

**THINK FIRST OF THE ARK-LA-TEX, INC.**

**SHREVEPORT, LOUISIANA**

**FINANCIAL STATEMENTS**

**December 31, 2022**

**Marsha O. Millican  
A Professional Accounting Corporation  
Shreveport, Louisiana**

THINK FIRST OF THE ARK-LA-TEX, INC.

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# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Think First of the Ark-La-Tex, Inc.  
Shreveport, Louisiana

### Opinion

I have audited the accompanying financial statements of Think First of the Ark-La-Tex, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Think First of the Ark-La-Tex, Inc. as of December 31, 2022, 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.

### Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Think First of the Ark-La-Tex, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Think First of the Ark-La-Tex, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Think First of the Ark-La-Tex, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Think First of the Ark-La-Tex, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

### **Supplementary Information**

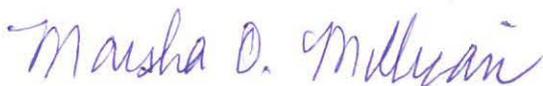
My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Think First of the Ark-La-Tex's basic financial statements. The Schedule of Compensation, Reimbursements, Benefits, and other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of American. In my opinion the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated August 31, 2023 on my consideration of Think First of the Ark-La-Tex, Inc.'s internal control over reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Think First of the Ark-La-Tex, Inc.'s 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 Think First of the Ark-La-Tex, Inc.'s internal control over financial reporting and compliance.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated August 31, 2023 on the results of my statewide agreed-upon procedures performed in accordance with attestation standards contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



Certified Public Accountant  
August 31, 2023

## THINK FIRST OF THE ARK-LA-TEX, INC.

## Statement of Financial Position

December 31, 2022

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 51,989
Accounts Receivable	<u>47,010</u>
Total Current Assets	98,999
PROPERTY AND EQUIPMENT	132,181
OTHER ASSETS	
Investments	<u>116,333</u>
Total Assets	<u><u>\$347,513</u></u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable and Accrued Liabilities	<u>\$ 4,018</u>
Total Current Liabilities	4,018
Net Assets:	
Without donor restrictions	227,162
With donor restrictions	<u>116,333</u>
Total Net Assets	<u>343,495</u>
Total Liabilities and Net Assets	<u><u>\$347,513</u></u>

The accompanying notes are an integral part of these statements.

## THINK FIRST OF THE ARK-LA-TEX, INC.

## Statement of Activities and Changes in Net Assets

For the Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE:</b>			
Support:			
Contributions	\$ 19,499	\$ 6,915	\$ 26,414
Total Support	<u>19,499</u>	<u>6,915</u>	<u>26,414</u>
Revenues:			
Fundraising	16,513	-	16,513
Grants	-	103,817	103,817
Rental	6,000	-	6,000
Miscellaneous	-	-	-
Interest and Realized Gains	2,251	4,505	6,756
Total Revenues	<u>24,764</u>	<u>108,322</u>	<u>133,086</u>
Total Support and Revenues	<u>44,263</u>	<u>115,237</u>	<u>159,500</u>
Net Assets Released from Restrictions:			
Satisfaction of Usage Restrictions	103,817	(103,817)	-
Total Support and Revenues	<u>148,080</u>	<u>11,420</u>	<u>159,500</u>
<b>EXPENSES</b>			
Program Expenses	143,537	3,416	146,953
Fundraising	2,935	-	2,935
General and Administrative	21,120	15,829	36,949
Total Expenses	<u>167,592</u>	<u>19,245</u>	<u>186,837</u>
Changes in Net Assets	(19,512)	(7,825)	(27,337)
Net assets, beginning of year	246,674	124,158	370,832
Net assets, end of year	<u>\$ 227,162</u>	<u>\$ 116,333</u>	<u>\$ 343,495</u>

The accompanying notes are an integral part of this statement.

## THINK FIRST OF THE ARK-LA-TEX, INC.

## Statement of Functional Expenses

For the Year Ended December 31, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 67,919	\$ 7,547	\$ -	\$ 75,466
Occupancy	16,480	1,052	-	17,532
Professional services	16,330	4,010	-	20,340
Printing	2,448	-	-	2,448
Information technologies	4,707	-	-	4,707
Travel	21,010	3,138	-	24,148
Supplies	1,654	1,700	-	3,354
Depreciation	11,029	-	-	11,029
Other	5,376	19,502	2,935	27,813
	<u>\$ 146,953</u>	<u>\$ 36,949</u>	<u>\$ 2,935</u>	<u>\$ 186,837</u>

The accompanying notes are an integral part of this statement.

## THINK FIRST OF THE ARK-LA-TEX, INC.

## Statement of Cash flows

For the Year Ended December 31, 2022

## CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (27,337)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	11,960
Changes in assets and liabilities:	
Decrease in grants receivable	7,587
Increase in accounts payable and accrued expenses	<u>1,980</u>
Net cash provided by operating activities	<u>(5,810)</u>

## CASH FLOWS USED BY INVESTING ACTIVITIES:

Net change in investments	<u>7,825</u>
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## CASH FLOWS USED BY FINANCING ACTIVITIES:

Purchase of fixed assets	<u>(67,995)</u>
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Net increase in cash	(65,980)
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>117,969</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 51,989</u></u>
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The accompanying notes are an integral part of this statement.

THINK FIRST OF THE ARK-LA-TEX, INC.

Notes to Financial Statements

December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General:

Think First of the Ark-La-Tex, Inc. (the Organization) is a nonprofit organization exempt from income tax purposes under Section 501 (c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes. The Organization's mission is to prevent brain and spinal cord injuries through education and community activities. The Organization is managed by the officers of the corporation who are responsible to the Board of Directors as the bylaws require.

B. Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting.

C. Basis of Presentation:

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and board of directors.

**Net assets with donor restrictions:** These assets are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, these net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

D. Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

E. Cash and Cash Equivalents:

For the purpose of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

F. Property and Equipment

Purchased property and equipment are stated at cost. Donated property and equipment are stated at their fair market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from five to ten years.

G. Contributions:

All contributions received are considered available for unrestricted use unless the donor specifies a restriction. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary 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.

H. Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported accounts and disclosures. Accordingly, actual results could differ from those estimates.

I. Functional expenses:

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and benefits	Time and Effort
Occupancy	Square Footage
Professional services	Full Time Equivalent
Printing	Full Time Equivalent
Information technologies	Full Time Equivalent
Travel	Time and Effort
Supplies	Time and Effort
Depreciation	Square Footage
Other	Time and Effort

J. New accounting pronouncement:

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment returns. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

2. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2022:

Financial assets at year end:

Cash and equivalents	\$	51,989
Accounts Receivable		47,010
Investments		<u>116,333</u>
Total financial assets	\$	215,332

Less amounts not available to be used within one year:

Net assets with donor restrictions		116,333
Less net assets with purpose restriction to be met in less than a year		<u>-</u>
		<u>116,333</u>

Financial assets available to meet general expenditures over the next twelve months

\$ 98,999

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in interest-bearing accounts.

3. DONATED MATERIAL AND SERVICES:

Donated materials and equipment are reflected as contributions in the accompanying financial statements at their estimated values at the date of receipt. No amounts have been reflected in the statements for donated services, inasmuch as no objective basis is available to measure the value of such services; and the donated services do not create a nonfinancial asset.

4. CONCENTRATION OF CREDIT RISKS:

All cash deposits are fully insured by FDIC insurance.

5. FIXED ASSETS:

Fixed assets at December 31, 2022 consisted of the following:

Building	\$ 132,571
Furniture and Equipment	<u>104,332</u>
Total Costs	236,903
Less Accumulated Depreciation	<u>(104,722)</u>
Net Fixed Assets	<u><u>\$ 132,181</u></u>

6. NET ASSETS

Net assets with donor restrictions were as follows for the year ended December 31, 2022:

Specific Purpose	
Preventing brain and spinal cord injuries through education and community activities	<u><u>\$ 116,333</u></u>

Net assets without donor restriction for the year ended December 31, 2022 are as follows:

Undesignated	<u><u>\$ 227,162</u></u>
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Net assets released from net assets with donor restrictions are as follows:

Satisfaction of Purpose Restrictions	
Preventing brain and spinal cord injuries	<u><u>\$ 103,817</u></u>

7. The Organization entered into an agreement with the Community Foundation of North Louisiana (CENLA). The agreement established an Agency Endowment Fund at CENLA called "Emily Nicole Smith Think First Endowment Fund". The fund will be used for support of the charitable purpose of the Organization. Net income and capital appreciation of the Fund, as governed by CENLA's Spending Police, will be paid and distributed to the Organization at least annually. The fair market value of the Fund at December 31, 2022 was \$116,333.

8. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through August 31, 2023, the date that the financial statements were available to be issued, and determined that no additional disclosures are necessary.

THINK FIRST OF THE ARK-LA-TEX, INC.  
 Schedule of Compensation, Reimbursements, Benefits, and Other Payments  
 to Agency Head  
 For the Year Ended December 31, 2022

Agency Head: Executive Director

	<u>Donna Cavanaugh</u>	<u>Ronald "Bubba" Fletcher</u>
Salary	\$ 9,488	\$ 47,083
Payroll Taxes	\$ 725	\$ 3,602
Insurance	\$ -	\$ -
Seminars	\$ -	\$ -
Reimbursements	\$ -	\$ -



# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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*

Board of Directors  
Think First of the Ark-La-Tex, Inc.  
Shreveport, Louisiana

I 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 Think First of the Ark-La-Tex, Inc. which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and related notes to the financial statements, and have issued my report thereon dated August 31, 2023.

#### Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Think First of the Ark-La-Tex, Inc.'s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 Organization's financial statements will not be prevented, or detected 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.

My 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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during my audit, I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statutes, it is issued by the Legislative Auditor as a public document.

A handwritten signature in blue ink that reads "Marsha O. McLean". The signature is written in a cursive style with a small flourish at the end.

Certified Public Accountant  
August 31, 2023

THINK FIRST OF THE ARK-LA-TEX, INC

Schedule of Findings

Year Ended December 31, 2022

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. No significant deficiencies in internal accounting control were disclosed during the audit.
3. No instances of noncompliance material to the financial statements of the Organization were disclosed.

There were no findings for the year ended December 31, 2022.

THINK FIRST OF THE ARK-LA-TEX, INC  
Corrective Action Taken on Prior Year Findings  
Year Ended December 31, 2022

There were no findings for the year ended December 31, 2021.