

**FAMILIES HELPING FAMILIES  
OF SOUTHWEST LOUISIANA, INC.**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**Year Ended June 30, 2017**

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**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Families Helping Families of  
Southwest Louisiana, Inc.  
Lake Charles, Louisiana

***Report on the Financial Statements***

We have audited the accompanying financial statements of Families Helping Families of Southwest Louisiana, Inc. (a non-profit organization) which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families Helping Families of Southwest Louisiana, Inc. as of June 30, 2017, and the changes in its

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net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2017, on our consideration of Families Helping Families of Southwest Louisiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on *internal control over financial reporting or on compliance*. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Families Helping Families of Southwest Louisiana, Inc.'s internal control over financial reporting and compliance.

#### ***Report on Summarized Comparative Information***

We have previously audited the Families Helping Families of Southwest Louisiana, Inc.'s 2016 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated December 4, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

McMullen and Mancuso, CPAs, LLC

*McMullen and Mancuso CPAs, LLC*

Sulphur, LA  
December 4, 2017

**Families Helping Families of Southwest Louisiana, Inc.  
STATEMENT OF FINANCIAL POSITION**

**June 30, 2017**

**ASSETS**

	<b>2017</b>	<b>2016</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 159,838	\$ 171,020
Investments	231,961	228,053
Beneficial interest in assets held by Community Foundation	53,119	48,603
Gift card inventory	1,420	-
Grants receivable	51,879	35,149
Employee advance	345	-
Prepaid insurance	3,553	3,545
Total Current Assets	502,115	486,370
<b>FIXED ASSETS</b>		
Furniture, fixtures and equipment	46,237	46,237
Library	6,676	6,676
Building	67,728	67,728
Building improvements	197,395	197,395
Less accumulated depreciation	(134,465)	(125,038)
Total Fixed Assets	183,571	192,998
<b>OTHER ASSETS</b>		
Deposits	350	350
Total Assets	\$ 686,036	\$ 679,718

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 853	\$ 3,675
Accrued liabilities	13,760	4,831
Total Current Liabilities	14,613	8,506
Total Liabilities	14,613	8,506
<b>NET ASSETS</b>		
Unrestricted		
Board designated	53,119	48,603
Operating	434,733	429,611
Fixed assets	183,571	192,998
Total Unrestricted Net Assets	671,423	671,212
Total Liabilities and Net Assets	\$ 686,036	\$ 679,718

The accompanying notes are an integral part of these statements

Families Helping Families of Southwest Louisiana, Inc.

STATEMENT OF ACTIVITIES

Year ended June 30, 2017  
with comparative totals for 2016

	2017			2016	
	UNRESTRICTED		TEMPORARILY RESTRICTED OPERATING	TOTAL	TOTAL
	BOARD DESIGNATED	OPERATING			
<b>PUBLIC SUPPORT AND REVENUES</b>					
Government grants	\$ -	\$ -	\$ 417,161	\$ 417,161	\$ 329,326
Contributions	-	-	25,784	25,784	27,954
Fund-raising	-	2,576	-	2,576	24,772
Miscellaneous income	-	2,874	-	2,874	9,484
Investment income	8,430	-	-	8,430	5,877
Total Public Support and Revenues	8,430	5,450	442,945	456,825	397,413
Reclassifications - net assets released from donor restrictions	(3,914)	446,859	(442,945)	-	-
Total Unrestricted Revenues and Reclassifications	4,516	452,309	-	456,825	397,413
<b>EXPENSES</b>					
Program service	-	411,420	-	411,420	325,797
Management and general	-	45,194	-	45,194	49,498
Loss on disposal of assets	-	-	-	-	701
Total Expenses	-	456,614	-	456,614	375,996
<b>CHANGE IN NET ASSETS</b>	4,516	(4,305)	-	211	21,417
<b>NET ASSETS AT BEGINNING OF YEAR AS ORIGINALLY REPORTED</b>	48,603	622,609	-	671,212	649,539
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-	-	-	256
<b>NET ASSETS AT BEGINNING OF YEAR AS RESTATED</b>	48,603	622,609	-	671,212	649,795
<b>NET ASSETS AT END OF YEAR</b>	\$ 53,119	\$ 618,304	\$ -	\$ 671,423	\$ 671,212

The accompanying notes are an integral part of these statements

**Families Helping Families  
of Southwest Louisiana, Inc.**

Statement of Functional Expenses  
For the Year Ended June 30, 2017  
with comparative totals for 2016

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total Services</u>	<u>Total Services</u>
		<u>Management and General</u>	<u>2017</u>	<u>2016</u>
Advertising and Promotion	\$ 3,772	\$ 246	\$ 4,018	\$ 4,779
Bank Service Charges	-	299	299	1,126
Books and Subscriptions	755	84	839	676
Client/Project Services	19,347	-	19,347	45,961
Conferences and Forums	6,782	306	7,088	15,756
Insurance	14,267	1,585	15,852	13,189
Membership Dues	779	87	866	634
Miscellaneous	405	45	450	227
Office Expense and Supplies	4,936	548	5,484	6,313
Payroll Taxes	20,267	1,525	21,792	13,437
Postage and Shipping	3,762	418	4,180	2,680
Printing and Publications	2,163	240	2,403	2,409
Professional Fees	6,075	675	6,750	6,750
Occupancy	4,308	479	4,787	5,843
Repairs and Maintenance	5,162	574	5,736	9,306
Salaries and Wages	259,797	18,215	278,012	172,468
Special Events	-	17,309	17,309	21,011
Staff Development	2,242	247	2,489	5,540
Supplies	24,596	-	24,596	15,506
Taxes and Licenses	1,163	129	1,292	1,317
Telephone	6,629	737	7,366	7,318
Travel and Transportation	11,848	95	11,943	8,408
Utilities	3,860	429	4,289	3,912
Total Functional Expenses				
Before Depreciation and Other Expenses	402,915	44,272	447,187	364,566
Depreciation Expense	8,505	922	9,427	10,729
Loss on disposal of assets	-	-	-	701
Total Functional Expenses	\$ 411,420	\$ 45,194	\$ 456,614	\$ 375,996

The accompanying notes are an integral part of these statements

Families Helping Families of Southwest Louisiana, Inc.

STATEMENT OF CASH FLOWS

Year ended June 30, 2017  
with comparative totals for 2016

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from grantors	\$ 400,431	\$ 324,032
Receipts from contributors and others	31,234	62,210
Investment income received	3,914	2,842
Payments to employees	(269,084)	(172,632)
Payments for supplies and others	<u>(169,253)</u>	<u>(186,142)</u>
Net cash provided (used) by operating activities	(2,758)	30,310
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment and building improvements	-	(2,729)
Reinvestment in Community Foundation assets	(4,516)	-
Reinvestment in certificate of deposits	<u>(3,908)</u>	<u>(134,079)</u>
Net cash provided (used) by investing activities	<u>(8,424)</u>	<u>(136,808)</u>
Net increase (decrease) in cash and cash equivalents	(11,182)	(106,498)
Cash and cash equivalents, beginning of year	<u>171,020</u>	<u>277,518</u>
Cash and cash equivalents, end of year	<u>\$ 159,838</u>	<u>\$ 171,020</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 211	\$ 21,417
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	9,427	10,729
Net (increase) decrease in:		
Prepaid expense	(8)	(195)
Employee advance	(345)	-
Loss on disposal of fixed assets	-	701
Gift card inventory	(1,420)	390
Accounts and credit card payable	(2,822)	2,726
Accrued liabilities	8,929	(164)
Grants receivable	<u>(16,730)</u>	<u>(5,294)</u>
Net cash provided (used) by operating activities	<u>\$ (2,758)</u>	<u>\$ 30,310</u>

The accompanying notes are an integral part of these statements

Families Helping Families of Southwest Louisiana, Inc.

**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2017

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Families Helping Families of Southwest Louisiana, Inc. have been prepared on the accrual basis and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its audit guide for voluntary health and welfare organizations.

1. Organization and Purpose

Families Helping Families of Southwest Louisiana, Inc. was established in Lake Charles, Louisiana in 1991 as part of a statewide network of family resource centers. This center serves not only Calcasieu Parish, but also Allen, Beauregard, Cameron and Jeff Davis parishes. The agencies throughout the state are not-for-profit organizations designed to offer information and resources including referrals, education and training and peer to peer support to individuals and family members of individuals with special needs.

The Agency is funded by donations and personal contributions, fundraisers, and various grants from the State of Louisiana and community organizations.

2. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

3. Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Agency considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

4. Fixed Assets

Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies temporarily restricted net assets to unrestricted net assets at that time. No restrictions have been placed on assets donated to the agency.

Families Helping Families of Southwest Louisiana, Inc.

**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2017

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

4. Fixed Assets (continued)

Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Depreciation expense for the year ended June 30, 2017 is \$9,427.

The useful lives of fixed assets for purposes of computing depreciation are:

Furniture, fixtures, and equipment	5 – 10 Years
Buildings	40 Years
Improvements	20 – 40 Years
Library	5 Years

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations. The Agency follows the practice of capitalizing all expenditures for all property and equipment in excess of \$1,000.

5. Income Taxes

The Agency is a not for profit organization that is exempt from income tax under Section 501 (c) (3) of the Internal Revenue Code and comparable state law. In addition, the Agency has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the code. Therefore, no provision has been made for federal or state income taxes in the accompanying statements.

6. Contributed Services

During the year ended June 30, 2017, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assists the Agency, but these services do not meet the criteria for recognition as contributed services.

7. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Families Helping Families of Southwest Louisiana, Inc.

**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2017

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

8. Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as a net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted contributions.

9. Concentration of Revenue and Support

The Agency receives funding primarily from grants from the State of Louisiana Department of Health and Hospitals, State Department of Education, and State Department of Social Services. If funding from these Departments were no longer available to the Agency, the operations of the Agency could be adversely impacted.

10. Advertising Costs

Advertising costs are charged to operations when incurred. Total advertising costs for the year ended June 30, 2017 were \$4,018.

11. Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

**NOTE B – RETIREMENT BENEFITS**

The Agency does not provide retirement benefits. Employees participate in the Social Security system. The Agency is not responsible for any post-employment benefits. The Agency has only the usual obligation to make current matching payments of the Social Security system for active employees.

Families Helping Families of Southwest Louisiana, Inc.

**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2017

**NOTE C – COMPENSATED ABSENCES**

Employees of Families Helping Families of Southwest Louisiana, Inc. are entitled to paid vacation, paid sick days and personal days off depending on job classification, length of service and other factors. The value of these compensated absences was not recorded due to their immateriality. The Agency's policy is to recognize the costs of those compensated absences when actually paid to employees.

**NOTE D – CASH AND CASH EQUIVALENTS**

The Agency maintains the following cash accounts:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Savings Account	\$ 12,053	\$ 12,048
Operating Account	147,785	158,972
Money Market Accounts	-	-
	<u>\$ 159,838</u>	<u>\$ 171,020</u>

**NOTE E – CONCENTRATION OF CREDIT RISK**

Financial instruments that are exposed to concentrations of credit risk consist of investments and grants receivable. The investment in the Community Foundation of Southwest Louisiana, Inc. is in a high quality institution. The investment is reported at fair market value. Grants receivable are principally with departments of the State of Louisiana for services performed. The Agency considers these amounts collectible and is reported at net realizable values.

**NOTE F – INVESTMENTS**

Investments are carried at fair value based on quoted prices in active markets (all Level 1 Measurements) and consist of the following at June 30, 2017:

	<u>FMV</u>
Certificate of Deposit – Cetera Investment Services, LLC	\$ 29,661
Certificates of Deposit – Jeff Davis Prime Investments	<u>202,300</u>
	\$ 231,961

The interest income from the investments was \$3,914 for the year ended June 30, 2017.

**NOTE G – INVESTMENTS – BOARD-DESIGNATED ENDOWMENT**

On August 5, 2015, the Board of Directors designated \$53,119 of unrestricted net assets for the establishment an endowment fund known as the Families Helping Families of Southwest Louisiana Fund with the Community Foundation of Southwest Louisiana (the Foundation).

Families Helping Families of Southwest Louisiana, Inc.

**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2017

**NOTE G – INVESTMENTS – BOARD-DESIGNATED ENDOWMENT (CONTINUED)**

The Organization, may request all or any part of the assets of the Fund be distributed to the Organization at any time. Distributions from the Fund shall be made at such times, in such amounts, in such ways and for such charitable, educational, scientific, literary, or religious purposes and for administrative purposes related to the Fund, all in furtherance of the qualified tax-exempt purposes of the Foundation and the Organization.

In the fourth quarter of each year, the Foundation's Board of Directors establishes the amounts to be distributed from each Endowment Fund during each of the four (4) calendar quarters of the following year. This distribution amount determined as of the end of each such quarter usually will be paid out during the following calendar quarter. Presently, the Board has authorized up to five percent (5%) as the distribution rate.

Although, in the absence of a limitation in the document establishing the Endowment Fund, the ordinary income of the Endowment Fund can always be distributed annually; however, the amount which may be distributed from the principal of any Endowment Fund cannot cause the fair value of the Endowment Fund to drop below its Historic Dollar Value. All grant awards or other distributions are made in the name of the Endowment which provides the funds for the distribution.

Board - designated endowment net assets, June 30, 2016	\$ 48,603
Investment pool gains (losses)	3,768
Income on investments	1,132
Investment expenses	<u>(384)</u>
Board - designated endowment net assets, June 30, 2017	\$ 53,119

**NOTE H – ALLOCATION OF PROGRAM VS. SUPPORT EXPENSES**

Expenses were allocated in the accompanying financial statements to program and support services functional expense groups. An allocation of the operating expenses of the Agency has been made on the basis of Board policy and management's estimate of 10% support and 90% program. Costs relating directly to the mission of the Agency are allocated as 100% program and expenditures for support matters and direct fund-raising costs are considered 100% support.

Families Helping Families of Southwest Louisiana, Inc.

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2017**

**NOTE I – LEASES**

On March 6, 2013, the Agency entered into a sixty three (63) month operating lease agreement for its copier from Marlin Leasing. The monthly lease payment is \$166 per month. Future minimum payments by year as of June 30, 2017 are as follows:

<u>Year Ending</u>	<u>Copier Lease</u>
June 30, 2018	<u>1,989</u>
	<u>\$ 1,989</u>

**NOTE J – FUND-RAISING EXPENSE**

Fund-raising expenses related to the annual clay shoot event and golf tournament totaled \$4,559, or 64% of the total fund-raising revenues for the year ended June 30, 2017 and \$6,203, or 30% for June 30, 2016. Fund-raising events are shown net of these costs on the Statement of Activities for the year ended June 30, 2017 and 2016. The ratio of expenses to amounts raised is computed using actual expenses and related contributions on an accrual basis.

**NOTE K – SUBSEQUENT EVENT**

Subsequent events were evaluated through December 4, 2017, which is the date the financial statements were available to be issued.

**OTHER INFORMATION**

Families Helping Families of Southwest Louisiana, Inc.

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer  
For the Year Ended June 30, 2017

Agency Head Name: Susan Riehn, Executive Director

Purpose	Amount
Salary	\$42,990
Benefits- insurance	\$0
Benefits- retirement	\$0
Benefits- other	\$0
Car allowance	\$0
Vehicle provided by government	\$0
Per diem	\$0
Reimbursements	\$0
Travel	\$247
Registration fees	\$0
Continuing professional education fees	\$118
Housing	\$0
Unvouchered expenses	\$0
Special meals	\$0

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

To the Board of Directors  
Families Helping Families of  
Southwest Louisiana, Inc.  
Lake Charles, Louisiana

We have audited, in accordance with the 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, the financial statements of Families Helping Families of Southwest Louisiana, Inc. (a nonprofit corporation) which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 4, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Families Helping Families of Southwest Louisiana, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Families Helping Families of Southwest Louisiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Families Helping Families of Southwest Louisiana, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McMullen and Mancuso, CPAs, LLC

*McMullen and Mancuso CPAs, LLC*

Sulphur, LA

December 4, 2017

**Families Helping Families of Southwest Louisiana, Inc.**

**SCHEDULE OF FINDINGS**

**Year Ended June 30, 2017**

We have audited the financial statements of Families Helping Families of Southwest Louisiana, Inc. as of and for the year ended June 30, 2017, and have issued our report thereon dated December 4, 2017. 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. Our audit of the financial statements as of June 30, 2017 resulted in an unmodified opinion.

**Section I Summary of Auditor's Reports**

**a. Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control

Material Weaknesses  Yes  No      Significant Deficiencies  Yes  No

Compliance

Compliance Material to Financial Statements  Yes  No

**b. Management Letter**

There were no current year management letter comments.

**Section II Financial Statement Findings**

There were no current year financial statement findings.

Families Helping Families of Southwest Louisiana, Inc.

SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended June 30, 2017

<u>Ref No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>
----------------	-------------------------------------------------------	-------------------------------	------------------------------------

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

There were no prior year financial statement findings.

**Section II - Management Letter:**

There were no prior year management letter comments.