

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

SHREVEPORT, LOUISIANA

FINANCIAL STATEMENTS

December 31, 2020

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

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

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

Independent Auditor's Report

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

Report on the Financial Statements

I have audited the accompanying financial statements of Think First of the Ark-La-Tex, Inc., (a non-profit organization) which comprise the statements of financial position, as of December 31, 2020, and the related statements of activities and changes in net assets, functional expenses, and statement of 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 the maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud of error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Think First of the Ark-La-Tex, Inc., as of December 31, 2020, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head on page 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain 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 my opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated June 27, 2021 on my consideration of Think First of the Ark-La-Tex Inc's internal control over functional reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Think First of the Ark-La-Tex Inc.'s internal control over financial reporting and compliance.



Certified Public Accountant
June 27, 2021

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

Statement of Financial Position

December 31, 2020

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 98,341
Accounts Receivable	<u>50,763</u>
Total Current Assets	149,104
PROPERTY AND EQUIPMENT	85,457
OTHER ASSETS	
Investments	<u>97,932</u>
Total Assets	<u><u>\$ 332,493</u></u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable and Accrued Liabilities	<u>\$ 2,936</u>
Total Current Liabilities	2,936
Net Assets:	
Without donor restrictions	231,625
With donor restrictions	<u>97,932</u>
Total Net Assets	<u>329,557</u>
Total Liabilities and Net Assets	<u><u>\$ 332,493</u></u>

The accompanying notes are an integral part of these statements.

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

Statement of Activities and Changes in Net Assets

For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Support:			
Contributions	\$ 21,135	\$ 12,090	\$ 33,225
Total Support	<u>21,135</u>	<u>12,090</u>	<u>33,225</u>
Revenues:			
Fundraising	12,789	-	12,789
Grants	-	117,500	117,500
Rental	6,000	-	6,000
Miscellaneous	-	-	-
Interest and Realized Gains	432	9,317	9,749
Total Revenues	<u>19,221</u>	<u>126,817</u>	<u>146,038</u>
Total Support and Revenues	<u>40,356</u>	<u>138,907</u>	<u>179,263</u>
Net Assets Released from Restrictions:			
Satisfaction of Usage Restrictions	<u>117,500</u>	<u>(117,500)</u>	<u>-</u>
Total Support and Revenues	<u>157,856</u>	<u>21,407</u>	<u>179,263</u>
EXPENSES			
Program Expenses	151,429	3,009	154,438
Fundraising	661	-	661
General and Administrative	17,836	-	17,836
Total Expenses	<u>169,926</u>	<u>3,009</u>	<u>172,935</u>
Changes in Net Assets before Other Income	(12,070)	18,398	6,328
OTHER INCOME			
PPP Protection Loan Forgiveness	<u>21,000</u>	<u>-</u>	<u>21,000</u>
Changes in Net Assets	8,930	18,398	27,328
Net assets, beginning of year	222,695	79,534	302,229
Net assets, end of year	<u>\$ 231,625</u>	<u>\$ 97,932</u>	<u>\$ 329,557</u>

The accompanying notes are an integral part of this statement.

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

Statement of Functional Expenses

For the Year Ended December 31, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 79,565	\$ 8,841	\$ -	\$ 88,406
Occupancy	12,943	826	-	13,769
Professional services	34,746	3,861	-	38,607
Printing	3,085	-	-	3,085
Information technologies	1,064	-	-	1,064
Travel	5,642	1,411	-	7,053
Depreciation	5,155	573	-	5,728
Other	12,238	2,324	661	15,223
	<u>\$ 154,438</u>	<u>\$ 17,836</u>	<u>\$ 661</u>	<u>\$ 172,935</u>

The accompanying notes are an integral part of this statement.

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

Statement of Cash flows

For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 27,328
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	5,728
Changes in assets and liabilities:	
Increase in grants receivable	(24,782)
Decrease in accounts payable and accrued expenses	<u>550</u>
Net cash provided by operating activities	<u>8,824</u>

CASH FLOWS USED BY INVESTING ACTIVITIES:

Net change in investments	<u>(19,498)</u>
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CASH FLOWS USED BY FINANCING ACTIVITIES:

Purchase of fixed assets	<u>(19,569)</u>
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Net increase in cash	(30,243)
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>128,584</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 98,341</u></u>
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The accompanying notes are an integral part of this statement.

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

Notes to Financial Statements

December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General:

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

B. Basis of Accounting:

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

C. Basis of Presentation:

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

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

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

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

D. Measure of Operations

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

E. Cash and Cash Equivalents:

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

F. Property and Equipment

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

G. Contributions:

All contributions received are considered available for unrestricted use unless the donor specifies a restriction. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

H. Estimates:

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

I. Functional expenses:

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

The expenses that are allocated include the following:

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

J. New accounting pronouncement:

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

2. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2020:

Financial assets at year end:	
Cash and equivalents	\$ 98,341
Accounts Receivable	50,763
Investments	<u>97,932</u>
Total financial assets	\$ 247,036
Less amounts not available to be used within one year:	
Net assets with donor restrictions	97,932
Less net assets with purpose restriction to be met in less than a year	<u>-</u>
	<u>97,932</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 149,104</u></u>

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

3. DONATED MATERIAL AND SERVICES:

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

4. CONCENTRATION OF CREDIT RISKS:

All cash deposits are fully insured by FDIC insurance.

5. FIXED ASSETS:

Fixed assets at December 31, 2020 consisted of the following:

Building	\$ 132,571
Furniture and Equipment	<u>36,337</u>
Total Costs	168,908
Less Accumulated Depreciation	<u>(83,451)</u>
Net Fixed Assets	<u>\$ 85,457</u>

6. NET ASSETS

Net assets with donor restrictions were as follows for the year ended December 31, 2020:

Specific Purpose	
Preventing brain and spinal cord injuries through education and community activities	<u>\$ 97,932</u>

Net assets without donor restriction for the year ended December 31, 2020 are as follows:

Undesignated	<u>\$ 231,625</u>
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Net assets released from net assets with donor restrictions are as follows:

Satisfaction of Purpose Restrictions	
Preventing brain and spinal cord injuries	<u>\$ 117,500</u>

7. The Organization entered into an agreement with the Community Foundation of North Louisiana (CENLA). The agreement established an Agency Endowment Fund at CENLA called "Emily Nicole Smith Think First Endowment Fund". The fund will be used for support of the charitable purpose of the Organization. Net income and capital appreciation of the Fund, as governed by CENLA's Spending Police, will be paid and distributed to the Organization at least annually. The fair market value of the Fund at December 31, 2020 was \$97,932.

8. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through December 31, 2020 the date that the financial statements were available to be issued, and determined that no additional disclosures are necessary.

On March 13, 2020, a national emergency was declared relating to the COVID-10 virus. As of the date of this report, the pandemic is ongoing. The extent of the impact of COVID-19 on our future operational and financial performance is unknown.

THINK FIRST OF THE ARK-LA-TEX, INC
Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2020

Agency Head, Donna Cavanaugh, Executive Director

Salary	\$ 12,989
Payroll Taxes	<u>\$ 1,137</u>
Travel	<u>\$ -</u>
Conference Fees	<u>\$ -</u>



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Think First of the Ark-La-Tex, Inc. which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and related notes to the financial statements, and have issued my report thereon dated June 27, 2021.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statutes, it is issued by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Marsha D. Milliean".

Certified Public Accountant

June 27, 2021

THINK FIRST OF THE ARK-LA-TEX, INC

Schedule of Findings

Year Ended December 31, 2020

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

There were no findings for the year ended December 31, 2020.

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

Year Ended December 31, 2020

There were no findings for the year ended December 31, 2019.