

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

**FINANCIAL REPORT
JUNE 30, 2007**

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

4/9/08

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

**FINANCIAL REPORT
JUNE 30, 2007**

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MARTIN, HARRISON & SMALLWOOD, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

December 27, 2007

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

We have audited the accompanying statements of financial position of the Children's Coalition for Northeast Louisiana, Inc. (a Non-profit Corporation) as of June 30, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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; and the Louisiana Government Audit Guide, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Children's Coalition for Northeast Louisiana, Inc. as of June 30, 2007 and 2006, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 27, 2007, on our consideration of the 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

The Board of Directors
The Children's Coalition
for Northeast Louisiana, Inc.
December 27, 2007
Page 2

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Children's Coalition for Northeast Louisiana, Inc. taken as a whole. The accompanying financial information listed as Other Supplementary Information in the Table of Contents is presented for purposes of additional analysis or 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Marten, Harrison & Smalwood, LLP

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC

STATEMENTS OF FINANCIAL POSITION

	JUNE 30	
	<u>2007</u>	<u>2006</u>
ASSETS		
Cash	\$ 28,592	\$ 7,070
Accounts Receivable	115,195	95,672
Furniture and Equipment, net	41,315	23,333
Prepaid Expenses	19,588	672
Deferred Charges	2,122	-
	<u>206,812</u>	<u>126,747</u>
TOTAL ASSETS	<u>\$ 206,812</u>	<u>\$ 126,747</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	\$ 14,241	\$ 40,983
Accrued Payroll Liabilities	2,952	947
Capital Leases Payable - Current	6,426	1,581
Capital Leases Payable - Long-Term	7,675	2,088
Notes Payable - Bank line-of-credit	39,602	48,435
Deferred Revenue - Memberships	8,825	2,757
Total Liabilities	<u>79,721</u>	<u>96,791</u>
Net Assets		
Unrestricted	86,828	(2,278)
Temporarily Restricted and/or Designated	40,263	32,234
Total Net Assets	<u>127,091</u>	<u>29,956</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 206,812</u>	<u>\$ 126,747</u>

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

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUES			
Donations and Sponsorships	\$ 17,073	\$ -	\$ 17,073
In-Kind Donations at Fair Value	33,300	-	33,300
Grants	763,404	57,022	820,426
Registration and Tuition Fees	44,802	-	44,802
Memberships	29,392	-	29,392
Interest	255	-	255
Contributions and Net Revenue from Special Events			
Special Event Revenue	38,645	-	38,645
Costs of Direct Benefits to Donors	(4,695)	-	(4,695)
Other Revenue	3,306	-	3,306
Total	<u>925,482</u>	<u>57,022</u>	<u>982,504</u>
Net Assets Released from Restrictions	<u>48,993</u>	<u>(48,993)</u>	<u>-</u>
Total Support and Revenue	974,475	8,029	982,504
EXPENSES			
Program Services			
Covering Kids/Health Care	102,196	-	102,196
Early Care/Education	332,435	-	332,435
LEGOS/Youth Development	48,680	-	48,680
Parenting Initiative	86,024	-	86,024
Regional Initiatives	67,654	-	67,654
Health Care	23,237	-	23,237
Hurricane Relief	12,855	-	12,855
Total Program Expenses	<u>673,081</u>	<u>-</u>	<u>673,081</u>
Supporting Services			
Management & General	192,198		192,198
Fund Raising	20,091		20,091
Total Supporting Services	<u>212,289</u>	<u>-</u>	<u>212,289</u>
Total Expenses	<u>885,370</u>	<u>-</u>	<u>885,370</u>
Change in Net Assets	89,106	8,029	97,135
NET ASSETS (DEFICIT) AT BEGINNING OF YEAR	<u>(2,278)</u>	<u>32,234</u>	<u>29,956</u>
NET ASSETS AT END OF YEAR	<u>\$ 86,828</u>	<u>\$ \$ 40,263</u>	<u>\$ \$ 127,091</u>

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

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUES			
Donations	\$ 29,732	\$ -	\$ 29,732
In-Kind Donations at Fair Value	56,498	-	56,498
Grants	387,136	48,275	435,411
Registration Fees	7,978	-	7,978
Memberships	30,792	-	30,792
Tuition	450	-	450
Health Fair Sponsorships	4,468	-	4,468
Contributions and Net Revenue from Special Events			
Special Event Revenue	25,475	-	25,475
Costs of Direct Benefits to Donors	(7,009)	-	(7,009)
Other Revenue	2,196	-	2,196
Total	<u>537,716</u>	<u>48,275</u>	<u>585,991</u>
Net Assets Released from Restrictions	<u>23,419</u>	<u>(23,419)</u>	<u>-</u>
Total Support and Revenue	561,135	24,856	585,991
EXPENSES			
Program Services			
Covering Kids/Health Care	40,027	-	40,027
Early Care/Education	167,352	-	167,352
LEGOS/Youth Development	6,717	-	6,717
Parenting Initiative	122,404	-	122,404
Regional Initiatives	99,562	-	99,562
Hurricane Relief	48,961	-	48,961
Total Program Expenses	<u>485,023</u>	<u>-</u>	<u>485,023</u>
Supporting Services			
Management & General	76,487	-	76,487
Fund Raising	7,951	-	7,951
Total Supporting Services	<u>84,438</u>	<u>-</u>	<u>84,438</u>
Total Expenses	<u>569,461</u>	<u>-</u>	<u>569,461</u>
Change in Net Assets	(8,326)	24,856	16,530
NET ASSETS AT BEGINNING OF YEAR	<u>6,048</u>	<u>7,378</u>	<u>13,426</u>
NET ASSETS (DEFICIT) AT END OF YEAR	<u>\$ (2,278)</u>	<u>\$ 32,234</u>	<u>\$ 29,956</u>

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

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2007

	LEGOS/ Program Services						Supporting Services		Total Expenses		
	Covering Kids/ Health Care	Early Care/ Education	Youth Development	Parenting Initiative	Regional Initiatives	Health Care	Hurricane Relief Services	Program Services		Management & General	Fund Raising
Salaries	\$ 50,704	\$ 190,883	\$ 12,837	\$ 56,039	\$ 42,765	\$ 17,968	\$ -	\$ 371,193	\$ 60,693	\$ 7,080	\$ 438,968
Payroll Taxes	3,682	14,655	916	4,734	3,503	1,472	-	28,962	5,717	620	35,299
Workers Compensation	429	1,919	124	435	441	201	-	3,549	641	72	4,262
Total Salaries and Related Expenses	54,814	207,457	13,877	61,207	46,709	19,641	-	403,706	67,051	7,772	478,529
Advertising	-	-	-	-	-	-	-	-	840	1,190	2,030
Bank Charges	-	-	-	-	-	-	-	-	2,424	-	2,424
Board Expenses	-	-	-	-	-	-	-	-	2,393	-	2,393
Computer Maintenance	-	2,237	446	49	561	-	-	3,291	2,468	-	5,759
Computer Software	-	338	-	-	-	-	-	338	464	-	801
Contract for Services	-	49,857	18,470	7,485	-	-	-	75,812	2,707	-	78,519
Dues and Subscriptions	-	130	-	-	-	-	-	130	825	-	955
Education/Public Awareness	15,946	2,205	3,484	-	143	-	-	21,778	3,807	-	25,585
Equipment Lease	1,660	1,393	710	1,123	724	-	-	5,610	373	-	5,983
Janitorial	481	985	237	615	615	-	-	2,932	206	-	3,138
Meetings	600	866	1,153	856	3,274	1,209	-	7,958	2,502	-	10,460
Postage and Delivery	1,776	2,668	50	767	858	90	-	6,208	768	400	7,376
Printing & Reproduction	1,951	3,958	2,181	67	1,278	-	-	9,435	2,295	1,015	12,745
Professional Fees	-	-	-	-	-	-	-	-	29,216	-	29,216
Recruitment	-	-	-	-	-	-	-	-	242	-	242
Rent	4,288	30,330	1,859	3,087	8,893	-	-	48,456	45,040	8,000	101,496
Maintenance & Repairs	1,975	2,676	753	594	517	-	-	6,515	2,943	-	9,458
Miscellaneous	800	-	-	-	-	-	25	525	1,811	-	2,336
Supplies	13,702	7,459	3,267	1,946	1,750	1,089	125	41,415	4,560	1,714	47,689
Scholarships	-	-	-	-	-	-	-	125	-	-	125
Telephone	1,154	1,523	76	977	638	-	-	4,368	560	-	4,927
Training	-	4,450	530	4,268	-	-	-	9,248	650	-	9,898
Insurance	-	-	-	-	445	-	-	445	4,193	-	4,638
Interest	-	-	-	-	-	-	-	-	5,156	-	5,156
Travel	2,035	10,062	1,025	1,920	474	942	356	16,814	6,238	-	23,052
Taxes & Licenses	-	-	-	30	-	-	-	30	269	-	299
Total	100,882	328,593	48,116	84,592	66,878	22,971	12,708	665,140	189,998	20,091	875,229
Depreciation	1,314	3,842	564	1,032	776	266	147	7,941	2,200	-	10,141
Total Functional Expenses	\$ 102,196	\$ 332,435	\$ 48,680	\$ 86,024	\$ 67,654	\$ 23,237	\$ 12,855	\$ 673,081	\$ 192,198	\$ 20,091	\$ 885,370

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

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2006

	Program Services					Supporting Services			Total Expenses	
	Covering Kids/ Health Care	Early Care/ Education	LEGOS/ Youth Development	Parenting Initiative	Regional Initiatives	Hurricane Relief Services	Program Services	Management & General		Fund Raising
Salaries	\$ 16,675	\$ 88,477	\$ 4,324	\$ 37,453	\$ 47,583	\$ 23,777	\$ 218,289	\$ 29,423	\$ 6,263	\$ 253,975
Payroll Taxes	1,361	6,933	353	3,077	3,883	1,819	17,426	2,661	271	20,358
Workers Compensation	191	989	47	442	546	293	2,508	342	35	2,885
Total Salaries and Related Expenses	18,227	96,399	4,724	40,972	52,012	25,889	238,223	32,426	6,569	277,218
Advertising	-	-	-	-	-	-	-	162	15	177
Bank Charges	-	-	-	-	-	-	-	527	-	527
Board Expenses	-	-	-	-	-	-	-	242	-	242
Computer Maintenance	-	788	-	-	247	-	1,035	1,892	193	3,120
Computer Software	113	-	-	-	113	-	226	112	-	338
Contract for Services	2,000	17,735	-	25,099	-	3,330	48,164	-	-	48,164
Dues and Subscriptions	-	210	-	-	-	-	210	828	84	1,122
Education/Public Awareness	2,635	2,338	-	5,952	313	-	11,238	-	-	11,238
Equipment Lease	1,048	850	-	606	851	-	3,355	797	81	4,233
Janitorial	720	1,077	-	520	1,628	-	3,945	375	-	4,320
Health Fair Expenses	2,671	-	-	-	-	-	2,671	-	-	2,671
Meetings	71	359	-	418	1,514	32	2,394	1,609	-	4,003
Office	-	-	-	-	-	-	-	375	-	375
Postage and Delivery	557	711	-	409	820	-	2,497	885	90	3,472
Printing & Reproduction	619	1,121	-	1,713	2,508	-	5,961	530	54	6,545
Professional Fees	-	1,935	-	-	3,782	240	5,957	16,694	-	22,651
Recruitment	-	200	-	-	85	-	285	321	-	606
Rent	5,555	31,464	-	13,917	18,733	1,653	71,322	6,310	524	78,156
Rental Equipment	-	45	-	-	46	-	91	89	-	180
Repairs and Maintenance	128	432	-	428	456	-	1,444	486	-	1,930
Miscellaneous	-	-	-	-	-	1,197	1,197	705	-	1,902
Supplies	3,087	5,479	-	17,025	9,343	15,917	50,851	1,350	289	52,490
Telephone	1,165	922	-	878	1,168	-	4,133	513	52	4,698
Training	-	656	550	12,311	1,000	-	14,517	-	-	14,517
Insurance	-	272	60	-	808	-	1,140	4,794	-	5,934
Interest	-	-	-	-	-	-	-	2,968	-	2,968
Taxes and Licenses	93	-	-	93	93	-	279	115	-	394
Travel	808	2,142	1,294	442	2,723	54	7,463	410	-	7,873
Total	39,497	165,135	6,628	120,783	98,243	48,312	478,598	75,515	7,951	562,064
Depreciation	530	2,217	89	1,621	1,319	649	6,425	972	-	7,397
Total Functional Expenses	\$ 40,027	\$ 167,352	\$ 6,717	\$ 122,404	\$ 99,562	\$ 48,961	\$ 485,023	\$ 76,487	\$ 7,951	\$ 569,461

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

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC

STATEMENTS OF CASH FLOWS

	YEAR ENDED JUNE 30	
	2007	2006
Cash Flows From Operating Activities		
Increase (Decrease) in Net Assets	\$ 97,135	\$ 16,530
Adjustment to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	10,141	7,397
Changes in assets and liabilities:		
Accounts Receivable	(19,522)	(56,949)
Prepaid Expenses	(18,916)	2,713
Deferred Charges	(2,122)	-
Accounts Payable	(26,742)	25,595
Accrued Payroll Liabilities	2,005	(5,329)
Deferred Revenue	6,068	(6,486)
Net cash provided (used) by operating activities	<u>48,047</u>	<u>(16,529)</u>
Cash Flow From Investing Activities		
Purchase of equipment	(28,123)	(9,323)
Net cash provided (used) by investing activities	<u>(28,123)</u>	<u>(9,323)</u>
Cash Flow From Financing Activities		
Payments of capital lease obligations	(3,527)	(1,410)
Capital Lease	13,958	-
Proceeds from note payable - LOC (Net of payments)	(8,833)	29,488
Net cash provided (used) by financing activities	<u>1,598</u>	<u>28,078</u>
Increase (Decrease) in Cash	21,522	2,226
Cash at Beginning of Year	<u>7,070</u>	<u>4,844</u>
Cash at End of Year	<u>\$ 28,592</u>	<u>\$ 7,070</u>

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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

A. Basis of Presentation

The financial statements have been prepared on an accrual basis and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its *Audit Guide for Not-For-Profit Organizations*.

The financial statements of the Coalition are presented as recommended by the Financial Accounting Standards Board in Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, 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, 2006 and 2005, the Coalition had no permanently restricted net assets.

B. Contributions

The Coalition has also adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Under SFAS No. 116, 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.

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 SFAS No. 116 have not been satisfied.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

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

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 2007 and 2006.

F. Compensated Absences

Employees earn forty hours of vacation during their first year of employment and eighty hours for each year thereafter. Employees earn ten days sick leave per year. 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.

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.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Programs

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

Covering Kids/Health Care - Covering Kids and Families income is primarily funded by Louisiana Department of Health and Hospitals-Medicaid. This program was developed as an effort to increase the enrollment in the LaCHIP and LaMOM program, which provides health insurance to children in families with incomes of up to 200% of poverty level. The Health Care Coordinator works with a regional coalition and the Medicaid office in outreach activities. An outreach effort is the annual Start School Right Children's Resources and Health Fair, which is funded through various sponsorships and with Sisters of Charity of the Incarnate Word grant. Sisters of Charity also provided funding for mini-health fairs for child care centers in the region. An additional grant was provided from Blue Cross/Blue Shield for a media campaign about medical homes. Another program, the Fetal Infant Mortality Reduction Initiative, is funded through the Louisiana Department of Health and Hospitals-Office of Public Health. A public health nurse housed at OPH reviews medical records with a team of medical experts to ascertain causes of fetal and infant mortality. A community action team organized through the Coalition works to provide community solutions for any identified problems.

Early Care/Education - Early Care and Education's income was derived from the Louisiana Department of Social Services through Child Development Block Grant funds. The main program in this focus area is NELA Child Care Connections. Child Care Connections is the child care resource and referral agency for this region and is involved in providing information, resources and referral services for parents, businesses and the community, training for child care providers and technical assistance to all licensed child care centers and registered family child day care homes in the northeast region. This year the program is actively involved in preparing centers for and implementing the new Quality Rating System for childcare.

LEGOS/Youth Development - Regional Initiatives and youth development is funded through a contract with the Louisiana Department of Health and Hospitals, Office of Addictive Disorders. This program includes a regional youth leadership program called Real Teens who represent parishes within the region. In a retreat setting, teens are taught leadership skills through the Points of Light Youth Leadership Curriculum and then are involved in community service and public awareness campaigns about alcohol and substance abuse through the school year. This year an advocacy day camp was added to increase youth advocacy skills. A small grant through the Department of Public Safety--Office of Youth Development funded the advocacy Camp. This program also works with other OAD contractors, law enforcement, and other community leaders in forming a regional adult coalition to plan initiatives to address alcohol and substance abuse among youth and the environmental influences that lead to such behavior.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Parenting Initiative - The Parent Education initiative is funded through a grant from the Louisiana Department of Social Services and is a Temporary Aid for Needy Families (TANF) initiative. Other funding sources include the Louisiana Children's Trust Fund. This program develops parent training opportunities in the community to enhance childhood literacy, quality care, success in school and strengthening the family.

Regional Initiatives - The Children's Coalition served as the fiscal agent for the Teen Screen program. This program was funded through the Louisiana Department of Health and Hospitals--Office of Mental Health. Every 7th and 9th grader in Monroe City and Ouachita Parish Schools were screened for depression, anxiety and suicide. Teens and their parents were referred for help to appropriate agencies in the event that they were screened "at risk." In the coming year the Children's Coalition will assume responsibility for funding and administering this program.

Hurricane Relief Services - Hurricane Relief Services as a result of the devastation brought on by Hurricanes Katrina and Rita were funded through a grant from Neighbors Helping Neighbors and Sister of Charity of the Incarnate Word. The funds from Neighbor Helping Neighbors were used to help children who were victims of the hurricanes with expenses related to starting school. Sisters of Charity funded children's backpacks with supplies to be used in sheltering in the event that another hurricane strikes Louisiana's coast. In addition, emergency childcare and play therapy kits were purchased and put together to be used in case of another emergency.

I. Tax-Exempt Status

The Coalition is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for Federal income taxes. Contributions to the Coalition are tax deductible within the limitations prescribed by the Code.

J. Cash and Cash Equivalents

For purposes of the Statement 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.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Accounts Receivable

Accounts receivables are stated at the amount management expects to collect from outstanding balances.

L. Supplemental Cash Flow Information

Cash paid for interest for the years ended June 30, 2007 and 2006 was \$5,156 and \$2,968 respectively.

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.

NOTE 3 - FURNITURE AND EQUIPMENT

Furniture and Equipment consisted of the following at June 30:

	<u>2007</u>	<u>2006</u>
Furniture and Equipment	\$ 77,414	\$ 49,291
Less: Accumulated Depreciation	<u>(36,099)</u>	<u>(25,958)</u>
NET FURNITURE AND EQUIPMENT	<u>\$ 41,315</u>	<u>\$ 23,333</u>

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 4 - TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2007</u>	<u>2006</u>
LEGOS/Youth Development	\$ 26,660	\$ 19,542
Hurricane Relief Services	-	8,006
La. Children's Trust Fund	4,837	-
Covering Kids/Healthcare	<u>8,766</u>	<u>4,686</u>
Total	<u>\$ 40,263</u>	<u>\$ 32,234</u>

NOTE 5 - LEASES

The Coalition leases its phone system and its network server under capital leases. The economic substance of these leases is that the Coalition is financing the acquisition of the phone system and network server through the leases and accordingly, they are recorded as assets and the lease is recorded as a liability.

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

	<u>2007</u>	<u>2006</u>
Equipment Under Capital Lease	\$ 17,418	\$ 7,277
Less: Accumulated Depreciation	<u>(6,850)</u>	<u>(4,244)</u>
Total	<u>\$ 10,568</u>	<u>\$ 3,033</u>

The future minimum lease payments under the capital leases and the net present value of the future minimum lease payments at June 30, 2007 are as follows:

Total minimum lease payments	\$ 14,778
Amount representing interest	(677)
Present value of net minimum lease payments	<u>14,101</u>
Current portion	6,426
Long-term capital lease obligation	<u>\$ 7,675</u>

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 5 – LEASES (Continued)

The Coalition leases its copy machine under a noncancelable operating lease expiring in 2009. The Coalition leases office space under a lease that was signed and commenced on July 15, 2003 with options extending until July 14, 2006. Since July 14, 2006 the office space has been rented on a month-to-month basis for \$5,109 per month.

The minimum rental under all leases having an initial or remaining term in excess of one year from June 30, 2007, are approximated as follows:

<u>Year Ending</u>	<u>Amount</u>
2008	\$ 5,570
2009	5,106
Total	<u>\$ 10,676</u>

Total lease and rent expense for the year ended June 30, 2007 and 2006, was \$101,496 and \$78,156 which includes In-Kind contributions of office space and meeting rooms of \$30,800 and \$26,600 respectively.

NOTE 6 – NOTES PAYABLE

On April 2, 2007, the Coalition entered into an agreement with a financial institution for a \$50,085 line of credit to be available to the Coalition. The principal balance outstanding was \$39,602 and \$48,435 at June 30, 2007 and 2006, respectively.

The Coalition's obligation under this note payable consists of the following:

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 8.250% per annum. The Coalition will pay this loan in full immediately upon demand. If no demand is made, the Coalition will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on April 2, 2008. The Coalition will pay regular monthly payments of all accrued unpaid interest due as of each payment date.

NOTE 7 - 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.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 8 – 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 9 – SUBSEQUENT EVENT

The Coalition entered into a lease on July 12, 2007 for new office space with the intention of taking occupancy on February 1, 2008. The lease will be for a term of 86 months. The first 49 months will be \$4,560 per month and the remaining 37 months will be increased for inflation using the consumer price index.

SUPPLEMENTARY INFORMATION

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

SCHEDULE OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2007

	UNRESTRICTED	DHH-OAD	DHH-M	RESTRICTED				
				DHH Teen Screen	DHH OPH-FIMR	DSS-PE	DSS Resource & Referral	DSS Training
Fund Balance July 1, 2006	\$ (2,278)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	122,391	99,622	100,639	46,102	26,639	105,990	121,642	221,830
Expenditures	(117,398)	(98,940)	(89,578)	(45,575)	(23,621)	(110,423)	(118,627)	(166,977)
Net Income (Loss)	4,993	682	11,061	527	3,018	(4,433)	3,015	54,853
Capital and Other Transfers	84,113	(682)	(11,061)	(527)	(3,018)	4,433	(3,015)	(54,853)
Fund Balance June 30, 2007	<u>\$ 86,828</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See auditors' report.

AND/OR DESIGNATED

DSS		Office		Neighbors			LA	Total	Total
Technical Assistance	Of Youth Development	RWJ	Sisters of Charity	For Neighbors	Blue Cross Blue Shield	CTF	Restricted		
\$ -	\$ -	\$ 4,686	\$ 19,542	\$ 8,006	\$ -	\$ -	32,234	\$ 29,956	
82,785	2,537	12,022	30,000	-	10,000	5,000	864,808	987,199	
(67,645)	(2,287)	(16,708)	(22,882)	(8,006)	(1,234)	(163)	(772,666)	(890,064)	
15,140	250	(4,686)	7,118	(8,006)	8,766	4,837	92,142	97,135	
(15,140)	(250)	-	-	-	-	-	(84,113)	-	
\$ -	\$ -	\$ -	\$ 26,660	\$ -	\$ 8,766	\$ 4,837	\$ 40,263	\$ 127,091	

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

SCHEDULE OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006

	RESTRICTED					
	Unrestricted	ELOA	DHH-OAD	DSS	Sisters of Charity	RWJ
Net Assets July 1, 2005 (Restated)	\$ 6,048	\$ -	\$ -	\$ -	\$ -	\$ -
Income	141,093	25,370	96,229	207,579	30,000	37,240
Expenditures	(172,838)	(25,250)	(88,103)	(194,441)	(10,458)	(32,554)
Capital and Other Transfers	23,419	(120)	(8,126)	(13,138)	-	-
Net Increase (Decrease)	(8,326)	-	-	-	19,542	4,686
Net Assets June 30, 2006	<u>\$ (2,278)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,542</u>	<u>\$ 4,686</u>

See auditors' report.

AND OR DESIGNATED

<u>Mintz</u>	<u>Chase</u>	<u>Scott Foundation</u>	<u>Neighbors Helping Neighbors</u>	<u>OTHER</u>	<u>Total Restricted</u>	<u>Total</u>
\$ 1,357	\$ 1,021	\$ 5,000	\$ -	\$ -	\$ 7,378	\$ 13,426
-	-	5,000	10,000	37,421	448,839	589,932
(1,357)	-	(9,436)	(1,994)	(36,971)	(400,564)	(573,402)
-	(1,021)	(564)	-	(450)	(23,419)	-
<u>(1,357)</u>	<u>(1,021)</u>	<u>(5,000)</u>	<u>8,006</u>	<u>-</u>	<u>24,856</u>	<u>16,530</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,006</u>	<u>\$ -</u>	<u>\$ 32,234</u>	<u>\$ 29,956</u>

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Revenue Recognized	Expenditures
State of Louisiana, Department of Health and Hospitals			
Medicaid Program	93.767	\$ 80,000	\$ 80,000
Maternal & Child Health Program	93.994	26,639	26,639
Office of Addictive Disorders	93.959	99,622	99,622
Office of Mental Health	93.667	46,103	46,103
State of Louisiana, Department of Social Services			
* Office of Family Support	93.575 & 93.596	381,875	381,875
Totals		<u>\$ 634,239</u>	<u>\$ 634,239</u>

(1) Major Federal Programs are indicated by (*)

See auditor's report.

OTHER INDEPENDENT AUDITORS' REPORT

MARTIN, HARRISON & SMALLWOOD, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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302 DEPOT STREET, SUITE A - DELHI, LA 71232 - (318) 878-5573

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

December 27, 2007

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

We have audited the financial statements of the Children's Coalition for Northeast Louisiana, Inc. (a non-profit corporation) as of and for the years ended June 30, 2007 and 2006, and have issued our report thereon dated December 27, 2007. 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; and the Louisiana Governmental Audit Guide, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management and employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Corporation's financial statements that is more than inconsequential will not be prevented or detected by the Corporation's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Corporation's internal control.

The Board of Directors
Children's Coalition for Northeast Louisiana, Inc.
December 31, 2007
Page Two

Our consideration of internal control over financial reporting was for the limited purpose described in the second paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Children's Coalition for Northeast Louisiana, Inc.'s financial statements are free of material misstatement, we performed tests of their 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.

We noted certain matters involving the internal control over financial reporting that we have reported to management of the Children's Coalition for Northeast Louisiana, Inc. in a separate letter dated December 27, 2007.

This report is intended solely for the information and use of the board of directors, management, and the agencies granting funds to the Corporation, others within the entity, the Legislative Auditor of the State of Louisiana 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 23:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Martin, Harrison + Smallwood, LLP

MARTIN, HARRISON & SMALLWOOD, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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Report on Compliance with Requirements Applicable To Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

December 27, 2007

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

We have audited the compliance of the Children's Coalition for Northeast Louisiana, Inc. (a non-profit corporation) with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2007 and 2006. The Corporation's major federal program is identified in the schedule of expenditures of federal awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Corporation's management. Our responsibility is to express an opinion on the Corporation's compliance based on our audits.

We conducted our audits 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 audits to obtain reasonable assurance about whether non-compliance 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 Corporation'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. Our audits do not provide a legal determination on the Corporation's compliance with those requirements.

In our opinion, the Children's Coalition for Northeast Louisiana, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the Children's Coalition for Northeast Louisiana, Inc. 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 our audits, we considered the Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

The Board of Directors
Children's Coalition for Northeast Louisiana, Inc.
December 31, 2007
Page Two

A control deficiency exists when the design or operation of a control does not allow management or employees within a timely period, in the normal course of performing their assigned functions, to prevent or detect noncompliance with applicable requirements of law, regulations, contracts and grants that would have a direct and material effect on a major federal program. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Corporation's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants such that there is more than a remote likelihood that the Corporation's noncompliance that is more than inconsequential will not be prevented or detected by the Corporation's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with applicable requirements of laws, regulations, contracts and grants in relation to a major federal program will not be prevented or detected by the Corporation's internal control.

Our consideration of internal control was for the limited purpose described in the fourth paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as described above.

This report is intended solely for the information and use of the board of directors, management, others within the Corporation, federal awarding agencies, Louisiana Legislative Auditor 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 Louisiana Legislative Auditor as a public document.

Martin, Harrison & Smallwood, LLP

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Reportable conditions identified? No

Material weaknesses identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal Control over major programs:

Reportable weaknesses identified? No

Material weaknesses identified? No

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in
accordance with section 510(a) of OMB Circular A-133? No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

See auditor's report.