

CENTER FOR CHILDREN AND FAMILIES, INC.

Financial Statements
For the Years Ended June 30, 2012 and 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date NOV 21 2012

CENTER FOR CHILDREN AND FAMILIES, INC.
FINANCIAL REPORT
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying statements of financial position of Center for Children and Families, Inc., as of June 30, 2012, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of Center for Children and Families, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit. The financial statements of the Center as of June 30, 2011 were audited by other auditors, whose report dated December 22, 2011 expressed an unqualified opinion on those statements.

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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Children and Families, Inc., as of June 30, 2012 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*, I have also issued my report dated September 29, 2012, on my consideration of Center for Children and Families, Inc.'s internal control over financial reporting and 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 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 important for assessing the results of my audit.

Board of Directors of
Center for Children and Families, Inc.
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My audit was conducted for the purpose of forming an opinion on the financial statements of Center for Children and Families, Inc., taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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.

David M. Haid, CPA (APAC)

West Monroe, Louisiana
September 29, 2012

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

ASSETS

	June 30,	
	2012	2011
Current Assets:		
Cash and Cash Equivalents	\$ 150,586	\$ 218,450
Grants Receivable	433,816	366,506
Prepaid Insurance	-	7,457
Total Current Assets	584,402	592,413
Property and Equipment:		
Furniture and Equipment	312,587	284,749
Less: Accumulated Depreciation	(266,384)	(241,004)
Net Property and Equipment	46,203	43,745
 <u>TOTAL ASSETS</u>	 \$ 630,605	 \$ 636,158

LIABILITIES AND NET ASSETS

Current Liabilities:		
Obligations Under Line of Credit	\$ 100,000	\$ -
Obligations Under Capital Lease - Current	2,247	2,700
Total Current Liabilities	102,247	2,700
Obligations Under Capital Lease - Long-Term	-	2,247
Net Assets:		
Unrestricted	528,358	631,211
 <u>TOTAL LIABILITIES AND NET ASSETS</u>	 \$ 630,605	 \$ 636,158

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 AND OTHER SUPPORT</u>	For the Years Ended June 30,	
	2012	2011
Government Grants and Contracts	\$ 2,908,467	\$ 3,347,483
Contributions	19,898	29,654
Fundraising	60,244	57,713
Interest Income	237	451
<u>TOTAL PUBLIC SUPPORT, GRANT REVENUE AND OTHER SUPPORT</u>	2,988,846	3,435,301
<u>EXPENSES</u>		
Program Services:		
TANF	789,724	790,835
Family Foundation	1,133,339	1,372,375
HB	232,109	200,190
VOCA	94,772	95,081
Mentoring Program	14,160	-
Children's Advocacy Centers of Louisiana	4,949	3,664
MST	618,579	645,176
Safe Schools	2,999	109,522
Louisiana Children's Trust Fund	27,236	27,000
Total Program Services	2,917,867	3,243,843
Management and General	149,022	204,913
Fundraising	24,810	36,778
<u>TOTAL EXPENSES</u>	3,091,699	3,485,534
<u>DECREASE IN NET ASSETS</u>	(102,853)	(50,233)
<u>NET ASSETS AT BEGINNING OF YEAR</u>	631,211	681,444
<u>NET ASSETS AT END OF YEAR</u>	\$ 528,358	\$ 631,211

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, 2012 AND 2011

	PROGRAM SERVICES				
	TANF	Family Foundation	HB	VOCA	Mentoring Program
Advertising/Promotion	\$ -	\$ 587	\$ -	\$ -	\$ -
Dues and Subscriptions	-	-	-	-	-
Fundraising Events	-	-	-	-	-
Insurance	3,699	8,980	1,879	-	-
Interest	702	1,823	-	-	-
Legal and Professional	1,000	46,048	1,913	-	-
Meetings/Seminars	34,012	69,002	16,476	2,226	-
Miscellaneous	10,105	16,685	329	-	-
Office	25,329	20,460	769	897	-
Postage	2,707	2,827	236	-	-
Project Coordination	620,736	830,423	201,907	86,519	14,160
Rent	27,061	43,065	-	-	-
Repairs and Maintenance	4,213	24,914	7,051	-	-
Training	14,078	32,342	1,549	-	-
Utilities	46,082	36,183	-	5,130	-
Depreciation	-	-	-	-	-
Total Expenses, year ended June 30, 2012	<u>\$ 789,724</u>	<u>\$ 1,133,339</u>	<u>\$ 232,109</u>	<u>\$ 94,772</u>	<u>\$ 14,160</u>
Total Expenses, year ended June 30, 2011	<u>\$ 790,835</u>	<u>\$ 1,372,375</u>	<u>\$ 200,190</u>	<u>\$ 95,081</u>	<u>\$ -</u>

PROGRAM SERVICES

La. CAC	MST	Safe Schools	La. Children's Trust Fund	Total Program Services
\$ -	\$ -	\$ -	\$ -	\$ 587
-	-	-	-	-
-	5,466	-	-	20,024
-	-	-	-	2,525
-	16,398	-	-	65,359
-	63,205	-	-	184,921
-	1,845	-	-	28,964
-	7,479	448	686	56,068
-	301	-	-	6,071
3,918	498,963	2,498	24,380	2,283,504
-	-	-	-	70,126
-	6,359	-	-	42,537
1,031	6,923	53	-	55,976
-	11,640	-	2,170	101,205
-	-	-	-	-
<u>\$ 4,949</u>	<u>\$ 618,579</u>	<u>\$ 2,999</u>	<u>\$ 27,236</u>	<u>\$ 2,917,867</u>
<u>\$ 3,664</u>	<u>\$ 645,176</u>	<u>\$ 109,522</u>	<u>\$ 27,000</u>	<u>\$ 3,243,843</u>

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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, 2012 AND 2011 (continued)

	Management and General	Fundraising	TOTALS	
			2012	2011
Advertising/Promotion	\$ 401	\$ -	\$ 988	\$ -
Dues and Subscriptions	-	-	-	9,600
Fundraising Events	-	24,810	24,810	36,778
Insurance	3,105	-	23,129	25,181
Interest	24	-	2,549	990
Legal and Professional	3,173	-	68,532	124,792
Meetings/Seminars	7,284	-	192,205	144,018
Miscellaneous	10,854	-	39,818	24,047
Office	2,367	-	58,435	58,052
Postage	14	-	6,085	6,682
Project Coordination	81,158	-	2,364,662	2,703,346
Rent	-	-	70,126	83,963
Repairs and Maintenance	4,706	-	47,243	58,165
Training	7,063	-	63,039	60,257
Utilities	3,493	-	104,698	109,213
Depreciation	25,380	-	25,380	40,450
	<u>\$ 149,022</u>	<u>\$ 24,810</u>	<u>\$ 3,091,699</u>	
	<u>\$ 204,913</u>	<u>\$ 36,778</u>		<u>\$ 3,485,534</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>2012</u>	<u>2011</u>
Cash Flows from Operating Activities:		
Decrease in Net Assets	\$ (102,853)	\$ (50,233)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
Depreciation	25,380	40,450
(Increase) Decrease in Grants Receivable	(67,310)	63,051
(Increase) Decrease in Prepaid Insurance	7,457	481
Increase (Decrease) in Accrued Expenses	-	515
Net Cash Provided (Used) by Operating Activities	<u>(137,326)</u>	<u>54,264</u>
 <u>Cash Flows from Investing Activities:</u>		
Proceeds from Line of Credit	100,000	-
Payment on Capital Lease Obligation	(2,700)	(2,900)
Purchase of Property and Equipment	<u>(27,838)</u>	<u>(5,082)</u>
Net Cash Used by Investing Activities	69,462	(7,982)
 <u>Increase (Decrease) in Cash and Cash Equivalents</u>	(67,864)	46,282
 <u>Cash at Beginning of Year</u>	<u>218,450</u>	<u>172,168</u>
 <u>CASH AND CASH EQUIVALENTS, END OF YEAR</u>	<u>\$ 150,586</u>	<u>\$ 218,450</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, 2012 AND 2011

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 Accounting

The financial statements of the Center have been prepared on the accrual basis and, accordingly, reflect all significant receivables and payables.

Basis of Presentation

The Center has adopted Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Made*, and SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Accordingly, the net assets of the Center and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations. As of June 30, 2012 and 2011 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, 2012 and 2011 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, 2012 and 2011, there were no permanently restricted net assets.

CENTER FOR CHILDREN AND FAMILIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

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, 2012 AND 2011

Note 2 - Cash and Cash Equivalents

The Center maintains its cash balance in a local financial institution. At June 30, 2012, the bank balance was \$157,534, 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, 2012. The earliest income tax year that is subject to examination is 2008.

Note 4 - Grants Receivable

Grants receivable consisted of the following at June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
TANF Grant	\$ 144,290	\$ 67,577
Family Foundation	97,782	122,334
La. Children's Trust Fund	10,433	4,500
VOCA (Victims of Criminal Acts)	94,023	93,769
Home Builders	36,554	24,900
Safe Schools	-	12,914
Mentoring Program	4,522	-
MST	<u>46,212</u>	<u>40,512</u>
Total Grants Receivable	<u>\$ 433,816</u>	<u>\$ 366,506</u>

Note 5 - Property and Equipment

A summary of furniture, equipment and accumulated depreciation at June 30, 2012 and 2011 is as follows:

	<u>2012</u>	<u>2011</u>
Furniture & Equipment	\$ 312,587	\$ 284,749
Accumulated Depreciation	(266,384)	(241,004)
Net Property and Equipment	<u>\$ 46,203</u>	<u>\$ 43,745</u>

Depreciation expense for the years ended June 30, 2012 and 2011 was \$25,380 and \$40,450, respectively.

Note 6 - Post-employment Benefits

The Center for Children and Families, Inc. implemented a 403(b) retirement plan for its employees on January 1, 2008. All employees who have been employed by the Center for at least one year are eligible for the company match. Starting January 2011, the Center no longer matched the employee contribution. Before January 2011, the Center matched the employee contribution for up to 4% of the employee's salary.

CENTER FOR CHILDREN AND FAMILIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

Note 6 - Post-employment Benefits (continued)

For the years ended June 30, 2012 and 2011, the Center contributed \$0 and \$48,012 to the retirement plan on behalf of participating employees.

Note 7 - 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, 2012, the Center had a twelve month lease for their Rayville office for \$2,400 per month.

Minimum future rental payments under non-cancelable operating leases as of June 30, 2012, are as follows:

June 30, 2013	\$ 20,400
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In March 2007, the Center was donated the use of an additional building located at 701 Walnut Street, Monroe, LA. The necessary renovations were provided by the donor and will be reimbursed by the Center as monthly rental payments of \$1,583. As of July 1, 2011 this obligation is paid in full.

Capital Lease Obligation

During 2010, the Center entered into a three year capital lease obligation for a copy machine with accessories. The value of the remaining minimum lease payments are as follows:

June 30, 2013	\$ 2,790
Less Amounts Representing Interest	(543)
Present Value of Future Minimum Capital Lease Payments	<u>\$ 2,247</u>

Note 8 - Letters of Credit

During the year ended June 30, 2011, the Center was extended a line of credit in the amount of \$201,075 at 3.25% interest per year. As of June 30, 2012, the Center owed \$100,000 on the line of credit.

Note 9 - Subsequent Events

Subsequent events have been evaluated through September 29, 2012, 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.

CENTER FOR CHILDREN AND FAMILIES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Federal Grants/Pass Through Grantor/Program Title	CFDA Number	Agency or Pass - Through Number	Expenditures
Department of Health and Human Services			
Temporary Assistance for Needy Families	93.558	None	* \$ 801,739
Children and Family Services - Community Based Family Resources Support	93.590	None	25,000
Department of Justice			
Victims of Criminal Acts (VOCA)	16.575	C10-2-001	94,260
			<u>\$ 920,999</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, is 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, 2012.

*Denotes Major Federal Assistance Program.

CENTER FOR CHILDREN AND FAMILIES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012 (continued)

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

TANF Program Services

Dues and Subscriptions	-
Interest Paid on Capital Lease - Copier	702
Insurance	3,699
Legal and Professional	1,000
Miscellaneous	10,105
Office	25,329
Postage	2,707
Project Coordination	654,748
Rent	27,061
Repairs and Maintenance	4,213
Training	14,078
Utilities	46,082
Fixed Asset Purchases	12,015
Total Program Services	<u>801,739</u>

Total Expenditures Requested for Reimbursement \$ 801,739

Grant Revenue \$ 801,739

**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 the financial statements of the Center for Children and Families, Inc. (the Center) as of and for the year ended June 30, 2012, and have issued my report thereon dated September 29, 2012. 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.

Internal Control Over Financial Reporting

Management of the Center is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered the Center's internal control over financial reporting as a basis for designing my auditing procedures 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 over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

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.

My 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 over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free of 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*.

This report is intended solely for the information and use of management, the Legislative Auditor, the Center for Children and Families, Inc. and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

David M. Aard, CPA (APAC)

West Monroe, Louisiana
September 29, 2012

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Center for Children and Families, Inc.

Compliance

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, 2012. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Center's management. My responsibility is to express an opinion on the Center's compliance based on my audit.

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. My audit does not provide a legal determination of the Center's compliance with those requirements.

In my opinion, the Center complied, in all material respects, with the compliance requirements referred to above that that could have a direct and material effect on its major federal program for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Center's internal control over compliance with the requirements that could have a material effect on a major federal program to determine the auditing procedures for the purpose of expressing my opinion on compliance 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, of detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Center for Children and Families, Inc., the Louisiana Legislative Auditor, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

David M. Haul, CPA (APAC)

West Monroe, Louisiana
September 29, 2012

CENTER FOR CHILDREN AND FAMILIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

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, 2012.

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, 2012

Findings and Questioned Costs – Financial Statements Audit

None

Findings and Questioned Costs – Major Federal Award Programs

None