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Families Helping Families at the Crossroads of Louisiana, Inc.
Pineville, Louisiana

Auditor's 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 2-16-05

Roy K. Derbonne, Jr.
Certified Public Accountant
1101-A Bolton Avenue
Alexandria, Louisiana 71301

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Member
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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Families Helping Families At The
Crossroads of Louisiana, Inc.
Pineville, Louisiana 71301

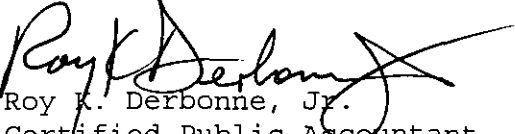
I have audited the statement of financial position of Families Helping Families At the Crossroads of Louisiana, Inc., (a nonprofit organization), as of June 30, 2004, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 and the provisions of the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families Helping Families At the Crossroads of Louisiana, Inc., as of June 30, 2004, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedules on pages 13 through 17 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued my report dated December 28, 2004, on my consideration of Families Helping Families At the Crossroads of Louisiana, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws regulations, contracts and grants. This 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 my audit.


Roy K. Derbonne, Jr.
Certified Public Accountant

December 28, 2004

FAMILIES HELPING FAMILIES
 AT THE CROSSROADS OF LOUISIANA, INC.
 PINEVILLE, LOUISIANA

STATEMENT OF FINANCIAL POSITION
 AS OF JUNE 30, 2004

ASSETS

CURRENT ASSETS

Cash on Hand and in Banks	\$	362
Certificate of Deposit		15,624
Payroll Taxes Receivable		1,283
Contracts Receivable		99,081
Other Receivables		2,304
Total Current Assets		118,654

CAPITAL ASSETS

Land		15,900
Building and Improvements, Equipment, Furniture and Fixtures, net of depreciation		138,086
Net Capital Assets		153,986

TOTAL ASSETS

\$ 272,640

LIABILITIES AND CAPITAL

LIABILITIES

Accounts Payable	\$	6,032
Payroll Taxes Payable		22,078
Note Payable - Red River Bank - due in less than one year		24,274
Note Payable - Red River Bank - due in more than one year		74,807
Total Liabilities		127,191

NET ASSETS

Unrestricted		145,449
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TOTAL LIABILITIES AND NET ASSETS

\$ 272,640

The accompanying notes are an integral part of this statement.

FAMILIES HELPING FAMILIES
 AT THE CROSSROADS OF LOUISIANA, INC.
 PINEVILLE, LOUISIANA

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2004

	<u>UNRESTRICTED</u>
REVENUES	
Administration Fees	\$ 113,009
Dues and Donations	40
Fees and Services - Governmental Agencies	675,879
Fundraising	7,001
Miscellaneous	2,388
Total Revenues	798,317
EXPENSES	
Program Services	600,521
Administrative	97,261
Fundraising	2,314
Total Expenses	700,096
CHANGE IN NET ASSETS	98,221
NET ASSETS, BEGINNING OF YEAR	47,228
NET ASSETS, END OF YEAR	\$ 145,449

The accompanying notes are an integral part of this statement.

FAMILIES HELPING FAMILIES
 AT THE CROSSROADS OF LOUISIANA, INC.
 PINEVILLE, LOUISIANA

SCHEDULE OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2004

FUNCTIONAL EXPENSES	PROGRAM SERVICES	ADMINIS- TRATIVE	FUND- RAISING	TOTAL EXPENSES
Salaries	\$282,118	\$ 5,276	\$ -	\$ 287,394
Employee Benefits	28,477	333	-	28,810
Equipment Maintenance	2,200	245	-	2,445
Janitorial	-	175	-	175
Office Supplies	20,710	8,511	-	29,221
Telephone	11,590	2,150	-	13,740
Rent	19,128	2,482	-	21,610
Utilities	3,206	1,305	-	4,511
Supplies	2,807	8,258	-	11,065
Contract Labor	52,342	42,488	-	94,830
Dues	1,627	53	-	1,680
Insurance	3,093	2,945	-	6,038
Interest	-	2,337	-	2,337
Postage	6,739	641	-	7,380
Security	189	57	-	246
Travel and Meetings	34,335	9,827	-	44,162
Legal & Accounting	2,357	3,343	-	5,700
Training	2,115	120	-	2,235
Grounds Upkeep	-	140	-	140
Repairs and Maintenance	-	2,001	-	2,001
Fund Raising Costs	-	-	2,314	2,314
Crisis Management	12,617	-	-	12,617
Depreciation	-	2,598	-	2,598
Indirect Expenditures	108,965	-	-	108,965
Miscellaneous	5,906	1,976	-	7,882
TOTAL EXPENDITURES	<u>\$600,521</u>	<u>\$ 97,261</u>	<u>\$ 2,314</u>	<u>\$ 700,096</u>

The accompanying notes are an integral part of this statement.

FAMILIES HELPING FAMILIES AT THE
CROSSROADS OF LOUISIANA, INC.
PINEVILLE, LOUISIANA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004

	2004
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 98,220
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operations	
Depreciation	2,598
Changes in:	
Contracts Receivable	(59,723)
Payroll Tax Refund	1,075
Other Amounts Receivable	(1,160)
Deferred Amounts Receivable	3,565
Accounts Payable	(15,974)
Payroll Taxes	17,531
Accrued Salaries Payable	(15,445)
Total Adjustments	(67,533)
Net Cash Provided by Operating Activities	30,687
 CASH FLOWS FROM INVESTING ACTIVITIES	
Capital Expenditures	(155,022)
 CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Loan	106,000
Principal Repayment	(6,919)
Total Cash Flows from Financing Activities	99,081
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(25,254)
 CASH AND CASH EQUIVALENTS, AT THE BEGINNING OF THE YEAR	25,616
 CASH AND CASH EQUIVALENTS, AT THE END OF THE YEAR	\$ 362

The accompanying notes are an integral part of this statement.

Families Helping Families at the Crossroads of Louisiana, Inc.
Pineville, Louisiana

Notes to Financial Statements
June 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. NATURE OF ACTIVITIES

Families Helping Families at the Crossroads of Louisiana, Inc. is a non-profit corporation organized under the laws of the State of Louisiana, to inform the public concerning the handicapped and to respond to the needs and capabilities of handicapped persons and their families.

B. BASIS OF ACCOUNTING

The accompanying financial statements of Families Helping Families at the Crossroads of Louisiana, Inc., have been prepared on the accrual basis of accounting and accordingly included all receivables, payables and other liabilities.

C. DESCRIPTIONS OF PROGRAMS

Family Resources Center Development - Activities to increase the capacities and resources of public and private nonprofit entities to develop a service system which responds to the needs and capabilities of persons with developmental disabilities and their families.

Star Facilitator - to provide education to minority, urban and rural communities about future planning, rehabilitation and transition issues.

Game to United Mind and Body - To provide technical assistance to LEAs and parent groups within the central and northern areas of the state on issues related to sports for disabled populations; and to provide in service training to adapted physical education teachers, parents, volunteers; and to serve as the staff consultant for Families Helping Families at the Crossroads of Louisiana, Inc.

Inclusive Education Parent Training - Training parents for increased involvement in programs for children and youth with disabilities.

Children Special Health Services - To provide families of children who are receiving services through Children's Special Health Services with the information and support they need to face the challenges of parenting a child with special needs, and to foster positive attitudes and a strong family system.

Families Helping Families at the Crossroads of Louisiana, Inc.
Pineville, Louisiana

Notes to Financial Statements
June 30, 2004
(Continued)

Stipends - To provide stipends for travel and support expenses to individuals with developmental disabilities and their families to attend relevant conferences and other training events.

OCDD 60 - Social Services - to provide an array of support services to families of individuals with developmental disabilities and inform the public about aspects of disabilities.

Development Disabilities Council - Inclusive Educational Services - to facilitate the growth of inclusive education practices in Region IV.

OCDD - Crisis Management - to provide means to meet the short-term, emergency needs of individuals with developmental disabilities until such time that the individual's needs can be met through the regular system of services and to meet the on-going needs of individuals with developmental disabilities when that person or his/her family is unable to benefit from the normal individualized agreement process used by the OCDD.

OCDD - Louisiana United Family Forum - to promote discussion and consensus among diverse families of children with developmental disabilities throughout Louisiana by attendance at a two day statewide meeting.

Louisiana State Improvement Grant - to improve Louisiana's service system in ways to better meet the needs of all students by improving special education services within the context of general education reform initiatives. The grant seeks to improve the participation of families and improve family/community linkages with schools.

Louisiana Individual and Family Empowerment Program (LIFE) - to expand the Community and Family Support System in Louisiana through collaborating with self-advocates and family members to identify unmet needs and gaps in the current service system, to develop and implement demonstration projects in the region, and to provide a comprehensive analysis of the policies, procedures and other related documents of four state agencies that provide services to people with disabilities, namely the Office for Citizens with Developmental Disabilities, Office of Mental Health, Bureau of Community Support and Services and the Office of Public Health/Children Special Health Services.

Families Helping Families at the Crossroads of Louisiana, Inc.
Pineville, Louisiana

Notes to Financial Statements
June 30, 2004
(Continued)

Systems Points of Entry Services (SPOE 13 and 14) - to provide system points of entry services within the parishes of Rapides, Winn, Concordia, Catahoula, Grant, LaSalle, Avoyelles and Vernon for Louisiana's early intervention system Childnet and its eligible infants and toddlers from birth to three as regulated under Part C of the individuals with Disabilities Education Act (IDEA).

Child Care Training Project - Region 3 and 6 - To enhance the understanding of topics and issues related to supporting children with developmental disabilities so as to improve their quality of life and promote maximum growth and development through providing training to families, child care providers and other community professionals, as well as targeted trainings of families and/or day care providers and community professionals.

D. CONTRACTS RECEIVABLE

Contracts receivable represents amounts owed to Families Helping Families at the Crossroads of Louisiana, Inc. for costs incurred under fee for service contracts which are reimbursable to the Organization.

E. PLANT, FURNITURE, FIXTURES AND EQUIPMENT

Physical properties, furniture, fixtures and equipment are stated at cost and donated assets are recorded at their estimated fair market values at the date of donation. Depreciation is calculated using the straight-line method over the estimated following useful lives:

Building	40 Years
Machinery and Equipment	5-10 Years
Furniture and fixtures	7 Years
Land Improvements	20 Years

F. CONTRIBUTED SERVICES

Families Helping Families at the Crossroads of Louisiana, Inc., does not recognize any support, revenue or expense from services contributed by volunteers since the services do not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

Families Helping Families at the Crossroads of Louisiana, Inc.
Pineville, Louisiana

Notes to Financial Statements
June 30, 2004
(Continued)

G. CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

H. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

I. INCOME TAXES

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Note 2 - CASH AND CASH EQUIVALENTS

At year end cash and cash equivalents consisted of \$58 in petty cash and \$304 in a demand deposit checking account. The bank balance at year end was \$32,402 and was covered by the Federal Deposit Insurance Corporation.

Note 3 - CONTRACTS RECEIVABLE

Contracts receivable consists of expenditures made through June 30, 2004, as well as units of service provided, that were billed under contract and are as follows:

Families Helping Families at the Crossroads of Louisiana, Inc.
Pineville, Louisiana

Notes to Financial Statements
June 30, 2004
(Continued)

State of Louisiana - Department of Health and Hospitals - Developmental Disabilities Family Resource Center	\$ 4,167
State of Louisiana - Department of Educational Services	
IDEA - Part B	8,302
Games Uniting Mind and Body	8,177
LASIG	4,124
Department of Health and Hospitals	
Children Special Health Services	3,930
SPOE 613	38,201
SPOE 614	20,929
Office for Citizens with Developmental Disabilities	
Crisis Management	8,590
Office of Mental Health	1,125
BCSS	727
Prompt	809
Total Receivable	<u>\$ 99,081</u>

NOTE 4 - CAPITAL ASSETS

A summary of Capital Asset activity for the year ended June 30, 2004 was as follows:

	June 30, <u>2003</u>	Additions	Deletions	June 30, <u>2004</u>
Land	\$ -	\$ 15,900	\$ -	\$ 15,900
Building and Improvements	-	126,233	-	126,233
Parking Lot	-	4,350	-	4,350
Equipment	10,426	8,540	-	18,966
Furniture and fixtures	3,250	-	-	3,250
Total	<u>13,676</u>	<u>155,023</u>	<u>-</u>	<u>168,699</u>
Less accumulated depreciation	<u>(12,115)</u>	<u>(2,598)</u>	<u>-</u>	<u>(14,713)</u>
Total Capital Assets	<u>\$ 1,561</u>	<u>\$ 152,425</u>	<u>\$ -</u>	<u>\$ 153,986</u>

Families Helping Families at the Crossroads of Louisiana, Inc.
Pineville, Louisiana

Notes to Financial Statements
June 30, 2004
(Continued)

Note 5 - NOTE PAYABLE

During the current fiscal year, the Organization borrowed \$106,000 from the Red River Bank to purchase a building and land in the city of Pineville, Louisiana. The loan is to be repaid in 60 monthly installments, bears 6.5% interest and is secured by a real estate mortgage on the property.

The annual requirement to retire long-term debt as of June 30, 2004 is as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 24,274	\$ 5,726	\$ 30,000
2006	25,900	4,100	30,000
2007	27,635	2,365	30,000
2008	21,273	689	21,962
Total	<u>\$ 99,082</u>	<u>\$ 12,880</u>	<u>\$ 111,962</u>

NOTE 6 - PENSION PLAN

The Organization does not have a pension plan.

NOTE 7 - RISK MANAGEMENT

The Organization is exposed to various risks of loss from law suits, theft, property hazards, general and vehicle liability, errors and omissions, natural disasters and workman's compensation claims. These risks are covered by the purchase of commercial insurance covering said risks. All previous losses have not exceeded the limits of the insurance coverage.

NOTE 8 - RELATED PARTY

There were no related party transactions.

SUPPLEMENTAL SCHEDULES

FAMILIES HELPING FAMILIES
AT THE CROSSROADS OF LOUISIANA, INC.
PINEVILLE, LOUISIANA

SCHEDULE OF REVENUE BY PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2004

FEES AND SERVICE REVENUE	
DEVELOPMENTAL DISABILITIES COUNCIL	
Family Resource Center	\$ 56,252
Stipends	5,043
Life Projects	5,000
GAMES UNITING MIND AND BODY	59,123
OFFICE FOR CITIZENS WITH DEVELOPMENTAL DISABILITIES	
Program DDC/ 60	65,000
Crisis Management	14,300
STATE DEPARTMENT OF EDUCATION	
Part B (IDEA)	49,552
LASIG	13,902
DEPARTMENT OF HEALTH AND HOSPITALS	
Children Special Health Services	63,260
BCSS	5,303
SPOE 613	130,909
SPOE 614	97,684
Child Care - Region 3	69,170
Child Care - Region 6	30,000
PROMPT	809
OUTREACH	197
MENTAL HEALTH	6,375
STAR	4,000
Total Revenues	<u>\$ 675,879</u>

FAMILIES HELPING FAMILIES
 AT THE CROSSROADS OF LOUISIANA, INC.
 PINEVILLE, LOUISIANA

SCHEDULE OF EXPENSES BY PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2004

PROGRAM SERVICE EXPENSES	DEVELOP- MENTAL DISABILITY COUNCIL - FAMILY RESOURCE CENTER	STATE DEPARTMENT OF EDUCATION PART B	GAMES UNITING MIND AND BODY	CHILDREN SPECIAL HEALTH SERVICES	DEVELOP- MENTAL DISABILITY COUNCIL - STIPENDS
Salaries	\$ -	\$ 21,659	\$ 36,108	\$ 40,052	\$ -
Employee Benefits	-	3,916	3,159	4,544	-
Equipment Maintenance	-	145	-	-	-
Office Supplies	-	1,819	2,713	230	-
Telephone	-	991	1,734	647	-
Rent	-	2,867	2,376	-	-
Utilities	-	-	909	722	-
Contract Labor	-	30	84	-	-
Insurance	-	377	300	200	-
Postage	-	303	1,441	-	-
Travel and Meetings	-	3,763	4,660	1,418	4,486
Legal & Accounting	-	400	-	-	-
Training	-	1,428	-	64	183
Indirect Expenditures	56,252	3,673	4,381	15,625	397
TOTAL EXPENDITURES	<u>\$ 56,252</u>	<u>\$ 41,371</u>	<u>\$ 57,865</u>	<u>\$ 63,502</u>	<u>\$ 5,066</u>

FAMILIES HELPING FAMILIES
 AT THE CROSSROADS OF LOUISIANA, INC.
 PINEVILLE, LOUISIANA

SCHEDULE OF EXPENSES BY PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2004
 (CONTINUED)

	OFFICE FOR CITIZENS WITH DEVELOP- MENTAL DISABILITI SOCIAL SERVICES	DEVELOP- MENTAL DISABILITY COUNCIL - INC	OFFICE FOR CITIZENS WITH DEVELOP- MENTAL DISABILITI PROGRAM 60	LIFE PROJECT	BCSS
PROGRAM SERVICE EXPENSES					
Salaries	\$ -	\$ 1,573	\$ 33,400	\$ 1,554	\$ 3,380
Employee Benefits	-	168	3,090	155	199
Equipment Maintenance	-	-	531	-	-
Office Supplies	213	-	5,380	3	-
Telephone	-	-	1,034	-	-
Rent	-	-	4,585	-	-
Utilities	-	99	1,333	-	-
Contract Labor	-	-	27	-	-
Dues	-	-	1,627	-	-
Insurance	-	-	557	-	-
Postage	-	-	1,461	-	-
Security	-	-	63	-	-
Travel and Meetings	-	-	3,548	37	295
Legal & Accounting	-	-	567	-	-
Training	-	-	-	-	56
Crisis Management	12,617	-	-	-	-
Indirect Expenditures	715	-	-	250	495
Miscellaneous	1,840	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 15,385</u>	<u>\$ 1,840</u>	<u>\$ 57,203</u>	<u>\$ 1,999</u>	<u>\$ 4,425</u>

FAMILIES HELPING FAMILIES
 AT THE CROSSROADS OF LOUISIANA, INC.
 PINEVILLE, LOUISIANA

SCHEDULE OF EXPENSES BY PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2004
 (CONTINUED)

	SPOE 613	SPOE 614	OUTREACH	PROMPT	STAR FACILITATOR
PROGRAM SERVICE EXPENSES					
Salaries	\$ 69,987	\$ 64,362	\$ -	\$ -	\$ 3,570
Employee Benefits	6,792	5,312	-	-	322
Equipment Maintenance	1,034	490	-	-	-
Office Supplies	3,999	831	-	402	-
Telephone	3,653	3,089	-	-	147
Rent	4,550	4,450	-	-	-
Utilities	60	-	-	-	-
Supplies	1,929	839	39	-	-
Contract Labor	124	127	-	-	-
Insurance	930	682	-	-	-
Postage	2,410	497	-	414	199
Security	63	63	-	-	-
Travel and Meetings	7,101	5,769	150	-	234
Legal & Accounting	780	510	-	-	-
Training	52	-	-	-	-
Indirect Expenditures	11,913	8,889	-	-	-
Miscellaneous	202	-	3,864	-	-
TOTAL EXPENDITURES	<u>\$ 115,579</u>	<u>\$ 95,910</u>	<u>\$ 4,053</u>	<u>\$ 816</u>	<u>\$ 4,472</u>

FAMILIES HELPING FAMILIES
 AT THE CROSSROADS OF LOUISIANA, INC.
 PINEVILLE, LOUISIANA

SCHEDULE OF EXPENSES BY PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2004
 (CONTINUED)

PROGRAM SERVICE EXPENSES	CHILD CARE REGION 3	CHILD CARE REGION 6	LASIG	MENTAL HEALTH	TOTALS
Salaries	\$ -	\$ -	\$ 6,473	\$ -	\$ 282,118
Employee Benefits	390	-	430	-	28,477
Equipment Maintenance	-	-	-	-	2,200
Office Supplies	960	4,140	20	-	20,710
Telephone	295	-	-	-	11,590
Rent	300	-	-	-	19,128
Utilities	-	83	-	-	3,206
Supplies	-	-	-	-	2,807
Contract Labor	36,530	15,420	-	-	52,342
Dues	-	-	-	-	1,627
Insurance	47	-	-	-	3,093
Postage	-	-	14	-	6,739
Security	-	-	-	-	189
Travel and Meetings	505	55	2,314	-	34,335
Legal & Accounting	100	-	-	-	2,357
Training	-	-	332	-	2,115
Crisis Management	-	-	-	-	12,617
Indirect Expenditures	-	-	-	6,375	108,965
Miscellaneous	-	-	-	-	5,906
TOTAL EXPENSES	\$ 39,127	\$ 19,698	\$ 9,583	\$ 6,375	\$ 600,521

Roy K. Derbonne, Jr.

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

The Board of Directors
Families Helping Families At The
Crossroads of Louisiana, Inc.
Pineville, Louisiana 71301

I have audited the financial statements of Families Helping Families at the Crossroads of Louisiana, Inc. (a nonprofit organization) as of and for the year ended June 30, 2004, and have issued my report thereon dated December 28, 2004. I conducted my 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

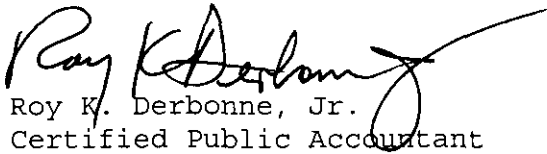
As part of obtaining reasonable assurance about whether Families Helping Families at the Crossroads of Louisiana, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws and regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit, I considered Families Helping Families at the Crossroads of Louisiana, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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. I noted no matters involving the internal

control over financial reporting and its operation that I considered to be a material weakness.

This report is intended solely for the information and use of Families Helping Families at the Crossroads of Louisiana, Inc.'s, Board of Directors, others within the organization, the Legislative Auditor of the State of Louisiana, State Licensing Board and the Compliance and Financial Officer of Subgrantee Grant Awards, State of Louisiana, and is not intended to be, and should not be used by anyone other than these specified parties. However, under the provision of Louisiana Revised Statute 24:513, this report is a matter of public record and its distribution is not limited.


Roy K. Derbonne, Jr.
Certified Public Accountant

December 28, 2004

FAMILIES HELPING FAMILIES AT THE CROSSROADS OF LOUISIANA, INC.
PINEVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004

PART I - SUMMARY OF AUDITOR'S RESULTS

An unqualified opinion was issued on the financial statements.

The report on internal control did not included any reportable conditions.

The audit did not disclose any instances of noncompliance which are considered to be material to the financial statements .

PART II - FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY
ACCEPTED GOVERNMENT AUDITING STANDARDS

Not applicable.

PART III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS REQUIRED TO BE
REPORTED IN ACCORDANCE WITH OMB CIRCULAR A-133

Not applicable.

SECTION IV - MANAGEMENT LETTER

No findings were reported in a management letter to the Board of Directors.

FAMILIES HELPING FAMILIES AT THE CROSSROADS OF LOUISIANA, INC.
PINEVILLE, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2004

<u>DESCRIPTION OF FINDING</u>	<u>Corrective Action Taken</u>
No written policy concerning cell phone use.	Yes