# THE FAMILY TREE
# INFORMATION, EDUCATION
# AND COUNSELING CENTER, INC.

## FINANCIAL STATEMENTS

## YEARS ENDED DECEMBER 31, 2013 AND 2012

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# INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Family Tree
Information, Education
and Counseling Center, Inc.
Lafayette, Louisiana

We have audited the accompanying financial statements of The Family Tree Information, Education and Counseling Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements. The financial statements of The Family Tree Information, Education and Counseling Center, Inc. as of December 31, 2012, were audited by other auditors whose report dated June 20, 2013, expressed an unqualified opinion on those statements.

## Management's Responsibility for the Financial Statements

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

## Auditors' Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Family Tree Information, Education and Counseling Center, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2014, on our consideration of The Family Tree'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Family Tree's internal control over financial reporting and compliance.

*Wright, Moore, DeHart,*
*Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

Lafayette, Louisiana
June 16, 2014

**THE FAMILY TREE**
**INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**STATEMENTS OF FINANCIAL POSITION**
**DECEMBER 31, 2013 AND 2012**

| | 2013 | 2012 |
|---|---|---|
| **ASSETS** | | |
| **CURRENT ASSETS** | | |
| Cash and Cash Equivalents | $ 99,043 | $ 160,060 |
| Accounts Receivable: | | |
| Grants and Contracts | 27,158 | 46,922 |
| Trade | 17,466 | 3,305 |
| Investments | - | 45,725 |
| Prepaid Expenses | 7,409 | 9,917 |
| Certificates of Deposits - Unrestricted | - | 34,518 |
| Deposits | - | 1,590 |
| Total Current Assets | 151,076 | 302,037 |
| **RESTRICTED ASSETS** | | |
| Cash - Building Fund | 12,695 | 12,690 |
| **PROPERTY AND EQUIPMENT** | | |
| Property and Equipment, Net | - | 26,724 |
| TOTAL ASSETS | $ 163,771 | $ 341,451 |
| **LIABILITIES** | | |
| Short-Term Debt | $ 4,112 | $ 6,550 |
| Accounts Payable | 8,509 | - |
| Accrued Liabilities | 15,493 | 40,677 |
| Total Current Liabilities | 28,114 | 47,227 |
| TOTAL LIABILITIES | 28,114 | 47,227 |
| **NET ASSETS** | | |
| Unrestricted | 122,962 | 281,534 |
| Temporarily Restricted | 12,695 | 12,690 |
| TOTAL NET ASSETS | 135,657 | 294,224 |
| TOTAL LIABILITIES AND NET ASSETS | $ 163,771 | $ 341,451 |

The accompanying notes are an integral part of this statement.

**THE FAMILY TREE**
**INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**STATEMENT OF ACTIVITIES**
**DECEMBER 31, 2013**

| | 2013 | | |
|---|---|---|---|
| | **Unrestricted** | **Temporarily Restricted** | **Total** |
| **UNRESTRICTED NET ASSETS** | | | |
| REVENUES, GAINS AND PUBLIC SUPPORT | | | |
| Public Support: | | | |
| Health Resources Services Administration: | | | |
| Healthy Start Initiative | $ 19,985 | $ - | $ 19,985 |
| Office of Community Services: | | | |
| Children's Trust Fund | 5,900 | - | 5,900 |
| Office of Public Health: | | | |
| Nurse-Family Partnership | 100,905 | - | 100,905 |
| Tulane University: | | | |
| Quality Rating Service | 240,825 | - | 240,825 |
| United Way | 58,417 | - | 58,417 |
| Other Grants and Contracts | 47,136 | - | 47,136 |
| Public Support Donations | 10,006 | - | 10,006 |
| In-Kind Contributions | 19,638 | - | 19,638 |
| Gain on Investment | 5,902 | - | 5,902 |
| Fundraising | 169 | - | 169 |
| Total Public Support | 508,883 | - | 508,883 |
| Counseling Revenue | 108,470 | - | 108,470 |
| Investment Income | 130 | 5 | 135 |
| Other Income | 583 | - | 583 |
| Total Revenues, Gains and Public Support | 618,066 | 5 | 618,071 |
| EXPENSES AND LOSSES | | | |
| Program Services | 539,902 | - | 539,902 |
| Supporting Services: | | | |
| Management and General | 220,335 | - | 220,335 |
| Loss on Sale of Property and Equipment | 16,401 | - | 16,401 |
| Total Expenses and Losses | 776,638 | - | 776,638 |
| **INCREASE (DECREASE) IN NET ASSETS** | (158,572) | 5 | (158,567) |
| **NET ASSETS AT BEGINNING OF YEAR** | 281,534 | 12,690 | 294,224 |
| **NET ASSETS AT END OF YEAR** | $ 122,962 | $ 12,695 | $ 135,657 |

The accompanying notes are an integral part of this statement.

**THE FAMILY TREE**
**INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**STATEMENT OF ACTIVITIES**
**DECEMBER 31, 2012**

| | 2012 | | |
|---|---|---|---|
| | **Unrestricted** | **Temporarily Restricted** | **Total** |
| **UNRESTRICTED NET ASSETS** | | | |
| REVENUES, GAINS AND PUBLIC SUPPORT | | | |
| Public Support: | | | |
| Health Resources Services Administration: | | | |
| Healthy Start Initiative | $ 382,349 | $ - | $ 382,349 |
| Office of Community Services: | | | |
| Children's Trust Fund | 19,702 | - | 19,702 |
| Office of Public Health: | | | |
| Fetal Infant Mortality Review | 38,543 | - | 38,543 |
| Nurse-Family Partnership | 129,805 | - | 129,805 |
| Tulane University: | | | |
| Quality Rating Service | 255,536 | - | 255,536 |
| United Way | 155,736 | - | 155,736 |
| Other Grants and Contracts | 116,533 | - | 116,533 |
| Public Support Donations | 4,831 | - | 4,831 |
| Fundraising | 10,644 | - | 10,644 |
| Total Public Support | 1,113,679 | - | 1,113,679 |
| Counseling Revenue | 91,130 | - | 91,130 |
| Program Revenue | 28,010 | - | 28,010 |
| Investment Income | 6,996 | - | 6,996 |
| Other Income | 1,624 | - | 1,624 |
| Total Revenues, Gains and Public Support | 1,241,439 | - | 1,241,439 |
| EXPENSES AND LOSSES | | | |
| Program Services | 1,063,260 | - | 1,063,260 |
| Fundraising | 4,842 | - | 4,842 |
| Supporting Services: | | | |
| Management and General | 205,662 | - | 205,662 |
| Loss on Sale of Property and Equipment | 3,520 | - | 3,520 |
| Total Expenses and Losses | 1,277,284 | - | 1,277,284 |
| **(DECREASE) IN NET ASSETS** | (35,845) | - | (35,845) |
| **NET ASSETS AT BEGINNING OF YEAR** | 317,379 | 12,690 | 330,069 |
| **NET ASSETS AT END OF YEAR** | $ 281,534 | $ 12,690 | $ 294,224 |

The accompanying notes are an integral part of this statement.

**THE FAMILY TREE**
**INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**
**YEAR ENDED DECEMBER 31, 2013**

| | 2013 | | | |
|---|---|---|---|---|
| | **PROGRAM SERVICES** | **FUNDRAISING** | **MANAGEMENT AND GENERAL** | **TOTAL** |
| Compensation and Related Expenses | | | | |
| Salaries and Pension | $ 304,967 | $ - | $ 131,332 | $ 436,299 |
| Payroll Taxes | 23,466 | - | 9,614 | 33,080 |
| Employee Benefits | 18,532 | - | 11,387 | 29,919 |
| Medical Insurance | 9,520 | - | 3,137 | 12,657 |
| | 356,485 | - | 155,470 | 511,955 |
| Advertising and Marketing | 427 | - | 48 | 475 |
| Bad Debt | 2,795 | - | - | 2,795 |
| Bank Charges | 2,134 | - | 256 | 2,390 |
| Computer Expense | 3,405 | - | 1,471 | 4,876 |
| Conferences and Meetings | 2,082 | - | - | 2,082 |
| Consultant Expense | 39,949 | - | - | 39,949 |
| Continuing Education | 4,586 | - | - | 4,586 |
| Default Cost | 11,526 | - | - | 11,526 |
| Insurance - Auto | 115 | - | - | 115 |
| Insurance - Worker's Compensation | 12,012 | - | 664 | 12,676 |
| Interest | 197 | - | - | 197 |
| Janitorial Services | 1,152 | - | 148 | 1,300 |
| Licenses | 110 | - | - | 110 |
| Medical and Criminal Exam | 605 | - | 30 | 635 |
| Membership Dues | 8,833 | - | 617 | 9,450 |
| Office Supplies | 404 | - | 959 | 1,363 |
| Postage | 532 | - | 68 | 600 |
| Professional Fees | 18,297 | - | 32,437 | 50,734 |
| Program Supplies | 5,866 | - | 1,507 | 7,373 |
| Rent | 35,648 | - | 13,074 | 48,722 |
| Repairs and Maintenance | 4,649 | - | 1,196 | 5,845 |
| Staff Mileage | 13,347 | - | - | 13,347 |
| Telephone | 6,792 | - | 1,052 | 7,844 |
| Travel | 4,325 | - | - | 4,325 |
| Utilities | 1,215 | - | 304 | 1,519 |
| | 537,488 | - | 209,301 | 746,789 |
| Depreciation | 2,414 | - | 11,034 | 13,448 |
| Totals | $ 539,902 | $ - | $ 220,335 | $ 760,237 |

The accompanying notes are an integral part of this statement.

THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2012

| | 2012 | | | |
|---|---|---|---|---|
| | PROGRAM SERVICES | FUNDRAISING | MANAGEMENT AND GENERAL | TOTAL |
| Compensation and Related | | | | |
| Salaries and Pension | $ 653,811 | $ - | $ 113,001 | $ 766,812 |
| Payroll Taxes | 51,338 | - | 8,873 | 60,211 |
| Employee Benefits | 40,556 | - | 12,281 | 52,837 |
| Medical Insurance | 20,065 | - | 12,281 | 32,346 |
| | 765,770 | - | 146,436 | 912,206 |
| Advertising and Marketing | 506 | - | 308 | 814 |
| Bank Charges | 2,246 | - | 250 | 2,496 |
| Conferences and Meetings | 15,550 | - | 2,781 | 18,331 |
| Consultants and Professional Fees | 26,222 | - | 16,724 | 42,946 |
| Default Cost | 9,402 | - | - | 9,402 |
| Fund Raising Expense | - | 4,842 | - | 4,842 |
| Interest | 273 | - | - | 273 |
| Meals and Entertainment | 2,670 | - | 950 | 3,620 |
| Membership Dues | - | - | 5,011 | 5,011 |
| Miscellaneous | 2,585 | - | 477 | 3,062 |
| Newsletters and Printing | 364 | - | 578 | 942 |
| Office Supplies | 5,585 | - | 361 | 5,946 |
| Postage | 1,172 | - | 851 | 2,023 |
| Professional Fees | 49,605 | - | 16,723 | 66,328 |
| Program Supplies | 7,735 | - | 137 | 7,872 |
| Rent | 97,394 | - | - | 97,394 |
| Repairs and Maintenance | 7,561 | - | 8,841 | 16,402 |
| Staff Mileage | 33,337 | - | 377 | 33,714 |
| Telephone | 12,575 | - | 2,018 | 14,593 |
| Travel | 915 | - | - | 915 |
| Utilities | 4,434 | - | 493 | 4,927 |
| | 1,045,901 | 4,842 | 203,316 | 1,254,059 |
| Depreciation | 17,359 | - | 2,346 | 19,705 |
| Totals | $ 1,063,260 | $ 4,842 | $ 205,662 | $ 1,273,764 |

The accompanying notes are an integral part of this statement.

## THE FAMILY TREE
## INFORMATION, EDUCATION AND COUNSELING CENTER, INC.

## STATEMENTS OF CASH FLOWS
## YEARS ENDED DECEMBER 31, 2013 AND 2012

| | 2013 | 2012 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| (Decrease) in Net Assets | $ (158,572) | $ (35,845) |
| | | |
| Adjustments to Reconcile (Decrease) in Net Assets to Net Cash (Used) In Operating Activities: | | |
| Depreciation | 13,448 | 19,705 |
| Net Realized and Unrealized Loss (Gain) on Investments | (5,902) | (6,638) |
| Loss on Disposal of Assets | 16,401 | 3,520 |
| Changes in Assets and Liabilities: | | |
| Accounts Receivable | 5,603 | 1,205 |
| Prepaid Expenses | 2,508 | 857 |
| Deposits | 1,590 | 7,288 |
| Accounts Payable | 8,509 | 3,130 |
| Accrued Liabilities | (25,184) | (11,208) |
| Total Adjustments | 16,973 | 17,859 |
| | | |
| Net Cash (Used In) Operating Activities | (141,599) | (17,986) |
| | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Proceeds from Sale of Investments | 80,243 | - |
| Proceeds from the Sale of Capital Assets | 2,777 | 544 |
| Purchase of Property and Equipment | - | (5,619) |
| | | |
| Net Cash Provided By (Used In) Investing Activities | 83,020 | (5,075) |
| | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Repayment of Long Term Debt | (2,438) | (8,683) |
| Proceeds from Issuance of Debt | - | 9,279 |
| | | |
| Net Cash Provided By (Used In) Financing Activities | (2,438) | 596 |
| | | |
| **NET (DECREASE) IN CASH** | (61,017) | (22,465) |
| **CASH AT BEGINNING OF YEAR** | 172,750 | 195,215 |
| **CASH AT END OF YEAR** - (includes restricted cash) | $ 111,733 | $ 172,750 |
| | | |
| **SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES** | | |
| Interest Expense | $ 197 | $ 273 |

The accompanying notes are an integral part of this statement.

THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

## (A) ORGANIZATION AND NATURE OF OPERATIONS

The Family Tree Information, Education and Counseling Center, Inc. (The Center), a nonprofit organization, was established in 1979 to support, strengthen and enlighten family life. The Center focuses on providing support through educational programs and counseling services. The Center's services are available to residents of Lafayette, Vermilion, St. Landry, St. Mary, St. Martin, Iberia, Acadia and Evangeline Parishes.

## (B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation** - The Organization 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.

**Accounting Policies** - Assets, liabilities, revenues and expenses are recognized on the accrual basis of accounting in conformity with generally accepted accounting principles.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets 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.

**Investments** - Investments consist of certificates of deposit with various maturities and stock. These investments are readily convertible into cash and are stated at cost, which approximates market. The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values based on quoted prices in active markets (all Level 1 measurements) in the Statement of Financial Position. Unrealized gains and losses are included in the changes in net assets in the accompanying Statement of Activities.

**Accounts Receivable** – The Center considers accounts receivable to be fully collectible; accordingly no allowance for doubtful accounts is required. Trade credit is generally extended on a short-term basis; thus receivables do not bear interest. Trade accounts receivable are periodically evaluated for collectability and are charged against fees allowance when they are deemed uncollectible.

**Property and Equipment** - Property and equipment are stated at cost less accumulated depreciation. Maintenance and repairs are expensed as incurred. Items valued at $600 or less are expensed as operating supplies.

Depreciation is computed using the straight-line method over the estimated useful lives of the individual assets.

## (B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

**Property and Equipment – continued** - The buildings are depreciated over thirty-nine years, improvements over five to thirty-nine years, furniture and equipment over three to ten years, and vehicles over three to five years. The balances in the depreciation expense accounts at December 31, 2013 and 2012 totaled $13,448 and $19,705, respectively.

**Donor Restricted Funds –** All Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases these asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Center reports the support as unrestricted.

Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor-imposed stipulations regarding how long the contributed assets must be used, the organization has adopted a policy of implying a time restriction on contributions of such assets that expires over the assets' useful lives; consequently, contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as unrestricted support.

**Grant Revenue** - Proceeds from grants made for the purchase of specific items are recognized as revenue when the organization is reimbursed for those purchases by the donor. Proceeds from operational grants with no specified purchase requirements are recognized when funds are available.

**Income Taxes** - The Family Tree Information, Education and Counseling Center, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509 (a) of the Code.

**Cash and Cash Equivalents** - For the purposes of the statement of cash flows, the organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**Investment Valuation and Income Recognition** – Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement dated.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Center's gains and losses on investments bought and sold as well as held during the year.

## (B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

**Advertising Costs** - Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. The costs of direct-response advertising are capitalized and amortized over the period during which future benefits are expected to be received. Total cost of advertising charged to expense was $475 and $814 for the years ended December 31, 2013 and 2012, respectively.

**Functional Allocation of Expenses** - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

## (C) FAIR VALUE MEASUREMENTS

The Center's investments are reported at fair value in the accompanying statements of financial position.

During 2013, all investments were liquidated to cover operating costs.

| | Assets at Fair Value as of December 31, 2012 | |
|---|---|---|
| Mutual Funds: | **Level 1** | **Total** |
| Large Growth Funds | $ 18,238 | $ 18,238 |
| Moderate Allocation Funds | 12,163 | 12,163 |
| Large Blend Funds | 15,325 | 15,325 |
| Total Assets at Fair Value | $ 45,725 | $ 45,725 |

FASB ASC 820, Fair Value Measurement, establishes a fair value hierarchy that priorities the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of quoted prices for similar assets in active markets, or quoted prices for identical or similar assets in markets that are not active. Level 3 inputs are the most subjective and have the lowest priority. The Center uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Center measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No level 2 or 3 inputs were available to the Center.

*Level 1 Fair Value Measurements*

The fair values of mutual funds are based on quoted market prices.

For the years ended December 31, 2013 and 2012, net realized and unrealized gain (loss) on unrestricted investments were $5,902 and ($3,718), respectively.

## (D) PROPERTY AND EQUIPMENT

The following is a summary of property and equipment and the corresponding accumulated depreciation for the years ended December 31, 2013 and 2012:

| | 2013 | 2012 |
|---|---|---|
| Office Furniture and Equipment | $ - | $ 234,490 |
| Leasehold Improvements | - | 49,500 |
| | - | 283,990 |
| Less: Accumulated Depreciation | - | (257,266) |
| Property and Equipment, Net | $ - | $ 26,724 |

## (E) SHORT-TERM DEBT

Short-term debt at December 31, 2013 and 2012 consists of the following:

| | 2013 | 2012 |
|---|---|---|
| Bank Direct Capital Finance - $9,278 note dated September 1, 2012, due July 1, 2013, interest rate 6.78%, secured by policy | $ - | $ 6,550 |
| First Insurance Funding Corporation - $4,626 note dated December 4, 2013, due September 5, 2014, no interest, secured by policy | 4,112 | - |
| | $ 4,112 | $ 6,550 |

## (F) COUNSELING REVENUE

Counseling revenues are shown net of fees allowance. Fees allowance is computed with a sliding fee scale that adjusts counseling fees according to each patient's household income.

| | 2013 | 2012 |
|---|---|---|
| Counseling Fees, Gross | $ 228,205 | $175,960 |
| Less: Fees Allowance | 119,735 | 84,830 |
| Counseling Fees, Net | $ 108,470 | $91,130 |

## (G) WAYS TO WORK PROGRAM

The purpose of this program is to qualify parents for modest loans to enable an automobile purchase or repair. The Center has partnered with a local bank and various local charities have donated cash and services to fund operations of the program.

A main expense of this program is loan default, which amounted to $11,526 and $9,402 for the years ended December 31, 2013 and 2012, respectively.

The Center is contingently liable for outstanding loans which amounted to $70,286 and $86,540, as of December 31, 2013 and 2012 , respectively. The amount of future loan default is unknown.

## (H) FINANCIAL INSTRUMENTS

Financial instruments which potentially subject the Center to concentrations of credit risk consists of cash. The Center maintains its cash in one financial institution. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 31, 2013, the Center was fully insured.

## (I) DESIGNATED FUNDS

As of December 31, 2013 and 2012, designated funds, which will be used at the Board's discretion, amounted to $-0- and $118,446, respectively.

## (J) TEMPORARILY RESTRICTED NET ASSETS

As of December 31, 2013 and 2012, temporarily restricted net assets are available for the following purpose:

| | 2013 | 2012 |
|---|---|---|
| Building | $ 12,695 | $ 12,690 |

## (K) IN-KIND CONTRIBUTIONS

The Center was provided accounting services, office space, utilities and use of office equipment on an in-kind basis. The estimated value of the in-kind contribution recognized in the Statement of Activities is $19,638 and $-0-, for the years ended December 31, 2013 and 2012.

## (L) SUBSEQUENT EVENTS

Subsequent events were evaluated through June 16, 2014, which is the date the financial statements were available to be issued.

WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

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

To the Board of Directors
The Family Tree
Information, Education
and Counseling Center, Inc.
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Family Tree Information, Education and Counseling Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statement of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 16, 2014.

## Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Family Tree Information, Education and Counseling Center, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Family Tree Information, Education and Counseling Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether The Family Tree Information, Education and Counseling Center, Inc.'s financial statements are free from 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*.

**Purpose of this Report**

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

*Wright, Moore, DeHart,*
*Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

Lafayette, Louisiana
June 16, 2014

**THE FAMILY TREE**
**INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**YEAR ENDED DECEMBER 31, 2013**

We have audited the financial statements of The Family Tree Information, Education and Counseling Center, Inc. as of and for the year ended December 31, 2013, and have issued our report thereon dated June 16, 2014. 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 December 31, 2013 resulted in an unmodified opinion.

***Section I - Summary of Auditors' Reports***

a. *Report on Internal Control and Compliance Material to the Financial Statements*

Internal Control

| | | |
|---|---|---|
| Significant Deficiencies | ☐ Yes | ☑ No |
| Material Weaknesses | ☐ Yes | ☑ No |

Compliance

| | | |
|---|---|---|
| Noncompliance Material to Financial Statements | ☐ Yes | ☑ No |

b. *Federal Awards*

This section is not applicable in the current year.

***Section II - Financial Statement Findings***

There were no findings in the current year.

# THE FAMILY TREE
# INFORMATION, EDUCATION AND COUNSELING CENTER, INC.

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
## YEAR ENDED DECEMBER 31, 2013

There were no prior year findings.