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

FINANCIAL REPORT

June 30, 2008

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 11/26/08

HILL, INZINA & COMPANY

Certified Public Accountants • A Professional Corporation
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HILL, INZINA & COMPANY

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, 2008, 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, 2008, 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 October 29, 2008 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.

October 29, 2008

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Certified Public Accountants • A Professional Corporation
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FINANCIAL STATEMENTS

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

STATEMENT OF FINANCIAL POSITION
June 30, 2008

ASSETS

Current assets:	
Cash	\$ 40,328
Due from grantors	65,796
Investments	<u>99,626</u>
Total current assets	<u>\$ 205,750</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 548
Payroll taxes payable	<u>6,126</u>
Total current liabilities	\$ 6,674
Net assets - unrestricted	<u>199,076</u>
Total liabilities and net assets	<u>\$ 205,750</u>

See notes to financial statements.

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

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2008

Revenues and other support:	
Federal grants	\$ 290,505
State grants	141,455
Other grants	30,769
Contributions	8,239
Fund-raising	1,952
Investment income (loss)	(9,555)
Other	11,583
Total revenues and other support	<u>\$ 474,948</u>
Expenses:	
Program	\$ 384,518
Support:	
Management and general	106,702
Fund-raising	253
Total expenses	<u>\$ 491,473</u>
Change in net assets - unrestricted	\$ (16,525)
Net assets - unrestricted - beginning	<u>215,601</u>
Net assets - unrestricted - ending	<u>\$ 199,076</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, 2008

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in unrestricted net assets	\$(16,525)
Adjustments to reconcile decrease in unrestricted net assets to net cash provided by operating activities:	
Unrealized loss on investments	17,412
Realized loss on investments	1,281
(Increase) decrease in due from grantors	310
Increase (decrease) in accounts payable	(161)
Increase (decrease) in payroll taxes payable	(413)
Net cash flows provided by operating activities	\$ 1,904
CASH FLOWS FROM INVESTING ACTIVITIES	
(Increase) decrease in investments	<u>24,222</u>
Increase in cash	\$ 26,126
Cash - beginning	<u>14,202</u>
Cash - ending	<u>\$ 40,328</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, 2008

	<u>Program</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Totals</u>
Salaries	\$ 131,639	\$ 71,887	\$ -	\$ 203,526
Payroll taxes	16,644	8,171	-	24,815
Other employee benefits	4,031	900	-	4,931
Supplies and equipment	24,005	3,702	-	27,707
Building rent, utilities, and maintenance	9,956	4,704	-	14,660
Postage	3,289	635	-	3,924
Telephone	3,414	1,653	-	5,067
Internet access	1,192	514	-	1,706
Travel	11,284	1,730	-	13,014
Accounting and audit fees	-	2,960	-	2,960
Insurance	2,855	2,373	-	5,228
Bank charges	8	2	-	10
Promotions	1,781	611	-	2,392
LACAN	125,472	-	-	125,472
Parent stipend	6,574	-	-	6,574
CSHS playroom	378	-	-	378
LASIG	4,389	-	-	4,389
OCDD family support	8,970	-	-	8,970
Adult programs	1,609	-	-	1,609
Discretionary fund disbursements	15,941	-	-	15,941
SDE seminar	4,562	-	-	4,562
Christopher Reeve Foundation	1,368	-	-	1,368
Family forum	4,238	-	-	4,238
Chase Foundation	421	-	-	421
Board meetings	-	508	-	508
Miscellaneous	498	6,352	253	7,103
	<u>498</u>	<u>6,352</u>	<u>253</u>	<u>7,103</u>
 Total functional expenses	 <u>\$ 384,518</u>	 <u>\$ 106,702</u>	 <u>\$ 253</u>	 <u>\$ 491,473</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, 2007

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 eight 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. 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.

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, 2008, Families Helping Families of Northeast Louisiana, Inc., had cash (book balances) as follows:

Checking accounts	\$ 40,228
Petty cash	<u>100</u>
 Total cash	 <u>\$ 40,328</u>

Note 3. Investments

Investments held by Families Helping Families of Northeast Louisiana, Inc., as of June 30, 2008 consisted of:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Cash equivalent	\$ 1,115	\$ 1,115	\$ -
Fixed income securities	28,000	28,000	-
Stocks	13,486	9,773	(3,713)
REIT's/tangibles	<u>65,159</u>	<u>60,738</u>	<u>(4,421)</u>
 Total investments	 <u>\$ 107,760</u>	 <u>\$ 99,626</u>	 <u>\$ (8,134)</u>

Investment income (loss) for the year ended June 30, 2008 is summarized as follows:

Interest	\$ 4,439
Dividends	4,700
Loss on sale of investments	(1,281)
Unrealized loss	<u>(17,413)</u>
 Total investment income (loss)	 <u>\$ (9,555)</u>

NOTES TO FINANCIAL STATEMENTS

Note 4. Due from Grantors

A summary of amounts due from grantors as of June 30, 2008 is as follows:

Louisiana State Planning Council on Developmental Disabilities	\$ 31,506
Louisiana Department of Education	10,950
Louisiana Department of Health and Hospitals - Office of Public Health	8,620
Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities	6,536
Bayou Land Families Helping Families	2,968
Families Helping Families of Greater New Orleans	2,262
Families Helping Families of Acadiana	527
Families Helping Families of Louisiana	<u>2,427</u>
Total due from grantors	<u>\$ 65,796</u>

SEE NOTES TO FINANCIAL STATEMENTS

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, 2008:

Louisiana State Planning Council on Developmental Disabilities:	
CFMS648446	\$ 52,603
CFMS641238	28,170
CFMS656138	97,279
CFMS655613	5,700
CFMS641210	1,445
CFMS663116	10,882
Louisiana Department of Education:	
CFMS655301	65,700
Louisiana Department of Health and Hospitals - Office of Public Health - CFMS649853	79,546
Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities:	
CFMS635302	65,000
CFMS647972	12,970
Families Helping Families of Louisiana - LASIG	12,665
Families Helping Families of Acadiana	1,054
Bayou Land Families Helping Families:	
ECSS	20,540
F2FHIC	4,680
Families Helping Families of Greater New Orleans - OMH	<u>4,495</u>
Total recognized revenue	<u>\$ 462,729</u>

Funding for the 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.

Note 6. Litigation and Claims

As of June 30, 2008, Families Helping Families of Northeast Louisiana, Inc., was not involved in any litigation nor aware of any unasserted claims.

HILL, INZINA & COMPANY

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, 2008 and have issued our report thereon dated October 29, 2008. 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 would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Families Helping Families of Northeast Louisiana, Inc.'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 Families Helping Families of Northeast Louisiana, Inc.'s

financial statements that is more than inconsequential will not be prevented or detected by Families Helping Families of Northeast Louisiana, Inc.'s internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2008-1 to be a significant deficiency in internal control over financial reporting.

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 Families Helping Families of Northeast Louisiana, Inc.'s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described above 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.

sHILL, INZINA & CO.

October 29, 2008

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, 2008

We have audited the financial statements of Families Helping Families of Northeast Louisiana, Inc., as of and for the year ended June 30, 2008, and have issued our report thereon dated October 29, 2008. 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, 2008 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

2008-1 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, 2008

Section I - Financial Statement Findings

2007-1 Inadequate Segregation of Duties

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

Unresolved-2008-1.

Section II - Management Letter

None issued.