

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

FINANCIAL REPORT

June 30, 2010

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 3/9/11

## HILL, INZINA & COMPANY

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## CONTENTS

	Page(s)
INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statement of financial position	2
Statement of activities	3
Statement of cash flows	4
Statement of functional expenses	5
Notes to financial statements	6 - 10
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	11 and 12
SCHEDULE OF FINDINGS AND QUESTIONED COSTS WITH MANAGEMENT'S RESPONSE AND PLANNED CORRECTIVE ACTION	13 and 14
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS	15

# HILL, INZINA & COMPANY

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## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

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

We have audited the accompanying statement of financial position of Families Helping Families of Northeast Louisiana, Inc. (a nonprofit organization), as of June 30, 2010, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the management of Families Helping Families of Northeast Louisiana, Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families Helping Families of Northeast Louisiana, Inc., as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2010 on our consideration of Families Helping Families of Northeast Louisiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*/s/Hill, Inzina & Co.*

December 21, 2010

-1-

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**FINANCIAL STATEMENTS**

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

STATEMENT OF FINANCIAL POSITION  
June 30, 2010

ASSETS

Current assets:	
Cash	\$ 61,971
Due from grantors	41,840
Investments	<u>97,383</u>
Total current assets	<u>\$ 201,194</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 5,102
Payroll taxes payable	<u>5,865</u>
Total current liabilities	\$ 10,967
Net assets - unrestricted	<u>190,227</u>
Total liabilities and net assets	<u>\$ 201,194</u>

See notes to financial statements.

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

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2010

Revenues and other support:	
Federal grants	\$ 317,579
State grants	124,097
Other grants	33,235
Contributions	19,740
Fund-raising	9,633
Investment income	15,039
Other	1,739
Total revenues and other support	<u>\$ 521,062</u>
Expenses:	
Program	\$ 400,892
Support:	
Management and general	115,787
Fund-raising	3,500
Total expenses	<u>\$ 520,179</u>
Change in net assets - unrestricted	\$ 883
Net assets - unrestricted - beginning	<u>189,344</u>
Net assets - unrestricted - ending	<u>\$ 190,227</u>

See notes to financial statements

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

STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2010

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase in unrestricted net assets	\$ 883
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities:	
Unrealized gain on investments	( 9,216)
(Increase) decrease in due from grantors	21,633
(Increase) decrease in due from employee	3,600
Increase (decrease) in accounts payable	2,892
Increase (decrease) in payroll taxes payable	( 157)
Net cash flows provided by operating activities	<u>\$ 19,635</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
(Increase) decrease in investments	<u>3,070</u>
 Increase in cash	 \$ 22,705
 Cash - beginning	 <u>39,266</u>
 Cash - ending	 <u><u>\$ 61,971</u></u>

See notes to financial statements.

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

STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2010

	<u>Program</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Totals</u>
Salaries	\$ 160,388	\$ 72,545	\$ -	\$ 232,933
Payroll taxes	19,449	8,335	-	27,784
Other employee benefits	5,664	3,811	-	9,475
Supplies and equipment	14,182	4,313	-	18,495
Building rent, utilities, and maintenance	10,597	4,541	-	15,138
Postage	2,348	482	-	2,830
Telephone	4,181	1,766	-	5,947
Internet access	819	351	-	1,170
Travel	16,443	381	-	16,824
Accounting and audit fees	-	4,004	-	4,004
Legal fees	-	62	-	62
Insurance	-	5,276	-	5,276
Bank charges	-	185	-	185
Promotions	625	85	-	710
LACAN	116,363	-	-	116,363
Parent stipend	4,057	-	-	4,057
OCDD family support	8,888	-	-	8,888
Adult programs	597	-	-	597
Discretionary fund disbursements	12,644	-	-	12,644
SDE conferences/workshops	19,901	-	-	19,901
FCW program	1,277	-	3,500	4,777
Chase Foundation	9	-	-	9
Board meetings	-	844	-	844
Miscellaneous	<u>2,460</u>	<u>8,806</u>	<u>-</u>	<u>11,266</u>
 Total functional expenses	 <u>\$ 400,892</u>	 <u>\$ 115,787</u>	 <u>\$ 3,500</u>	 <u>\$ 520,179</u>

See notes to financial statements.



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

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2010

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

Nature of Operations:

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

Basis of Presentation:

The financial statements of Families Helping Families of Northeast Louisiana, Inc., have been prepared in conformity with generally accepted accounting principles (GAAP).

Basis of Accounting:

The financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when the related liability is incurred.

Income Taxes:

Families Helping Families of Northeast Louisiana, Inc., is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3). Families Helping Families of Northeast Louisiana, Inc., has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## NOTES TO FINANCIAL STATEMENTS

### Uncollectible Allowance:

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

### Investments:

Families Helping Families of Northeast Louisiana, Inc., has adopted Statement of Financial Accounting Standards (SFAS) No. 124, *Accounting for Certain Investments Held by Non-Profit Organizations*. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Realized and unrealized gains and losses are included in the change in net assets. Nonnegotiable certificates of deposit with original maturities exceeding 90 days are reported in the accompanying financial statements at cost.

### Equipment and Furniture:

Equipment and furniture of Families Helping Families of Northeast Louisiana, Inc., is not capitalized 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.

### 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 91% 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.

### Functional Expenses:

Expenses are charged directly to program, management and general, or fund-raising categories based on specific identification. Accordingly, certain indirect costs have been allocated among the activities benefitted based on salary expenditures.

## NOTES TO FINANCIAL STATEMENTS

### Note 2. Cash

As of June 30, 2010, Families Helping Families of Northeast Louisiana, Inc., had cash (book balances) as follows:

Checking accounts	\$ 61,871
Petty cash	<u>100</u>
 Total cash	 <u>\$ 61,971</u>

### Note 3. Investments

Investments held by Families Helping Families of Northeast Louisiana, Inc., as of June 30, 2010 consisted of:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Cash equivalent	\$ 58	\$ 58	\$ -
Certificates of deposit	60,607	57,721	( 2,286)
Equities	<u>29,055</u>	<u>39,604</u>	<u>10,549</u>
 Total investments	 <u>\$ 89,720</u>	 <u>\$ 97,383</u>	 <u>\$ 8,263</u>

Investment income for the year ended June 30, 2010 is summarized as follows:

Interest	\$ 2,446
Dividends	3,377
Unrealized gain on investments	<u>9,216</u>
 Total investment income	 <u>\$ 15,039</u>

NOTES TO FINANCIAL STATEMENTS

Note 4. Due from Grantors

A summary of amounts due from grantors as of June 30, 2010 is as follows:

Louisiana State Planning Council on Developmental Disabilities	\$ 25,258
Louisiana Department of Education	3,360
Louisiana Department of Health and Hospitals - Office of Public Health	4,281
Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities	6,825
Bayou Land Families Helping Families	940
Families Helping Families of Greater New Orleans	164
Other	<u>1,012</u>
<b>Total due from grantors</b>	<b><u>\$ 41,840</u></b>

Note 5. Contingencies, Risks, and Uncertainties

Approximately 91% 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 collectibility of any related receivable as of June 30, 2010 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 provision has been recorded in the accompanying financial statements for such contingencies.

SEE NOTES TO FINANCIAL STATEMENTS

Note 6. 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, 2010:

Louisiana State Planning Council on Developmental Disabilities:	
CFMS677438	\$ 50,780
CFMS670760	26,681
CFMS684918	97,985
CFMS684911	3,367
CFMS670752	950
Louisiana Department of Education:	
CFMS675845	97,482
Louisiana Department of Health and Hospitals - Office of Public Health:	
CFMS664922	76,101
Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities:	
CFMS676672	58,500
CFMS677258	10,000
CFMS677621	19,830
Bayou Land Families Helping Families:	
ECSS	20,696
F2FHIC	5,738
Families Helping Families of Greater New Orleans - OMH	<u>4,499</u>
 Total recognized revenue	 <u>\$ 472,609</u>

Note 7. Litigation and Claims

As of June 30, 2010, 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 21, 2010, 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.

# HILL, INZINA & COMPANY

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

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

We have audited the financial statements of Families Helping Families of Northeast Louisiana, Inc. (a nonprofit organization), as of and for the year ended June 30, 2010 and have issued our report thereon dated December 21, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

## Internal Control Over Financial Reporting

In planning and performing our audit, we considered Families Helping Families of Northeast Louisiana, Inc.'s 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 Families Helping Families of Northeast Louisiana, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Families Helping Families of Northeast Louisiana, Inc.'s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Family Helping Families of Northeast Louisiana, Inc.'s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2010-1 to be a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Families Helping Families of Northeast Louisiana, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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*.

Families Helping Families of Northeast Louisiana, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Families Helping Families of Northeast Louisiana, Inc.'s response and, accordingly, we express no opinion on it.

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.

*/s/Hill, Inzina & Co.*

December 21, 2010

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, 2010

We have audited the financial statements of Families Helping Families of Northeast Louisiana, Inc., as of and for the year ended June 30, 2010, and have issued our report thereon dated December 21, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2010 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

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*

Internal Control

Significant Deficiencies  Yes  No

Material Weaknesses  Yes  No

Compliance

Material to Financial Statements  Yes  No

Section II - Financial Statement Findings

2010-1 Inadequate Segregation of Duties (initially cited in first audit conducted by our firm as of and for the year ended June 30, 2001)

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

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

Cause: The condition is due to economic limitations.

Effect: Not determined.

Recommendation: No action is recommended.



Management's  
response and  
planned cor-  
rective 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

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended June 30, 2010

Section I - Financial Statement Findings

2009-1 Inadequate Segregation of Duties

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

Unresolved-2010-1.

Section II - Management Letter

None issued.