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**FAMILIES HELPING FAMILIES**  
**OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**  
**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 2-9-05

***AUDITED FINANCIAL STATEMENTS***

FAMILIES HELPING FAMILIES OF NORTHWEST LOUISIANA

SHREVEPORT, LOUISIANA

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Independent Auditor's Report

December 2, 2004

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, 2004, 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, 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 December 2, 2004 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

*Agee & Agee P.C.*

Shreveport, Louisiana  
December 2, 2004

Families Helping Families of Northwest Louisiana  
Statement of Financial Position  
For the Year Ended June 30, 2004

**ASSETS**

Cash	\$67,836
Grants Receivable- Note 3	149,162
Deposits	918
Prepaid Expenses	<u>237</u>
	\$218,153
Furniture & Equipment	70,015
Less- Accumulated Depreciation	<u>(26,341)</u>
	43,674
Total Assets	<u><u>\$261,827</u></u>

**LIABILITIES AND NET ASSETS**

Accounts Payable	\$14,854
Salaries Payable	24,177
Accrued Compensated Leave	2,446
Payroll Liabilities	<u>8,764</u>
Total Liabilities	\$50,241
Net Assets-unrestricted and undesignated	<u>211,586</u>
Total liabilities and net assets	<u><u>\$261,827</u></u>

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, 2004

	<b>Family Resource &amp; Referrals</b>	<b>Parent Support</b>	<b>Total</b>
<b>Public Support:</b>			
La Planning CDD	\$137,692		\$137,692
La OCDD	65,000		65,000
La DHH	242,624		242,624
La BCSS/ECSS	21,421		21,421
La CSHS		\$47,985	47,985
La Dept of Education		58,003	58,003
La OMH	4,086		4,086
Contributions	120		120
Other (net of cost)	2,753		2,753
Total public support	<u>\$473,696</u>	<u>\$105,988</u>	<u>\$579,684</u>
<b>Expenses:</b>			
Salaries and benefits	297,589	52,850	\$350,439
Contract & professional services	18,018	338	\$18,356
Travel & Conferences	34,203	9,549	\$43,752
Rent	26,358	3,109	\$29,467
Supplies	31,955	5,338	\$37,293
Telephone & Postage	16,552	4,022	\$20,574
Insurance	3,900	358	\$4,258
Depreciation	7,078	468	\$7,546
Stipends	5,893	1,386	\$7,279
Other	13,256	3,115	\$16,371
Total Expenses	<u>\$454,802</u>	<u>\$80,534</u>	<u>\$535,335</u>
Change in Net Assets	18,894	25,454	44,349
Net Assets beginning of year	<u>142,688</u>	<u>24,549</u>	<u>167,237</u>
Net Assets, end of year	<u><u>\$161,582</u></u>	<u><u>\$50,003</u></u>	<u><u>\$211,586</u></u>

Families Helping Families of Northwest Louisiana  
Statement of Cash Flows  
For the Year Ended June 30, 2004

**Cash flows from operating activities:**

Change in net assets	\$44,349
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase in Grants Receivable	(16,302)
Increase in Accounts Payable	14,360
Increase in Prepaid Assets	(237)
Increase in Salaries Payable	3,292
Increase in Payroll Liabilities	1,662
Total adjustments	2,775
Net cash provided by operating activities	\$ 47,124

**Cash flows from investing activities:**

Payments for property & equipment	(30,095)
Depreciation	7,567
Net cash used by investing activities	(22,528)
<u>Net increase in cash and cash equivalents</u>	24,596
<u>Cash and cash equivalents at beginning of year</u>	43,240
<u>Cash and cash equivalents end of year</u>	\$67,836

# FAMILIES HELPING FAMILIES OF NORTHWEST LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

AT JUNE 30, 2004

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.

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, 2004 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, 2004.



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.

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	\$15,183
Louisiana Children's Special Health Services	5,375
Louisiana Office for Citizens with Developmental Disabilities	5,417
Louisiana Planning Council on Developmental Disabilities	24,429
Bayou Land Families Helping Families	725
Bureau of Community Supports & Services	727
Office of Public Health – SPOE	93,220
Families Helping Families- GNO	<u>4,086</u>
Total	<u>\$149,162</u>

4. Commitments:

Families Helping Families rents office space and its copier, under operating lease arrangements. The lease for the office space has a three- year term expiring in February 2005. Rent is currently \$800 monthly. Additional office space was leased June 2003 for the SPOE program. The rent is \$912 monthly until May, 2004. The copier is leased on a month-to-month basis. Lease commitments for office space at June 30, 2004 are as follows:

Fiscal YE 6/30	2005	<u>\$16,432</u>
Total		<u>\$16,432</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, 2004. 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, 2004.

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 total of 12 workdays per year. 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.

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 specify purchases under \$250 be expensed when purchased.

**OTHER REPORTS**

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December 2, 2004

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, 2004 and have issued our report thereon dated December 2, 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.

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

*Agee & Agee P.C.*

Shreveport, Louisiana

December 2, 2004

FAMILIES HELPING FAMILIES OF NORTHWEST LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2004

**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 on 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, 2004

FINDING 03-1

Due to the loss of accounting personnel prior to the fiscal year-end, the Executive Director currently has responsibility for all the accounting and administration of the grants. Several new contracts were implemented in June requiring additional resources. Some of the problems noted were lack of timely bank reconciliations and filing of 2<sup>nd</sup> quarter payroll tax reports. There is little segregation of duties at this time due to the personnel shortage.

We strongly recommend management to hire a qualified accounting clerk to perform the necessary accounting needs and assist with the administration of the contracts. Otherwise, consideration should be given to outsourcing the function.

Action Taken: Families Helping Families of Northwest Louisiana, Inc. has contracted with a Certified Public Accountant to perform their accounting duties.