

**THE FAMILY TREE
INFORMATION, EDUCATION
AND COUNSELING CENTER, INC.**

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016**

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INDEPENDENT AUDITORS' REPORT

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To the Board of Directors
The Family Tree
Information, Education
and Counseling Center, Inc.
Lafayette, Louisiana

We have audited the accompanying financial statements of The Family Tree Information, Education and Counseling Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, cash flows and functional expenses 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditors' 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 The Family Tree Information, Education and Counseling Center, Inc. as of December 31, 2017 and 2016, 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise The Family Tree Information, Education and Counseling Center, Inc.'s basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate 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 audits 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2018, on our consideration of The Family Tree'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 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 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 The Family Tree's internal control over financial reporting and compliance.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

Lafayette, Louisiana
June 22, 2018

FINANCIAL STATEMENTS

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 383,001	\$ 399,046
Accounts Receivable:		
Grants and Contracts	71,747	76,330
Prepaid Expenses	<u>27,543</u>	<u>14,907</u>
Total Current Assets	<u>482,291</u>	<u>490,283</u>
 PROPERTY AND EQUIPMENT		
Property and Equipment, Net	<u>8,685</u>	<u>13,629</u>
 OTHER ASSETS		
Deposits	<u>5,000</u>	<u>-</u>
 TOTAL ASSETS		
	<u>\$ 495,976</u>	<u>\$ 503,912</u>
LIABILITIES		
Accounts Payable	\$ 15,969	\$ 10,547
Accrued Liabilities	27,405	33,398
Other Current Liabilities	<u>-</u>	<u>2,655</u>
Total Current Liabilities	43,374	46,600
Deferred Revenue	<u>29,834</u>	<u>18,228</u>
Total Long-Term Liabilities	<u>29,834</u>	<u>18,228</u>
 TOTAL LIABILITIES		
	<u>73,208</u>	<u>64,828</u>
NET ASSETS		
Unrestricted	<u>422,768</u>	<u>439,084</u>
 TOTAL NET ASSETS		
	<u>422,768</u>	<u>439,084</u>
 TOTAL LIABILITIES AND NET ASSETS		
	<u>\$ 495,976</u>	<u>\$ 503,912</u>

The accompanying notes are an integral part of this statement.

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017		
	Unrestricted	Temporarily Restricted	Total
UNRESTRICTED NET ASSETS			
REVENUES, GAINS AND PUBLIC SUPPORT			
Public Support:			
Health Resources Services Administration:			
Healthy Start Initiative	\$ 679,958	\$ -	\$ 679,958
Tulane University:			
Quality Rating Service	186,575	-	186,575
United Way	10,125	-	10,125
Other Grants and Contracts	75,194	-	75,194
Public Support Donations	17,835	-	17,835
In-Kind Contributions	8,000	-	8,000
Total Public Support	977,687	-	977,687
Counseling Revenue, Net	81,521	-	81,521
Other Income	2,707	-	2,707
Loss on Disposal of Fixed Assets	(659)	-	(659)
Total Revenues, Gains and Public Support	1,061,256	-	1,061,256
EXPENSES AND LOSSES			
Program Services	883,670	-	883,670
Supporting Services:			
Management and General	193,902	-	193,902
Total Expenses and Losses	1,077,572	-	1,077,572
CHANGE IN NET ASSETS	(16,316)	-	(16,316)
NET ASSETS AT BEGINNING OF YEAR	439,084	-	439,084
NET ASSETS AT END OF YEAR	\$ 422,768	\$ -	\$ 422,768

The accompanying notes are an integral part of this statement.

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016		
	Unrestricted	Temporarily Restricted	Total
UNRESTRICTED NET ASSETS			
REVENUES, GAINS AND PUBLIC SUPPORT			
Public Support:			
Health Resources Services Administration:			
Healthy Start Initiative	\$ 745,872	\$ -	\$ 745,872
Tulane University:			
Quality Rating Service	187,787	-	187,787
United Way	24,565	-	24,565
Other Grants and Contracts	48,961	-	48,961
Public Support Donations	4,882	-	4,882
In-Kind Contributions	12,000	-	12,000
Fundraising	58	-	58
Net Assets Released from Restrictions	12,708	(12,708)	-
Total Public Support	1,036,833	(12,708)	1,024,125
Counseling Revenue, Net	38,703	-	38,703
Investment Income	9	-	9
Other Income	170,537	-	170,537
Total Revenues, Gains and Public Support	1,246,082	(12,708)	1,233,374
EXPENSES AND LOSSES			
Program Services	963,280	-	963,280
Supporting Services:			
Management and General	88,849	-	88,849
Total Expenses and Losses	1,052,129	-	1,052,129
CHANGE IN NET ASSETS	193,953	(12,708)	181,245
NET ASSETS AT BEGINNING OF YEAR	245,131	12,708	257,839
NET ASSETS AT END OF YEAR	\$ 439,084	\$ -	\$ 439,084

The accompanying notes are an integral part of this statement.

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017		
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	TOTAL
Compensation and Related Expenses			
Salaries and Pension	\$ 483,702	\$ 107,162	\$ 590,864
Payroll Taxes	39,718	8,522	48,240
Employee Benefits	39,138	10,311	49,449
Medical Insurance	5,446	(30)	5,416
	<u>568,004</u>	<u>125,965</u>	<u>693,969</u>
Advertising and Marketing	3,244	15	3,259
Bad Debt	1,920	-	1,920
Bank Charges	2,424	269	2,693
Board Expenses	-	2,722	2,722
Computer Expense	9,032	-	9,032
Consultant Expense	60,294	-	60,294
Continuing Education	15,026	221	15,247
Contracts	60,816	-	60,816
Default Cost	(550)	-	(550)
Insurance - Auto	309	2,920	3,229
Insurance - Workers' Compensation	11,681	532	12,213
Licenses	600	151	751
Medical and Criminal Exam	1,142	-	1,142
Membership Dues	1,332	-	1,332
Miscellaneous	2,114	-	2,114
Office Supplies	9,589	-	9,589
Postage	24	24	48
Professional Fees	7,757	9,718	17,475
Program Supplies	25,261	27,300	52,561
Rent	200	17,576	17,776
Repairs and Maintenance	3,439	5,303	8,742
Staff Mileage	46,647	266	46,913
Telephone	10,560	-	10,560
Travel	29,288	34	29,322
Utilities	5,500	-	5,500
	<u>875,653</u>	<u>193,016</u>	<u>1,068,669</u>
Depreciation	8,017	886	8,903
Totals	<u>\$ 883,670</u>	<u>\$ 193,902</u>	<u>\$ 1,077,572</u>

The accompanying notes are an integral part of this statement.

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016		
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	TOTAL
Compensation and Related Expenses			
Salaries and Pension	\$ 568,880	\$ 49,449	\$ 618,329
Payroll Taxes	47,955	4,186	52,141
Employee Benefits	51,848	3,055	54,903
Medical Insurance	4,917	1,184	6,101
	<u>673,600</u>	<u>57,874</u>	<u>731,474</u>
Advertising and Marketing	18,011	3,352	21,363
Bad Debt	4,447	-	4,447
Bank Charges	1,705	448	2,153
Board Expenses	-	1,807	1,807
Computer Expense	4,288	-	4,288
Consultants and Professional Fees	22,710	100	22,810
Continuing Education	9,400	243	9,643
Contracts	50,040	-	50,040
Default Cost	(2,337)	-	(2,337)
Insurance	308	2,839	3,147
Insurance - Workers' Compensation	11,918	46	11,964
Licenses	-	10	10
Medical Exam	467	102	569
Membership Dues	2,061	408	2,469
Miscellaneous	2,161	63	2,224
Office Supplies	15,811	-	15,811
Postage	990	35	1,025
Professional Fees	8,375	12,635	21,010
Program Supplies	41,542	5,128	46,670
Rent	-	2,070	2,070
Repairs and Maintenance	3,156	143	3,299
Staff Mileage	47,777	158	47,935
Telephone	10,000	-	10,000
Travel	23,720	-	23,720
Utilities	6,000	-	6,000
	<u>956,150</u>	<u>87,461</u>	<u>1,043,611</u>
Depreciation	<u>7,130</u>	<u>1,388</u>	<u>8,518</u>
Totals	<u>\$ 963,280</u>	<u>\$ 88,849</u>	<u>\$ 1,052,129</u>

The accompanying notes are an integral part of this statement.

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (16,316)	\$ 181,245
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	8,903	8,518
Loss on Disposal of Assets	659	-
Changes in Assets and Liabilities:		
Accounts Receivable	4,583	3,942
Prepaid Expenses	(12,635)	859
Deposits	(5,000)	-
Accounts Payable	5,422	3,775
Accrued Liabilities	(5,993)	(10,755)
Other Current Liabilities	(2,655)	2,655
Deferred Revenue	11,606	13,227
Total Adjustments	<u>4,890</u>	<u>22,221</u>
Net Cash Provided by (Used in) Operating Activities	<u>(11,426)</u>	<u>203,466</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Capital Assets	(4,619)	-
Cash Released from Restriction	<u>-</u>	<u>12,708</u>
Net Cash (Used In) Provided By Investing Activities	<u>(4,619)</u>	<u>12,708</u>
NET CHANGE IN CASH	(16,045)	216,174
CASH AT BEGINNING OF YEAR	<u>399,046</u>	<u>182,872</u>
CASH AT END OF YEAR	<u>\$ 383,001</u>	<u>\$ 399,046</u>

The accompanying notes are an integral part of this statement.

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

(A) ORGANIZATION AND NATURE OF OPERATIONS

The Family Tree Information, Education and Counseling Center, Inc. (The Center), a nonprofit organization, was established in 1979 to support, strengthen and enlighten family life. The Center focuses on providing support through educational programs and counseling services. The Center's services are available to residents of Lafayette, Vermilion, St. Landry, St. Mary, St. Martin, Iberia, Acadia and Evangeline Parishes.

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The Center 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.

Accounting Policies - Assets, liabilities, revenues and expenses are recognized on the accrual basis of accounting in conformity with generally accepted accounting principles.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable - The Center considers accounts receivable to be fully collectible; accordingly no allowance for doubtful accounts is required. Trade credit is generally extended on a short-term basis; thus receivables do not bear interest. Trade accounts receivable are periodically evaluated for collectability and are charged against fees allowance or bad debt expense when they are deemed uncollectible. Management believes all accounts are collectible and that no allowance is necessary at December 31, 2017. Management also believes that any write-offs would be immaterial to the financial statements.

Property and Equipment - Property and equipment are stated at cost less accumulated depreciation. Maintenance and repairs are expensed as incurred. Items valued at \$1,500 or less are expensed as operating supplies.

Depreciation is computed using the straight-line method over the estimated useful lives of the individual assets.

The buildings are depreciated over thirty-nine years, improvements over five to thirty-nine years, furniture and equipment over three to ten years, and vehicles over three to five years. The balances in the depreciation expense accounts at December 31, 2017 and 2016 totaled \$8,903 and \$8,518 respectively.

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Donor Restricted Funds - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases these asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Center reports the support as unrestricted.

Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor-imposed stipulations regarding how long the contributed assets must be used, the organization has adopted a policy of implying a time restriction on contributions of such assets that expires over the assets' useful lives; consequently, contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as unrestricted support.

Grant Revenue - Proceeds from grants made for the purchase of specific items are recognized as revenue when the organization is reimbursed for those purchases by the donor. Proceeds from operational grants with no specified purchase requirements are recognized when funds are available.

Income Taxes - The Family Tree Information, Education and Counseling Center, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509 (a) of the Code.

Cash and Cash Equivalents - For the purposes of the statement of cash flows, the organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Advertising Costs - Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. The costs of direct-response advertising are capitalized and amortized over the period during which future benefits are expected to be received. The total cost of advertising charged to expense was \$3,259 and \$21,363 for the years ended December 31, 2017 and 2016, respectively.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

(C) WAYS TO WORK PROGRAM

The purpose of this program is to qualify parents for modest loans to enable an automobile purchase or repair. The Center has partnered with a local bank and various local charities have donated cash and services to fund operations of the program.

During February 2014, management made the decision to suspend the program until further notice.

During February 2016, the last loan was paid off with the bank. The Center will continue to collect payments on defaulted loans.

(D) FINANCIAL INSTRUMENTS

Financial instruments which potentially subject the Center to concentrations of credit risk consists of cash. The Center maintains its cash in one financial institution. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Center has cash balances in a bank in excess of amounts federally insured. The uninsured balances totaled \$146,800 at December 31, 2017. The Center believes it is not exposed to any significant credit risk on its cash balances.

(E) IN-KIND CONTRIBUTIONS

The Center was provided accounting services, office space, utilities and use of office equipment on an in-kind basis. The estimated value of the in-kind contribution recognized in the Statement of Activities is \$8,000 and \$12,000, for the years ended December 31, 2017 and 2016.

(F) COMPENSATION, BENEFITS AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR

A detail of compensation, benefits, and other payments paid to Marie Collins, Executive Director, for the year ended December 31, 2017:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 70,800
Benefits-insurance	\$ 4,936

(G) LINE OF CREDIT

On November 30, 2017, The Center obtained a line of credit with a bank in the amount of \$50,000 bearing interest at prime plus 4.25 percent per annum, currently 5.75 percent, maturing November, 2019. The balance at December 31, 2017 was \$-0-.

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

(H) LEASE COMMITMENT

On August 28, 2017, The Family Tree signed a three-year lease for office space. The monthly payments are \$5,000 in the first year, \$5,285 in the second year and \$5,725 in the third year. Rental expense for December 31, 2017 and 2016 was \$17,776 and \$2,070, respectively.

The future minimum lease payments are as follows:

2018	\$ 60,855
2019	64,741
2020	<u>51,529</u>
Total Minimum Lease Payments	\$ <u>177,125</u>

(I) VACATION AND SICK LEAVE

Vacation is earned after one year of employment and is calculated based on an anniversary year. Any unused vacation as of an employee's anniversary date is forfeited. Upon separation, employees will be compensated for any unused vacation generated in the current year. Sick leave with pay is earned at a rate of 40 hours per calendar year, commencing 90 days after employment. Sick leave may be accumulated only for use in an extended illness. No sick leave or extended illness leave is payable to an employee upon separation. The Center's policy is to recognize the costs of compensated absences when actually paid to employees. Accordingly, no accruals have been made.

(J) SUBSEQUENT EVENTS

Subsequent events were evaluated through June 22, 2018, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Program Title	CFDA Number	Grant Number	Federal Expenditures
U.S Department of Health and Human Services:			
Healthy Start Initiative			
Healthy Start Initiative - Eliminating Racial/Ethnic Disparities	* 93.926	H49MC27810	\$ 679,958
Passed through Tulane Department of Psychiatry and Behavioral Sciences			
Child Care and Development Block Grant			
Quality Start	93.575		186,575
Passed through Southwest Louisiana Area Health Education Center (SWLAHEC)			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance			
Project LAUNCH	93.243		5,000
Department of Homeland Security:			
Crisis Counseling			
Crisis Counseling Assistance and Training Program (CCP)			
Louisiana Spirit	97.032		<u>9,149</u>
			<u>\$ 880,682</u>

* - denotes a major program

Note: The accompanying Notes to Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

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INDEPENDENT AUDITORS' 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*

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To the Board of Directors
The Family Tree
Information, Education
and Counseling Center, Inc.
Lafayette, 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 The Family Tree Information, Education and Counseling Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 22, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Family Tree Information, Education and Counseling Center, Inc.'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 The Family Tree Information, Education and Counseling Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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. 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 The Family Tree Information, Education and Counseling Center, 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*.

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.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

Lafayette, Louisiana
June 22, 2018

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
The Family Tree
Information, Education
and Counseling Center, Inc.
Lafayette, Louisiana

Report on Compliance for Each Major Federal Program

We have audited The Family Tree Information, Education and Counseling Center, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Family Tree Information, Education and Counseling Center, Inc.'s major federal programs for the year ended December 31, 2017. The Family Tree Information, Education and Counseling Center, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of The Family Tree Information, Education and Counseling Center, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Family Tree Information, Education and Counseling Center, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of The Family Tree Information, Education and Counseling Center, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, The Family Tree Information, Education and Counseling Center, Inc.'s complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control over Compliance

Management of The Family Tree Information, Education and Counseling Center, Inc.'s is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The Family Tree Information, Education and Counseling Center, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Family Tree Information, Education and Counseling Center, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

***Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC***

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

Lafayette, Louisiana
June 22, 2018

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

We have audited the financial statements of The Family Tree Information, Education and Counseling Center, Inc. as of and for the year ended December 31, 2017, and have issued our report thereon dated June 22, 2018. 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 audit of the financial statements as of December 31, 2017 resulted in an unmodified opinion.

Section I - Summary of Auditors' Reports

a. *Report on Internal Control and Compliance Material to the Financial Statements*

Internal Control

Significant Deficiencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Material Weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance

Noncompliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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b. *Federal Awards*

Major Programs Identification

The Family Tree at December 31, 2017, had one major program:

- Department of Health and Human Services – Healthy Start Initiative - CFDA No. 93.926

Low-Risk Auditee

The Family Tree is considered a low-risk auditee for the year ended December 31, 2017.

Major Programs - Threshold

The dollar threshold to distinguish between Type A and Type B programs is \$750,000 for the year ended December 31, 2017.

Auditors' Report - Major Programs

An unmodified opinion has been issued on The Family Tree' compliance for its major program as of and for the year ended December 31, 2017.

Significant Deficiencies – Major Program

There were no significant deficiencies noted during the audit of the major federal programs.

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued
YEAR ENDED DECEMBER 31, 2017**

Section II - Financial Statement Findings

There were no findings in the current year.

Section III - Federal Awards Findings and Questioned Costs

The audit did not disclose any material noncompliance findings or questioned costs relative to its federal programs.

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2017**

There were no prior year findings.