

**Families Helping Families
of Greater Baton Rouge, Inc.
Baton Rouge, Louisiana
June 30, 2019**

Table of Contents

Independent Auditor's Report	Page	3
Financial Statements		
Statements of Financial Position	Page	5
Statements of Activities	Page	6
Statements of Functional Expenses	Page	7
Statements of Cash Flows	Page	8
Notes to Financial Statements	Page	9
Supplementary Information		
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	Page	15
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 <i>Government Auditing Standards</i>	Page	16
Schedule of Findings and Responses	Page	18
Schedule of Prior Year Findings and Responses	Page	19



**HAWTHORN
WAYMOUTH
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Certified Public Accountants

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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 Financial Statements

We have audited the accompanying financial statements of Families Helping Families of Greater Baton Rouge, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 audits 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 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 Greater Baton Rouge, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 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 November 7, 2019, 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.

November 7, 2019

Families Helping Families of Greater Baton Rouge, Inc.
Statements of Financial Position
June 30, 2019 and 2018

Assets			
		2019	2018
		<hr/>	<hr/>
Current Assets			
Cash and cash equivalents	\$	182,392	\$ 181,288
Accounts receivable, net		53,189	34,186
Taxes receivable		1,211	-
Prepaid expenses		1,716	170
		<hr/>	<hr/>
Total current assets		238,508	215,644
Property and Equipment, net		468,916	484,456
		<hr/>	<hr/>
Total assets	\$	<u>707,424</u>	<u>\$ 700,100</u>
		<hr/>	<hr/>
Liabilities and Net Assets			
Current Liabilities			
Current maturity of long-term debt	\$	19,736	\$ 18,875
Accounts payable		11,748	4,587
Accrued liabilities		39,255	25,369
Unrelated business income taxes payable		-	2,399
		<hr/>	<hr/>
Total current liabilities		70,739	51,230
Long-Term Debt, less current maturity		299,897	319,494
Net Assets Without Donor Restrictions		336,788	329,376
		<hr/>	<hr/>
Total liabilities and net assets	\$	<u>707,424</u>	<u>\$ 700,100</u>
		<hr/>	<hr/>

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

Families Helping Families of Greater Baton Rouge, Inc.
Statements of Activities
Years Ended June 30, 2019 and 2018

	Without Donor Restrictions	
	2019	2018
Revenue and Other Support		
Contracts and grants	\$ 464,130	\$ 288,303
Fundraising	129,314	153,770
Contributions	28,687	37,089
Rent	14,400	14,200
Interest	1,147	211
Miscellaneous	2,571	4,940
	<hr/>	<hr/>
Total revenue and other support	640,249	498,513
	<hr/>	<hr/>
Expenses		
Program	442,364	371,168
Management and general	121,859	82,618
Fundraising	58,444	63,253
	<hr/>	<hr/>
Total expenses	622,667	517,039
	<hr/>	<hr/>
Change in Net Assets Before Unrelated Business Income Tax	17,582	(18,526)
Unrelated Business Income Tax	10,170	10,409
	<hr/>	<hr/>
Change in Net Assets	7,412	(28,935)
Net Assets, beginning of period	329,376	358,311
	<hr/>	<hr/>
Net Assets, end of period	<u>\$ 336,788</u>	<u>\$ 329,376</u>

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

Families Helping Families of Greater Baton Rouge, Inc.
Statements of Functional Expenses
Years Ended June 30, 2019 and 2018

	June 30, 2019				June 30, 2018			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Accounting services	\$ -	\$ -	\$ 3,109	\$ 3,109	\$ -	\$ -	\$ 3,128	\$ 3,128
Advertising	-	1,050	658	1,708	-	1,057	353	1,410
Audit fees	-	11,225	-	11,225	-	10,225	1,000	11,225
Consulting	4,436	17,744	-	22,180	132	528	-	660
Contract labor	2,050	-	600	2,650	13,185	-	1,000	14,185
Depreciation	13,209	2,331	-	15,540	16,388	2,892	-	19,280
Dues and subscriptions	1,160	-	-	1,160	70	-	-	70
Education and training	5,102	4,901	-	10,003	439	421	-	860
Equipment rental	250	44	-	294	422	74	-	496
Insurance	11,733	232	244	12,209	15,423	255	775	16,453
Interest	15,460	1,050	-	16,510	15,918	1,192	-	17,110
Miscellaneous	-	2,491	4,540	7,031	-	3,696	4,947	8,643
Office supplies	4,563	805	597	5,965	2,298	406	300	3,004
Payroll	317,787	56,080	19,537	393,404	255,057	45,010	18,979	319,046
Payroll taxes	26,211	4,625	954	31,790	27,474	4,848	1,000	33,322
Postage and shipping	3,377	844	-	4,221	3,005	751	-	3,756
Printing and publications	-	4,196	166	4,362	-	6,105	552	6,657
Rent	-	-	15,174	15,174	-	-	20,651	20,651
Repairs and maintenance	1,354	338	-	1,692	1,647	412	-	2,059
Stipend	3,919	-	-	3,919	-	-	-	-
Supplies	10,318	10,319	12,667	33,304	1,568	1,567	10,546	13,681
Telecommunications	7,987	1,409	-	9,396	7,194	1,269	-	8,463
Travel and lodging	6,007	862	198	7,067	4,102	702	22	4,826
Utilities	7,441	1,313	-	8,754	6,846	1,208	-	8,054
Total expenses	\$ 442,364	\$ 121,859	\$ 58,444	\$ 622,667	\$ 371,168	\$ 82,618	\$ 63,253	\$ 517,039

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

Families Helping Families of Greater Baton Rouge, Inc.
Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	2019	2018
Cash Flows From Operating Activities		
Change in net assets	\$ 7,412	\$ (28,935)
Adjustments to reconcile change in net assets to net cash provided by (used by) operating activities:		
Depreciation	15,540	19,280
(Increase) Decrease in assets:		
Accounts receivable	(19,003)	(6,311)
Taxes receivable	(1,211)	-
Prepaid expenses	(1,546)	-
Increase (Decrease) in liabilities:		
Accounts payable	7,161	3,845
Accrued liabilities	13,886	9,760
Unrelated business income taxes payable	(2,399)	(5,254)
Net cash provided by (used in) operating activities	19,840	(7,615)
Cash Flows From Financing Activities		
Principal payments on long-term debt	(18,736)	(17,897)
Net cash used in financing activities	(18,736)	(17,897)
Net Change in Cash and Cash Equivalents	1,104	(25,512)
Cash and Cash Equivalents, beginning of year	181,288	206,800
Cash and Cash Equivalents, end of year	\$ 182,392	\$ 181,288
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	\$ 16,510	\$ 17,110
Cash paid for unrelated business income taxes	\$ 10,300	\$ 15,663

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, 2019

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:

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.

Children's Special Health Services (CSHS) - Provides information, referral, education, training, and one-on-one support to families enrolled in CSHS.

Capital Area Human Services District (CAHSD) - Provides information and referrals to individuals with developmental disabilities and their families through workshops, presentations, and one-on-one support.

Developmental Disabilities Council (DDC) - Provides administrative and related functions of FHFGBR.

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.

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 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.

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2019

Note 2-Summary of Significant Accounting Policies (Continued)

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.

C. Cash and Cash Equivalents

For purposes of the statements 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, 2019 and 2018 is cash of \$11,947 and \$7,414, respectively, 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, 2019 and 2018 to be fully collectible and, therefore, did not provide 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. Revenue Recognition

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.

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2019

Note 2-Summary of Significant Accounting Policies (Continued)

F. Revenue Recognition (Continued)

Grants, which are considered exchange transactions, are recognized as revenue when allowable costs are incurred to provide the services specified under the terms of the grant agreements. Advances under the grants are recorded as deferred income until such time as they can be recognized as revenue.

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, 2018, FHFGBR owed \$2,399 of income tax on the unrelated business activities. As of June 30, 2019, there was an income tax overpayment of \$1,211.

Management has determined that there are no uncertain tax positions that would require recognition in the financial statements. If FHFGBR were to incur an income tax liability in the future, 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. New Accounting Pronouncement

The Organization has adopted the accounting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which changes presentation and disclosure requirements for nonprofit entities to provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. These include qualitative and quantitative requirements in the following areas: net asset classes and liquidity. The Organization has adjusted the presentation in these financial statements accordingly.

I. Liquidity Management

As of June 30, 2019, 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	\$ 182,392
Accounts receivable	<u>53,189</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 235,581</u>

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

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2019

Note 2-Summary of Significant Accounting Policies (Continued)

J. Functional Expenses

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 the Organization's estimates of the relative proportion of various staff members' time and effort between program and administrative functions.

Note 3-Property and Equipment

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

	<u>2019</u>	<u>2018</u>
Land	\$ 150,000	\$ 150,000
Building	430,000	430,000
Equipment	47,543	47,543
Furniture and fixtures	38,565	38,565
	<u>666,108</u>	<u>666,108</u>
Less: accumulated depreciation	(197,192)	(181,652)
Total property and equipment, net	<u><u>\$ 468,916</u></u>	<u><u>\$ 484,456</u></u>

Note 4-Long-term Debt

	<u>2019</u>	<u>2018</u>
Note payable to a financial institution due in monthly principal and interest installments totaling \$2,810, with a final payment of \$270,220 in November 2021, bearing interest at 4.50%, collateralized by building and land.	\$ 319,633	\$ 338,369
Less: current maturity of long-term debt	<u>19,736</u>	<u>18,875</u>
Long-term debt, less current maturity	<u><u>\$ 299,897</u></u>	<u><u>\$ 319,494</u></u>

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

2020	\$ 19,736
2021	20,643
2022	<u>279,254</u>
	<u><u>\$ 319,633</u></u>

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2019

Note 5-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 6-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 7-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 8-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, 2019 and 2018 was \$15,174 and \$20,651, respectively.

Note 9-Subsequent Events

FHFGBR evaluated all subsequent events through November 7, 2019, the date the financial statements were available to be issued. As a result, FHFGBR noted no subsequent events that 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, 2019**

Agency Head Name: Jamie Tindle, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$71,806
Benefits - insurance	0
Benefits - retirement	0
Benefits - cell phone	2,000
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	34
Travel	771
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0



**HAWTHORN
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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 *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 statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 7, 2019.

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) 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 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 did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2019-001 that we consider to be a significant deficiency.

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 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*.

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

Families Helping Families of Greater Baton Rouge, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Families Helping Families of Greater Baton Rouge, Inc.'s response was not subjected to the 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, LLP.

November 7, 2019

Families Helping Families of Greater Baton Rouge, Inc.
Schedule of Findings and Responses
Year Ended June 30, 2019

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, 2019, and the related notes to the financial statements.
2. One deficiency in internal control over financial reporting that we consider to be a significant deficiency was 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. Findings Related to an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

2019-001: 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 proper segregation of duties.

Effect:

The lack of 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 a lack of segregation of duties. The treasurer will now review all transactions, and continue as 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.
Schedule of Prior Year Findings and Responses
Year Ended June 30, 2019

Part I. Findings Related to an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

2018-001: 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 2019-001.

Part II. A management letter was not issued for the year ended June 30, 2018.