

**Bayou Land Families Helping  
Families, Inc.**

**Financial Statements  
and Independent 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 12-8-04

**Bayou Land Families Helping Families, Inc.**

**Financial Statements and Independent Auditor's Report  
As of and for the Year Ended June 30, 2004**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Bayou Land Families Helping Families, Inc.  
Houma, Louisiana

We have audited the accompanying statement of financial position of Bayou Land Families Helping Families, Inc. (a nonprofit organization) as of June 30, 2004, and the related statements of activities, functional expenses, 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.

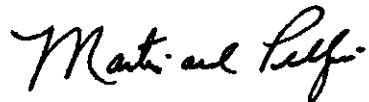
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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 Bayou Land Families Helping Families, Inc. 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 a report dated September 2, 2004 on our consideration of Bayou Land 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 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.

Board of Directors  
Bayou Land Families Helping Families, Inc.  
Houma, Louisiana

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Bayou Land Families Helping Families, Inc. taken as a whole. The accompanying *Schedule of Expenditures of Federal Awards* is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is 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 our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



September 2, 2004

**FINANCIAL STATEMENT SECTION**

**Bayou Land Families Helping Families, Inc.**

Statement of Financial Position  
June 30, 2004

**ASSETS**

Current Assets:	
Cash and cash equivalents	\$ 91,328
Unconditional promises to give:	
Governmental grants	184,412
Other	3,818
Prepaid insurance	3,278
<b>TOTAL CURRENT ASSETS</b>	<u>282,836</u>
 Furniture and equipment, less accumulated depreciation of \$13,522	 47,079
 Other asset:	
Deposit	<u>1,600</u>
 <b>TOTAL ASSETS</b>	 <u>\$ 331,515</u>

**LIABILITIES AND NET ASSETS**

Current Liabilities:	
Accounts payable	\$ 9,455
Accrued expenses	31,021
<b>TOTAL CURRENT LIABILITIES</b>	<u>40,476</u>
 Net Assets	
Unrestricted	<u>291,039</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u>\$ 331,515</u>

See accompanying notes to financial statements.

**Bayou Land Familles Helping Families, Inc.**

**Statement of Activities  
For the Year Ended June 30, 2004**

	<u><b>Unrestricted</b></u>
<b>REVENUES AND OTHER SUPPORT</b>	
Governmental grants	\$ 918,172
Other grants	25,000
Fundraising	20,751
Contributions	6,549
Other income	<u>4,185</u>
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<u><b>974,657</b></u>
<b>FUNCTIONAL EXPENSES</b>	
Program services	700,250
Fundraising	5,956
Management and general	<u>138,893</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u><b>845,099</b></u>
	<u><b>129,558</b></u>
<b>OTHER INCREASES (DECREASES) IN NET ASSETS</b>	
Interest income	16
Loss on disposal of fixed assets	<u>(651)</u>
<b>TOTAL OTHER DECREASE IN NET ASSETS</b>	<u><b>(635)</b></u>
<b>INCREASE IN NET ASSETS</b>	<b>128,923</b>
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<u><b>162,116</b></u>
<b>NET ASSETS, END OF PERIOD</b>	<u><u><b>\$ 291,039</b></u></u>

See accompanying notes to financial statements.

**Bayou Land Families Helping Families, Inc.**

**Statement of Functional Expenses  
For the Year Ended June 30, 2004**

	<b>Program Services</b>	<b>Fundraising</b>	<b>Management and General</b>	<b>Total</b>
Salaries	\$ 394,103	\$ -	\$ 43,789	\$ 437,892
Grants to others	56,015	-	-	56,015
Supplies	39,241	-	9,810	49,051
Rent	-	-	39,284	39,284
Respite	37,925	-	-	37,925
Payroll taxes	27,841	-	6,960	34,801
Travel	34,104	-	-	34,104
Telephone	18,454	-	4,613	23,067
Postage	17,095	-	4,274	21,369
Stipends	18,101	-	-	18,101
Conferences and conventions	15,398	-	-	15,398
Insurance	4,286	-	6,372	10,658
Equipment rental	7,050	-	1,763	8,813
Depreciation	-	-	8,025	8,025
Audit fees	-	-	6,409	6,409
Fundraising	-	5,956	-	5,956
Utilities	4,464	-	1,116	5,580
Printing and publications	5,535	-	-	5,535
Office supplies	4,210	-	1,052	5,262
Accounting fees	-	-	4,224	4,224
Counseling	3,520	-	-	3,520
State summer camp	3,500	-	-	3,500
Consulting services	3,373	-	-	3,373
Lending library	2,682	-	-	2,682
Repairs and maintenance	1,405	-	350	1,755
Dues and subscriptions	1,055	-	-	1,055
Administrative costs	500	-	-	500
Advertising	-	-	404	404
Staff development	393	-	-	393
Promotional expense	-	-	285	285
Bank charges	-	-	100	100
Taxes and licenses	-	-	36	36
Penalties	-	-	27	27
<b>Totals</b>	<b>\$ 700,250</b>	<b>\$ 5,956</b>	<b>\$ 138,893</b>	<b>\$ 845,099</b>

See accompanying notes to financial statements.



**Bayou Land Families Helping Families, Inc.**

Statement of Cash Flows  
For the Year Ended June 30, 2004

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Increase in net assets	\$ 128,923
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	8,025
Loss on disposal of fixed assets	651
Increase in operating assets:	
Unconditional promises to give	(64,333)
Prepaid insurance	(58)
Increase (decrease) in operating liabilities:	
Accounts payable	(4,947)
Accrued expenses	<u>6,990</u>

**NET CASH PROVIDED BY OPERATING ACTIVITIES** 75,251

**CASH FLOWS USED IN OPERATING ACTIVITIES:**

Purchases of furniture and equipment	<u>(30,988)</u>
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**NET INCREASE IN CASH AND CASH EQUIVALENTS** 44,263

**BEGINNING CASH AND CASH EQUIVALENTS** 47,065

**ENDING CASH AND CASH EQUIVALENTS** \$ 91,328

**SUPPLEMENTAL INFORMATION:**

Cash paid during the year for interest	<u><u>\$ -</u></u>
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See accompanying notes to financial statements.

**Bayou Land Families Helping Families, Inc.**

Notes to Financial Statements  
As of and for the Year Ended June 30, 2004

**Note 1 – Summary of Significant Accounting Policies**

- A. **Nature of the Organization** – Bayou Land Families Helping Families, Inc., a not-for-profit voluntary health and welfare agency, is a resource center for individuals with disabilities and families who have children with special needs. Services include parent-to-parent support, education, training, referral, and information services for members of the community who could benefit from the Organization's resources. The Organization serves a seven-parish area including Terrebonne, Lafourche, Assumption, St. Mary, St. James, St. John, and St. Charles parishes.
- B. **Basis of Accounting** – The financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.
- C. **Net Assets** – Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor – imposed restrictions. Accordingly, net assets of Bayou Land Families Helping Families, Inc. and changes therein are classified and reported as follows:
- Unrestricted net assets – Net assets not subject to donor-imposed stipulations.
- Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.
- D. **Bad Debts** – The financial statements of Bayou Land Families Helping Families, Inc. contain no allowance for uncollectible promises to give. Uncollectible accounts are recognized as an expense at the time information becomes available that indicates the amounts are uncollectible. While accounting principles generally accepted in the United States of America require that bad debts be recorded utilizing the allowance method, the difference between the two methods is immaterial to the Organization, as management considers all promises to give to be fully collectible.

**Bayou Land Families Helping Families, Inc.**

Notes to Financial Statements  
As of and for the Year Ended June 30, 2004

**Note 1 – Summary of Significant Accounting Policies (Cont.)**

- E. Furniture and Equipment – Furniture and equipment acquired by Bayou Land Families Helping Families, Inc. are considered to be owned by Bayou Land Families Helping Families, Inc. except for property acquired with System Point of Entry funds. Title for that property reverts to the State at the completion of the grant period. Furniture and equipment are stated at cost. Depreciation is computed utilizing the straight-line method over the estimated life of the asset. Depreciation expense for the year ended June 30, 2004 was \$8,025. Furniture and equipment acquisitions are capitalized if the purchase price exceeds \$250 and the asset has a useful life of greater than one year.
- F. Functional Allocation of Expenses – The cost of providing the Organization's services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.
- G. Cash and Cash Equivalents – For the purpose of the statement of cash flows, Bayou Land Families Helping Families, Inc. considers all unrestricted cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.
- H. 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 and disclosures. Accordingly, actual results could differ from those estimates.
- I. Income Taxes – Bayou Land Families Helping Families, Inc. is a not-for-profit, voluntary health and welfare agency exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code and qualifies for the 50% charitable contributions deduction for individual donors. The Organization is not involved in any trade or businesses unrelated to the purpose for which it received its exemption from income taxes.

**Note 2 – Funding Policies**

Bayou Land Families Helping Families, Inc. receives federal and state funding on a reimbursement for actual expense and a fee for service basis passed through the Louisiana State Department of Health and Hospitals, State of Louisiana Department of Education, and State of Louisiana Department of Social Services.

**Bayou Land Families Helping Families, Inc.**

Notes to Financial Statements  
As of and for the Year Ended June 30, 2004

**Note 3 – Unconditional Promises to Give**

As of June 30, 2004, unconditional promises to give consists of the following:

State of Louisiana/Department of Health and Hospitals/Office of Public Health/System Point of Entry Grants	\$ 132,402
State of Louisiana/Department of Social Services/Office of Community Services	18,325
State of Louisiana/Department of Health and Hospitals/Office for Citizens with Developmental Disabilities	7,605
State of Louisiana/Department of Health and Hospitals/Children's Special Health Services Grant	5,660
State of Louisiana/Department of Health and Hospitals/Developmental Disabilities Council	4,884
State of Louisiana/Department of Health and Hospitals/Office for Addictive Disorders/Teen Institute Grant	3,400
State of Louisiana/Department of Education/LASIG Grant	2,767
State of Louisiana/Department of Education/Office of Special Education Services	2,690
State of Louisiana/Department of Health and Hospitals/Office of Mental Health/Early Childhood Supports and Services Program	2,446
State of Louisiana/Department of Health and Hospitals/Bureau of Community Supports and Services	2,182
State of Louisiana/Department of Health and Hospitals/Office of Mental Health	2,051
Total Governmental	<u>184,412</u>
St. Charles Vision of Inclusion Grant	3,218
Other Families Helping Families	600
Total Other	<u>3,818</u>
	<u>\$ 188,230</u>

All unconditional promises to give are due within one year and are considered to be fully collectible by management. These unconditional promises to give are unrestricted.

**Bayou Land Families Helping Families, Inc.**

Notes to Financial Statements  
As of and for the Year Ended June 30, 2004

**Note 4 – Furniture and Equipment**

A summary of changes in furniture and equipment follows:

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
Furniture and equipment	\$ 48,007	\$ 30,988	\$ (18,394)	\$ 60,601
Accumulated depreciation	(23,240)	(8,025)	17,743	(13,522)
	<u>\$ 24,767</u>	<u>\$ 22,963</u>	<u>\$ (651)</u>	<u>\$ 47,079</u>

**Note 5 – Concentration of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of promises to give due from the State of Louisiana. Because these receivables are passed through support from the Federal and State of Louisiana governments, the Organization requires no collateral for these amounts.

**Note 6 – Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits**

Bayou Land Families Helping Families, Inc. maintains its cash in one financial institution located in Louisiana as of June 30, 2004. The Federal Deposit Insurance Corporation (FDIC) insures the balances up to \$100,000 each for interest-bearing and non-interest-bearing deposits at each institution. Deposits exceeded FDIC coverage at various times during the year.

**Note 7 – Fair Values of Financial Instruments**

The Organization's financial instruments, none of which are held for trading purposes, include cash and cash equivalents and unconditional promises to give. Management estimates that the fair value of all financial instruments as of June 30, 2004 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

**Note 8 – Operating Leases**

The Organization leases space in Houma, Louisiana from which it operates its administrative and certain program services from an unrelated third party. This lease agreement is written on a three-year basis and includes payments of \$2,600 per month. The total expense under this agreement for the year ended June 30, 2004 is \$30,633.

**Bayou Land Families Helping Families, Inc.**

Notes to Financial Statements  
As of and for the Year Ended June 30, 2004

**Note 8 – Operating Leases (Cont.)**

The minimum annual commitments under this lease are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Minimum Payments</u>
2005	31,200
2006	2,600

The Organization leases additional space in LaPlace, Louisiana from which it operates certain program services from an unrelated third party. This lease agreement is written on a year-to-year basis and includes payments of \$750 per month. The total expense under this agreement for the year ended June 30, 2004 is \$9,000. The future minimum annual rental payments for the year ended June 30, 2005 is \$8,250.

**Note 9 – Grants**

During the year ended June 30, 2004, the Organization received unrestricted unconditional promises to give in the form of grants from the following grantors:

**Governmental Grants**

State of Louisiana:

Department of Health and Hospitals	\$ 698,698
Department of Social Services	150,794
Department of Education	<u>68,680</u>
Total government grants	<u>\$ 918,172</u>

**Other Grants**

St. Charles Vision of Inclusion	<u>\$ 25,000</u>
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**Note 10 – Payments to Affiliates**

Under a Department of Health and Hospitals grant, Bayou Land Families Helping Families was designated to administer five other Families Helping Families organizations their portion of the funds from this grant. The total amount administered to these organizations was \$56,015.

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

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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**

To the Board of Directors  
Bayou Land Families Helping Families, Inc.  
Houma, Louisiana

We have audited the financial statements of Bayou Land Families Helping Families, Inc. (the Organization), as of and for the year ended June 30, 2004, and have issued our report thereon dated September 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 the Organization'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 Organization's 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Organization's ability

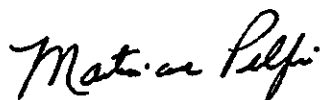


Board of Directors  
Bayou Land Families Helping Families, Inc.  
Houma, Louisiana

to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 04-01.

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 auditing may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

The report is intended solely for the information of the Board of Directors, management, others within the Organization, the Louisiana Legislative Auditor and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



September 2, 2004

**SUPPLEMENTARY INFORMATION**

**Bayou Land Families Helping Families, Inc.**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2004**

**Section I – Summary of Auditor’s Results**

1. The auditor’s report expresses an unqualified opinion on the financial statements of Bayou Land Families Helping Families, Inc.
2. One reportable condition (see finding 04-01) was noted during the audit of the financial statements. This reportable condition was not considered a material weakness.
3. No instances of noncompliance material to the financial statements of Bayou Land Families Helping Families, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No reportable conditions were noted during the audit of internal control over the major federal award program.
5. The auditor’s report on compliance for the major federal award program for Bayou Land Families Helping Families, Inc. expresses an unqualified opinion on the major federal program.
6. No audit findings relative to the major federal award program were noted.
7. The program tested as a major program was the U.S. Department of Health and Hospitals Special Education – Grants for Infants and Families with Disabilities, CFDA #84.181.
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. Bayou Land Families Helping Families, Inc. did not qualify as a low-risk auditee.
10. A management letter was not issued.

**Section II – Findings – Financial Statement Audit**

None reported.

**Bayou Land Families Helping Families, Inc.**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2004**

**Section III – Internal Control Findings**

04-01

Statement of Condition: A reportable condition in the Organization's internal control.

Criteria: In our consideration of internal control, we noted that the size of the Organization's operations and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Effects of Condition: The internal control, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Cause of Condition: The size of the Organization and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Recommendation: The Board of Directors of the Organization should closely monitor the activities of the Organization on a monthly basis and implement other control procedures until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal controls.

Response: The management of the Organization agrees with this finding.

Questioned Costs: \$ -0-

**Section IV – Findings and Questioned Costs – Major Federal Award Program  
Audit**

None reported.

**Bayou Land Families Helping Families, Inc.**

**Schedule of Prior Findings and Resolution Matters  
As of and for the Year Ended June 30, 2004**

Note: All prior findings relate to the June 30, 2003 audit engagement.

**Section I – Internal Control and Compliance Material to the Financial Statements**

Condition: A reportable condition in the Organization's internal control. In our consideration of internal control, we noted that the size of the Organization's operations and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Recommendation: The Board of Directors of the Organization should closely monitor the day-to-day activities of the Organization and implement other control procedures until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal controls.

Status: The Organization has implemented the recommendation, but the lack of segregation of duties continues to exist. As such, the Board will continue to perform the recommendation.

**Section II – Internal Control and Compliance Material to Federal Awards**

This section is not applicable.

**Section III – Management Letter**

This section is not applicable.

**Bayou Land Families Helping Families, Inc.**

**Management's Corrective Action  
Plan for Current Year Findings  
As of and for the Year Ended June 30, 2004**

The contact person for all corrective actions noted below is Sharon Dousay, Executive Director.

**Section I – Internal Control and Compliance Material to the Financial Statements**

**Inadequate Internal Control**

**Condition:** A reportable condition in the internal control related to a lack of segregation of duties.

**Recommendation:** The Board of Directors of the Organization should closely monitor the activities of the Organization on a monthly basis and implement other control procedures until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal controls.

**Planned Action:** The Board of Directors will closely monitor the activities of the Organization on a monthly basis until it is financially feasible to employ additional staff.

**Section II – Internal Control and Compliance Material to Federal Awards**

This section is not applicable.

**Section III – Management Letter**

This section is not applicable.

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors  
Options for Independence, Inc.  
Houma, Louisiana

**Compliance**

We have audited the compliance of Bayou Land Families Helping Families, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2004. Bayou Land Families Helping Families, Inc.'s major federal award program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Bayou Land Families Helping Families, Inc.'s management. Our responsibility is to express an opinion on Bayou Land Families Helping Families, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Bayou Land Families Helping Families, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Bayou Land Families Helping Families, Inc.'s compliance with those requirements.

In our opinion, Bayou Land Families Helping Families, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2004.

Board of Directors  
Bayou Land Families Helping Families, Inc.  
Houma, Louisiana

Internal Control Over Compliance

The management of Bayou Land Families Helping Families, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Bayou Land Families Helping Families, Inc.'s internal control over compliance with requirements that could have a direct and material effect on its major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

*Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to the major federal program 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 compliance and its operation that we consider to be material weaknesses.*

This report is intended solely for the information and use of the Board of Directors, management, the Legislative Auditor, federal awarding agencies, pass-through entities, and other grantor organizations, and is not intended to be and should not be used by anyone other than these specified parties.

*Martin A. Self.*

September 2, 2004



**Bayou Land Families Helping Families, Inc.**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2004**

<u>Federal Grantor/ Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Federal Expenditures</u>
<b><u>DEPARTMENT OF HEALTH AND HUMAN SERVICES/</u></b>			
<b><u>Pass-through payments from the Louisiana</u></b>			
<b><u>Department of Health and Hospitals/</u></b>			
Special Education - Grants for Infants and Families with Disabilities	84.181	597426 597421 610662 611013	\$ 149,374 171,830 9,653 16,488
		Major Program	<u>347,325</u>
Developmental Disabilities Basic Support and Advocacy Grants	93.630	584652 599697 600372 600588 603482	1,500 3,845 6,252 5,535 4,500
			<u>21,632</u>
Maternal and Child Health Services Block Grant	93.994	601984	<u>31,020</u>
Temporary Assistance for Needy Families Formula Grant	93.558	590366 603911	20,836 48,994
			<u>69,830</u>
Medical Infrastructure Grants to Support the Competitive Employment of People with Disabilities	93.788	598648 607324	5,000 3,636
			<u>8,636</u>
<b><u>DEPARTMENT OF EDUCATION/</u></b>			
<b><u>Pass-through payments from the Louisiana</u></b>			
<b><u>Department of Education/</u></b>			
Special Education - State Program Improvement Grants for Children with Disabilities	84.323	603187	<u>19,180</u>
Special Education - Grants to States	84.027	599655	<u>49,500</u>
<b><u>DEPARTMENT OF SOCIAL SERVICES/</u></b>			
<b><u>Pass-through payments from the Louisiana</u></b>			
<b><u>Department of Social Services/</u></b>			
Promoting Safe and Stable Families	93.556	587202	<u>107,482</u>
Adoption Opportunities	93.652	593489 604232	20,511 18,801
			<u>37,312</u>
			<u>\$ 691,917</u>

See accompanying notes to schedule of expenditures of federal awards.

**Bayou Land Families Helping Families, Inc.**

Schedule of Prior Findings and Resolution Matters  
Year Ended June 30, 2004

**Note 1 – Scope of Audit Pursuant to the Governmental Auditing Standards Issued  
by the Comptroller General of the United States and OMB Circular A-133**

All federal grant awards of Bayou Land Families Helping Families, Inc. are included in the scope of the Government Auditing Standards issued by the Comptroller General of the United States and OMB Circular A-133.

**Note 2 – Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Bayou Land Families Helping Families, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.