

**NORTHSHORE FAMILIES
HELPING FAMILIES, INC.
FINANCIAL STATEMENTS**

June 30, 2014 and 2013

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 JAN 21 2015

NORTHSHORE FAMILIES HELPING FAMILIES, INC.



CONTENTS

	<u>Pages</u>
Independent Auditors' Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statements of Functional Expenses	6-7
Notes to Financial Statements	8-10
Special Report of Certified Public Accountants	
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 <i>Government Auditing Standards</i>	11-12

CLIFTON W. NEWLIN
ROBERT D. WATKINS
EDWARD G. BERBUESSE, JR.
JON S. FOLSE



WEGMANN DAZET & COMPANY

MARK D. BOHNET
LISA D. ENGLADE
KERNEY F. CRAFT, JR.
JONATHAN P. KOENIG
JOHN D. WHITE

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Northshore Families Helping Families, Inc.
Covington, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Northshore Families Helping Families, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 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 Northshore Families Helping Families, Inc. as of June 30, 2014 and 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 December 5, 2014, on our consideration of Northshore Families Helping Families, 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 or on 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 Northshore Families Helping Families, Inc.'s internal control over financial reporting and compliance.

December 5, 2014

Wegmann Dayet + Company

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
STATEMENTS OF FINANCIAL POSITION

June 30, 2014 and 2013

ASSETS		
	2014	2013
Current assets		
Cash and cash equivalents	\$ 204,795	\$ 303,539
Accounts receivable	<u>30,825</u>	<u>20,976</u>
Total current assets	235,620	324,515
Property and equipment, at cost less accumulated depreciation	2,857	1,085
Other noncurrent assets	<u>1,700</u>	<u>1,700</u>
Total assets	<u>\$ 240,177</u>	<u>\$ 327,300</u>
LIABILITIES		
Current liabilities		
Accrued expenses	<u>\$ 15,738</u>	<u>\$ 13,119</u>
Total current liabilities	<u>15,738</u>	<u>13,119</u>
NET ASSETS		
Unrestricted	<u>224,439</u>	<u>314,181</u>
Total net assets	<u>224,439</u>	<u>314,181</u>
Total liabilities and net assets	<u>\$ 240,177</u>	<u>\$ 327,300</u>

See accompanying Notes to Financial Statements.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2014 and 2013

	2014	2013
Unrestricted revenues		
Contract revenue	\$ 4,320	\$ 7,325
Contributions	55,448	89,657
Direct public grants	219,829	234,505
Interest income	334	360
Other support	<u>7,963</u>	<u>26,954</u>
Total unrestricted revenues	<u>287,894</u>	<u>358,801</u>
Expenses		
Program services		
Louisiana Department of Education	88,210	75,729
Florida Parishes Human Services Authority	63,261	70,111
Children's Special Health Services	35,573	30,756
LA Dev. Disabilities Council FHF Center	57,684	60,995
Louisiana Development Disabilities Council	2,085	1,060
Other program services	103,954	76,197
Supporting services		
Fund raising expenses	15,123	27,938
Management and general	<u>11,746</u>	<u>19,874</u>
Total expenses	<u>377,636</u>	<u>362,660</u>
Change in net assets	(89,742)	(3,859)
Net assets at beginning of year	<u>314,181</u>	<u>318,040</u>
Net assets at end of year	<u>\$ 224,439</u>	<u>\$ 314,181</u>

See accompanying Notes to Financial Statements.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ (89,742)	\$ (3,859)
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation	810	919
(Increase) decrease in operating assets:		
Accounts receivable	(9,849)	(756)
Increase (decrease) in operating liabilities:		
Accrued expenses	2,619	(1,222)
Net cash used by operating activities	<u>(96,162)</u>	<u>(4,918)</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(2,582)</u>	<u>-</u>
Net cash used by investing activities	<u>(2,582)</u>	<u>-</u>
Net decrease in cash	(98,744)	(4,918)
Cash and cash equivalents at beginning of year	<u>303,539</u>	<u>308,457</u>
Cash and cash equivalents at end of year	<u>\$ 204,795</u>	<u>\$ 303,539</u>

See accompanying Notes to Financial Statements.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2014

	Program Services						Supporting Services			
	Louisiana Department of Education	Florida Parishes Human Services Authority	Children's Special Health Services	LA Development Disabilities Council FHF Center	Louisiana Development Disabilities Council	Other Program Services	Total Program Services	Fund Raising	Management and General	Total
Administrative costs	\$ 2,792	\$ 2,674	\$ 474	\$ 3,253	\$ -	\$ 4,955	\$ 14,148	\$ -	\$ 603	\$ 14,751
Advertising	469	591	235	503	-	601	2,399	-	788	3,187
Awards	-	-	-	-	-	15,808	15,808	-	-	15,808
Bank service charges	-	-	-	-	-	173	173	-	290	463
Contract labor	333	333	332	332	-	-	1,330	-	-	1,330
Depreciation	-	-	-	-	-	-	-	-	810	810
Donations	-	-	-	-	-	72,207	72,207	-	-	72,207
Dues and subscriptions	106	160	100	106	-	-	472	-	750	1,222
Equipment rental	602	602	-	601	-	-	1,805	-	-	1,805
Fund raising	-	-	-	-	-	-	-	15,123	-	15,123
Insurance	1,754	1,754	1,455	516	-	-	5,479	-	-	5,479
Licenses and permits	-	-	-	-	-	-	-	-	150	150
Postage	134	158	57	172	-	8	529	-	11	540
Printing	-	-	-	-	-	493	493	-	-	493
Professional services	1,500	1,500	1,500	1,500	-	4,000	10,000	-	-	10,000
Rent	5,067	5,067	-	5,067	-	311	15,512	-	-	15,512
Repairs and maintenance	296	295	-	534	-	50	1,175	-	-	1,175
Salaries and taxes	68,755	43,837	29,630	40,479	-	-	182,701	-	6,632	189,333
Seminars and education	905	3,069	811	1,401	-	5,939	12,125	-	1,525	13,650
Stipend	-	-	-	-	2,085	-	2,085	-	-	2,085
Telephone	2,683	1,751	979	1,826	-	-	7,239	-	109	7,348
Travel	1,428	-	-	8	-	(591)	845	-	78	923
Utilities	1,386	1,470	-	1,386	-	-	4,242	-	-	4,242
Total	\$ 88,210	\$ 63,261	\$ 35,573	\$ 57,684	\$ 2,085	\$ 103,954	\$ 350,767	\$ 15,123	\$ 11,746	\$ 377,636

See accompanying Notes to Financial Statements.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2013

	Program Services						Supporting Services		Total	
	Louisiana Department of Education	Florida Parishes Human Services Authority	Children's Special Health Services	LA Development Disabilities Council FHF Center	Louisiana Development Disabilities Council	Other Program Services	Total Program Services	Fund Raising		Management and General
Administrative costs	\$ 867	\$ 960	\$ 216	\$ 949	\$ -	\$ 5,460	\$ 8,452	\$ -	\$ 1,100	\$ 9,552
Advertising	257	452	-	407	-	570	1,686	-	183	1,869
Awards	-	-	-	-	-	12,826	12,826	-	-	12,826
Bank service charges	-	-	-	25	-	801	826	-	289	1,115
Contract labor	-	-	-	-	-	-	-	-	13,500	13,500
Depreciation	-	-	-	-	-	-	-	-	919	919
Donations	-	-	-	-	-	500	500	-	100	600
Dues and subscriptions	40	40	-	103	-	204	387	-	-	387
Equipment rental	735	734	-	735	-	-	2,204	-	-	2,204
Fund raising	-	-	-	-	-	-	-	27,938	-	27,938
Insurance	-	6,486	-	234	-	-	6,720	-	893	7,613
Postage	171	327	41	152	-	-	691	-	-	691
Printing	-	-	-	-	-	1,479	1,479	-	-	1,479
Professional services	1,600	1,825	1,575	1,700	-	-	6,700	-	650	7,350
Rent	4,800	4,800	-	4,800	-	99	14,499	-	-	14,499
Repairs and maintenance	397	527	120	397	-	-	1,441	-	127	1,568
Salaries and taxes	58,720	46,787	24,429	46,972	-	7,085	183,993	-	473	184,466
Seminars and education	3,708	2,606	1,240	1,401	-	46,896	55,851	-	1,400	57,251
Stipend	-	-	-	-	1,060	-	1,060	-	-	1,060
Telephone	1,803	1,803	3,105	1,893	-	-	8,604	-	156	8,760
Travel	1,560	1,347	30	66	-	277	3,280	-	-	3,280
Utilities	1,071	1,417	-	1,161	-	-	3,649	-	84	3,733
Total	\$ 75,729	\$ 70,111	\$ 30,756	\$ 60,995	\$ 1,060	\$ 76,197	\$ 314,848	\$ 27,938	\$ 19,874	\$ 362,660

See accompanying Notes to Financial Statements.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2014 and 2013

1) The Organization

Northshore Families Helping Families, Inc. (the Organization) is a not-for-profit organization established in 1992. The mission of the Organization is to provide the individualized services, information, resources and support needed to positively enhance the independence, productivity and inclusion of individuals with disabilities. The primary sources of revenue are from contributions, grants and contracts for services provided.

2) Summary of significant accounting policies

The following are summaries of significant accounting policies of the Organization:

a) Basis of accounting

The Organization's policy is to prepare its financial statements on the accrual basis of accounting, which recognizes all revenues and the related assets when earned and all expenses and the related obligations when incurred.

b) Financial statement presentation

Financial Accounting Standards Board, Accounting Standards Codification 958, *Not-for-Profit Entities*, requires the net assets and changes in net assets be reported for three classifications – permanently restricted, temporarily restricted and unrestricted based on the existence or absence of donor imposed restrictions.

c) Cash and cash equivalents

For purposes of the statements of cash flows the Organization considers all highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents.

d) Accounts receivable

The Organization's receivables at June 30, 2014 and 2013 consist of amounts owed from state and local private and public agencies for grants and fees for service programs. The Organization considers all amounts to be fully collectible. Therefore, an allowance for uncollectible accounts is not provided in these financial statements.

e) Use of estimates

The preparation of financial statements in conformity with U.S. 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.

f) Income taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code.

Financial Accounting Standards Board Accounting Standards Codification 740, *Income Taxes*, requires management to assess uncertain tax positions. Management of the Organization believes there are no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax positions. With few exceptions, the Organization is no longer subject to United States federal or Louisiana state income tax examinations by tax authorities for the years ending before 2010.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2014 and 2013

2) Summary of significant accounting policies (continued)

g) Functional expenses allocation

Functional expenses are allocated among the various program services and general and administrative categories based on actual use or management's best estimate.

h) Property and equipment

Property and equipment are carried at cost. Depreciation of property is provided over the estimated useful lives of the assets using the straight-line method. Repairs and maintenance are expensed as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the assets carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations. Depreciation is provided on the straight-line method over the following useful lives.

	<u>Estimated Lives</u>
Equipment	4 - 7 years

i) Restricted and unrestricted revenue and support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The Organization reports gifts of cash and other assets as restricted support if they are received with donor imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to unrestricted net assets. Funds received with the stipulation that the funds be returned if specified future events fail to occur are accounted for as refundable advances until the conditions have been substantially met.

j) Contributed services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization. The Organization received approximately 200 and 500 volunteer hours for the years ending June 30, 2014 and 2013, respectively.

k) Fundraising

All expenses associated with fundraising events are expensed as incurred.

3) Concentrations of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits. The Organization at times has cash on deposit at financial institutions that is in excess of federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses in such accounts. The Organization has no policy requiring collateral or other security to support its deposits or receivables.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2014 and 2013

4) Property and equipment

Property and equipment consists of the following:

	<u>2014</u>	<u>2013</u>
Equipment	\$ 14,652	\$ 14,974
	14,652	14,974
Accumulated depreciation	(11,795)	(13,889)
	<u>\$ 2,857</u>	<u>\$ 1,085</u>

5) Program grants

A substantial portion of the Organization's support and revenue is derived from grants for programs conducted. The various grants are approved on a year-to-year basis. Any unexpected grant funds or unauthorized expenditures must be refunded. The Organization received approximately 76% and 65% of its revenue from grants for the years ended June 30, 2014 and 2013, respectively.

6) Subsequent events

Management has evaluated subsequent events through December 5, 2014, the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.



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 of
Northshore Families Helping Families, Inc.
Covington, Louisiana

We have audited, 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, the financial statements of Northshore Families Helping Families, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 5, 2014.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered Northshore Families Helping Families, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Northshore Families Helping Families, Inc.'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 Northshore Families Helping Families, Inc.'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*.

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.

This report is intended solely for the information and use of management, Board of Directors, others within the entity, the Louisiana Legislative Auditor and 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 5, 2014
Metairie, Louisiana