

**Families Helping Families
of Greater Baton Rouge, Inc.
Baton Rouge, Louisiana
June 30, 2022**

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Families Helping Families of Greater Baton Rouge, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 our opinion, the financial statements present fairly, in all material respects, the financial position of Families Helping Families of Greater Baton Rouge, Inc. as of June 30, 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

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 responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Families Helping Families of Greater Baton Rouge, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Families Helping Families of Greater Baton Rouge, 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

Our 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 our 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 and Government 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 and *Government Auditing Standards*, we:

- 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 Families Helping Families of Greater Baton Rouge, 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Families Helping Families of Greater Baton Rouge, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Families Helping Families of Greater Baton Rouge, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 22, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it was derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 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 schedule of compensation, benefits, and other payments to agency head or chief executive officer 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 22, 2022, on our consideration of Families Helping Families of Greater Baton Rouge, 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 solely 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 the effectiveness of Families Helping Families of Greater Baton Rouge, 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 Families Helping Families of Greater Baton Rouge, Inc.'s internal control over financial reporting and compliance.

Hawthorn, Waymouth & Carroll, L.L.P.

December 22, 2022

Families Helping Families of Greater Baton Rouge, Inc.
Statement of Financial Position
June 30, 2022
With Summarized Comparative Totals as of June 30, 2021

Assets

	2022	2021
Current Assets		
Cash and cash equivalents	\$ 352,860	\$ 362,702
Accounts receivable, net	72,307	59,411
Prepaid expenses	1,639	140
Total current assets	426,806	422,253
Property and Equipment, net	441,712	460,905
Total assets	\$ 868,518	\$ 883,158

Liabilities and Net Assets

Current Liabilities		
Current maturities of long-term debt	\$ 21,646	\$ 35,151
Unrelated business income taxes payable	-	7,664
Accounts payable	13,861	16,017
Accrued liabilities	23,294	24,425
Total current liabilities	58,801	83,257
Long-Term Debt, less current maturities	238,840	328,913
Total liabilities	297,641	412,170
Net Assets		
Without donor restrictions	556,149	456,260
With donor restrictions	14,728	14,728
Total net assets	570,877	470,988
Total liabilities and net assets	\$ 868,518	\$ 883,158

The accompanying notes are an integral part of these financial statements.

Families Helping Families of Greater Baton Rouge, Inc.
Statement of Activities
Year Ended June 30, 2022
With Summarized Comparative Totals for the Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>	<u>2021 Total</u>
Revenue and Other Support				
Contracts	\$ 492,481	\$ -	\$ 492,481	\$ 443,102
Fundraising and charitable gaming	113,834	-	113,834	134,396
Contributions of cash and other financial assets	10,017	-	10,017	29,205
Rent	8,700	-	8,700	14,400
Interest	137	-	137	199
Miscellaneous	5,186	-	5,186	7,018
Gain on forgiveness of debt	<u>83,297</u>	<u>-</u>	<u>83,297</u>	<u>84,453</u>
Total revenue and other support	<u>713,652</u>	<u>-</u>	<u>713,652</u>	<u>712,773</u>
Expenses				
Program	427,305	-	427,305	429,713
Management and general	91,775	-	91,775	108,708
Fundraising	<u>72,374</u>	<u>-</u>	<u>72,374</u>	<u>74,503</u>
Total expenses	<u>591,454</u>	<u>-</u>	<u>591,454</u>	<u>612,924</u>
Change in Net Assets Before Unrelated Business Income Tax				
	122,198	-	122,198	99,849
Unrelated Business Income Tax	<u>22,309</u>	<u>-</u>	<u>22,309</u>	<u>23,722</u>
Change in Net Assets	99,889	-	99,889	76,127
Net Assets, beginning of period	<u>456,260</u>	<u>14,728</u>	<u>470,988</u>	<u>394,861</u>
Net Assets, end of period	<u>\$ 556,149</u>	<u>\$ 14,728</u>	<u>\$ 570,877</u>	<u>\$ 470,988</u>

The accompanying notes are an integral part of these financial statements.

Families Helping Families of Greater Baton Rouge, Inc.
Statement of Functional Expenses
Year Ended June 30, 2022
With Summarized Comparative Totals for the Year Ended June 30, 2021

	Program Services					Management and General	Fundraising	2022 Total	2021 Total
	Behavioral Health	DDC	LA Dept of Education	Other Programs	Total Program				
Accounting services	\$ 477	\$ 155	\$ 222	\$ 574	\$ 1,428	\$ 210	\$ 197	\$ 1,835	\$ 1,821
Advertising	2,812	217	90	257	3,376	59	-	3,435	1,050
Consulting	775	-	-	-	775	-	-	775	5,000
Contract labor	-	-	-	-	-	-	-	-	926
Depreciation	4,603	1,471	1,772	7,456	15,302	3,891	-	19,193	17,978
Education and training	489	-	-	-	489	363	-	852	552
Insurance	4,082	3,151	1,983	5,316	14,532	1,683	299	16,514	14,599
Occupancy	8,426	4,523	2,126	5,883	20,958	1,409	-	22,367	20,231
Office	860	811	366	2,099	4,136	957	198	5,291	3,948
Payroll	115,550	35,126	52,700	104,909	308,285	47,236	14,070	369,591	390,942
Payroll taxes	9,339	2,897	4,301	8,843	25,380	3,647	1,293	30,320	28,468
Professional fees	853	338	178	849	2,218	23,179	2,250	27,647	43,825
Rent	391	454	189	543	1,577	123	49,390	51,090	52,762
Repairs and maintenance	522	593	246	709	2,070	5,177	-	7,247	2,705
Stipends	-	-	-	-	-	-	-	-	408
Supplies	7,643	916	1,278	1,577	11,414	980	4,192	16,586	14,511
Travel and meetings	1,249	-	64	1,164	2,477	1,307	-	3,784	1,726
Interest	3,297	3,675	1,526	4,390	12,888	998	-	13,886	11,472
Miscellaneous	-	-	-	-	-	556	485	1,041	-
Total expenses	\$ 161,368	\$ 54,327	\$ 67,041	\$ 144,569	\$ 427,305	\$ 91,775	\$ 72,374	\$ 591,454	\$ 612,924

The accompanying notes are an integral part of these financial statements.

Families Helping Families of Greater Baton Rouge, Inc.
Statement of Cash Flows
Year Ended June 30, 2022
With Summarized Comparative Totals for the Year Ended June 30, 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 99,889	\$ 76,127
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	19,193	17,978
Gain on forgiveness of debt	(83,297)	(84,453)
(Increase) Decrease in assets:		
Accounts receivable	(12,896)	(7,404)
Prepaid expenses	(1,499)	(69)
Increase (Decrease) in liabilities:		
Unrelated business income taxes payable	(7,664)	1,170
Accounts payable	(2,156)	7,426
Accrued liabilities	(1,131)	(10,175)
Net cash provided by operating activities	<u>10,439</u>	<u>600</u>
Cash Flows from Investing Activities		
Purchase of property and equipment	<u>-</u>	<u>(12,150)</u>
Net cash used in financing activities	<u>-</u>	<u>(12,150)</u>
Cash Flows from Financing Activities		
Proceeds from long-term debt	-	83,297
Principal payments on long-term debt	<u>(20,281)</u>	<u>(19,298)</u>
Net cash provided by (used in) financing activities	<u>(20,281)</u>	<u>63,999</u>
Net Change in Cash and Cash Equivalents	(9,842)	52,449
Cash and Cash Equivalents, beginning of year	<u>362,702</u>	<u>310,253</u>
Cash and Cash Equivalents, end of year	<u>\$ 352,860</u>	<u>\$ 362,702</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	<u>\$ 13,886</u>	<u>\$ 11,472</u>
Cash paid for unrelated business income taxes	<u>\$ 22,309</u>	<u>\$ 16,300</u>

The accompanying notes are an integral part of these financial statements.

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2022

Note 1–Nature of Operations

Families Helping Families of Greater Baton Rouge, Inc. (FHFGBR) is a non-profit corporation, which was founded on January 10, 1998. The organization's mission is to provide individualized services, information, resources, and support needed to positively enhance the independence, productivity, and integration of individuals with disabilities in the greater Baton Rouge area.

FHFGBR derives the majority of its revenue from state contracts for the following programs:

Office of Behavioral Health (OBH) - Provides families and youth with education, skills, and resources to increase and strengthen their ability to function successfully in their homes and communities; provide opportunities to increase advocacy skills, and empower families to inform children's behavioral health policies, practices and services in Louisiana; and provide education to increase the knowledge of family members and professionals.

Resource Center for Autism Spectrum Disorders (RCASD) – A comprehensive source of information for families with members who have autism spectrum disorder. RCASD offers one-to-one support, family-oriented education, referrals and various communication software assisting children with social and verbal communication.

State Department of Education (SDE) - Provides training, education, and empowerment to families of children with disabilities through workshops, presentations, and one-on-one support to develop an individualized education/transition plan to help their children learn in an inclusive environment to ensure full and valued membership in the community.

Note 2–Summary of Significant Accounting Policies

A. Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

FHFGBR reports information regarding its financial position and activities according to two classes of net assets that are based upon existence or absence of restrictions on use that are placed on them by donors: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions include those net assets whose use by the Organization is not restricted by donors, even though their use may be limited in other respects, such as by contract or board designation. Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity. At June 30, 2022, FHFGBR had net assets with donor restrictions of \$14,728.

B. Use of 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 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 revenue and expenses during the reporting period. Actual results could differ from the estimates that were used.

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2022

Note 2—Summary of Significant Accounting Policies (Continued)

C. Cash and Cash Equivalents

For purposes of the statement of cash flows, FHFGBR considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Included in cash and cash equivalents at June 30, 2022 is cash of \$37,496, required to be held in a separate bank account for the purpose of charitable gaming.

D. Accounts Receivable

Accounts receivable are recorded at net realizable value consisting of the carrying amount less an allowance for doubtful accounts. FHFGBR determines its allowance for doubtful accounts based on prior years' experiences and management's analysis of possible bad debts. FHFGBR uses the specific identification allowance method, charging off old receivables on a case-by-case basis. FHFGBR considers all accounts receivable at June 30, 2022 to be fully collectible and, therefore, did not establish an allowance for doubtful accounts.

E. Property and Equipment

Property and equipment are stated at cost or, if donated, at fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Expenditures for major repairs and improvements that extend the useful lives of property and equipment are capitalized at cost. Expenditures for maintenance and minor repairs are charged to expense as incurred. The estimated useful lives for property and equipment are: Building (30 years); Equipment (3-7 years); and Furniture/Fixtures (7-15 years).

F. Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

G. Income Taxes

FHFGBR is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an entity other than a private foundation within the meaning of Section 509(a). However, income from certain activities not directly related to FHFGBR's tax-exempt purpose is subject to taxation as unrelated business income. As of June 30, 2022, FHFGBR did not owe any unrelated business income taxes. FHFGBR had an overpayment of unrelated business income taxes which was carried forward in the amount of \$1,635,

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2022

Note 2—Summary of Significant Accounting Policies (Continued)

Management has determined that there are no uncertain tax positions that would require recognition in the financial statements. Interest on any income tax liability would be reported as interest expense and penalties on any income tax would be reported as income taxes.

Management's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based on ongoing analysis of tax laws, regulations, and interpretations thereof as well as other factors.

H. Liquidity Management

As of June 30, 2022, the following financial assets could be made readily available within one year of the date of the statement of financial position to meet general expenditures:

Cash and cash equivalents	\$ 352,860
Accounts receivable	<u>72,307</u>
 Total financial assets, period end	 425,167
 Less, those unavailable for general expenditures within one year, due to:	
Donor restrictions on the use of assets for particular programs	<u>(14,728)</u>
 Financial assets available to meet cash needs for general expenditures within one year.	 <u>\$ 410,439</u>

As part of its liquidity management, FHFGBR has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due.

I. Revenue Recognition

FHFGBR recognizes revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. The majority of the entity's revenue from contracts with customers is derived from fixed fee cost reimbursable state contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Revenues are recognized when FHFGBR has incurred expenditures in compliance with specific contract provisions.

Fundraising registrations, included in fundraising income, are recognized when the fundraising events are held and performance obligations are satisfied.

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2022

Note 2—Summary of Significant Accounting Policies (Continued)

J. Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses are allocated in the accompanying financial statements to program services, management and general, and fundraising functional expense groups. The methods of allocation are based on several factors such as utilization of office space as well as FHFGBR’s estimates of the relative proportion of various staff members’ time and effort between program and administrative functions. Other expenses are allocated based on use.

K. Prior Period Information

The amounts shown for the year ended June 30, 2021 in the accompanying financial statements are included to provide a basis for comparison with 2022 and present summarized totals only. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with FHFGBR’s financial statements for the year ended June 30, 2021, from which the summarized information was derived.

L. New Accounting Pronouncements Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases*. This ASU affects any entity that enters into a lease, with some specified scope exemptions. The main difference between previous U.S. GAAP and this ASU is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous U.S. GAAP. The amendments in this ASU are effective for fiscal years beginning after December 15, 2021. FHFGBR is currently assessing the impact of this pronouncement on its financial statements.

Note 3—Property and Equipment

The following is a summary of property and equipment as of June 30, 2022:

	2022	2021
Land	\$ 150,000	\$ 150,000
Building	430,000	430,000
Equipment	71,843	71,843
Furniture and fixtures	38,565	38,565
	690,408	690,408
Less: accumulated depreciation	(248,696)	(229,503)
Total property and equipment, net	\$ 441,712	\$ 460,905

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2022

Note 4—Long-term Debt

The following is a summary of long-term debt as of June 30, 2022:

	2022	2021
Note payable to a financial institution with a balloon payment of \$181,850 in March 2026, bearing interest at 4.50%, collateralized by building and land.	265,082	\$ 286,616
Note payable to a bank, dated February 2, 2021, under the Paycheck Protection Program established by the Coronavirus Aid Relief, and Economic Security (CARES) Act forgiven in full during the fiscal year. See note 9 for further analysis.	-	83,297
	265,082	369,913
Less: unamortized debt issuance costs	(4,596)	(5,849)
	260,486	364,064
Less: current maturities of long-term debt	(21,646)	(35,151)
	\$ 238,840	\$ 328,913

Future maturities of long-term debt for fiscal years ending June 30 are as follows:

2023	\$	21,646
2024		22,683
2025		23,828
2026		192,329

Note 5—Net Assets with Donor Restrictions

Net assets with donor restrictions are comprised of the following as of June 30, 2022:

Purpose or time restricted:	
Database software	\$ 10,846
COVID-19 supplies	3,882
	\$ 14,728

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2022

Note 6–Contingencies

FHFGBR participates in federal and state grant programs, which are governed by various rules and regulations. Costs charged to the grant programs are subject to audit and adjustment by the grantor agency; therefore, to the extent that FHFGBR has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable at year end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Any costs disallowed would be recognized in the period agreed upon by the grantor agency and FHFGBR.

Note 7–Economic Dependency

FHFGBR receives revenue through grants and contracts administered by the State of Louisiana. The grant and contract amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds received by FHFGBR could be reduced significantly by an amount that could adversely impact its operations. Management is not aware of any actions that will adversely affect the amount of grants and contracts the organization will receive in the next fiscal year.

Note 8–Board of Directors Compensation

The Board of Directors is a voluntary board; therefore, no compensation or per diem has been paid to any Director.

Note 9–Gain on Forgiveness of Debt

FHFGBR received a loan from a bank dated February 2, 2021 in the amount of \$83,297 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan was accounted for under FASB ASC 470. FHFGBR applied for and has been notified that \$83,297 in eligible expenditures for payroll and other expenses described in the CARES Act has been forgiven. Upon forgiveness, FHFGBR accounted for derecognition of the liability in accordance with FASB ASC 405-20. A gain was recorded on extinguishment of debt as income in the period of forgiveness.

Note 10–Operating Leases

FHFGBR pays rent on a month-to-month basis to their bingo hall management company. Rent payments are calculated as a percentage of games played and remitted on a monthly basis. Total rent expense for the years ended June 30, 2022 was \$51,090.

Note 11–Subsequent Events

Management of FHFGBR evaluated all subsequent events through December 22, 2022, the date the financial statements were available to be issued. As a result, no subsequent events required adjustment to, or disclosure in, these financial statements.

Supplementary Information

**Families Helping Families of Greater Baton Rouge, Inc.
Schedule of Compensation, Benefits, and Other
Payments to Agency Head or Chief Executive Officer
Year Ended June 30, 2022**

Agency Head: Dr. Marilyn Thornton, Executive Director

Purpose	Amount
Salary	\$ 76,707
Benefits - insurance-healthcare allowance	4,800
Benefites - retirement	-
Benefits - cell phone allowance	1,200
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	118
Travel	189
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-



**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
Families Helping Families of Greater Baton Rouge, Inc.
Baton Rouge, 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 Greater Baton Rouge, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 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, and have issued our report thereon dated December 22, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Families Helping Families of Greater Baton Rouge, Inc.'s (FHFGBR) internal control over financial reporting (internal control) as a basis for designing 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 FHFGBR's internal control. Accordingly, we do not express an opinion on the effectiveness of FHFGBR'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Families Helping Families of Greater Baton Rouge, 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 financial statements. 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*.

Families Helping Families of Greater Baton Rouge, Inc.'s Response to Finding

Government Auditing Standards require the auditor to perform limited procedures on Families Helping Families of Greater Baton Rouge, Inc.'s response to the finding identified in our audit and described in the accompanying schedule of findings and responses. Families Helping Families of Greater Baton Rouge, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements 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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hawthorn, Waymouth & Carroll, L.L.P.

December 22, 2022

Families Helping Families of Greater Baton Rouge, Inc.
Schedule of Findings and Responses
Year Ended June 30, 2022

Part I. Summary of Audit Results

1. An unmodified opinion has been expressed on the financial statements of Families Helping Families of Greater Baton Rouge, Inc., as of and for the year ended June 30, 2022, and the related notes to the financial statements.
2. No deficiencies in internal control over financial reporting that we consider to be material weaknesses were identified.
3. No instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* were identified.
4. A single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* was not required.
5. A management letter was not issued.

Part II. Financial Statement Findings

2022-001: Segregation of Duties

Condition:

Due to the small size of the organization, ideal segregation of duties has not been achieved.

Criteria:

The organization should separate responsibilities for authorizing transactions, recording those transactions, and the custody of assets.

Cause:

The size of the organization does not permit ideal segregation of duties.

Effect:

The lack of or limited segregation of duties increases the risk of fraud related to misappropriation of assets, financial statement misstatements, or both.

Auditor's Recommendation:

While we recognize it may not be cost effective to justify implementing a full segregation of duties for an extensive system of internal control in all areas, we believe it is important that management and those charged with governance are aware that some weaknesses may exist and that they should apply diligent oversight and monitoring activities.

Management's Corrective Action Plan:

Management has requested more involvement from the Board treasurer to help reduce the risk associated with limited segregation of duties. The treasurer will now review all transactions over \$5,000 and shall be a co-signer for check amounts of \$1,000 or greater on cash accounts. Management believes this will increase the effectiveness of Board oversight and monitoring.

Families Helping Families of Greater Baton Rouge, Inc.
Summary Schedule of Prior Year Findings
Year Ended June 30, 2022

Part I. Financial Statement Findings

2021-001: Segregation of Duties

Summary of Prior Year Finding:

Due to the small size of the organization, ideal segregation of duties has not been achieved.

Status:

Finding repeats as current year finding 2022-001.

Part II. A management letter was not issued for the year ended June 30, 2021.