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

**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

1/28/09

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

FINANCIAL REPORT  
JUNE 30, 2008

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

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditors' Report

December 23, 2008

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, 2008 and 2007, 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, 2008 and 2007, 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 23, 2008, 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 23, 2008  
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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.

*Martin, Harrison & Smallwood LLP*

## THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC

## STATEMENTS OF FINANCIAL POSITION

	JUNE 30	
	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
Cash	\$ 30,915	\$ 28,592
Accounts Receivable	131,106	115,195
Furniture and Equipment, net	92,020	41,315
Prepaid Expenses	9,945	19,588
Deferred Charges	<u>1,300</u>	<u>2,122</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 265,286</u></u>	<u><u>\$ 206,812</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts Payable	\$ 27,958	\$ 14,241
Accrued Payroll Liabilities	7,124	2,952
Capital Leases Payable - Current	6,069	6,426
Capital Leases Payable - Long-Term	14,301	7,675
Notes Payable - Bank line-of-credit	84,348	39,602
Deferred Revenue - DHH-M	3,370	-
Deferred Revenue - Memberships	<u>2,900</u>	<u>8,825</u>
Total Liabilities	146,070	79,721
<b>Net Assets</b>		
Unrestricted	43,907	86,828
Temporarily Restricted and/or Designated	<u>75,309</u>	<u>40,263</u>
Total Net Assets	<u><u>119,216</u></u>	<u><u>127,091</u></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 265,286</u></u>	<u><u>\$ 206,812</u></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, 2008

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUES</b>			
Donations and Sponsorships	\$ 44,498	\$ -	\$ 44,498
In-Kind Donations at Fair Value	23,536	-	23,536
Grants - Federal	670,123	-	670,123
Grants - Other	297,555	131,000	428,555
Registration and Tuition Fees	27,656	-	27,656
Memberships	24,725	-	24,725
Interest	2,016	-	2,016
Contributions and Net Revenue from Special Events			
Special Event Revenue	48,970	-	48,970
Costs of Direct Benefits to Donors	(3,969)	-	(3,969)
Other Revenue	3,167	-	3,167
Total	<u>1,138,277</u>	<u>131,000</u>	<u>1,269,277</u>
Net Assets Released from Restrictions	<u>95,954</u>	<u>(95,954)</u>	<u>-</u>
Total Support and Revenue	1,234,231	35,046	1,269,277
<b>EXPENSES</b>			
Program Services			
Health Care	179,167	-	179,167
Early Childhood Education	438,699	-	438,699
Youth Development	341,416	-	341,416
Parenting Education	98,165	-	98,165
Total Program Expenses	<u>1,057,447</u>	<u>-</u>	<u>1,057,447</u>
Supporting Services			
Management & General	190,382		190,382
Fund Raising	29,323		29,323
Total Supporting Services	<u>219,705</u>	<u>-</u>	<u>219,705</u>
Total Expenses	<u>1,277,152</u>	<u>-</u>	<u>1,277,152</u>
Change in Net Assets	(42,921)	35,046	(7,875)
NET ASSETS (DEFICIT) AT BEGINNING OF YEAR	<u>86,828</u>	<u>40,263</u>	<u>127,091</u>
NET ASSETS AT END OF YEAR	<u>\$ 43,907</u>	<u>\$ 75,309</u>	<u>\$ 119,216</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
<b>SUPPORT AND REVENUES</b>			
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
<b>EXPENSES</b>			
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 FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2008

	Program Services				Supporting Services		Total Expenses
	Health Care	Early Childhood Education	Youth Development	Parenting Education	Management & General	Fund Raising	
Salaries	\$ 83,481	\$ 332,625	\$ 240,762	\$ 75,613	\$ 60,706	\$ 6,818	\$ 798,005
Payroll Taxes	6,709	27,344	19,240	6,216	6,721	521	66,751
Workers Compensation	997	4,090	2,383	777	1,146	84	9,477
Total Salaries and Related Expenses	91,187	364,059	262,385	80,606	68,573	7,423	874,233
Advertising	-	-	-	-	1,420	2,900	4,320
Bank Charges	-	-	-	-	806	-	806
Board Expenses	-	-	-	-	1,799	-	1,799
Computer Maintenance	-	1,428	1,356	329	2,445	-	5,558
Computer Software	-	-	-	-	-	-	-
Contract for Services	-	300	-	-	-	-	300
Dues and Subscriptions	29,578	350	-	-	274	-	624
Education/Public Awareness	1,089	1,750	19,887	1,750	-	1,000	53,965
Equipment Lease	6,349	1,388	2,250	727	630	-	6,084
Janitorial	1,774	108	194	97	675	-	1,182
Meetings	3,009	1,688	4,037	196	4,700	79	17,049
Postage and Delivery	1,400	2,703	1,507	745	1,645	-	8,374
Printing & Reproduction	9,038	4,410	6,482	514	2,518	256	17,189
Professional Fees	1,157	950	5,574	300	34,695	-	42,919
Rent	-	26,569	9,696	2,970	34,465	-	89,010
Maintenance & Repairs	-	2,362	1,900	810	2,463	6,272	8,692
Miscellaneous	-	-	-	-	4,718	-	4,718
Security	-	-	-	-	63	-	63
Supplies	19,945	6,348	10,176	1,041	6,432	11,393	55,335
Scholarships	-	-	-	-	-	-	-
Telephone	1,583	3,410	3,136	261	2,857	-	11,247
Training	1,017	1,224	2,647	2,421	518	-	7,827
Insurance	-	-	437	-	1,924	-	2,361
Interest	-	-	-	-	2,898	-	2,898
Travel	8,242	13,498	4,340	4,021	2,967	-	33,068
Taxes & Licenses	-	-	-	-	391	-	391
Utilities	1,140	-	623	-	7,586	-	9,349
Total	176,616	432,545	336,627	96,788	187,462	29,323	1,259,361
Depreciation	2,551	6,154	4,789	1,377	2,920	-	17,791
Total Functional Expenses	\$ 179,167	\$ 438,699	\$ 341,416	\$ 98,165	\$ 190,382	\$ 29,323	\$ 1,277,152

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

	Program Services						Supporting Services				
	Covering Kids/ Health Care	Early Care/ Education	LEGOS/ Youth Development	Parenting Initiative	Regional Initiatives	Health Care	Hurricane Relief Services	Program Services	Management & General	Fund Raising	Total Expenses
Salaries	\$ 50,704	\$ 190,883	\$ 12,837	\$ 36,039	\$ 42,765	\$ 17,968	\$ -	\$ 371,195	\$ 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	-	49,837	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	30,530	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	500	-	-	-	-	-	25	525	1,811	-	2,336
Supplies	13,702	7,459	3,267	1,946	1,750	1,089	12,202	41,415	4,560	1,714	47,689
Scholarships	-	-	-	-	-	-	125	125	-	-	125
Telephone	1,154	1,523	76	977	638	-	-	4,368	560	-	4,927
Training	-	4,450	530	4,268	445	-	-	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	84,992	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

## STATEMENTS OF CASH FLOWS

	YEAR ENDED JUNE 30	
	2008	2007
Cash Flows From Operating Activities		
Increase (Decrease) in Net Assets	\$ (10,599)	\$ 97,135
Adjustment to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	17,791	10,141
Changes in assets and liabilities:		
Accounts Receivable	(15,911)	(19,522)
Prepaid Expenses	9,642	(18,916)
Deferred Charges	822	(2,122)
Accounts Payable	13,717	(26,742)
Accrued Payroll Liabilities	4,172	2,005
Deferred Revenue	(2,555)	6,068
Net cash provided (used) by operating activities	<u>17,079</u>	<u>48,047</u>
Cash Flow From Investing Activities		
Purchase of equipment	(68,495)	(28,123)
Net cash provided (used) by investing activities	<u>(68,495)</u>	<u>(28,123)</u>
Cash Flow From Financing Activities		
Payments of capital lease obligations	(7,341)	(3,527)
Capital Lease	16,334	13,958
Proceeds from note payable - LOC (Net of payments)	44,746	(8,833)
Net cash provided (used) by financing activities	<u>53,739</u>	<u>1,598</u>
Increase (Decrease) in Cash	2,323	21,522
Cash at Beginning of Year	<u>28,592</u>	<u>7,070</u>
Cash at End of Year	<u>\$ 30,915</u>	<u>\$ 28,592</u>

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

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

## 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, 2008 and 2007, 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, 2008

## 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:

	<u>Years</u>
Furniture and Equipment	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 2008 and 2007.

*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, 2008

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*H. Programs*

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

**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. 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 Childhood 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.

**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 21<sup>st</sup> Century Youth Leadership Team 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 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. In 2007-2008, the Children's Coalition received funding from HB1 and from the Department of Corrections and Public Safety, Office of Youth Development to support the 4<sup>th</sup> Judicial District Youth Services Planning Board. The funds were used to develop and distribute a Youth Services Directory. Information gathered to create the directory became the basis of a gaps analysis and strategic plan for youth services in Ouachita and Morehouse Parishes.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*H. Programs – (Continued)*

Parenting Education - 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.

*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.

*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, 2008 and 2007 was \$2,898 and \$5,156 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.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

## NOTE 3 - FURNITURE AND EQUIPMENT

Furniture and Equipment consisted of the following at June 30:

	<u>2008</u>	<u>2007</u>
Furniture and Equipment	\$ 145,910	\$ 77,414
Less: Accumulated Depreciation	<u>(53,890)</u>	<u>(36,099)</u>
NET FURNITURE AND EQUIPMENT	<u>\$ 92,020</u>	<u>\$ 41,315</u>

## NOTE 4 - TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2008</u>	<u>2007</u>
Youth Development	\$ 74,145	\$ 26,660
La. Children's Trust Fund	-	4,837
Healthcare	<u>1,164</u>	<u>8,766</u>
Total	<u>\$ 75,309</u>	<u>\$ 40,263</u>

## NOTE 5 - LEASES

The Coalition leases its phone system, network server and an ultra sound machine under capital leases. The economic substance of these leases is that the Coalition is financing the acquisition of these assets 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>2008</u>	<u>2007</u>
Equipment Under Capital Lease	\$ 33,752	\$ 17,418
Less: Accumulated Depreciation	<u>(11,420)</u>	<u>(6,850)</u>
Total	<u>\$ 22,332</u>	<u>\$ 10,568</u>

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

## NOTE 5 – LEASES (Continued)

The future minimum lease payments under the capital leases and the net present value of the future minimum lease payments at June 30, 2008 are as follows:

Total minimum lease payments	\$ 23,634
Amount representing interest	<u>(3,264)</u>
Present value of net minimum lease payments	20,370
Current portion	<u>6,069</u>
Long-term capital lease obligation	<u><u>\$ 14,301</u></u>

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 12, 2007 with a term of 85 months.

The minimum rental under all leases having an initial or remaining term in excess of one year from June 30, 2008, are approximated as follows:

Year Ending	Amount
2009	\$ 59,106
2010	54,000
2011	54,000
2012	54,000
2013	54,000
2014	54,000
2015	<u>31,500</u>
Total	<u><u>\$ 360,606</u></u>

Total lease and rent expense for the year ended June 30, 2008 and 2007, was \$89,010 and \$101,496 which includes In-Kind contributions of office space and meeting rooms of \$23,536 and \$30,800 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. On March 19, 2008, the line of credit was increased to \$100,250. The principal balance outstanding was \$84,348 and \$39,602 at June 30, 2008 and 2007, respectively.



NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

## NOTE 6 – NOTES PAYABLE (Continued)

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 6.000% 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 March 19, 2009. 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.

## 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

On July 2, 2008, the Coalition increased their line of credit to \$200,300 to be available to the Coalition.

SUPPLEMENTARY INFORMATION

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

SCHEDULE OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2008

	UNRESTRICTED							RESTRICTED		
	General	DHH-OAD	DHH-M	DHH Teen Screen	Teen Screen Progressive	Teen Screen Garrett Lec Smith	DSS-PE	DSS Resource & Referral	DSS Training	DSS Technical Assistance
Fund Balance July 1, 2007	\$ 86,828	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	127,699	90,587	95,990	129,456	19,412	15,000	105,171	132,654	168,303	80,562
Expenditures	(203,752)	(88,530)	(94,622)	(131,624)	(8,868)	(15,000)	(105,312)	(129,417)	(135,325)	(107,826)
Net Income (Loss)	(76,053)	2,057	1,368	(2,168)	10,544	-	(141)	3,237	32,978	(27,264)
Capital and Other Transfers	33,132	(2,057)	(1,368)	2,168	(10,544)	-	141	(3,237)	(32,978)	27,264
Fund Balance June 30, 2008	\$ 43,907	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## AND/OR DESIGNATED

Office Of Youth Development	Tulane MH	Tulane RA	OPH FIMR	House Bill 1	Sisters of Charity	Wal Mart 21st Century	March Of Dimes	Blue Cross Blue Shield	LA CTF	Total Restricted	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,660	\$ -	\$ -	\$ 8,766	\$ 4,837	40,263	\$ 127,091
14,897	63,625	11,840	40,302	22,686	121,000	1,000	13,366	10,000	9,696	1,145,547	1,273,246
(15,087)	(61,717)	(10,061)	(40,444)	(22,341)	(73,515)	(1,000)	(9,382)	(17,602)	(9,696)	(1,077,369)	(1,281,121)
(190)	1,908	1,779	(142)	345	47,485	-	3,984	(7,602)	-	68,178	(7,875)
190	(1,908)	(1,779)	142	(345)	-	-	(3,984)	-	(4,837)	(33,132)	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,145	\$ -	\$ -	\$ 1,164	\$ -	\$ 75,309	\$ 119,216

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	
<u>(67,645)</u>	<u>(2,287)</u>	<u>(16,708)</u>	<u>(22,882)</u>	<u>(8,006)</u>	<u>(1,234)</u>	<u>(163)</u>	<u>(772,666)</u>	<u>(890,064)</u>	
<u>15,140</u>	<u>250</u>	<u>(4,686)</u>	<u>7,118</u>	<u>(8,006)</u>	<u>8,766</u>	<u>4,837</u>	<u>92,142</u>	<u>97,135</u>	
<u>(15,140)</u>	<u>(250)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(84,113)</u>	<u>-</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,660</u>	<u>\$ -</u>	<u>\$ 8,766</u>	<u>\$ 4,837</u>	<u>\$ 40,263</u>	<u>\$ 127,091</u>	

## THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Revenue Recognized	Expenditures
United States Department of Health and Human Services			
Pass Through Awards from State of Louisiana			
* Temporary Assistance For Needy Families (TANF)	93.558	\$ 105,076	\$ 105,076
* Child Care and Development Block Grant / Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.575 & 93.596	354,158	354,158
State Children's Insurance Program (SCHIP)	93.767	80,000	80,000
Block Grants for Prevention and Treatment Of Substance Abuse	93.959	90,587	90,587
Maternal and Child Health Services Block Grant to the States	93.994	40,302	40,302
Total Pass Through Awards		<u>670,123</u>	<u>670,123</u>
Total Federal Awards		<u>\$ 670,123</u>	<u>\$ 670,123</u>

- (1) Major Federal Programs are indicated by (\*)
- (2) The schedule of expenditures of federal awards is presented using the accrual basis of accounting which is described in Note 2 to the Financial Statements.

See auditor's report.

OTHER INDEPENDENT AUDITORS' REPORT



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

CERTIFIED PUBLIC ACCOUNTANTS

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## 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 23, 2008

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, 2008 and 2007, and have issued our report thereon dated December 23, 2008. 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 23, 2008  
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.

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.

*Marten, Harrison + Smallwood, LLP*

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

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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 23, 2008

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, 2008 and 2007. 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 programs for the years ended June 30, 2008 and 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 23, 2008  
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, 2008

Section I - Summary of Auditors' 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 - Findings related to the financial statements that are required to be reported under *Government Auditing Standards*:

A. Compliance Findings -

There were no compliance findings to be reported under the above guidance.

B. Internal Control Findings -

There were no internal control findings to be reported under the above guidance.

Section III - Federal Award Findings and Questioned Costs

A. Compliance Findings -

There were no compliance findings to be reported under the above guidance.

B. Internal Control Findings -

There were no internal control findings to be reported under the above guidance.

Status of Prior Audit Findings:

There were no prior year audit findings or questioned costs.

See auditor's report.