

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
LAFAYETTE, LOUISIANA
FINANCIAL REPORT
JUNE 30, 2013

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James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA
 Dana D. Quebedeaux, CPA



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
 Families Helping Families of Acadiana, Inc.
 Lafayette, Louisiana

We have audited the accompanying financial statements of Families Helping Families of Acadiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2013, 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 Responsibilities 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.

Auditor's 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 from 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 risk 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 Acadiana, Inc. as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
Families Helping Families of Acadiana, Inc.
Page 2

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 30, 2013, on our consideration of Families Helping Families of Acadiana, 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 Acadiana, Inc.'s internal control over financial reporting and compliance.

John Sawley & Co

Opelousas, Louisiana
December 30, 2013

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
LAFAYETTE, LOUISIANA
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2013

ASSETS

	<u>2013</u>
<u>Current Assets</u>	
Cash	\$ 26,991
Certificate of deposit	5,988
Grants receivable	24,793
Prepaid insurance	2,854
<u>Total current assets</u>	<u>60,626</u>
<u>Property and Equipment</u>	
Equipment and furniture	137,088
Less Accumulated depreciation	(24,845)
<u>Total property and equipment</u>	<u>112,243</u>
<u>Total assets</u>	<u>172,869</u>

LIABILITIES AND NET POSITION

<u>Current Liabilities</u>	
Accounts payable	\$ 1,551
Accrued payroll and payroll taxes	1,522
Note payable - Union Bank	9,623
<u>Total current liabilities</u>	<u>12,696</u>
<u>Long Term Liabilities</u>	
Note payable - Union Bank	39,041
<u>Total long-term liabilities</u>	<u>39,041</u>
<u>Total liabilities</u>	<u>51,737</u>
<u>Net Assets</u>	
Unrestricted	121,132
<u>Total liabilities and net assets</u>	<u>172,869</u>

The accompanying notes are an integral part of this statement

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
LAFAYETTE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

	<u>2013</u>
<u>REVENUES AND OTHER SUPPORT</u>	
Government contracts and grants	\$ 249,941
Contributions and memberships	4,827
Interest and other income	828
<u>Total revenues and other support</u>	<u>255,596</u>
<u>FUNCTIONAL EXPENSES</u>	
Program services	156,506
Management and general	53,946
<u>Total functional expenses</u>	<u>210,452</u>
<u>CHANGE IN NET ASSETS</u>	45,144
<u>NET ASSETS</u> , beginning of year	<u>75,988</u>
<u>NET ASSETS</u> , end of year	<u><u>121,132</u></u>

The accompanying notes are an integral part of this statement

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
LAFAYETTE, LOUISIANA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013

	2013		
	Program Services	Management and General	Total
Accounting	\$ 12,970	\$ -	\$ 12,970
Advertising	386	-	386
Bank charges	-	5	5
Interest	-	1,706	1,706
Conferences and workshops	2,999	-	2,999
Copier	9,014	-	9,014
Depreciation	-	2,200	2,200
Donations	-	550	550
Dues and subscriptions	250	1,225	1,475
Insurance	-	5,864	5,864
Miscellaneous expense	720	181	901
Office supplies	881	2,040	2,921
Payroll taxes	8,389	1,769	10,158
Postage and shipping	2,201	243	2,444
Rent expense	13,850	665	14,515
Repairs and maintenance	-	18,035	18,035
Salaries	90,708	15,800	106,508
Stipends	2,467	-	2,467
Taxes and licenses	-	76	76
Telephone	4,149	-	4,149
Training and education	615	-	615
Travel, meals, and lodging	3,291	3,587	6,878
Utilities	3,616	-	3,616
<u>Total functional expenses</u>	<u>156,506</u>	<u>53,946</u>	<u>210,452</u>

The accompanying notes are an integral part of this statement

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
LAFAYETTE, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>2013</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Change in net assets	\$ 45,144
Adjustment to reconcile change in net position to net cash provided by operating activities.	
Depreciation	2,200
Interest	75
Decrease (increase) in operating assets -	
Accounts receivable	(2,414)
Prepaid Insurance	(971)
Increase (decrease) in operating liabilities -	
Accounts payable	(1,244)
Accrued payroll and payroll taxes	(2,838)
<u>Net cash provided by operating activities</u>	<u>39,952</u>
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>	
Purchase of property, plant and equipment	(111,752)
<u>Net cash used by investing activities</u>	<u>(111,752)</u>
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>	
Proceeds from loan	53,253
Principal paid on loans	(4,589)
<u>Net cash provided by financing activities</u>	<u>48,664</u>
<u>CHANGE IN CASH AND CASH EQUIVALENTS</u>	(23,136)
<u>CASH AND CASH EQUIVALENTS, beginning of year</u>	<u>50,127</u>
<u>CASH AND CASH EQUIVALENTS, end of year</u>	<u>26,991</u>
<u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW</u>	
Cash paid during the year for :	
Interest	<u>\$ 1,706</u>

The accompanying notes are an integral part of this statement

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
LAFAYETTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE (1) - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. NATURE OF ORGANIZATION

Families Helping Families of Acadiana, Inc. (THE "FHF") administers programs for the benefit of individuals with disabilities and families who have children with special needs. FHF is a resource center for information, referrals, education, training, and peer support for all persons with disabilities and their families. FHF also serves as a resource for professionals. FHF serves the Louisiana parishes of Acadia, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, and Vermilion.

B. FINANCIAL STATEMENT PRESENTATION

The financial statements of FHF are prepared on the accrual basis of accounting. This means revenues are recognized when earned and expenses are recognized when incurred.

C. PROPERTY AND EQUIPMENT

FHF capitalizes all assets with a cost, or value if donated, in excess of \$500. These assets are depreciated over a five to thirty-nine year estimated useful life using the straight-line method.

D. 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.

E. ACCOUNTS RECEIVABLE

Accounts receivable are considered collectible; accordingly, an allowance for doubtful accounts are not recorded.

F. USE OF ESTIMATES

Financial statements are prepared in conformity with generally accepted accounting principles. These principles require management to make estimates and assumptions affecting certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. INCOME TAX STATUS

FHF is exempt from federal income tax under Internal Revenue Code Section 501(c)(3). The Organization's Forms 990, Return of Organization Exempt from Income Taxes, for the years ended 2012, 2011, and 2010 are subject to examination by the IRS, generally for three years after they were filed.

H. COMPENSATED ABSENCES

There were no compensated absences for the year ended June 30, 2013.

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
LAFAYETTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE (1) - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - Continued

I. FUNCTIONAL EXPENSE ALLOCATIONS

A summary of the costs of providing various program and supporting services is in the statement of functional expenses. Accordingly, certain costs are allocated between the programs and supporting service benefited.

J. ADVERTISING COSTS

Advertising costs are expensed as incurred. Advertising expense for the year ended June 30, 2013 was \$386.

NOTE (2) - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2013 were as follows:

	Balances July 1, 2012	Additions	Disposals	Balances June 30, 2013
Land	\$ -	\$ 16,238	\$ -	\$ 16,238
Building and improvements	-	95,514	-	95,514
Furniture and equipment	25,336	-	-	25,336
Total historical cost	<u>25,336</u>	<u>111,752</u>	<u>-</u>	<u>137,088</u>
Less accumulated depreciation				
Building and improvements	-	(1,180)	-	(1,180)
Furniture and equipment	(22,645)	(1,020)	-	(23,665)
Total accumulated depreciation	<u>(22,645)</u>	<u>(2,200)</u>	<u>-</u>	<u>(24,845)</u>
Capital assets, net	<u>2,691</u>	<u>109,552</u>	<u>-</u>	<u>112,243</u>

Depreciation expense for the year ended June 30, 2013 was \$2,200.

NOTE (3) - CONCENTRATIONS OF CREDIT RISK

Bank deposits must be secured by federal depository insurance or the pledge to securities owned by the bank. The market value of the pledged securities must at all times equal or exceed 100% of the uninsured amount deposited with the bank.

At the end of the year, the carrying amount of FHF's cash and investments was \$32,979. The bank balance of cash was \$35,211 and of investments was \$5,988. Investments are stated at cost or amortized cost, whichever approximates market. Cash and certificates of deposits are secured through the pledge of bank-owned securities or federal depository insurance. At June 30, 2013, all bank balances were fully secured by federal depository insurance.

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
LAFAYETTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE (4) - RISK AND UNCERTAINTIES

The State of Louisiana, through various departments and agencies, is the primary controller of revenue for FHF. In the future, financial problems of the State of Louisiana may result in reduced funding. It is possible certain programs may be severely affected by these declining revenues. However, management believes changes can be incorporated into the continuing operations without a catastrophic result.

NOTE (5) - LONG-TERM OBLIGATIONS

On December 20, 2012, FHF purchased a building and tract of land to serve as their principle place of business. The total cost of the land and building was \$106,500. Of that amount, \$53,253 was financed through the Union Bank of Bunkie, Louisiana. The loan bears interest at a rate of 6.5% and has a final maturity date of December 20, 2015. A summary of changes in long-term debt is as follows:

	<u>Balance</u> <u>7/1/2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2013</u>
Note payable Union Bank	\$ -	\$ 53,253	\$ 4,589	\$ 48,664
<u>Total</u>	<u>-</u>	<u>53,253</u>	<u>4,589</u>	<u>48,664</u>

Maturities of long-term debt are scheduled as follows:

<u>Year ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 9,623	\$ 3,081	\$ 12,704
2015	10,268	2,236	12,504
2016	28,773	865	29,638
<u>Total</u>	<u>48,664</u>	<u>6,182</u>	<u>54,846</u>

NOTE (5) - OPERATING LEASES

On October 1, 2008, FHF entered into a copier lease. The lease for the copier matures in October 2013. Payments are \$757 per month with additional charges based on usage. On January 5, 2012, FHF entered into a new office lease for \$2,050. The office lease expired in January of 2013. Total lease expense for the year ended June 30, 2013 was \$23,529. The minimum future payments under these leases are as follows:

2014	\$ 3,028
	<u>3,028</u>

NOTE (6) - SUBSEQUENT EVENTS

Subsequent events were evaluated through December 30, 2013, which is the date the financial statements were available to be issued. As of December 30, 2013, there were no subsequent events noted.

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

To the Board of Directors
 Families Helping Families of Acadiana, Inc.
 Lafayette, 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 Acadiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated December 30, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Families Helping Families of Acadiana, Inc.'s internal control over financial reporting (internal control) to determine the auditing 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 Acadiana, 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 first paragraph of this section 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses, listed as item 2013-1 that we consider to be a significant deficiency.

To the Board of Directors
Families Helping Families of Acadiana, Inc.
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Families Helping Families of Acadiana, Inc.'s financial statements are free of 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 one instance of noncompliance or other matters that are required to be reported under Government Auditing Standards which are described in the accompanying Schedule of Findings and Responses as item 2013-2.

Families Helping Families of Acadiana, Inc.'s response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit Families Helping Families of Acadiana, Inc.'s response and, accordingly, we express no opinion on it.

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Organization's management and the appropriate regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties., the Board of Directors, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

John S. Dowley

Opelousas, Louisiana
December 30, 2013

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
LAFAYETTE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013

SECTION I – SUMMARY OF AUDITOR'S REPORT

1. We have audited the basic financial statements of Families Helping Families of Acadiana, Inc. as of and for the year ended June 30, 2013, and have issued our report thereon dated December 30, 2013. 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 and the provisions of OMB Circular A-133, if applicable. Our audit of the financial statements as of June 30, 2013 resulted in an unqualified opinion.
2. One significant deficiency and no material weaknesses relating to the audit of the financial statements was reported in the Independent Auditor's 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.
3. One instance of noncompliance relating to the audit of the financial statements was reported in the Independent Auditor's 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.
4. No management letter was issued for Families Helping Families of Acadiana, Inc. as of and for the year ended June 30, 2013.
5. There was no single audit required under OMB Circular A-133.

SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2013-1 Segregation of Duties

Condition: Families Helping Families of Acadiana, Inc. does not have an adequate segregation of duties with respect to the accounting function. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize that the Organization may not be large enough to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that the Board be aware of this condition.

Criteria: Proper internal controls dictate that duties be segregated so that no one individual performs or controls all duties related to the accounting system.

Cause: There is inadequate segregation of duties within the accounting system.

Effect: Without adequate segregation of duties and oversight, errors or fraud could occur and not be detected increasing the risk of loss or theft of the Organization's assets.

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
LAFAYETTE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS - CONTINUED

2013-1 Segregation of Duties - Continued

Recommendation: Keeping in mind the limited number of employees to which the duties can be assigned, the Organization should monitor assignment of duties to assure as much segregation of duties and responsibilities as possible.

Corrective Action Plan: Management has provided as much segregation as possible with the resources available and will continue to monitor assignment and segregation of duties.

Contact Person: Mauricia Walters, Director

2013-2 Preparation and Submission of Payroll Tax Returns on a Timely Basis

Condition: Families Helping Families of Acadiana, Inc. did not prepare and submit all payroll returns on a timely basis.

Criteria: The Organization is required by Federal and State Law to prepare and submit payroll tax returns on a timely basis.

Cause: The Organization did not have certain procedures in place to ensure that all payroll tax returns were prepared and filed timely.

Effect: The Organization is not in compliance with laws concerning the filing of payroll tax returns.

Recommendation: The Organization should establish procedures to ensure that all payroll tax returns are being properly filed.

Corrective Action Plan: Management has created a checklist that Executive Director and bookkeeper will have to make sure such timelines and submission of documents are being met on time.

Contact Person: Mauricia Walters, Director

SECTION II -INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

Not Applicable

SECTION III -MANAGEMENT LETTER

Not Applicable

FAMILIES HELPING FAMILIES OF ACADIANA, INC.
LAFAYETTE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

SECTION I -INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2012-1 Segregation of Duties

Repeat comment

2012-2 Credit Card Purchases

Resolved

2012-3 Bank Reconciliations

Resolved

2012-4 Preparations of Monthly Financial Statements

Resolved

2012-5 Timely Submittal of Audit Report

Resolved

2012-6 Preparation and Submission of Payroll Tax Returns on a Timely Basis

Repeat comment

SECTION II -INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

Not Applicable

SECTION III -MANAGEMENT LETTER

The prior year's report did not include a management letter