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**FAMILIES HELPING FAMILIES  
OF NORTHWEST LOUISIANA  
SHREVEPORT, LOUISIANA  
JUNE 30, 2006**

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 2-28-07

FAMILIES HELPING FAMILIES OF NORTHWEST LOUISIANA

SHREVEPORT, LOUISIANA

TABLE OF CONTENTS

AUDITED FINANCIAL STATEMENTS

	<u>Page</u>
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5-7

OTHER REPORTS

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	8-9
Schedule of Findings and Questioned Costs	10
Schedule of Prior Year Findings	11

***AUDITED FINANCIAL STATEMENTS***



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Independent Auditor's Report

November 6, 2006

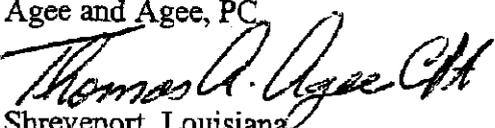
The Board of Directors  
Families Helping Families of Northwest Louisiana  
Shreveport, Louisiana

We have audited the accompanying statement of financial position of Families Helping Families of Northwest Louisiana (a non-profit organization) as of June 30, 2006, and the related statements of activities and cash flows for the year 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 audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families Helping Families of Northwest Louisiana as of June 30, 2006, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2006 on our consideration of Families Helping Families of Northwest Louisiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Agee and Agee, PC  
  
Shreveport, Louisiana  
November 6, 2006

Families Helping Families of Northwest Louisiana  
Statement of Financial Position  
For the Year Ended June 30, 2006

ASSETS

Cash	\$159,944
Grants Receivable- Note 3	83,063
Deposits	1,918
Prepaid Expenses	408
	\$245,333
Furniture & Equipment	49,031
Less- Accumulated Depreciation	(32,960)
	16,071
Total Assets	\$261,404

LIABILITIES AND NET ASSETS

Accounts Payable	\$4,048
Salaries Payable	12,202
Accrued Compensated Leave	7,397
Payroll Liabilities	4,726
Unearned Revenues	20,167
Total Liabilities	\$48,540
Net Assets-Temporarily restricted	20,167
Unrestricted and undesignated	192,697
	212,864
Total Liabilities and Net Assets	\$261,404

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

Families Helping Families of Northwest Louisiana  
Statement of Activities  
For the Year Ended June 30, 2006

	<b>Family Resource &amp; Referrals</b>	<b>Parent Support</b>	<b>Total</b>
<b>Public Support:</b>			
La Planning CDD	\$83,884		\$83,884
La OCDD	69,095		69,095
La ECSS	18,915		18,915
La CSHS		\$54,130	54,130
La Dept of Education		108,513	108,513
La OMH	4,500		4,500
Frost Foundation Grant	1,833		1,833
Contributions	1,675		1,675
Other (net of cost)	10,249	789	11,038
Total public support	<u>\$190,151</u>	<u>\$163,431</u>	<u>\$353,583</u>
<b>Expenses:</b>			
Salaries and benefits	121,195	78,006	199,201
Contract & professional services	9,542	1,088	10,629
Travel & Conferences	12,978	19,932	32,910
Rent	18,088	12,012	30,099
Supplies	8,767	14,254	23,021
Telephone & Postage	6,915	4,997	11,912
Insurance	4,377	1,224	5,601
Depreciation	5,657	233	5,890
Stipends	3,807	6,100	9,907
Other	12,521	3,166	15,687
Total Expenses	<u>\$203,845</u>	<u>\$141,012</u>	<u>\$344,858</u>
Change in Net Assets	-13,694	22,419	8,725
Adj for transfer of assets	-19,940		-19,940
Net Assets, beginning of year	<u>170,741</u>	<u>53,338</u>	<u>224,079</u>
Net Assets, end of year	<u><u>\$137,107</u></u>	<u><u>\$75,757</u></u>	<u><u>\$212,864</u></u>

Families Helping Families of Northwest Louisiana  
Statement of Cash Flows  
For the Year Ended June 30, 2006

**Cash flows from operating activities:**

Change in net assets	\$8,725
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease in Grants Receivable	37,133
Decrease in Accounts Payable	(1,672)
Increase in Prepaid Assets	(1,408)
Increase in Accrued Leave	1,875
Decrease in Salaries Payable	(8,106)
Increase in Unearned Revenue	20,167
Decrease in Payroll Liabilities	<u>(2,671)</u>
Total adjustments	45,318
Net cash provided by operating activities	\$ 54,043

**Cash flows from investing activities:**

Fixed Assets	29,519
Payments for Fixed Assets	(5,427)
Depreciation	<u>(3,690)</u>
Net cash used by investing activities	20,402

**Cash flows from financing activities:**

Net Assets	<u>(19,940)</u>
Net cash provided by financing activities	(19,940)
<u>Net increase in cash and cash equivalents</u>	54,505
<u>Cash and cash equivalents at beginning of year</u>	<u>105,439</u>
<u>Cash and cash equivalents end of year</u>	<u><u>\$159,944</u></u>

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

FAMILIES HELPING FAMILIES OF NORTHWEST LOUISIANA

NOTES TO FINANCIAL STATEMENTS

AT JUNE 30, 2006

1. Nature of Operations

Families Helping Families of Northwest Louisiana is a nonprofit service organization exempt from federal income taxation under Internal Revenue Code Section 501c(3). The purpose of the organization is to assist and strengthen families with disabilities in northwest Louisiana by providing a coordinated network of resources, support and services, while respecting the ethnic, cultural, and racial diversity of those families. Revenues are derived primarily from state government grants, under third-party reimbursement plans, for the following purposes:

- Family Resource and Referrals – provide an operations office and comprehensive family resource center that provides information, referrals, workshops, and peer support for families of individuals with developmental disabilities or special needs. Stipends to individuals with disabilities or their parents may also be provided, to enable them to attend certain workshops and conferences.
- Parent Support – provide assistance to parents of children with special health needs through training and information sharing.

2. Summary of Significant Policies

a. Financial Statement Presentation:

Families Helping Families is required to report information regarding its financial position and activities based on the absence or existence of donor-imposed restrictions. Accordingly, net assets of the organization and changes therein are subject to classification and reporting as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations. The Board may designate some unrestricted net assets for specific purposes.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met by actions of the organization, and/or by the passage of time. The grant from the Frost Foundation in the amount of \$20,167 is temporarily restricted.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the organization. Generally, donor permit all or part of the income earned on these assets to be used for general or specific purposes.

There were no significant permanently restricted net assets at June 30, 2006 or for the year then ended. Temporarily restricted contributions for use in parent support were utilized per the grant during the fiscal year. There are no temporarily restricted funds at June 30, 2006.

b. Contributions:

Any contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor-imposed restrictions. Contributions are recognized when the donor makes a promise to give to Families Helping Families, that is, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are 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.

c. Estimates:

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

d. Cash Equivalents:

For purposes of the statement of cash flows, Families Helping Families considers highly liquid investments purchased with maturities of three months or less to be cash equivalents.

e. Furniture and Equipment:

Furniture and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over estimated useful lives of five and seven years. Upon termination of a contract, the assets revert to the funding source. At July 1, assets were transferred with the SPOE contracts to the new entity assuming the contracts.

f. Functional Allocation of Expenses:

The costs of providing the various programs have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs as designated by contractual terms.

3. Grants Receivable

Various funding sources provide reimbursement of allowable costs and payments on units of service in connection with the provision of services by Families Helping Families under various grant agreements. The continued existence of funding is based on annual contract renewals with funding sources.

Grants receivable are summarized by source, as follows:

Louisiana Department of Education	\$46,369
Louisiana Children's Special Health Services	13,245
Louisiana Office for Citizens with Developmental Disabilities	5,417
Louisiana Planning Council on Developmental Disabilities	9,493
Bayou Land Families Helping Families	4,040
Families Helping Families- GNO	<u>4,500</u>
Total	\$ 83,063

4. Commitments:  
 Families Helping Families rents office space, a postage meter and copier under operating lease arrangements. The lease for the office space has a one year term expiring in February 2007. Rent is currently \$932 monthly. An additional suite was retained for expansion after the SPOE contract expired. The lease expired May, 2006 and was not renewed. The copier is leased on a month-to-month basis. The postal meter has a five-year commitment for \$245 a quarter. Lease commitments for office space and postal meter at June 30, 2006 are as follows:

Fiscal YE 6/30	2007	\$ 8,436
	2008-09	<u>1,960</u>
Total		<u>\$10,396</u>

5. Conditional Promises  
 Conditional promises consist of the unfunded portions of approved governmental grants, either currently in effect or approved for commencement after June 30, 2006. Future funding of such awards is conditioned upon the organization's operation of certain programs, incurrence of certain costs, and possibly meeting matching requirements. Because these awards represent conditional promises to Families Helping Families, they have not been recognized in the financial statements. There were no conditional promises outstanding at June 30, 2006.
6. Compensated Absences  
 Families Helping Families implemented a paid time off/personal leave benefit for employees. Employees may accrue leave at the rate of one workday per month for a minimum of 12 workdays per year and a maximum of 36 days depending on length of employment. Employees will be paid the value of any unused personal leave only upon termination. An employee may not take the paid time off until reaching their one-year anniversary. An accrual was recorded recognizing the accrued leave at the fiscal year end. At June 30, 2006 the accrued compensated absences was \$7,397.
7. Property, Plant and Equipment  
 Families Helping Families capitalizes all fixed assets. Assets are identified in reference to the funding source since all contracts stipulate that title reverts to the governmental entity if the contract is not renewed. Two contracts were not renewed for the next fiscal year. All assets were transferred to the new entity as of July 1, 2005.
8. Contingencies  
 Families Helping Families receives its' funding from state governmental entities in the state of Louisiana. All contracts with funding sources are through the Department of Health and Hospitals. After the hurricanes of 2005, some of the contracts were reduced and others were increased.

**OTHER REPORTS**

**AGEE & AGEE, P.C.**

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November 6, 2006

The Board of Directors  
Families Helping Families of Northwest Louisiana  
Shreveport, Louisiana

Report on Compliance and on Internal Control over  
Financial Reporting Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards

We have audited the financial statements on Families Helping Families of Northwest Louisiana, Inc. as of and for the year ended June 30, 2006 and have issued our report thereon dated November 6, 2006. 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.

Compliance

As part of obtaining reasonable assurance about whether Families Helping Families of Northwest Louisiana, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

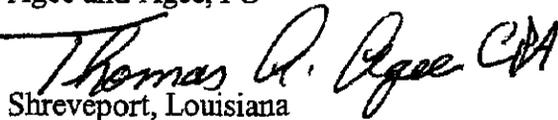
Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Families Helping Families' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course

of performing their assigned functions. We noted no matters involving the internal control over financial reporting that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of directors, management, Louisiana Legislative Auditor and federal awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these specified parties.

Agee and Agee, PC

Handwritten signature of Thomas R. Agee CPA in cursive script.

Shreveport, Louisiana

November 6, 2006

FAMILIES HELPING FAMILIES OF NORTHWEST LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2006

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of Families Helping Families of Northwest Louisiana.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance were noted.
4. A single audit of Federal awards under OMB Circular A-133 was not required.

FAMILIES HELPING FAMILIES OF NORTHWEST LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED JUNE 30, 2006

Families Helping Families of Northwest Louisiana, Inc. does not maintain a written disaster recovery plan. In light of the recent hurricanes and their effects on other offices within the Families Helping Families statewide organization, we recommend a written disaster recovery plan be developed.

A written disaster recovery plan for our organization was developed and is maintained on file at the office.