

**Families Helping Families Region 7
Shreveport, Louisiana**

Financial Statements

As of and for the Year Ended June 30, 2019

Families Helping Families Region 7
Shreveport, Louisiana

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Independent Auditors' Report

To the Board of Directors
Families Helping Families Region 7
Shreveport, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Families Helping Families Region 7, (a nonprofit corporation) which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the 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 Region 7, as of June 30, 2019, 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.

Effect of Adopting New Accounting Standard

As described in Note 2 to the financial statements, Families Helping Families Region 7 adopted the Financial Accounting Standards Board's Accounting Standard Update (ASU) No. 2016-14 – Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, as of and for the year ended June 30, 2019. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited Families Helping Families Region 7 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 27, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying other supplementary information listed in the table of contents as Schedule of Compensation, Benefits, and Other Payments to Agency Head and shown on page 11 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2019, on our consideration of Families Helping Families Region 7's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to solely 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 Region 7'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 Region 7's internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
December 19, 2019

Families Helping Families Region 7
Shreveport, Louisiana
Statement of Financial Position
June 30, 2019
(With Comparative Amounts for 2018)

ASSETS

	2019	2018
Current assets:		
Cash and cash equivalents	\$ 36,719	\$ 55,432
Grant receivable	19,724	22,262
Prepaid expenses	4,821	881
Total current assets	<u>61,264</u>	<u>78,575</u>
Property and equipment	11,494	11,494
Accumulated depreciation	<u>(8,258)</u>	<u>(8,691)</u>
Net property and equipment	<u>3,236</u>	<u>2,803</u>
Total Assets	<u><u>\$ 64,500</u></u>	<u><u>\$ 81,378</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$	\$ 27
Accrued liabilities	13,070	16,302
Total current liabilities	<u>13,070</u>	<u>16,329</u>
Net assets:		
With donor restrictions	4,000	
Without donor restrictions	<u>47,430</u>	<u>65,049</u>
Total net assets	<u>51,430</u>	<u>65,049</u>
Total Liabilities and Net Assets	<u><u>\$ 64,500</u></u>	<u><u>\$ 81,378</u></u>

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

Families Helping Families Region 7
Shreveport, Louisiana
Statement of Activities
For the Year Ended June 30, 2019
(With Comparative Amounts for 2018)

	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
REVENUES AND OTHER SUPPORT				
Contractual revenue	\$ 189,928	\$	\$ 189,928	\$ 200,636
Special events revenue	5,475		5,475	2,000
Donations		4,000	4,000	15,972
Miscellaneous	2,076		2,076	667
Total revenue and other support	<u>197,479</u>	<u>4,000</u>	<u>201,479</u>	<u>219,275</u>
EXPENSES				
Program	154,403		154,403	176,188
Management and general	49,920		49,920	54,374
Fund-raising	10,775		10,775	1,821
Total expenses	<u>215,098</u>		<u>215,098</u>	<u>232,383</u>
Changes in net assets	(17,619)	4,000	(13,619)	(13,108)
Net assets as of beginning of year, restated	<u>65,049</u>		<u>65,049</u>	<u>78,157</u>
Net assets as of end of year	<u>\$ 47,430</u>	<u>\$ 4,000</u>	<u>\$ 51,430</u>	<u>\$ 65,049</u>

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

Families Helping Families Region 7
Shreveport, Louisiana
Statement of Functional Expenses
For the Year Ended June 30, 2019
(With Comparative Amounts for 2018)

	Program Expenses	Management and General	Fund-raising	2019 Total	2018 Total
Personnel	\$ 81,750	\$ 36,184	\$	\$ 117,934	\$ 125,217
Fringe benefits	6,633	2,768		9,401	10,019
Office expense	14,135	3,534		17,669	37,692
Occupancy	13,219	3,305		16,524	15,897
Insurance	6,604			6,604	9,021
Depreciation	1,118			1,118	1,399
Miscellaneous	11,666	1,017	10,775	23,458	13,056
Professional services	12,448	3,112		15,560	15,785
Travel	6,830			6,830	4,297
Total expenses	<u>\$ 154,403</u>	<u>\$ 49,920</u>	<u>\$ 10,775</u>	<u>\$ 215,098</u>	<u>\$ 232,383</u>

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

Families Helping Families Region 7
Shreveport, Louisiana
Statement of Cash Flows
For the Year Ended June 30, 2019
(With Comparative Amounts for 2018)

	<u>2019</u>	<u>2018</u>
Operating Activities		
Changes in net assets	\$ (13,619)	\$ (13,108)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,118	1,399
Loss on sale of asset	449	
(Increase) decrease in:		
Grants receivable	2,538	(7,457)
Prepaid expenses	(3,940)	675
Increase (decrease) in:		
Accounts payable	(27)	(2,583)
Accrued liabilities	(3,232)	(2,446)
Net cash (used) in operating activities	<u>(16,713)</u>	<u>(23,520)</u>
Investing Activities		
Purchase of capital assets	(3,000)	
Proceeds from disposal of capital assets	<u>1,000</u>	
Net cash (used) in investing activities	<u>(2,000)</u>	
Net (decrease) in cash and cash equivalents	(18,713)	(23,520)
Cash and cash equivalents as of beginning of year	<u>55,432</u>	<u>78,952</u>
Cash and cash equivalents as of end of year	<u>\$ 36,719</u>	<u>\$ 55,432</u>

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

Families Helping Families Region 7
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2019

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Families Helping Families Region 7 (FHF7) is a private, nonprofit corporation governed by a board of directors and administered by a professional staff. FHF7's goal is to provide information and referral, education and training and peer to peer support to individuals with disabilities and their families. The support for FHF7 comes primarily from state funds through contracts—grants from the State of Louisiana, Department of Health and Hospitals and other organizations.

B. Basis of Accounting

The financial statements of FHF7 have been prepared on the accrual basis of accounting.

C. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

D. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. Under those standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

E. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, FHF7 considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

F. Property and Equipment

It is the policy of FHF7 to capitalize all fixed assets with a unit cost of \$500 or more. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Federal Government has a reversionary interest in property purchased with federal funds. Its disposition as well as the ownership of any proceeds therefrom is subject to federal regulations. Depreciation is provided on the straight-line method over the estimated useful lives of the assets.

G. Restricted and Unrestricted Revenue and Support

Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restriction, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net asset with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

(Continued)

Families Helping Families Region 7
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2019
(Continued)

H. Income Tax Status

FHF7 is a non-profit corporation and is exempt from state and federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to FHF7's tax-exempt purpose is subject to taxation as unrelated business income. FHF7 had no such income for this audit period. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ended June 30, 2016, 2017, 2018, and 2019 are subject to examination by the IRS, generally three years after they were filed.

I. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(2) Adoption of New Accounting Pronouncement

For the year ended June 30, 2019, FHF7 adopted the Financial Accounting Standard Update (ASU) No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classifications, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. The changes required by the update have been applied retrospectively to all periods presented. A key change required by ASU 2016-14 are the net asset classes used in the financial statements. Amount previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

(3) Concentrations of Credit Risk

FHF7 maintains cash balances at a financial institution located in the Shreveport area. Accounts at that institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2019, total cash balances held at financial institutions were \$36,719, all of which was secured by FDIC insurance.

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of June 30, 2019, FHF7 had no significant concentrations of credit risk in relation to grant receivables.

(4) Accrued Liabilities

Accrued liabilities at June 30, 2019 consisted of the following:

Accrued payroll	\$ 8,592
Accrued leave	1,989
Payroll taxes payable	2,489
	<u>\$ 13,070</u>

(Continued)

Families Helping Families Region 7
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2019
(Continued)

(5) Liquidity and Availability of Financial Assets

FHF7 monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. FHF7 has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

<i>Financial assets at year-end:</i>	
Cash and cash equivalents	\$ 36,719
Grant receivable	<u>19,724</u>
Total financial assets	56,443
Less amounts not available to be used within one year:	
Net assets with donor restrictions	(<u>4,000</u>)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 52,443</u>

In addition to financial assets available to meet general expenditures over the year, FHF7 operates with a balanced budget and anticipates covering its general expenditures using the income generated from contractual agreements with governmental agencies and contributions. The Statement of Cash Flows identifies the sources and uses of FHF7's cash and shows negative cash generated by operations of \$(16,713) for fiscal year ending June 30, 2019.

(6) Operating Leases

FHF7 leases office space under an operating lease. Rental costs for the year ended June 30, 2019, totaled \$16,524. This lease ended June 30, 2019, and was not renewed. A new lease was signed with an effective date of July 1, 2019. A deposit of one month's rent as well as the first month's rent was paid in June 2019, and is reflected in prepaid expenses. The future maturities on this lease are as follows:

For the Year Ending June 30,

2020	\$ 18,000
2021	18,600
2022	19,200
2023	19,200
2024	<u>19,200</u>
Total	<u>\$ 94,200</u>

(7) Property and Equipment

Property and equipment at June 30, 2019, with estimated depreciable life, are summarized as follows:

Furniture, fixtures, equipment	5 – 10 years	\$ 8,494
Vehicles	5 years	3,000
Accumulated depreciation		<u>(8,258)</u>
		<u>\$ 3,236</u>

(Continued)

Families Helping Families Region 7
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2019
(Continued)

(8) Net Assets

Net assets at June 30, 2019, consisted of the following:

Net Assets Without Donor Restrictions:	
Undesignated	\$ 44,194
Net investment in property and equipment	<u>3,236</u>
Total net assets without donor restrictions	<u>47,430</u>
Net Assets With Donor Restrictions:	
Subject to expenditure for specified purpose - Restricted for HOPE closet	<u>4,000</u>
Total Net Assets	<u>\$ 51,430</u>

(9) Third Party Reimbursement

During the year ended June 30, 2019, FHF7 received contractual revenue from state and other grants in the amount of \$189,928. The continued existence of these funds is based on annual contract renewals with various funding sources.

(10) Restatement of Net Assets

Net assets at June 30, 2018, were restated to correct the revenue recognition of grants receivable to the period for which the grants were received.

	<u>Net Assets</u>
Balance, June 30, 2018, as previously reported	\$ 58,428
Correction of grant revenue	<u>6,621</u>
Balance, June 30, 2018, restated	<u>\$ 65,049</u>

(11) Subsequent Events

Subsequent events have been evaluated through December 19, 2019, the date the financial statements were available to be issued.

**Families Helping Families Region 7
Shreveport, Louisiana
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2019**

Agency Head: Chanel Jackson, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 48,245
Reimbursements	345

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**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**

Independent Auditors' Report

To the Board of Directors
Families Helping Families Region 7
Shreveport, 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 Region 7 (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019 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 19, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Families Helping Families Region 7's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Families Helping Families Region 7's internal control. Accordingly, we do not express an opinion on the effectiveness of Families Helping Families Region 7'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.

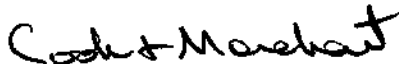
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Families Helping Families Region 7's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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


Cook & Morehart
Certified Public Accountants
December 19, 2019

Families Helping Families Region 7
Shreveport, Louisiana
Summary Schedule of Audit Findings
June 30, 2019

Summary Schedule of Prior Year Audit Findings

There were no findings for the prior audit period ended June 30, 2018.

Summary Schedule of Current Year Audit Findings

There are no findings for the current audit period ended June 30, 2019.