

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

**Financial Statements**

**As of and for the Years Ended June 30, 2017 and 2016**

Families Helping Families Region 7  
Shreveport, Louisiana

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# COOK & MOREHART

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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, 2017 and 2016, and the related statements of activities 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, 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 Matter***

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses shown on page 10 is presented for the purpose of additional analysis and is not a required part of the financial statements. 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 November 15, 2017, 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 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 Families Helping Families Region 7's internal control over financial reporting and compliance.



Cook & Morehart  
Certified Public Accountants  
November 15, 2017

Families Helping Families Region 7  
 Shreveport, Louisiana  
 Statements of Financial Position  
 June 30, 2017 and 2016

ASSETS

	2017	2016
Current assets:		
Cash and cash equivalents	\$ 78,952	\$ 46,726
Grant receivable	14,805	30,731
Prepaid expenses	1,556	1,490
Total current assets	95,313	78,947
Property and equipment	11,494	9,652
Accumulated depreciation	(7,292)	(7,442)
Net property and equipment	4,202	2,210
Total Assets	\$ 99,515	\$ 81,157

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts Payable	\$ 2,610	\$
Accrued liabilities	18,748	17,807
Total current liabilities	21,358	17,807
Net assets:		
Unrestricted:		
Operating	43,879	43,441
Fixed assets	4,202	2,210
Temporarily restricted	30,076	17,699
Total net assets	78,157	63,350
Total Liabilities and Net Assets	\$ 99,515	\$ 81,157

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, 2017

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Contractual revenue	\$ 226,072	\$ 12,377	\$ 238,449
Special events revenue	5,044		5,044
Donations	1,404		1,404
Miscellaneous	1,683		1,683
Satisfaction of restrictions			
Total revenue and other support	234,203	12,377	246,580
<b>EXPENSES</b>			
Program	174,036		174,036
Mangement and general	55,070		55,070
Fund-raising	2,667		2,667
Total expenses	231,773		231,773
Changes in net assets	2,430	12,377	14,807
Net assets as of beginning of year	45,651	17,699	63,350
Net assets as of end of year	\$ 48,081	\$ 30,076	\$ 78,157

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, 2016

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Contractual revenue	\$ 225,193	\$ 4,437	\$ 229,630
Special events revenue	9,215		9,215
Donations	3,827		3,827
Miscellaneous	2,808		2,808
Net assets released from restrictions:			
Satisfaction of restrictions	1,475	(1,475)	
Total revenue and other support	242,518	2,962	245,480
 <b>EXPENSES</b>			
Program	172,554		172,554
Mangement and general	54,935		54,935
Fund-raising	1,417		1,417
Total expenses	228,906		228,906
 Changes in net assets	 13,612	 2,962	 16,574
Net assets as of beginning of year	32,039	14,737	46,776
Net assets as of end of year	\$ 45,651	\$ 17,699	\$ 63,350

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, 2017 and 2016

	2017	2016
Operating Activities		
Changes in net assets	\$ 14,807	\$ 16,574
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,587	857
Gain on sale of asset	(1,000)	
(Increase) decrease in:		
Grants receivable	15,926	(8,809)
Prepaid expenses	(66)	111
Increase (decrease) in:		
Accounts payable	2,610	
Accrued liabilities	941	975
	34,805	9,708
Net cash provided by operating activities		
Investing Activities		
Purchase of capital assets	(3,579)	
Proceeds from disposal of capital assets	1,000	
	(2,579)	
Net increase in cash and cash equivalents	32,226	9,708
Cash and cash equivalents as of beginning of year	46,726	37,018
Cash and cash equivalents as of end of year	\$ 78,952	\$ 46,726

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

Families Helping Families Region 7  
Shreveport, Louisiana  
Notes to Financial Statements  
June 30, 2017 and 2016

(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 unrestricted net assets 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 temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets 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, 2017 and 2016  
 (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, 2014, 2015, 2016, and 2017 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) 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, 2017 and 2016, total cash balances held at financial institutions were \$78,952 and \$46,726, 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, 2017 and 2016, FHF7 had no significant concentrations of credit risk in relation to grant receivables.

(3) Property and Equipment

Property and equipment at June 30, 2017, with estimated depreciable life, are summarized as follows:

Furniture, fixtures, equipment	5 – 10 years	\$ 11,494
Accumulated depreciation		<u>( 7,292)</u>
		<u>\$ 4,202</u>

Depreciation expense for the year ended June 30, 2017 was \$1,587.

Property and equipment at June 30, 2016, with estimated depreciable life, are summarized as follows:

Furniture, fixtures, equipment	5 – 10 years	\$ 9,652
Accumulated depreciation		<u>( 7,442)</u>
		<u>\$ 2,210</u>

Depreciation expense for the year ended June 30, 2016 was \$857.

(Continued)

Families Helping Families Region 7  
 Shreveport, Louisiana  
 Notes to Financial Statements  
 June 30, 2017 and 2016  
 (Continued)

(4) Operating Leases

FHF7 leases office space under an operating lease. Rental costs for the years ended June 30, 2017 and 2016 were \$12,000, and \$12,000 respectively. Commitments under lease agreements having initial or remaining non-cancelable terms in excess of one year are as follows:

For the Year Ending June 30,

2018		\$	13,397
2019			14,965
2020			<u>1,258</u>
	Total	\$	<u>29,620</u>

(5) Accrued Liabilities

Accrued liabilities at June 30, 2017 and 2016 consisted of the following:

	<u>2017</u>		<u>2016</u>
Accrued payroll	\$ 12,357	\$	12,645
Accrued leave	2,658		2,125
Payroll taxes payable	<u>3,733</u>		<u>3,037</u>
	<u>\$ 18,748</u>	\$	<u>17,807</u>

(6) Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2017 and 2016 consisted of contractual revenue received from various grants not yet expended for the contract purposes.

(7) Third Party Reimbursement

During the years ended June 30, 2017 and 2016, FHF7 received contractual revenue from state and other grants in the amount of \$238,449 and \$229,630. The continued existence of these funds is based on annual contract renewals with various funding sources.

(8) Subsequent Events

Subsequent events have been evaluated through November 15, 2017, the date the financial statements were available to be issued.

Families Helping Families Region 7  
 Shreveport, Louisiana  
 Schedule of Functional Expenses  
 For the Year Ended June 30, 2017

	Program Expenses	Management and General	Fund-raising	Total
Personnel	\$ 94,735	\$ 36,200	\$	\$ 130,935
Fringe benefits	7,810	2,769		10,579
Office expense	20,246	5,061		25,307
Occupancy	9,600	2,400		12,000
Insurance	8,296			8,296
Depreciation	1,587			1,587
Miscellaneous	11,158	5,421	2,667	19,246
Professional services	12,876	3,219		16,095
Travel	7,728			7,728
<b>Total expenses</b>	<b>\$ 174,036</b>	<b>\$ 55,070</b>	<b>\$ 2,667</b>	<b>\$ 231,773</b>

Schedule of Functional Expenses  
 For the Year Ended June 30, 2016

	Program Expenses	Management and General	Fund-raising	Total
Personnel	\$ 98,173	\$ 36,199	\$	\$ 134,372
Fringe benefits	8,255	2,769		11,024
Office expense	20,783	5,196		25,979
Occupancy	9,600	2,400		12,000
Insurance	8,531			8,531
Depreciation	857			857
Miscellaneous	5,984	4,839	1,417	12,240
Stipends	422			422
Professional services	14,126	3,532		17,658
Travel	5,823			5,823
<b>Total expenses</b>	<b>\$ 172,554</b>	<b>\$ 54,935</b>	<b>\$ 1,417</b>	<b>\$ 228,906</b>

Families Helping Families Region 7  
Shreveport, Louisiana  
Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended June 30, 2017

Agency Head: Chanel Jackson, Executive Director

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

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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, 2017 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 15, 2017.

### 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  
November 15, 2017

Families Helping Families Region 7  
Shreveport, Louisiana  
Summary Schedule of Audit Findings  
June 30, 2017

**Summary Schedule of Prior Year Audit Findings**

There were no findings for the prior audit period ended June 30, 2016.

**Summary Schedule of Current Year Audit Findings**

There are no findings for the current audit period ended June 30, 2017.