

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

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2020**

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT..... 1-2

FINANCIAL STATEMENTS

 Statement of Financial Position..... 4

 Statement of Activities 5

 Statement of Functional Expenses..... 6

 Statement of Cash Flows 7

 Notes to Financial Statements 8-13

SUPPLEMENTAL INFORMATION

 Schedule of Expenditures of Federal Awards..... 15

 Notes to the Schedule of Expenditures of Federal Awards..... 16

 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 17-18

 Independent Auditors' Report on Compliance for Each Major
 Program and on Internal Control Over
 Compliance Required by the Uniform Guidance..... 19-20

 Schedule of Findings and Questioned Costs..... 21-22

 Schedule of Prior Year Audit Findings..... 23

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

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmddh.com

INDEPENDENT AUDITORS' REPORT

JOHN W. WRIGHT, CPA *

JAMES H. DUPUIS, CPA *

JAN H. COWEN, CPA *

LANCE E. CRAPPELL, CPA, CGMA *

MICAH R. VIDRINE, CPA *

TRAVIS M. BRINSKO, CPA *

RICK L. STUTES, CPA, CVA/ABV,
APA, CFF/MAFF*

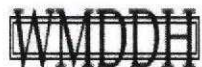
CHRISTINE R. DUNN, CPA**

DAMIAN H. SPIESS, CPA, CFP **

JOAN MARTIN, CPA, CVA, CFF, FABFA*

ANDRE' D. BROUSSARD, CPA**

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY



JEROMY BOURQUE, CPA

ROBERT T. DUCHARME, II, CPA

BRITTANY ENGLISBEE, CPA, MBA

JUDITH FAULK, CPA, APA

SHAUN GRANTHAM, CPA, MBA

BRITTANY GUIDRY, CPA

MAGEN M. HORNSBY, CPA

LISA MESTAYER HUSSEY, CPA

MARY PATRICIA KEELEY, CPA

ALEXANDRA LEONARDS, CPA, MBA

CHRISTOPHER LEONARDS, CPA, MBA

JESSICA MENDEZ-MARTINEZ, CPA

WENDY ORTEGO, CPA, CVA

STEPHANIE A. RAWLINSON, CPA

KIRSTIE C. STELLY, CPA, MBA

ROBIN G. STOCKTON, CPA

TINA B. VIATOR, CPA

STEPHANIE L. WEST, CPA, MBA

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, 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.

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 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 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, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 May 18, 2021, 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 solely 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 the effectiveness of The Family Tree'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 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
May 18, 2021

FINANCIAL STATEMENTS

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

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020**

ASSETS

CURRENT ASSETS

Cash	\$ 572,832
Accounts Receivable:	
Grants and Contracts	156,858
Other Receivables	494
Prepaid Expenses	<u>63,946</u>
Total Current Assets	<u>794,130</u>

PROPERTY AND EQUIPMENT

Property and Equipment, Net	<u>16,904</u>
-----------------------------	---------------

OTHER ASSETS

Deposits	<u>5,000</u>
----------	--------------

TOTAL ASSETS	<u>\$ 816,034</u>
--------------	-------------------

LIABILITIES

Accounts Payable	\$ 13,647
Accrued Liabilities	<u>98,872</u>
Total Current Liabilities	<u>112,519</u>

Deferred Revenue	<u>36,363</u>
------------------	---------------

TOTAL LIABILITIES	<u>148,882</u>
-------------------	----------------

NET ASSETS

Net Assets Without Donor Restrictions	<u>667,152</u>
---------------------------------------	----------------

TOTAL NET ASSETS	<u>667,152</u>
------------------	----------------

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 816,034</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, 2020**

NET ASSETS WITHOUT DONOR RESTRICTIONS

PUBLIC SUPPORT

Grants and Contracts	\$ 1,746,465
United Way	12,500
Public Support Donations	36,871
Fundraising	<u>4,363</u>
Total Public Support	<u>1,800,199</u>

REVENUES AND GAINS

Counseling Income, Net	93,484
Medicaid Reimbursements	283,839
Contractual Adjustments	(157,139)
Employee Assistance Program Income	3,160
Investment Income	167
Contract Revenue	4,800
Other Income	<u>192,966</u>
Total Revenues and Gains	<u>421,277</u>

Total Revenues, Gains and Public Support	<u>2,221,476</u>
--	------------------

EXPENSES AND LOSSES

Program Services	1,974,903
Supporting Services:	
Management and General	140,623
Fundraising	<u>781</u>
Total Expenses and Losses	<u>2,116,307</u>

CHANGE IN NET ASSETS	105,169
-----------------------------	---------

NET ASSETS AT BEGINNING OF YEAR	<u>561,983</u>
--	----------------

NET ASSETS AT END OF YEAR	<u>\$ 667,152</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, 2020**

	<u>SUPPORTING SERVICES</u>			<u>TOTAL</u>
	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	
Compensation and Related Expenses				
Salaries	\$ 1,100,467	\$ 77,905	\$ -	\$ 1,178,372
Payroll Taxes	86,603	9,985	-	96,588
Employee Benefits	120,878	18,677	-	139,555
	<u>1,307,948</u>	<u>106,567</u>	-	<u>1,414,515</u>
Advertising and Marketing	33,517	6,491	71	40,079
Bad Debt	7,035	-	-	7,035
Bank Charges	2482.02	1,767	-	4,249
Conferences and Meetings	3,158	397	-	3,555
Contract Labor	49,375	12,000	-	61,375
Equipment Lease and Maintenance	5,256	-	-	5,256
Facility Rental	-	-	-	-
Insurance	10,330	2,934	-	13,264
Membership Dues	3,527	749	-	4,276
Office Supplies	111,297	1,917	270	113,484
Postage	1,350	127	440	1,917
Professional Fees	241,264	5,677	-	246,941
Rent	107,458	1,714	-	109,172
Telecommunications	25,507	-	-	25,507
Training and Development	27,542	235	-	27,777
Travel	26,649	48	-	26,697
	<u>1,963,695</u>	<u>140,623</u>	<u>781</u>	<u>2,105,099</u>
Depreciation	<u>11,208</u>	<u>-</u>	<u>-</u>	<u>11,208</u>
Totals	<u>\$ 1,974,903</u>	<u>\$ 140,623</u>	<u>\$ 781</u>	<u>\$ 2,116,307</u>

The accompanying notes are an integral part of this statement.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	<u>\$ 105,169</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:	
Depreciation	11,208
Changes in Assets and Liabilities:	
Accounts Receivable	4,643
Other Receivables	2,718
Prepaid Expenses	11,741
Accounts Payable	(42,888)
Accrued Liabilities	28,670
Deferred Revenue	<u>(25,964)</u>
Total Adjustments	<u>(9,872)</u>
Net Cash Provided By Operating Activities	<u>95,297</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Capital Assets	<u>(9,159)</u>
Net Cash (Used In) Investing Activities	<u>(9,159)</u>
NET CHANGE IN CASH	86,138
CASH AT BEGINNING OF YEAR	<u>486,694</u>
CASH AT END OF YEAR	<u>\$ 572,832</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, 2020**

(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 two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Basis of Accounting - 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 - 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. As of December 31, 2020, bad debt expense of \$7,035 was recognized in the financial statements.

Prepaid Expenses - Insurance and other similar services which extend benefit over more than one accounting period have been recorded as prepaid.

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. Furniture and equipment is depreciated over three to ten years. The balance in the depreciation expense account at December 31, 2020, totaled \$11,208.

Revenue Recognition - Grants and contributions are recognized when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

The Center receives support in the form of grants from federal, state, and local governmental agencies, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses.

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

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Revenue Recognition – continued

Amounts received are recognized as revenue when the Center has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Statement of Financial Position.

Grants and contributions are recorded depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as revenue without donor restrictions.

Client Service Fees

Client service fees represent the estimated net realizable amounts from clients, third party payers, and others for services rendered. Revenues are recorded during the period the services are provided, based upon the estimated amounts due from payers. Estimates of contractual allowances are based upon the specified payment terms.

Laws and regulations governing the Medicaid program are complex and subject to interpretation. The estimated reimbursement amounts are made on a payer-specific basis and are recorded based on the best information available regarding management's interpretation of the applicable laws, regulations, and contract terms. Management continually reviews the contractual estimation process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms resulting from contract renegotiations and renewals. Due to the complexities involved in the classification and documentation of services authorized and provided, the estimation of revenues earned and the related reimbursement are often subject to interpretations that could result in payments that are different from the Center's estimates.

The Center provides discounts from gross charges to uninsured clients who do not qualify for Medicaid. These discounts are like those provided to many local managed care plans. After the discounts are applied, if the Center is still unable to collect a significant portion of uninsured clients' accounts, it records bad debt using the direct write-off method. The Center also receives grant funding from the Louisiana Children's Trust Fund and the Office of Juvenile Justice to assist with the cost of counseling for uninsured clients.

The Center receives payments for client services from the federal government under the Medicaid program, state governments under their respective Medicaid or similar programs, and directly from patients.

The laws and regulations governing the Center's operations, along with the terms of participation in various government programs, regulate how the Center does business, the services offered and its interactions with clients and the public. These laws and regulations, and their interpretations, are subject to frequent change.

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

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Revenue Recognition – continued

Changes in existing laws or regulations, or their interpretations, or the enactment of new laws or regulations could materially and adversely affect the Center's operations and financial condition. The Center is subject to various routine and non-routine governmental reviews, audits and investigations. Violation of the laws governing the Center's operations, or changes in the interpretation of those laws, could result in the imposition of fines, civil or criminal penalties, and/or termination of the Center's rights to participate in federal and state-sponsored programs and suspension or revocation of the Center's licenses. The Center believes that it is in material compliance with all applicable laws and regulations.

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 Center 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 \$40,079 for the year ended December 31, 2020.

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.

Deferred Revenue - Deferred revenues represent funding received for which the related expenses have not yet been incurred by the Center. At December 31, 2020, deferred revenues were \$36,363.

Federal Financial Awards - Revenues for direct and indirect federal contracts are recorded based on expenses incurred for contracts that are on a cost reimbursement basis, and based on the units of service for those contracts which are on a fee for service basis. In the Statement of Activities, these revenues are referred to as 'Grants and Contracts'. Related contract receivables are referred to as "Accounts Receivable - Grants and Contracts" in the Statement of Financial Position.

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

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Fair Value Considerations - Fair value is used to measure financial and certain nonfinancial assets and liabilities measured or disclosed at fair value on a recurring basis (at least annually). Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs. The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs – Level 1) and the lowest priority to a reporting entity’s internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs – Level 3).

The fair value option allows entities to choose, at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value. If an entity elects the fair value option for an eligible item, changes in that item’s fair value in subsequent reporting periods must be recognized in current earnings. The fair value option was not elected for the measurements of any eligible assets or liabilities.

The estimated fair values of each entity’s short-term financial instruments (primarily cash and cash equivalents, receivables, accounts payables, accrued expenses, short-term debt and lines of credit) approximate their individual carrying amounts due to the relatively short period between their origination and expected realization or payment. Based on market rates for similar loans, the fair value of long-term debt approximates their carrying value.

(C) CONCENTRATION OF CREDIT RISK

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 \$180,689 at December 31, 2020. The Center believes it is not exposed to any significant credit risk on its cash balances.

The majority of the Center’s revenues and accounts receivable are from contracts which are funded primarily by federal government grants. If federal funding levels for the programs are reduced, or if the contracts are not renewed, the impact on the Center could be severe.

(D) PROPERTY AND EQUIPMENT

Property and Equipment consist of the following:

Furniture and Fixtures	\$ 13,461
Office Equipment	42,278
Total	<u>55,740</u>
Less: Accumulated Depreciation	<u>(38,836)</u>
Net Property and Equipment	<u>\$ 16,904</u>

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

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

(E) 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, 2020:

<u>Purpose</u>	<u>Amount</u>
Salary and Related Expenses	\$ 111,879
Benefits-Insurance	\$ 5,378
Vehicle Allowance	\$ 4,800
Travel	\$ 523

(F) 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 6.75 percent, maturing January 8, 2022. The balance at December 31, 2020 was \$-0-.

(G) LEASE COMMITMENTS

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. On October 1, 2020, the lease was extended for 36 months in the amount of \$5,725 per month.

On August 23, 2019, the Center signed a three-year lease for office space. The lease term is September 1, 2019 through August 31, 2022. The monthly payments are \$3,167.

Rental expense for December 31, 2020 was \$109,172.

The future minimum lease payments are as follows:

2021	\$ 106,705
2022	94,038
2023	51,529
Total Minimum Lease Payments	<u>\$ 252,272</u>

(H) COMPENSATED ABSENCES

Full time employees will become eligible for vacation benefits after their ninety (90) days probationary period. 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. As of December 31, 2020, the total amount of accrued compensated absences was \$24,831 and is reflected in accrued liabilities.

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

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

(I) REVENUE RECOGNITION

In accordance with the provisions of the FASB's ASC Topic 606, *Revenue from Contracts with Customers*, revenue from a contract with a customer is recognized when 1) an agreement has been signed, 2) the services have been rendered 3) an invoice has been generated.

The following table presents the Center's net revenue disaggregated based on the revenue source:

Contract Revenue	<u>\$4,800</u>
------------------	----------------

(J) LIQUIDITY AND AVAILABILITY

The Center has \$730,184 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$572,832, and receivables of \$157,352. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

(K) PAYCHECK PROTECTION PROGRAM LOANS

On April 16, 2020, The Family Tree received loan proceeds in the amount of \$189,522 under the Paycheck Protection Program ("PPP"). Established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business's average monthly payroll expenses.

The Company initially recorded a note payable and subsequently recorded the forgiveness when the loan obligation was legally released. The Company recognized \$189,522 of loan forgiveness, which is included in other income, for the year ended December 31, 2020.

(L) SUBSEQUENT EVENTS

Subsequent events were evaluated through May 18, 2021, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Program Title	CFDA Number	Grant Number	Federal Expenditures	Subrecipients
U.S. Department of Health and Human Services				
Healthy Start Initiative				
Healthy Start Initiative - Eliminating Racial/Ethnic Disparities	* 93.926	H49MC27810	\$ 1,221,830	\$ -
Passed through Tulane Department of Psychiatry and Behavioral Sciences				
Child Care and Development Block Grant				
Tulane Infant and Early Childhood Mental Health Consultation Supports and Services (TIKES)	93.575	TUL-HSC-554597	287,221	-
Passed through Acadiana Area Human Service District				
Block Grants for Prevention and Treatment of Substance Abuse				
Jacob Crouch Suicide Prevention	93.959	N/A	53,155	-
U.S. Department of Justice				
Children of Incarcerated Parents				
Mentoring for Hope	16.831	2017-IG-BX-0017	<u>55,946</u>	<u>29,218</u>
			<u>\$ 1,618,152</u>	<u>\$ 29,218</u>

* - denotes a major program

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

**NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
DECEMBER 31, 2020**

(A) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of The Family Tree Information, Education and Counseling Center, Inc. under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Center.

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as reimbursements.
- (2) Pass-through entity identifying numbers are presented where available.

(C) INDIRECT COST RATE

The Center has elected to use the 10% de minimis indirect cost rate for the year ended December 31, 2020.

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

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmdlh.com

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*

JOHN W. WRIGHT, CPA *

JAMES H. DUPUIS, CPA *

JAN H. COWEN, CPA *

LANCE E. CRAPPELL, CPA, CGMA *

MICAH R. VIDRINE, CPA *

TRAVIS M. BRINSKO, CPA *

RICK L. STUTES, CPA, CVA/ABV,
APA, CFF/MAFF*

CHRISTINE R. DUNN, CPA**

DAMIAN H. SPIESS, CPA, CFP **

JOAN MARTIN, CPA, CVA, CFF, FABFA**

ANDRE' D. BROUSSARD, CPA**

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY



JEROMY BOURQUE, CPA

ROBERT T. DUCHARME, II, CPA

BRITTANY ENGLISBEE, CPA, MBA

JUDITH FAULK, CPA, APA

SHAUN GRANTHAM, CPA, MBA

BRITTANY GUIDRY, CPA

MAGEN M. HORNSBY, CPA

LISA MESTAYER HUSSEY, CPA

MARY PATRICIA KEELEY, CPA

ALEXANDRA LEONARDS, CPA, MBA

CHRISTOPHER LEONARDS, CPA, MBA

JESSICA MENDEZ-MARTINEZ, CPA

WENDY ORTEGO, CPA, CVA

STEPHANIE A. RAWLINSON, CPA

KIRSTIE C. STELLY, CPA, MBA

ROBIN G. STOCKTON, CPA

TINA B. VIATOR, CPA

STEPHANIE L. WEST, CPA, MBA

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, 2020, 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 May 18, 2021.

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 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 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 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.

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

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

Lafayette, Louisiana
May 18, 2021

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

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmddh.com

JOHN W. WRIGHT, CPA *

JAMES H. DUPUIS, CPA *

JAN H. COWEN, CPA *

LANCE E. CRAPPELL, CPA, CGMA *

MICAH R. VIDRINE, CPA *

TRAVIS M. BRINSKO, CPA *

RICK L. STUTES, CPA, CVA/ABV,
APA, CFF/MAFF*

CHRISTINE R. DUNN, CPA**

DAMIAN H. SPIESS, CPA, CFP **

JOAN MARTIN, CPA, CVA, CFF, FABFA**

ANDRE' D. BROUSSARD, CPA**

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY



JEROMY BOURQUE, CPA

ROBERT T. DUCHARME, II, CPA

BRITTANY ENGLISBEE, CPA, MBA

JUDITH FAULK, CPA, APA

SHAUN GRANTHAM, CPA, MBA

BRITTANY GUIDRY, CPA

MAGEN M. HORNSBY, CPA

LISA MESTAYER HUSSEY, CPA

MARY PATRICIA KEELEY, CPA

ALEXANDRA LEONARDS, CPA, MBA

CHRISTOPHER LEONARDS, CPA, MBA

JESSICA MENDEZ-MARTINEZ, CPA

WENDY ORTEGO, CPA, CVA

STEPHANIE A. RAWLINSON, CPA

KIRSTIE C. STELLY, CPA, MBA

ROBIN G. STOCKTON, CPA

TINA B. VIATOR, CPA

STEPHANIE L. WEST, CPA, MBA

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, 2020. 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. 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, 2020.

Report on Internal Control over Compliance

Management of The Family Tree Information, Education and Counseling Center, Inc. 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
May 18, 2021

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020**

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, 2020, and have issued our report thereon dated May 18, 2021. 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, 2020, 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
--	------------------------------	--

b. *Federal Awards*

Major Programs Identification

The Family Tree at December 31, 2020, 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, 2020.

Major Programs - Threshold

The dollar threshold to distinguish between Type A and Type B programs is \$750,000 for the year ended December 31, 2020.

Auditors' Report - Major Programs

An unmodified opinion has been issued on The Family Tree's compliance for its major program as of and for the year ended December 31, 2020.

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, 2020**

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, 2020**

There were no prior year findings.