

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

Financial Statements

As of and for the Years Ended June 30, 2020 and 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 statements of financial position as of June 30, 2020 and 2019, 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.

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, 2020 and 2019, 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.

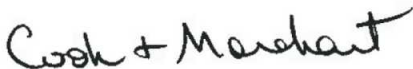
Other Matter

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 13 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 December 30, 2020, 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 30, 2020

Families Helping Families Region 7
 Shreveport, Louisiana
 Statements of Financial Position
 June 30, 2020, and 2019

ASSETS

	2020	2019
Current assets:		
Cash and cash equivalents	\$ 77,986	\$ 36,719
Grant receivable	21,112	19,724
Prepaid expenses	677	4,821
Total current assets	99,775	61,264
Property and equipment	11,494	11,494
Accumulated depreciation	(9,085)	(8,258)
Net property and equipment	2,409	3,236
Total Assets	\$ 102,184	\$ 64,500

LIABILITIES AND NET ASSETS

Current liabilities:		
Accrued liabilities	\$ 14,330	\$ 13,070
Loan payable	23,200	
Total current liabilities	37,530	13,070
Net assets:		
With donor restrictions	14,320	4,000
Without donor restrictions	50,334	47,430
Total net assets	64,654	51,430
Total Liabilities and Net Assets	\$ 102,184	\$ 64,500

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, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>
REVENUES AND OTHER SUPPORT			
Contractual revenue	\$ 188,002	\$ 13,435	\$ 201,437
Donations	2,904		2,904
Satisfaction of restrictions	3,115	(3,115)	
Total revenue and other support	<u>194,021</u>	<u>10,320</u>	<u>204,341</u>
EXPENSES			
Program	137,714		137,714
Mangement and general	53,403		53,403
Total expenses	<u>191,117</u>		<u>191,117</u>
Changes in net assets	2,904	10,320	13,224
Net assets as of beginning of year	<u>47,430</u>	<u>4,000</u>	<u>51,430</u>
Net assets as of end of year	<u>\$ 50,334</u>	<u>\$ 14,320</u>	<u>\$ 64,654</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

	Without Donor Restrictions	With Donor Restrictions	2019 Total
REVENUES AND OTHER SUPPORT			
Contractual revenue	\$ 189,928	\$	\$ 189,928
Special events revenue	5,475		5,475
Donations		4,000	4,000
Miscellaneous	2,076		2,076
Total revenue and other support	<u>197,479</u>	<u>4,000</u>	<u>201,479</u>
EXPENSES			
Program	154,403		154,403
Mangement and general	49,920		49,920
Fund-raising	10,775		10,775
Total expenses	<u>215,098</u>		<u>215,098</u>
Changes in net assets	(17,619)	4,000	(13,619)
Net assets as of beginning of year	<u>65,049</u>		<u>65,049</u>
Net assets as of end of year	<u>\$ 47,430</u>	<u>\$ 4,000</u>	<u>\$ 51,430</u>

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

Families Helping Families Region 7
 Shreveport, Louisiana
 Statements of Functional Expenses
 For the Years Ended June 30, 2020 and 2019

	2020			
	Program Expenses	Management and General	Fund-raising	Total
Personnel	\$ 67,303	\$ 36,385	\$	\$ 103,688
Fringe benefits	5,082	2,783		7,865
Office expense	19,576	4,894		24,470
Occupancy	17,916	4,479		22,395
Insurance	6,576			6,576
Depreciation	827			827
Miscellaneous	4,803	1,145		5,948
Professional services	14,868	3,717		18,585
Travel	763			763
	<u>\$ 137,714</u>	<u>\$ 53,403</u>	<u>\$</u>	<u>\$ 191,117</u>

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

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

Families Helping Families Region 7
 Shreveport, Louisiana
 Statements of Cash Flows
 For the Years Ended June 30, 2020 and 2019

	2020	2019
Operating Activities		
Changes in net assets	\$ 13,224	\$ (13,619)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	827	1,118
Loss on sale of asset		449
(Increase) decrease in:		
Grants receivable	(1,388)	2,538
Prepaid expenses	4,144	(3,940)
Increase (decrease) in:		
Accounts payable		(27)
Accrued liabilities	1,260	(3,232)
Net cash provided by (used in) operating activities	18,067	(16,713)
Investing Activities		
Purchase of capital assets		(3,000)
Proceeds from disposal of capital assets		1,000
Net cash (used) in investing activities		(2,000)
Financing Activities		
Proceeds from note payable	23,200	
Net cash provided by financing activities	23,200	
Net increase (decrease) in cash and cash equivalents	41,267	(18,713)
Cash and cash equivalents as of beginning of year	36,719	55,432
Cash and cash equivalents as of end of year	\$ 77,986	\$ 36,719

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

Families Helping Families Region 7
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2020 and 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 two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the organization. These net assets may be used at the discretion of FHF7's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of FHF7 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, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. FHF7 has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

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.

(Continued)

Families Helping Families Region 7
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2020 and 2019
(Continued)

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. Contributions

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.

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, 2017, 2018, 2019, and 2020 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. Expenses are allocated to functions based upon management's equitable determination.

(2) 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, 2020 and 2019, total cash balances held at financial institutions were \$77,986 and \$36,719, respectively, 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, 2020, and 2019 FHF7 had no significant concentrations of credit risk in relation to grant receivables.

(3) Third Party Reimbursement

During the year ended June 30, 2020 and 2019, FHF7 received contractual revenue from state and other grants in the amount of \$201,437 and \$189,928, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(Continued)

Families Helping Families Region 7
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2020 and 2019
(Continued)

(4) Accrued Liabilities

Accrued liabilities at June 30, 2020 and 2019 consisted of the following:

	2020	2019
Accrued payroll	\$ 9,844	\$ 8,592
Accrued leave	2,150	1,989
Payroll taxes payable	2,336	2,489
	\$ 14,330	\$ 13,070

(5) Operating Leases

FHF7 leases office space under an operating lease. Rental costs for the year ended June 30, 2020 and 2019, totaled \$16,377 and \$16,524, respectively. The future minimum lease payments on this lease are as follows:

For the Year Ending June 30,

2021		\$ 18,600
2022		19,200
2023		19,200
2024		19,200
Total		\$ 76,200

(6) 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:

	2020	2019
Financial assets at year-end:		
Cash and cash equivalents	\$ 77,986	\$ 36,719
Grant receivables	21,112	19,724
Total financial assets	99,098	56,443
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(14,320)	(4,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 84,778	\$ 52,443

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 positive cash generated by operations of \$18,067, for June 30, 2020, and negative cash generated by operations of \$(16,713) for fiscal year ending June 30, 2019.

(Continued)

Families Helping Families Region 7
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2020 and 2019
(Continued)

(7) Net Assets

Net assets at June 30, 2020 and 2019, consisted of the following:

	2020	2019
Net Assets Without Donor Restrictions:		
Undesignated	\$ 47,925	\$ 44,194
Net investment in property and equipment	2,409	3,236
Total net assets without donor restrictions	50,334	47,430
Net Assets With Donor Restrictions:		
Subject to expenditure for specified purpose –		
Restricted for disability advocacy	13,435	
Restricted for HOPE closet	885	4,000
Total net assets with donor restrictions	14,320	4,000
Total Net Assets	\$ 64,654	\$ 51,430

(8) Property and Equipment

Property and equipment at June 30, 2020, with estimated depreciable life, are summarized as follows:

Furniture, fixtures, equipment	5 – 10 years	\$ 11,494
Accumulated depreciation		(9,085)
		\$ 2,409

Depreciation expense for the year ended June 30, 2020 was \$827.

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

Furniture, fixtures, equipment	5 – 10 years	\$ 11,494
Accumulated depreciation		(8,258)
		\$ 3,236

Depreciation expense for the year ended June 30, 2019 was \$1,118.

(9) Loan Payable

In April 2020, the FHF7 received loan proceeds in the amount of approximately \$23,200 under the Paycheck Protection Program ("PPP"). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). The loan and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The FHF7 intends to use the proceeds for purposes consistent with the PPP.

(Continued)

Families Helping Families Region 7
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2020 and 2019
(Continued)

(10) Subsequent Events

Subsequent events have been evaluated through December 30, 2020, the date the financial statements were available to be issued.

(11) Uncertainty

As a result of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact financial resources. While the duration on the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonably estimated at this time.

Families Helping Families Region 7
Shreveport, Louisiana
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2020

Agency Head: Chanel Jackson, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 48,514

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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, 2020, 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 30, 2020.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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.

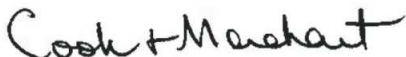
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 30, 2020

Families Helping Families Region 7
Shreveport, Louisiana
Summary Schedule of Audit Findings
June 30, 2020 and 2019

Summary Schedule of Prior Year Audit Findings

There were no findings for the prior audit period ended June 30, 2019.

Summary Schedule of Current Year Audit Findings

There are no findings for the current audit period ended June 30, 2020.