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

FINANCIAL REPORT

June 30, 2004

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 1-26-05

## CONTENTS

	Page(s)
INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statement of financial position	2
Statement of activities	3
Statement of cash flows	4
Statement of functional expenses	5
Notes to financial statements	6 - 9
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	10 and 11
SCHEDULE OF FINDINGS AND QUESTIONED COSTS WITH MANAGEMENT'S RESPONSE AND PLANNED CORRECTIVE ACTION	12 and 13
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS	14

# HILL, INZINA & COMPANY

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## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

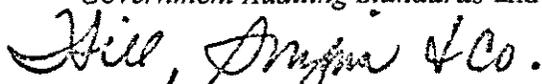
Board of Directors  
Families Helping Families of Northeast Louisiana, Inc.  
Monroe, Louisiana

We have audited the accompanying statement of financial position of Families Helping Families of Northeast Louisiana, Inc. (a nonprofit organization), as of June 30, 2004, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the management of Families Helping Families of Northeast Louisiana, Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families Helping Families of Northeast Louisiana, Inc., as of June 30, 2004, 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 24, 2004 on our consideration of Families Helping Families of Northeast Louisiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

  
November 24, 2004

-1-

FINANCIAL STATEMENTS

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

STATEMENT OF FINANCIAL POSITION  
June 30, 2004

ASSETS

Current assets:	
Cash	\$ 48,033
Due from grantors	46,111
Investments	<u>128,000</u>
Total current assets	<u>\$ 222,144</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 181
Payroll taxes payable	<u>4,871</u>
Total current liabilities	\$ 5,052
Net assets - unrestricted	<u>217,092</u>
Total liabilities and net assets	<u>\$ 222,144</u>

See notes to financial statements.

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

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2004

Revenues and other support:	
Federal grants	\$ 177,719
State grants	166,234
Other grants	18,748
Contributions	6,105
Fund raising	7,262
Interest	1,564
Miscellaneous	<u>4,579</u>
Total revenues and other support	\$ <u>382,211</u>
Expenses:	
Program	\$ 274,605
Management and general	67,553
Fund raising	<u>1,507</u>
Total expenses	\$ <u>343,665</u>
Increase in net assets - unrestricted	\$ 38,546
Net assets - unrestricted - beginning	<u>178,546</u>
Net assets - unrestricted - ending	\$ <u>217,092</u>

See notes to financial statements

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

STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in unrestricted net assets	\$ 38,546
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities:	
(Increase) decrease in due from grantors	( 405)
Increase (decrease) in accounts payable	( 805)
Increase (decrease) in payroll taxes payable	<u>3,962</u>
Net cash flows provided by operating activities	\$ 41,298

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	<u>( 128,000)</u>
Increase (decrease) in cash	\$ ( 86,702)
Cash - beginning	<u>134,735</u>
Cash - ending	<u>\$ 48,033</u>

See notes to financial statements.

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

STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2004

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Totals</u>
Salaries	\$ 124,549	\$ 46,203	\$ -	\$ 170,752
Payroll taxes	11,165	4,130	-	15,295
Other employee benefits	3,276	-	-	3,276
Supplies and equipment	21,076	4,822	-	25,898
Building rent, utilities, and maintenance	10,059	3,711	-	13,770
Postage	3,209	165	-	3,374
Telephone	4,841	1,337	-	6,178
Internet access	1,534	507	-	2,041
Travel	11,118	608	-	11,726
Accounting and audit	-	2,553	-	2,553
Insurance	2,707	2,306	-	5,013
Advertising	1,065	-	-	1,065
Bank charges and fees	39	44	-	83
LACAN	42,655	-	-	42,655
Parent stipend	5,248	-	-	5,248
LIFE contract	7,616	-	-	7,616
BCSS	279	-	-	279
CSHS playroom	1,075	-	-	1,075
SDE seminar	2,414	-	-	2,414
OCDD Family Forum	5,000	-	-	5,000
Miscellaneous	<u>15,680</u>	<u>1,167</u>	<u>1,507</u>	<u>18,354</u>
Total functional expenses	<u>\$ 274,605</u>	<u>\$ 67,553</u>	<u>\$ 1,507</u>	<u>\$ 343,665</u>

See notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2004

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations:

Families Helping Families of Northeast Louisiana, Inc., is a nonprofit organization whose purpose is to serve individuals with disabilities and their families in Region VII of northeast Louisiana by providing information and referrals on available services, parent-to-parent support, education, and training. The organization is governed by nine non-compensated directors.

Basis of Presentation:

The financial statements of Families Helping Families of Northeast Louisiana, Inc., have been prepared in conformity with generally accepted accounting principles (GAAP).

Basis of Accounting:

The financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when the related liability is incurred.

Income Taxes:

Families Helping Families of Northeast Louisiana, Inc., is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3). Families Helping Families of Northeast Louisiana, Inc., has also been classified as an entity that is not a private foundation withing the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

Use of Estimates:

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

## NOTES TO FINANCIAL STATEMENTS

### Uncollectible Allowance:

The statements contain no provision for uncollectible accounts. Management considers all amounts due from grantors to be fully collectible.

### Investments:

Equipment and furniture of Families Helping Families of Northeast Louisiana, Inc., has adopted Statement of Financial Accounting Standards (SFAS) No. 124, *Accounting for Certain Investments Held by Non-Profit Organizations*. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. As of June 30, 2004, Families Helping Families of Northeast Louisiana, Inc.'s investments consisted of nonnegotiable certificates of deposit with original maturities exceeding 90 days that are reported at cost.

### Equipment and Furniture:

Equipment and furniture of Families Helping Families of Northeast Louisiana, Inc., is not capitalized because title to the assets, which are purchased with resources from grants, reverts to the grantors. The full cost of equipment and furniture is charged as an expense upon purchase. Maintenance and repairs of equipment and furniture are charged to operations.

### Revenues and Other Support:

Revenues received under grant programs are recorded as revenue when Families Helping Families of Northeast Louisiana, Inc., has incurred expenditures in compliance with the specific restrictions. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

### Functional Expenses:

Expenses are charged directly to program, management and general, or fund raising categories based on specific identification. Indirect expenses have been allocated on salary expenditures.

NOTES TO FINANCIAL STATEMENTS

Note 2. Cash

As of June 30, 2004, Families Helping Families of Northeast Louisiana, Inc., had cash and investments (book balances) as follows:

Checking accounts	\$ 47,933
Money market account	128,000
Petty cash	<u>100</u>
 Total cash and investments	 <u>\$ 176,033</u>

As of June 30, 2004, cash (bank balances) of \$38,093 was uninsured by Federal Deposit Insurance Corporation (FDIC).

Note 3. Summary of Grant/Contract Funding

Families Helping Families of Northeast Louisiana, Inc., was primarily funded through the following grants and contracts for the year ended June 30, 2004:

<u>Funding Source</u>	<u>Recognized Revenue</u>
Louisiana State Planning Council on Developmental Disabilities:	
CFMS584606	\$ 1,500
CFMS600334	56,252
CFMS603492	4,500
CFMS599782	45,064
CFMS599684	5,734
CFMS600582	5,535
Louisiana Department of Education:	
CFMS599666	49,500
Louisiana Department of Health and Hospitals- Office of Public Health - CFMS602255	97,232
Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities - CFMS595306	70,000
Bureau of Community Supports and Services - 72781	5,000
Bureau of Community Supports and Services - 607321	3,636
Chase Manhattan Foundation	5,000
Bayou Land Families Helping Families - CFMS590366	9,250
Families Helping Families of Greater New Orleans - 602964	<u>4,498</u>
 Total recognized revenue	 <u>\$ 362,701</u>

## NOTES TO FINANCIAL STATEMENTS

Funding for the programs is provided on a year-to-year basis, with no requirement that the programs be renewed at all, or if renewed, that funding levels be maintained or increased.

### Note 4. Due from Grantors

A summary of amounts due from grantors as of June 30, 2004, is as follows:

Louisiana State Planning Council on Developmental Disabilities	\$	10,232
Louisiana Department of Education		8,250
Louisiana Department of Health and Hospitals - Office of Public Health		18,077
Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities		5,417
Bureau of Community Supports and Services		727
Bayou Land Families Helping Families		680
Families Helping Families of Greater New Orleans		2,154
Other		<u>574</u>
Total due from grantors	\$	<u>46,111</u>

### Note 5. Litigation and Claims

As of June 30, 2004, Families Helping Families of Northeast Louisiana, Inc., was not involved in any litigation nor aware of any unasserted claims.

# HILL, INZINA & COMPANY

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Families Helping Families of Northeast Louisiana, Inc.  
Monroe, Louisiana

We have audited the financial statements of Families Helping Families of Northeast Louisiana, Inc. (a nonprofit organization), as of and for the year ended June 30, 2004, and have issued our report thereon dated November 24, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

## Internal Control Over Financial Reporting

In planning and performing our audit, we considered Families Helping Families of Northeast Louisiana, Inc.'s 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 an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Families Helping Families of Northeast Louisiana, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2004-1.

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 caused by error or fraud 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above to be a material weakness.

-10-

Compliance

As part of obtaining reasonable assurance about whether Families Helping Families of Northeast Louisiana, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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 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 of Families Helping Families of Northeast Louisiana, Inc. and funding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Hill, Ory & Co.*

November 24, 2004

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS WITH  
MANAGEMENT'S RESPONSE AND PLANNED CORRECTIVE ACTION  
For the Year Ended June 30, 2004

We have audited the financial statements of Families Helping Families of Northeast Louisiana, Inc., as of and for the year ended June 30, 2004, and have issued our report thereon dated November 24, 2004. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2004 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

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

Internal Control

Material Weaknesses  Yes  No      Reportable Conditions  Yes  No

Compliance

Material to Financial Statements  Yes  No

Section II - Financial Statement Findings

2004-1      Inadequate Segregation of Duties (initially cited as of and for the year ended June 30, 2001)

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

Condition:            The segregation of duties is inadequate to provide effective internal control.

Effect:                Not determined.

Cause:                The condition is due to economic and space limitations.

Recommendation:    No action is recommended.

Management's  
response and  
planned cor-

rective action: We concur in the finding, but it is not economically feasible nor does  
space allow for corrective action to be taken.

Section III - Management Letter

None issued.

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

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended June 30, 2004

Section I - Compliance and Internal Control Material to Financial Statements

2003-1 Inadequate Segregation of Duties

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

Unresolved - 2004-1.

Section II - Management Letter

None issued.