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**FINANCIAL REPORT**  
**FAMILIES HELPING FAMILIES OF GREATER BATON ROUGE, INC.**  
**BATON ROUGE, 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 2-14-05

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

**FINANCIAL REPORT**

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

**JUNE 30, 2004**

**Families Helping Families  
of Greater Baton Rouge, Inc.  
June 30, 2004**

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## **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, 2004, 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 & Company  
Certified Public Accountants

January 6, 2005

**Families Helping Families of Greater  
Baton Rouge, Inc.  
Balance Sheet  
June 30, 2004**

**ASSETS**

**Current Assets**

Cash in Bank	\$ (8,327.06)
Cash in Bank - Escrow	1,585.02
Employee Advances	500.00
Prepaid Worker's Comp.	359.56
Prepaid Taxes	7,580.58
Grants Receivable	<u>160,340.83</u>

**Total Current Assets** \$ 162,038.93

**Property & Equipment**

Telephone Equipment	289.00
Computer Equipment	34,280.26
Equipment	14,022.47
Equip - SPOE	20,816.82
Furniture and Fixtures	4,238.62
Furniture and Fixtures - CSHS	869.94
Accumulated Depreciation	<u>(17,796.75)</u>

**Total Property & Equipment** 56,720.36

**Other Assets**

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

**Total Other Assets** 1,353.00

**Total Assets** \$ 220,112.29

**Families Helping Families of Greater  
Baton Rouge, Inc.  
Balance Sheet  
June 30, 2004**

**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	\$	13,316.29
State Income Tax Withheld		2,568.56
Note Payable-LOC		<u>39,858.49</u>

**Total Current Liabilities** \$ 55,743.34

**Equity**

Fund Balance - Beginning	(7,470.81)
Current Income (Loss)	<u>171,839.76</u>

**Total Equity** 164,368.95

**Total Liabilities & Equity** \$ 220,112.29

**Families Helping Families of Greater  
Baton Rouge, Inc.  
Income Statement  
For the Period Ended June 30, 2004**

	3 Months Ended Jun. 30, 2004	Pct	12 Months Ended Jun. 30, 2004	Pct
<b>Revenue</b>				
Fee for Service - DDC	\$ 70,192.03	8.65	\$ 70,192.03	8.65
Fee for Service - CSHS	48,771.38	6.01	48,771.38	6.01
Fee for Service - CAHSD	103,479.97	12.75	103,479.97	12.75
Fee for Service - OMH	8,373.00	1.03	8,373.00	1.03
Fee for Service - SDE	47,170.46	5.81	47,170.46	5.81
Fee for Service - ECSS	12,070.00	1.49	12,070.00	1.49
Fee for Service - BCSS	11,006.92	1.36	11,006.92	1.36
Fee for Service - SPOE	445,503.72	54.90	445,503.72	54.90
Fee for Service - DDC - LIFE	64,923.36	8.00	64,923.36	8.00
<b>Total Revenue</b>	<b>811,490.84</b>	<b>100.00</b>	<b>811,490.84</b>	<b>100.00</b>
<b>Operating Expenses</b>				
Therapist Salary - CSHS	29,000.04	3.57	29,000.04	3.57
Clerical Salary	88,379.12	10.89	88,379.12	10.89
Project Director	9,678.30	1.19	9,678.30	1.19
Intake Specialist Outreach Cor	81,017.10	9.98	81,017.10	9.98
Director Salary	104,926.41	12.93	104,926.41	12.93
Intake Specialist Program Dir	79,999.92	9.86	79,999.92	9.86
Payroll Tax Expense	31,210.35	3.85	31,210.35	3.85
Advertising - OCDD	8,397.09	1.03	8,397.09	1.03
Advertising - Brochures	944.42	0.12	944.42	0.12
Audit	2,400.00	0.30	2,400.00	0.30
Printing & Copying-First Touch	59.34	0.01	59.34	0.01
Childrens Clinic Materials-CSH	186.50	0.02	186.50	0.02
Conference Fees	9,488.06	1.17	9,488.06	1.17
Conference Meals/Refreshments	227.69	0.03	227.69	0.03
Contract Labor	600.00	0.07	600.00	0.07
Database	725.00	0.09	725.00	0.09
Depreciation Expense	6,417.04	0.79	6,417.04	0.79
Dues & Memberships	182.70	0.02	182.70	0.02
Employee Auto Mileage	21,705.66	2.67	21,705.66	2.67
Equipment Rental	1,647.90	0.20	1,647.90	0.20
Family Forum Program Expenses	1,052.63	0.13	1,052.63	0.13
Insurance	1,374.93	0.17	1,374.93	0.17
Internet Fees	1,555.23	0.19	1,555.23	0.19
Legal & Accounting	3,568.00	0.44	3,568.00	0.44
Lending Library - OCDD	515.85	0.06	515.85	0.06
Maintenance & Repairs	1,354.90	0.17	1,354.90	0.17
Meals & Entertainment	674.98	0.08	674.98	0.08
Newsletter	3,315.76	0.41	3,315.76	0.41
NSF Checks	10.00	0.00	10.00	0.00
Office Supplies	45,625.04	5.62	45,625.04	5.62
Postage	5,187.34	0.64	5,187.34	0.64
Postage Meter Rental	745.40	0.09	745.40	0.09
Printing Costs	12,757.62	1.57	12,757.62	1.57
Property Tax	322.21	0.04	322.21	0.04
Publications	1,525.26	0.19	1,525.26	0.19
Rent - OCDD	21,400.00	2.64	21,400.00	2.64

See Accountant's Compilation Report

	3 Months Ended Jun. 30, 2004	Pct	12 Months Ended Jun. 30, 2004	Pct
Stipend Expenses	8,737.37	1.08	8,737.37	1.08
Telephone - 800#	502.59	0.06	502.59	0.06
Telephone - Cell Phone	9,893.22	1.22	9,893.22	1.22
Telephone - Long Distance	513.64	0.06	513.64	0.06
Telephone - CSHS	8,796.59	1.08	8,796.59	1.08
Training Material	26.27	0.00	26.27	0.00
Travel-Entertainment and Meals	1,150.19	0.14	1,150.19	0.14
Travel-Transportation/Lodging	21,475.82	2.65	21,475.82	2.65
Utilities	4,463.36	0.55	4,463.36	0.55
Worker's Comp. Insurance	2,454.16	0.30	2,454.16	0.30
Workshops/Door Prizes	1,145.52	0.14	1,145.52	0.14
Workshop Refreshments	<u>722.65</u>	<u>0.09</u>	<u>722.65</u>	<u>0.09</u>
<b>Total Operating Expenses</b>	<u>638,059.17</u>	<u>78.63</u>	<u>638,059.17</u>	<u>78.63</u>
<b>Operating Income</b>	173,431.67	21.37	173,431.67	21.37
Interest Expense	(1,349.53)	(0.17)	(1,349.53)	(0.17)
Interest on Taxes	(312.43)	(0.04)	(312.43)	(0.04)
Interest Income	50.05	0.01	50.05	0.01
Donations	<u>20.00</u>	<u>0.00</u>	<u>20.00</u>	<u>0.00</u>
<b>Total Other Income</b>	<u>(1,591.91)</u>	<u>(0.20)</u>	<u>(1,591.91)</u>	<u>(0.20)</u>
<b>Net Income (Loss)</b>	<u>\$ 171,839.76</u>	<u>21.18</u>	<u>\$ 171,839.76</u>	<u>21.18</u>



**Families Helping Families of Greater Baton Rouge, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2004**

	<u>2004</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
NET INCREASE IN FUND BALANCE	\$171,840
ADJUSTMENTS TO RECONCILE NET INCREASE TO NET CASH PROVIDED BY	
OPERATING ACTIVITIES:	
DEPRECIATION AND AMORTIZATION	6,417
(INCREASE) IN OPERATING ASSETS:	
PREPAID EXPENSES	(7,477)
GRANTS RECEIVABLE	(160,341)
INCREASE(DECREASE) IN OPERATING LIABILITIES:	
PAYROLL TAX LIABILITIES	(9,512)
ACCOUNTS PAYABLE	<u>938</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1,865</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
CAPITAL EXPENDITURES	<u>(49,667)</u>
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<u>(49,667)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
INCREASE IN NOTE PAYABLE LOC	<u>39,858</u>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>39,858</u>
<b>NET DECREASE IN CASH AND AND CASH EQUIVALENTS</b>	(7,944)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>1,202</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ (6,742)</u>

## NOTES TO FINANCIAL STATEMENTS

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

June 30, 2004

### 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>06-30-03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06-30-04</u>
Furniture and equipment	<u>\$24,850</u>	<u>\$49,667</u>	<u>-</u>	<u>\$74,517</u>

Note 6 - Note Payable – Line of Credit

The organization obtained a bank line of credit of \$50,000. Terms are interest only to be paid monthly at the prime rate of the lender + 2 %. The balance at June 30, 2004 was \$39,858.



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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, 2004 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 and State award expenditures for all 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, 2004	N/A	\$ 31,583
Louisiana Department of Health and Hospitals			
Louisiana State Planning Council on Development and Disability	June 30, 2004		\$170,367
	January 31, 2004	N/A	\$ 55,888
Louisiana Department of Health and Hospitals			
System Point of Entry	May 31, 2004		\$281,854
Louisiana Capital Area Human Services District	June 30, 2004	N/A	\$ 62,365
U.S. Department of Education Grant	June 30, 2004	84.027A	\$ 26,724
Louisiana Office of Mental Health Grant	June 30, 2004		\$ 3,178
Louisiana Department of Health and Hospitals			
Bureau of Community Support & Services			\$ 3,610
Total Expenditures			\$635,569

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 those disbursements were to "Office Depot". The cancelled check was examined. We recommend that the Company improve its filing system.

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.

Two instances were noted where approval could not be substantiated because the invoice was missing. The cancelled check was examined to substantiate payee and amount of disbursement. We recommend that the company's filing system be improved. (Same as Step 3 above)

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, 2004. The Company did not close its books until December 8, 2004. Because of a late start on the engagement, the report was not completed until January 2005.

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.

There were no programs closed out during the year.

### ***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).

Management fulfilled this request by posting the notice of meetings and agenda on their front door.

### ***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. (This is a repeat finding)

### ***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. Several recommendations were not implemented. 1) Proper recording of accounts payable and American Express. We recommend the company record and monitor accounts payable 2) Company wide budgets are not monitored and updated 3) Financial statements are not discussed at Board Meetings 4) Year end reporting process is started too late to complete by December 31.

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.

A handwritten signature in black ink that reads "Michael R. Choate & Co". The signature is written in a cursive, flowing style.

Michael R. Choate & Company CPAs

January 6, 2005



**SUPPLEMENTARY FINANCIAL INFORMATION**

**Schedule of Program Revenues and Expenditures**  
**For the year ended June 30, 2004**

	LA. Council on Development & Disability (Life)	LA. Council on Development & Disability (DDC)	LA D.H.H. Children's Special Health Services (CSHS)	Capital Area Human Services (CAHSD)
<b><u>Revenues</u></b>				
Grants	\$ 64,923	\$ 70,192	\$ 48,771	\$ 103,480
Total Revenues	<u>64,923</u>	<u>70,192</u>	<u>48,771</u>	<u>103,480</u>
<b><u>Expenditures</u></b>				
Personnel	35,785	115,450	25,370	35,874
Operating Services & Supplies	11,056	33,847	5,664	15,452
Travel & Conferences	<u>9,047</u>	<u>21,070</u>	<u>549</u>	<u>11,039</u>
Total Expenditures	<u>55,888</u>	<u>170,367</u>	<u>31,583</u>	<u>62,365</u>
Excess of Revenues over (under) expenditures	<u>\$ 9,035</u>	<u>\$ (100,175)</u>	<u>\$ 17,188</u>	<u>\$ 41,115</u>

<u>LA. Office of Mental Health (OMH)</u>	<u>LA. D.H.H. System Point of Entry</u>	<u>LA. State Department of Education (SDE)</u>	<u>LA. D.H.H. Bureau of Community Supports &amp; Services</u>	<u>Restricted - Other</u>	<u>Total</u>
\$ 8,373	\$ 445,504	\$ 47,171	\$ 11,007	\$ 12,070	\$ 811,491
<u>8,370</u>	<u>445,504</u>	<u>47,171</u>	<u>11,007</u>	<u>12,070</u>	<u>811,491</u>
2,267	190,171	17,132	-	2,161	424,210
810	76,787	8,097	2,059	-	153,772
<u>101</u>	<u>14,896</u>	<u>1,495</u>	<u>1,551</u>	<u>329</u>	<u>60,077</u>
<u>3,178</u>	<u>281,854</u>	<u>26,724</u>	<u>3,610</u>	<u>2,490</u>	<u>638,059</u>
<u>\$ 5,195</u>	<u>\$ 163,650</u>	<u>\$ 20,447</u>	<u>\$ 7,397</u>	<u>\$ 9,580</u>	<u>\$ 173,432</u>

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

January 6, 2005

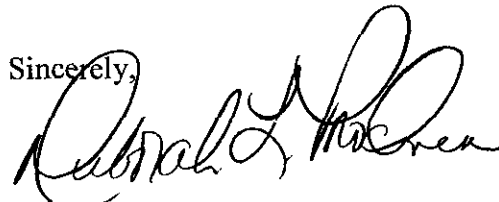
Dear Mr. Choate:

We have received your financial report for the year ended June 30, 2004 dated January 6, 2005. We accept your findings as reported and will implement the following action plan:

1. We will improve our filing system with regards to American Express and Office Depot receipts and statements. We have closed the American Express credit card account.
2. We will add "credit card payables" to our monthly financial statement balance sheet and more closely monitor this debt. We will prepare monthly "accrual basis" Financial Statements.
3. We will start the audit process by September 30 next year to insure that all reports are submitted timely.
4. We will document our review and discussion of monthly financial statements in the minutes, including the annual report from CPA.
5. 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.

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-public Entities)**  
1-24-05 (Date Transmitted)

MICHAEL R CHOATE CPA  
2915 S. SHERWOOD Forest Blvd. Suite B  
BATON ROUGE LA 70816 (Auditors)

In connection with your compilation of our financial statements as of JUNE 30 2004 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

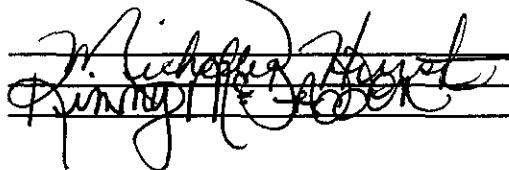
**Prior Year Comments**

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	1-24-05	Date
	Treasurer		Date
	President	1-24-05	Date