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**FINANCIAL REPORT**  
**FAMILIES HELPING FAMILIES OF GREATER BATON ROUGE, INC.**  
**BATON ROUGE, LOUISIANA**  
**JUNE 30, 2003**

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 3.24.04

**MICHAEL R. CHOATE & COMPANY**  
**Certified Public Accountants**

**FINANCIAL REPORT**

**FAMILIES HELPING FAMILIES OF GREATER BATON ROUGE, INC.  
BATON ROUGE, LOUISIANA**

**JUNE 30, 2003**



2915 S. Sherwood Forest Blvd., Suite B  
Baton Rouge, LA 70816 (225) 292-7434  
Fax (225) 293-3651

West Causeway Executive Center  
1305 West Causeway Approach, Suite 201  
Mandeville, LA 70471  
(985) 674-9092 Fax (985) 626-9227

**Independent Accountant's  
Compilation Report**

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

We have compiled the accompanying statement of financial position of Families Helping Families of Greater Baton Rouge, Inc. (a nonprofit organization) as of June 30, 2003, and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

*Michael R. Choate & Co.*  
Michael R. Choate & Company  
Certified Public Accountants

February 25, 2004

**Families Helping Families  
of Greater Baton Rouge, Inc.  
June 30, 2003**

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**Families Helping Families of Greater  
Baton Rouge, Inc.  
Statement of Financial Position  
June 30, 2003**

**Assets**

**Current Assets**

Cash in Bank	\$	(382.60)
Cash in Bank - Escrow		1,585.02
Employee Advances		500.00
Prepaid Liability Insurance		256.68
Prepaid Worker's Comp.		<u>206.62</u>

**Total Current Assets**

\$ 2,165.72

**Property and Equipment**

Telephone Equipment	289.00
Computer Equipment	10,514.90
Equipment	12,574.08
Furniture and Fixtures	601.88
Furniture and Fixtures - CSHS	869.94
Accumulated Depreciation	<u>(11,379.71)</u>

**Property and Equipment, Net**

13,470.09

**Other Assets**

Surety Deposits	<u>1,353.00</u>
-----------------	-----------------

**Total Other Assets**

1,353.00

**Total Assets**

\$ 16,988.81

See Accountant's Compilation Report

**Families Helping Families of Greater  
Baton Rouge, Inc.  
Statement of Financial Position  
June 30, 2003**

**Liabilities and Fund Balance**

**Current Liabilities**

FICA Withheld	\$	3,691.75
Accounts Payable		12,378.64
Accrued FICA		3,691.74
Federal Income Tax Withheld		3,180.49
State Income Tax Withheld		<u>1,517.00</u>

**Total Current Liabilities** \$ 24,459.62

**Long Term Liabilities**

**Total Liabilities** 24,459.62

**Fund Balance**

Fund Balance - Beginning	38,230.51
Net Increase (Decrease)	<u>(45,701.32)</u>

**Total Fund Balance** (7,470.81)

**Total Liabilities & Fund Balance** \$ 16,988.81

See Accountant's Compilation Report

**Families Helping Families of Greater  
Baton Rouge, Inc.  
Statement of Activities  
For the Year Ended June 30, 2003**

	<u>12 Months Ended</u> <u>Jun. 30, 2003</u>	<u>Pct</u>
<b>Revenue</b>		
Donations	\$ 325.00	0.13
Family Forum	150.00	0.06
Fee for Service - DDC	102,541.30	39.89
Fee for Service - CSHS	30,655.00	11.92
Fee for Service - CAHSD	78,606.65	30.58
Fee for Service - OMH	6,838.43	2.66
Fee for Service - SDE	14,609.83	5.68
Fee for Service - BCSS	23,210.00	9.03
Registration Fee	150.00	0.06
<b>Total Revenue</b>	<b>257,086.21</b>	<b>100.00</b>
<b>Operating Expenditures</b>		
Therapist Salary - CSHS	12,791.15	4.98
Clerical Salary	43,820.88	17.05
Project Director	18,062.25	7.03
Intake Specialist Outreach Cor	5,000.00	1.94
Director Salary	44,579.07	17.34
Intake Specialist Program Dir	6,666.66	2.59
Payroll Tax Expense	10,144.32	3.95
Advertising - OCDD	980.72	0.38
Advertising - Brochures	447.39	0.17
Conference Fees	52,911.83	20.58
Conference Meals/Refreshments	634.31	0.25
Contract Labor	6,133.00	2.39
Consulting Fees - SIG	1,500.00	0.58
Depreciation Expense	1,106.00	0.43
Dues & Memberships	655.00	0.25
Employee Auto Mileage	4,687.09	1.82
Equipment Rental	1,891.91	0.74
Family Forum Program Expenses	10,974.62	4.27
Insurance	2,060.52	0.80
Internet Fees	211.80	0.08
Legal & Accounting	4,710.00	1.83
Lending Library - OCDD	1,108.75	0.43
Maintenance & Repairs	946.77	0.37
Meals & Entertainment	2,552.02	0.99
Newsletter	501.40	0.20
Office Supplies	9,802.19	3.81
Parents Gifts - SDE	244.96	0.10
Postage	3,034.09	1.18
Postage Meter Rental	569.03	0.22
Printing Costs	4,212.24	1.64
Publications	267.46	0.10
Rent - OCDD	9,580.00	3.73
Resource Library	210.52	0.08

See Accountant's Compilation Report

	<b>12 Months Ended</b>	
	<b>Jun. 30, 2003</b>	<b>Pct</b>
Stipend Expenses	3,506.95	1.36
Telephone - 800#	54.11	0.02
Telephone - Cell Phone	4,292.75	1.67
Telephone - Long Distance	388.41	0.15
Telephone - Pager	105.12	0.04
Telephone - CSHS	3,223.45	1.25
Training Material	2,623.96	1.02
Travel-Entertainment and Meals	432.69	0.17
Travel-Transportation/Lodging	20,996.04	8.17
Utilities	2,378.55	0.93
Worker's Comp. Insurance	802.18	0.31
Workshops/Door Prizes	215.08	0.08
Workshop Refreshments	500.00	0.19
Miscellaneous	<u>270.29</u>	<u>0.11</u>
<b>Total Expenditures</b>	<u>302,787.53</u>	<u>117.78</u>
<b>Increase (Decrease)</b>	(45,701.32)	(17.78)
<b>Other Income (Expenditures)</b>	<u>                    </u>	<u>                    </u>
<b>Net Increase (Decrease)</b>	<b>\$ <u>(45,701.32)</u></b>	<b><u>(17.78)</u></b>

See Accountant's Compilation Report



**Families Helping Families of Greater  
Baton Rouge, Inc.  
Statement of Cash Flows  
For the Year Ended June 30, 2003**

	<u>June 30, 2003</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
NET DECREASE	\$ ( 45,701)
ADJUSTMENTS TO RECONCILE NET DECREASE TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
DEPRECIATION AND AMORTIZATION	1,106
DECREASE (INCREASE) IN OPERATING ASSETS:	
SURETY DEPOSITS	( 673)
PREPAID EXPENSES	657
INCREASE IN OPERATING LIABILITIES:	
ACCRUED LIABILITIES	10,580
ACCOUNTS PAYABLE	<u>5,391</u>
<b>NET CASH (USED IN) OPERATING ACTIVITIES</b>	<u>(28,640)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
CAPITAL EXPENDITURES	<u>(11,032)</u>
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<u>(11,032)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(39,672)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>40,874</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 1,202</u>

See Accountant's Compilation Report

## NOTES TO FINANCIAL STATEMENTS

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

June 30, 2003

### Note 1 - Summary of Significant Accounting Policies

a. Purpose of organization:

The organization's mission is to provide the individualized services, information, resources and support needed to positively enhance the independence, productivity and integration of persons with developmental disabilities into the community.

b. Basis of Accounting:

Books and records are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are incurred, if measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

c. Budget Policy:

Budgets for the programs are prepared by the organization's Executive Director and approved by the Board of Directors.

### Note 2 - Board of Director's Compensation

The Board of Directors is a voluntary Board; therefore, no compensation has been paid to any member.

### Note 3 - Income Tax Status

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code.

Note 4 - Economic Dependency

The organization receives a significant portion of its revenue from funds provided through grants administered by the State of Louisiana . The grant 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 the organization receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of grants the organization will receive in the next fiscal year.

Note 5 - Property and Equipment

The changes in the property and equipment accounts are as follows:

	<u>Balance</u> <u>06-30-02</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06-30-03</u>
Furniture and equipment	<u>\$13,818</u>	<u>\$ 11,032</u>	<u>-</u>	<u>\$ 24,850</u>

**SUPPLEMENTARY FINANCIAL INFORMATION**

Schedule of Program Revenues and Expenditures  
For the year ended June 30, 2003

	<u>LA. Council on Development &amp; Disability (DDC)</u>	<u>Children's Special Health Services (CSHS)</u>	<u>Capital Area Human Services (CAHSD)</u>	<u>LA. Office of Mental Health (OMH)</u>
<u>Revenues</u>				
Grants	\$ 102,541	\$ 30,655	\$ 78,607	\$ 6,838
Donations	<u>150</u>	<u>--</u>	<u>150</u>	<u>--</u>
Total Revenues	<u>102,691</u>	<u>30,655</u>	<u>78,757</u>	<u>6,838</u>
<u>Expenditures</u>				
Personnel	28,341	27,700	37,087	1,707
Operating Services & Supplies	27,467	8,784	27,473	1,139
Travel & Conferences	<u>59,317</u>	<u>474</u>	<u>2,212</u>	<u>--</u>
Total Expenditures	<u>115,125</u>	<u>36,958</u>	<u>66,772</u>	<u>2,846</u>
Excess of Revenues over (under) expenditures	<u>\$ (12,434)</u>	<u>\$ (6,303)</u>	<u>\$ 11,985</u>	<u>\$ 3,992</u>

Schedule I

<u>(SPOE)</u>	LA. State Department of Education (SDE)	Restricted - Other	Bureau of Community Supports & Services	<u>Total</u>
\$ --	\$ 14,610	\$ --	\$ 23,210	\$ 256,461
<u>--</u>	<u>14,610</u>	<u>325</u>	<u>23,210</u>	<u>625</u>
<u>--</u>	<u>14,610</u>	<u>325</u>	<u>23,210</u>	<u>257,086</u>
13,119	16,205	23,037	--	147,196
418	7,659	1,854	3,255	78,049
<u>--</u>	<u>141</u>	<u>6,268</u>	<u>9,130</u>	<u>77,542</u>
<u>13,537</u>	<u>24,005</u>	<u>31,159</u>	<u>12,385</u>	<u>302,787</u>
<u><u>\$(13,537)</u></u>	<u><u>\$(9,395)</u></u>	<u><u>\$(30,834)</u></u>	<u><u>\$10,825</u></u>	<u><u>\$(45,701)</u></u>



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### **Independent Accountant's Report on Applying Agreed-Upon Procedures**

To the Management and Board of Directors  
Families Helping Families of Greater Baton Rouge, Inc.  
Baton Rouge, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Families Helping Families of Greater Baton Rouge, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Families Helping Families of Greater Baton Rouge's compliance with certain laws and regulations during the year ended June 30, 2003 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Federal, State, and Local Awards**

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Families Helping Families of Greater Baton Rouge's Federal award expenditures for all Federal programs for the fiscal year follow:

Federal Grant Name	Grant Year	CFDA No	Amount
Louisiana Office of Public Health Children's Special Health Services	June 30, 2003	N/A	\$ 36,958
Louisiana Department of Health and Hospitals LA. State Planning Council on Development and Disability Bureau of Community Supports and Services	June 30, 2003 December 31, 2002	N/A	\$ 115,125 \$ 12,385
Louisiana Capital Area Human Services District	June 30, 2003	N/A	\$ 66,772
U.S. Department of Education Grant	June 30, 2003	84.027A	\$ 24,005
Louisiana Office of Mental Health Grant	June 30, 2003		\$ 2,846
Total Expenditures			

2. For each Federal, state, and local award, we randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.



3. For the items selected in procedure 2, we traced the six disbursements to supporting documentation as to proper amount and payee.

Of the sample of 30 disbursements, 2 instances were noted where the documentation was missing. Both of these disbursements involved American Express statements. It was necessary to request copies of these statements from American Express to substantiate the disbursement.

Another instance was noted where an expense reimbursement for \$3076.67 could not be fully substantiated. Of this amount \$834.70 could not be substantiated.

We recommend that the company improve its filing of paid invoices to document disbursements. We also recommend all reimbursements be fully documented before payment.

4. For the items selected in procedure 2, we determined if the six disbursements were properly coded to the correct fund and general ledger account.

The coding of the disbursements appeared proper.

5. For the items selected in procedure 2, we determined whether the six disbursements received approval from proper authorities.

All supporting documentation was approved, but two instances were noted where the required two signatures on a check were missing.

We recommend that the company follow its policy requiring two signatures on checks > \$500.

6. For the items selected in procedure 2: For federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in *the Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

No unallowed activities were noted.

**Eligibility:**

No ineligible participants expenditures were noted.

**Reporting:**

The year end report to the Legislative Auditor is due by December 31, 2003. Because of missing records and a late start on the engagement, the report was not completed until February 2004.

We recommend the engagement start within 90 days of year end and the report be issued before the deadline.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

The grant from the Bureau of Community Supports & Services closed out December 31, 2002. No close out report was required. A copy of this report will be sent to the Grantor.

**Meetings**

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Families Helping Families is only required to post a notice of each meeting and the accompanying agenda on the door of the organizations office building. Management fulfilled this requirement.

It was noted that several key board positions were vacant for several months during the exam. It was also noted that discussions of financial statements and budgets are not documented in the minutes.

We recommend that the Board timely fill all open seats and also document discussions about the financial statements and budgets in the minutes.

### **Comprehensive Budget**

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Families Helping Families provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously.

However, it was noted that the "company wide" budget is not amended or updated during the year. We recommend the "company wide" budget be updated at mid year as circumstances and projected revenue and expenses change.

### **Prior Comments and Recommendations**

10. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

We reviewed the prior year comments, and recommendations. All recommendations were implemented except for proper recording of accounts payable and American Express. The balance due American Express at June 30, 2003 of \$12,378 was unrecorded. We recommend the company record and monitor this debt.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Families Helping Families of Greater Baton Rouge, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

  
Michael R. Choate & Company CPAs

February 25, 2004

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
(For Attestation Engagements of Quasi-public Entities)  
2-25-04 (Date Transmitted)

\_\_\_\_\_  
Michael R CHOATE CPA  
BATON ROUGE LA (Auditors)

In connection with your compilation of our financial statements as of JUNE 30 2003 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation).

**Federal, State, and Local Awards**

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes [] No [ ]

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes [] No [ ]

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes [] No [ ]

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes [] No [ ]

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes [] No [ ]

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [] No [ ]

**Prior Year Comments**


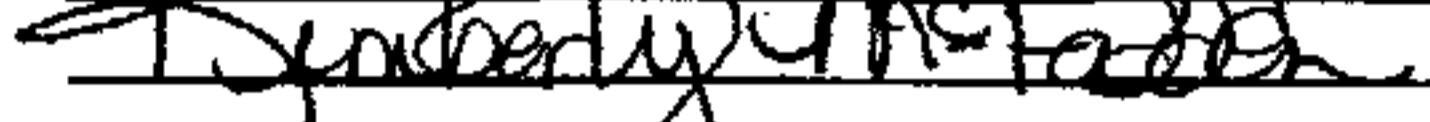

We have resolved all prior-year recommendations and/or comments.

Yes [] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you

documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

	Secretary	2-25-04	Date
	Treasurer	2-25-04	Date
	President	2-25-04	Date



# ***Families Helping Families*** ***of Greater Baton Rouge***

[www.fhfla.org](http://www.fhfla.org)

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Michael R. Choate, CPA  
2915 S. Sherwood Forest Blvd., Suite B  
Baton Rouge, LA 70816

February 25, 2004

Dear Mr. Choate,

We have received your financial report for the year ended June 30, 2003 dated February 25, 2004. We accept your finding as reported and will implement the following action plan:

1. We will improve our filing system with regards to American Express receipts and statements. We will improve our expense reimbursement procedure by making sure all receipts are attached to expense reimbursement request.
2. We will make sure that all checks over \$500 have two signatures.
3. We will add "credit card payables" to our monthly financial statement balance sheet and more closely monitor this debt.
4. We will start the audit process by September 30 next year to insure that all reports are submitted timely.
5. We will fill all board vacancies in a timely manner.
6. We will document our review and discussion of monthly financial statements in the minutes.

7. We will amend our annual "company wide" budget if significant changes in cash flow occur.

Please forward this letter to the Legislative Auditor's office.

Sincerely,



Debbie Prockner  
Executive Director  
Families Helping Families of  
Greater Baton Rouge, Inc.