

FAMILIES HELPING FAMILIES OF
NORTHEAST LOUISIANA, INC.

Financial Report
For the Year Ended June 30, 2018



FAMILIES HELPING FAMILIES OF NORTHEAST LOUISIANA, INC.
FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL
STATEMENTS AND SUPPLEMENTARY INFORMATION**

Board of Directors
Families Helping Families of Northeast Louisiana, Inc.
Monroe, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of Families Helping Families of Northeast Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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 judgement, 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 Families Helping Families of Northeast Louisiana, Inc.'s preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of Families helping Families of Northeast Louisiana, Inc.'s internal control. Accordingly, I 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.



Board of Directors
Families Helping Families of Northeast Louisiana, Inc.
Monroe, Louisiana

I believe that the audit evidence I have obtained is enough and appropriate to provide a basis for my audit opinion.

Opinion

In my 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, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Supplementary Information

My audit was conducted for forming opinions on the financial statements that collectively comprise Families Helping Families of Northeast Louisiana, Inc.'s basic financial statements. The schedule of compensation, benefits, and other payments to agency heads is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements.

Other Reports Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated December 31, 2018, on our consideration of Families Helping Families of Northeast Louisiana, Inc.'s internal control over financial reporting and on my test of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Families Helping Families of Northeast Louisiana Inc.'s internal control over financial reporting and compliances.

Maxwell CPA, LLC

Monroe, Louisiana
December 31, 2018

FINANCIAL STATEMENTS

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

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

ASSETS

Current assets:		
Cash	\$	59,662
Due from grantors		64,290
Due from employees		420
Investments		<u>82,752</u>
Total current assets	\$	<u><u>207,124</u></u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$	283
Payroll taxes payable		<u>4,276</u>
Total current liabilities		4,559
Net assets - unrestricted		<u>202,565</u>
Total liabilities and net assets	\$	<u><u>207,124</u></u>

The accompanying notes are an integral part of this financial statement.

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

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Revenues and other support:	
Federal grants	\$ 158,974
Other grants	252,795
Contributions	11,939
Investment income (loss)	116
Other	643
Fund-raising events	56,696
Unrealized gain (loss) on investments	(3,592)
Total revenues and other support	<u>477,571</u>
Expenses	
Program:	
Community and family support with training	311,877
Support:	
General and administrative	131,713
Fund-raising	15,306
Total Expenses	<u>458,896</u>
Increase (decrease) in net assets - unrestricted	18,675
Net assets - unrestricted - beginning	<u>183,890</u>
Net assets - unrestricted - ending	<u><u>\$ 202,565</u></u>

The accompanying notes are an integral part of this financial statement.

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

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Program</u>	<u>Support</u>		
	Community and Family Support with Training	General and Administrative	Fund-Raising	Total
Salaries and related	\$ 106,742	\$ 87,553	\$ -	\$ 194,295
Payroll taxes	8,235	6,738	-	14,973
Other employee benefits	1,608	3,116	-	4,724
Supplies and equipment	11,301	8,703	15,306	35,310
Building rent, utilities, and maintenance	5,883	4,814	-	10,697
Postage	389	298	-	687
Telephone	3,566	2,378	-	5,944
Travel	2,707	142	-	2,849
Accounting and audit fees	-	5,537	-	5,537
Insurance	3,857	3,830	-	7,687
Promotions	1,343	1,099	-	2,442
LACAN	62	-	-	62
OCDD fiscal intermediary	44,436	-	-	44,436
CSHS transport and travel	30,025	-	-	30,025
DDC event	39,957	-	-	39,957
Adult programs	1,137	-	-	1,137
Discretionary fund disbursements	9,446	-	-	9,446
PIE Expenses	24,066	-	-	24,066
CCR Expenses	17,117	-	-	17,117
Bank charges	-	346	-	346
Board meetings	-	2,645	-	2,645
Miscellaneous	-	4,514	-	4,514
Total functional expenses	\$ 311,877	\$ 131,713	\$ 15,306	\$ 458,896

The accompanying notes are an integral part of this financial statement.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

<u>Cash Flows from Operating Activities</u>	
Increase (decrease) in unrestricted net assets	\$ 18,675
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities:	
Unrealized (gain) loss on investments	3,592
(Increase) decrease in due from grantors	(2,635)
Increase (decrease) in accounts payable	(4,810)
Increase (decrease) in payroll taxes payable	4,244
Net cash flows provided by operating activities	<u>19,066</u>
 <u>Cash Flows from Operating Activities</u>	
(Increase) decrease in investments	<u>10,597</u>
 Increase in cash	29,663
 Cash - beginning	<u>29,999</u>
 Cash - ending	<u><u>\$ 59,662</u></u>

The accompanying notes are an integral part of this financial statement.

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

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

Note 1 – Nature of Operations and Summary of Significant Accounting Policies

A. Nature of Operations

Families Helping Families of Northeast Louisiana, Inc., is a nonprofit organization whose purpose is to serve individuals with disabilities and their families in Region VIII of northeast Louisiana by providing information and referrals on available services, parent-to-parent support, education, and training. The organization is governed by 12 non-compensated directors.

B. 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).

C. 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.

D. Income Taxes

Families Helping Families of Northeast Louisiana, Inc., is exempt from income taxes under Internal Revenue Code Section 501(c) (3) and the Internal Revenue Service (IRS) has classified it as other than a private foundation.

The organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years ended June 30, 2015, 2016, and 2017 are subject to examination by the IRS, generally for three years after each was filed.

E. 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.

F. Uncollectible Allowance

The statements contain no provision for uncollectible accounts. Management considers all amounts due from grantors to be fully collectible.

G. Investments

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. All other investments are reported at cost. Unrealized gains and losses are included in the change in net assets.

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

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (continued)

H. Equipment and Furniture

Equipment and furniture of Families Helping Families of Northeast Louisiana, Inc., is not capitalized as title to the assets, which are purchased with resources from grants, reverts to the grantors. The full cost of equipment and furniture is charged as an expense upon purchase. Maintenance and repairs of equipment and furniture are charged to operations.

I. Revenues and Other Support

Revenues received under grant programs are recorded as revenue when Families Helping Families of Northeast Louisiana, Inc., has incurred expenditures in compliance with the specific restrictions. Approximately 86% of its revenues and other support are received under federal, state and local grant agreements. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Families Helping Families of Northeast Louisiana, Inc., has not received any contributions with donor-imposed restrictions that would result in temporary or permanent restrictions on net assets.

J. Functional Allocation of Expenses

The costs of providing the various activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the activities benefitted.

Note 2 – Cash

At June 30, 2018, Families Helping Families of Northeast Louisiana, Inc., had cash (book balances) as follows:

Checking accounts	\$ 59,562
Petty cash	<u>100</u>
Total cash	<u>\$ 59,662</u>

Note 3 – Investments and Fair Value Measurements

Investments held as of June 30, 2018 by Families Helping Families of Northeast Louisiana, Inc. with Argent Financial consisted of:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Cash equivalents	\$ 494	\$ 494	\$ -
Fixed income	5,445	5,222	(223)
Mutual funds	75,221	71,657	(3,564)
Equities	<u>5,184</u>	<u>5,379</u>	<u>195</u>
Totals	<u>\$ 86,344</u>	<u>\$ 82,752</u>	<u>\$ (3,592)</u>

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

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

Note 3 – Investments and Fair Value Measurements (continued)

Investment income for the year ended June 30, 2018 is summarized as follows:

Interest	\$	373
Dividends		4,058
Realized gains (losses)		<u>(4,315)</u>
Total investment income	\$	<u>116</u>

Note 4 – Due from Grantors

A summary of amounts due from grantors as of June 30, 2018 is as follows:

Louisiana State Planning Council on Developmental Disabilities	\$	10,609
Louisiana Department of Education		8,333
Louisiana Department of health and Hospitals - Office for Citizens with Developmental Disabilities		16,200
Louisiana Clinical Services, Inc.		<u>29,148</u>
Total due from grantors	\$	<u>64,290</u>

Note 5 – Summary of Grants/Contract Funding

Families Helping Families of Northeast Louisiana, Inc., was primarily funded through the following grants and contracts for the year ended June 30, 2018:

Louisiana State Planning Council on Developmental Disabilities:		
CFMS720293	\$	56,341
CFMS138450		377
CFMS720293		43,394
Louisiana Department of Education:		
CFMS736714		49,994
Louisiana Clinical Services:		
87101		34,410
84396		58,500
721525		48,222
159659		59,882
112200		19,096
Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities:		
CFMS712934		8,869
Bayou Land Families Helping Families - F2FHIC		4,200
Families Helping Families Crossroads of Louisiana - CSHS Transport		<u>28,484</u>
Total recognized grant revenue	\$	<u>411,769</u>

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

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

Note 6 – Contingencies, Risks, and Uncertainties

As stated earlier, approximately 86% of Families Helping Families of Northeast Louisiana, Inc.'s revenues and support are received under federal, state and local grant agreements. Funding for the various programs is provided on a year-to-year basis, with no requirement that the programs be renewed at all, or if renewed, that funding levels be maintained or increased.

Families Helping Families of Northeast Louisiana, Inc. participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that Families Helping Families of Northeast Louisiana, Inc. has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable as of June 30, 2018 may be impaired. In the opinion of Families Helping Families of Northeast Louisiana, Inc.'s management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions has been recorded in the accompanying financial statements for such contingencies.

Note 7 – Litigation and Claims

As of June 30, 2018, Families Helping Families of Northeast Louisiana, Inc., was not involved in any litigation nor aware of any unasserted claims.

Note 8 – Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 31, 2018 and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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

SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

Families Helping Families of Northeast Louisiana, Inc. paid no compensation, reimbursements, or benefits to any agency heads during the year ended June 30, 2018.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Families Helping Families of Northeast Louisiana, Inc.
Monroe, Louisiana

I have audited, in accordance with the 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 Families Helping Families of Northeast Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 31, 2018.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Families Helping Families of Northeast Louisiana, Inc.'s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Families Helping Families of Northeast Louisiana, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of Families Helping Families of 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Families Helping Families of Northeast Louisiana, Inc.'s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that we consider to be material weaknesses. I did identify a certain deficiency in internal control that is described in the accompanying schedule of findings and questioned costs as item 2018-1 that I consider to be a significant deficiency.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether Families Helping Families of Northeast Louisiana, Inc.'s financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under the *Government Auditing Standards*.

Management's Response to Finding

Families Helping Families of Northeast Louisiana, Inc.'s response to the finding identified in my audit is described in the accompanying schedule of findings and questioned costs. The response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Families Helping Families of Northeast Louisiana, Inc.'s internal control and compliance. Accordingly, the communication is not suitable for any other purpose.

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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Maxwell CPA, LLC
Monroe, Louisiana
December 31, 2018

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, 2018

I have audited the financial statements of Families Helping Families of Northeast Louisiana, Inc., as of and for the year ended June 30, 2018, and have issued my report thereon dated December 31, 2018. 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. My audit of the financial statements as of June 30, 2018, resulted in an unmodified opinion.

Section I- Summary of Auditors' Results

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness ___ yes X no

Significant Deficiencies not considered to be
Material Weaknesses X yes ___ no

Compliance

Compliance Material to Financial Statements ___ yes X no

Section II- Financial Statement Findings

2018-1 Inadequate Segregation of Duties

Criteria:

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

Condition:

The segregation of duties is inadequate to provide effective internal control.

Cause:

The condition is due to economic limitations.

Effect:

Not determined.

Recommendation:

No action is recommended.

Management's Response and planned corrective action:

We concur in the finding, but it is not economically feasible for corrective action to be taken.

Section III- Management Letter

None issued.

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

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

Section I- **Financial Statements Findings**

2017-1 **Inadequate Segregation of Duties**

Condition:

Adequate segregation of duties is essential to a proper internal controls

Recommendation:

None

Status:

See 2018-1 in the current year findings.

Section II- **Internal Control and Compliance Material to Federal Awards**

This section is not applicable for this entity.

Section III- **Management Letter**

No management letter was issued.