

**Families Helping Families
of Greater Baton Rouge, Inc.
Baton Rouge, Louisiana
June 30, 2012**

Table of Contents

Independent Auditor's Report	Page	3
Financial Statements		
Statements of Financial Position	Page	4
Statements of Activities	Page	5
Statements of Functional Expenses	Page	6
Statements of Cash Flows	Page	7
Notes to Financial Statements	Page	8
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	Page	13
Schedule of Findings and Questioned Costs	Page	15
Schedule of Prior Year Findings and Questioned Costs	Page	16

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

LOUIS C. MCKNIGHT, III, C.P.A.
CHARLES R. PEVEY, JR., C.P.A.
DAVID J. BROUSSARD, C.P.A.
NEAL D. KING, C.P.A.
KARIN S. LEJEUNE, C.P.A.
ALYCE S. SCHMITT, C.P.A.



CERTIFIED PUBLIC ACCOUNTANTS

8555 UNITED PLAZA BLVD., SUITE 200
BATON ROUGE, LOUISIANA 70809
(225) 923-3000 • FAX (225) 923-3008

September 19, 2012

Independent Auditor's Report

Board of Directors
Families Helping Families of Greater Baton Rouge, Inc.
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of

**Families Helping Families of Greater Baton Rouge, Inc.
(A Non-Profit Organization)**

as of June 30, 2012 and 2011, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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. Those standards require that we plan and perform the audits 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 Families Helping Families of Greater Baton Rouge, Inc. as of June 30, 2012 and 2011, and the changes in its net assets and its 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 September 19, 2012, on our consideration of Families Helping Families of Greater Baton Rouge, 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 audit.

Yours truly,

Hawthorn, Waymouth & Carroll, LLP

Families Helping Families of Greater Baton Rouge, Inc.
Statements of Financial Position
June 30, 2012 and 2011

A s s e t s	<u>2012</u>	<u>2011</u>
Current Assets		
Cash and cash equivalents	\$279,271	\$450,767
Accounts receivable	79,853	34,855
Deposits	<u>801</u>	<u>1,353</u>
Total current assets	359,925	486,975
 Property and Equipment, Net	 <u>619,532</u>	 <u>15,405</u>
Total assets	<u>\$979,457</u>	<u>\$502,380</u>
L i a b i l i t i e s a n d N e t A s s e t s		
Current Liabilities		
Accounts payable	\$ 1,047	\$ 1,370
Accrued liabilities	11,239	7,793
Current maturities of long-term debt	<u>14,501</u>	<u>—</u>
Total current liabilities	26,787	9,163
 Long-Term Debt	 419,085	 —
 Net Assets		
Unrestricted	<u>533,585</u>	<u>493,217</u>
Total liabilities and net assets	<u>\$979,457</u>	<u>\$502,380</u>

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

Families Helping Families of Greater Baton Rouge, Inc.
Statements of Activities
Years Ended June 30, 2012 and 2011

	UNRESTRICTED	
	2012	2011
Revenue		
Contracts	\$518,338	\$328,035
Fund-raising	201,155	217,813
Grants	—	31,531
In-kind donations	31,500	—
Interest	1,158	1,941
Miscellaneous	11,126	10,132
Total revenue	<u>763,277</u>	<u>589,452</u>
Expenses		
General and administrative	118,739	69,414
Program services	516,514	362,538
Fund-raising	87,656	91,536
Total expenses	<u>722,909</u>	<u>523,488</u>
Change in Net Assets	40,368	65,964
Net Assets		
Beginning of year	493,217	427,253
End of year	<u>\$533,585</u>	<u>\$493,217</u>

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

Families Helping Families of Greater Baton Rouge, Inc.
Statements of Functional Expenses
Years Ended June 30, 2012 and 2011

	June 30, 2012				June 30, 2011			
	General and Admin- istrative	Program Services	Fund- Raising	Total Expenses	General and Admin- istrative	Program Services	Fund- Raising	Total Expenses
Accounting services	\$ 1,430	\$ -	\$ -	\$ 1,430	\$ 1,690	\$ -	\$ -	\$ 1,690
Advertising	-	2,212	472	2,684	-	-	600	600
Audit fees	7,900	-	-	7,900	7,550	-	-	7,550
Conference and convention	-	8,464	-	8,464	-	18,910	-	18,910
Consulting	453	1,732	-	2,185	587	2,243	-	2,830
Contract labor	-	-	360	360	-	-	6,360	6,360
Depreciation	4,133	17,619	-	21,752	1,496	6,374	-	7,870
Dues and subscriptions	-	320	-	320	-	671	-	671
Education and training	18,572	17,524	-	36,096	5,210	4,895	20	10,125
Equipment rental	277	-	367	644	288	-	-	288
Insurance	196	6,626	-	6,822	195	2,663	-	2,858
Insurance - worker's compensation	-	5,362	-	5,362	-	1,000	506	1,506
Interest	428	14,289	-	14,717	-	-	-	-
Lending library	-	664	-	664	-	4,098	-	4,098
Meals	-	-	1,492	1,492	-	-	3,009	3,009
Miscellaneous	5,909	-	127	6,036	1,919	249	1,297	3,465
Office supplies	1,122	12,682	314	14,118	659	7,632	-	8,291
Payroll taxes	4,684	28,954	2,341	35,979	3,368	20,816	1,683	25,867
Postage and shipping	302	2,207	-	2,509	193	1,411	-	1,604
Printing and publications	173	8,280	943	9,396	127	4,212	2,561	6,900
Rent	1,569	9,059	43,321	53,949	1,920	19,320	44,777	66,017
Repairs and maintenance	491	7,709	-	8,200	110	1,948	-	2,058
Salaries and wages	53,353	333,438	23,275	410,066	38,218	238,850	16,672	293,740
Stipend	-	3,155	-	3,155	-	3,717	-	3,717
Supplies	13,664	1,319	14,602	29,585	5,074	6,177	14,051	25,302
Telecommunications	-	16,286	-	16,286	-	7,441	-	7,441
Travel and lodging	1,335	9,907	42	11,284	693	5,162	-	5,855
Utilities	215	8,706	-	8,921	117	4,749	-	4,866
Loss on disposal of Property and equipment	2,533	-	-	2,533	-	-	-	-
Total expenses	<u>\$118,739</u>	<u>\$516,514</u>	<u>\$87,656</u>	<u>\$722,909</u>	<u>\$69,414</u>	<u>\$362,538</u>	<u>\$91,536</u>	<u>\$523,488</u>

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

Families Helping Families of Greater Baton Rouge, Inc.
Statements of Cash Flows
Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 40,368	\$ 65,964
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	21,752	7,870
Loss on retirement of property and equipment	2,533	—
In-kind donation of property and equipment	(31,500)	—
(Increase) decrease in assets:		
Accounts receivable	(44,998)	(10,226)
Deposits	552	609
Increase (decrease) in liabilities:		
Accounts payable	(323)	(1,508)
Accrued liabilities	3,447	3,967
	<u>(8,169)</u>	<u>66,676</u>
Net cash provided by (used in) operating activities		
Cash Flows From Investing Activities		
Purchase of property and equipment	<u>(156,913)</u>	<u>(4,806)</u>
Net cash used in investing activities	<u>(156,913)</u>	<u>(4,806)</u>
Cash Flows From Financing Activities		
Payments on long-term debt	<u>(6,414)</u>	<u>—</u>
Net cash provided by financing activities	<u>(6,414)</u>	<u>—</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(171,496)	61,870
Cash and Cash Equivalents, beginning of year	<u>450,767</u>	<u>388,897</u>
Cash and Cash Equivalents, end of year	<u>\$ 279,271</u>	<u>\$ 450,767</u>
Supplemental Disclosures of Cash Flow Information		
Interest paid	<u>\$ 14,717</u>	<u>\$ —</u>
Supplemental Disclosures of Noncash Investing and Financing Activities		
In-kind donation of property and equipment	<u>\$ 31,500</u>	<u>\$ —</u>
Additions to long-term debt	<u>\$ 440,000</u>	<u>\$ —</u>

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

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2012

Note 1-Summary of Significant Accounting Policies

A. Nature of Activities

Families Helping Families of Greater Baton Rouge, Inc. (FHFGBR) is a nonprofit corporation which was founded on January 10, 1998. The organization's mission is to provide individualized services, information, resources, and support needed to positively enhance the independence, productivity, and integration of individuals with disabilities in the Greater Baton Rouge area.

FHFGBR derives the majority of its revenue from state contracts for the following programs:

State Department of Education (SDE) - Provides training, education, and empowerment of families of children with disabilities through workshops, presentations, and one-on-one support to develop an individualized education / transition plan to help their children learn in an inclusive environment to ensure full and valued membership in the community.

Children's Special Health Services (CSHS - Parent Liaison) - Provides information, referral, education, training, and one-on-one support to families enrolled in Children's Special Health Services.

Louisiana Developmental Disabilities Council (LADDC) - Provides administrative and related functions allowing FHFGBR to advocate for and support people with developmental disabilities to exercise control over their lives and participate fully in the community.

Capital Area Human Services District (CAHSD/OCDD) - Provides information and referrals to individuals with developmental disabilities and their families through workshops, presentations, and one-on-one support.

Resource Center for Autism Spectrum Disorders (RCASD) - A comprehensive source of information for families with members who have autism spectrum disorder. RCASD offers one-on-one support, family-oriented education, referrals, and various communication software assisting children with social and verbal communication.

Ability Awareness Training (AAT) - Offered to individuals, or any entity wanting to develop or improve an inclusive environment. AAT teaches effective communication skills necessary to remove barriers from employment and inclusion in the community.

Parents Helping Parents (PHP) - A parent mentoring program providing informational support to new families.

Family 2 Family Health Information Center (F2FHIC) - Provides support to families with children who have special health care needs by providing information and referral services regarding their child's health care and learning how to advocate for their child.

Family Support Organization (FSO) - Supports individuals twenty-one (21) years of age and younger who have severe behavioral or mental disabilities and are currently at risk of being taken out of their home or school. The FSO provides services, training, and mentoring for the entire family.

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2012

Note 1-Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Presentation

The financial statements have been presented on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

FHFGBR reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets include those net assets whose use by FHFGBR is not restricted by donors, even though their use may be limited in other respects, such as by contract or board designation. Temporarily restricted net assets are those net assets whose use by FHFGBR has been limited by donors (a) to later periods of time or other specific dates or (b) for specified purposes. Permanently restricted net assets are those net assets received with donor-imposed restrictions limiting FHFGBR's use of the assets. As of June 30, 2012 and 2011, FHFGBR had no temporarily or permanently restricted net assets.

C. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

D. Cash and Cash Equivalents

For purposes of the statements of cash flows, FHFGBR considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

E. Accounts Receivable

Accounts receivable are recorded at net realizable value consisting of the carrying amount less an allowance for doubtful accounts. FHFGBR determines its allowance for doubtful accounts based on prior years' experiences and management's analysis of possible bad debts. FHFGBR uses the specific identification allowance method, charging off old receivables on a case-by-case basis. As of June 30, 2012 and 2011, there was no allowance recorded.

F. Property and Equipment

Property and equipment are stated at cost or, if donated, at fair market value at date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. When assets are retired, or otherwise disposed, the cost and related accumulated depreciation is removed from the accounts, and any resulting gain or loss is reflected in income for the period. Expenditures for maintenance and repairs are charged to expense as incurred. Expenditures in excess of \$500 for major renewals and betterments that extend the useful lives of property and equipment are capitalized. The estimated useful lives for property and equipment categories are as follows:

Building	30 years
Equipment	3 - 7 years
Furniture and fixtures	7 - 15 years

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2012

Note 1-Summary of Significant Accounting Policies (Continued)

G. Revenue Recognition

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Grants, which are considered exchange transactions, are recognized as revenue when allowable costs are incurred to provide the services provided for under the terms of the grant agreements. Advances under the grants are recorded as deferred income until such time as they can be recognized as revenue.

H. Income Taxes

FHFGBR has been recognized by the Internal Revenue Service as a not-for-profit organization as described in Section 501 (c)(3) of the Internal Revenue Code and is exempt from federal income taxes. FHFGBR has been classified as an organization other than a private foundation.

FHFGBR follows accounting guidance related to accounting for uncertainty in income taxes, which sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. FHFGBR recognizes the effect of income tax positions only if the positions are more likely than not of being sustained. Recognized income tax positions are recorded at the largest amount that is greater than 50% likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs.

FHFGBR has evaluated its positions regarding the accounting for uncertain income tax positions and does not believe that it has any material uncertain tax positions. With few exceptions, FHFGBR is no longer subject to federal, state, or local tax examinations by taxing authorities for years before June 30, 2009.

I. Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs were \$2,684 and \$600 for the years ended June 30, 2012 and 2011, respectively.

J. Reclassification

Certain reclassifications have been made to the prior year's financial statements to conform with the current year's financial statement presentation. The reclassifications had no effect on net assets or the change in net assets.

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2012

Note 2-Property and Equipment

The following is a summary of property and equipment as of June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Land	\$150,000	\$ -
Building	430,000	-
Equipment	45,100	38,633
Furniture and fixtures	<u>38,565</u>	<u>14,249</u>
	663,665	52,882
Less: accumulated depreciation	<u>44,133</u>	<u>37,477</u>
	<u>\$619,532</u>	<u>\$15,405</u>

Note 3-Long-Term Debt

Note payable to financial institution, due in monthly principal and interest installments totaling \$2,810 at 4.50% interest, maturing in November 2021, secured by building and land.

	\$433,586
Less: current maturities of long-term debt	<u>14,501</u>
	<u>\$419,085</u>

Following are maturities of long-term debt:

2013	\$ 14,501
2014	15,167
2015	15,864
2016	16,592
2017	17,356
Thereafter	<u>354,106</u>
	<u>\$433,586</u>

Note 4-Functional Classification of Expenses

FHFGBR achieves some of its programmatic, management and general, and fund-raising goals through its daily operations. The costs of achieving these goals included a total of \$446,044 and \$317,608 of joint costs for the years ended June 30, 2012 and 2011, respectively, that were not directly attributable to either the program, management and general, or the fund-raising component of the activities. These joint costs were allocated as follows:

	<u>2012</u>	<u>2011</u>
Program	\$ 58,037	\$ 41,586
General and administration	362,392	259,667
Fund-raising	<u>25,615</u>	<u>18,355</u>
	<u>\$446,044</u>	<u>\$319,608</u>

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2012

Note 5-Commitments and Contingencies

FHFGBR leased office space under an operating lease on a month-to-month basis, which ended in November 2011 upon the purchase of the building. Rent expense under this lease was \$10,153 and \$20,000 for the years ended June 30, 2012 and 2011, respectively.

FHFGBR participates in federal and state grant programs, which are governed by various rules and regulations. Costs charged to the grant programs are subject to audit and adjustment by the grantor agency; therefore, to the extent that FHFGBR has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable at year end may be impaired.

Note 6-Economic Dependency

FHFGBR receives revenue through grants and contracts administered by the State of Louisiana. The grant and contract amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds received by FHFGBR could be reduced significantly by an amount that could adversely impact its operations. Management is not aware of any actions that will adversely affect the amount of grants and contracts the organization will receive in the next fiscal year.

Note 7-Subsequent Events

Families Helping Families of Greater Baton Rouge, Inc. evaluated all subsequent events through September 19, 2012, the date the financial statements were available to be issued. As a result, FHFGBR noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.



LOUIS C. MCKNIGHT, III, C.P.A.
CHARLES R. PEVEY, JR., C.P.A.
DAVID J. BROUSSARD, C.P.A.
NEAL D. KING, C.P.A.
KARIN S. LEJEUNE, C.P.A.
ALYCE S. SCHMITT, C.P.A.

CERTIFIED PUBLIC ACCOUNTANTS

8555 UNITED PLAZA BLVD., SUITE 200
BATON ROUGE, LOUISIANA 70809
(225) 923-3000 • FAX (225) 923-3008

September 19, 2012

**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 Greater Baton Rouge, Inc.
Baton Rouge, Louisiana

We have audited the financial statements of Families Helping Families of Greater Baton Rouge, Inc., a non-profit organization, as of and for the year ended June 30, 2012, and have issued our report thereon dated September 19, 2012. 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

Management of FHFGBR is responsible for establishing and maintaining effective internal control over financial planning. In planning and performing our audit, we considered FHFGBR'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 FHFGBR's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 FHFGBR'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*.

This report is intended solely for the information and use of management, the Board of Directors, the Louisiana Legislative Auditor, federal awarding agencies 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 Legislative Auditor as a public document.

Yours truly,

Hawthorn, Weymouth & Carroll, LLP

**Families Helping Families of Greater Baton Rouge, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2012**

Findings - Financial Statement Audit

None.

**Families Helping Families of Greater Baton Rouge, Inc.
Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2012**

Findings - Financial Statement Audit

None.