGEMENT'S CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2014

No findings were reported for the current year.