

Families Helping Families at the Crossroads of Louisiana, Inc.

Pineville, Louisiana

Financial Statements

June 30, 2020

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KnightMasden

A Professional Accounting Corporation

John E. Theriot II, CPA, CGMA

Dona C. Manuel, CPA

Stephanie R. Lemoine, CPA

Independent Auditors' Report

Board of Directors
Families Helping Families at the Crossroads of Louisiana, Inc.
Pineville, Louisiana

Report on the Financial Statement

We have audited the accompanying financial statements of Families Helping Families at the Crossroads of Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families Helping Families at the Crossroads of Louisiana, Inc. as of June 30, 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 compensation, benefits and other payments to executive director and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 February 25, 2021, on our consideration of Families Helping Families at the Crossroads of Louisiana, Inc.'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 at the Crossroads of Louisiana, Inc.'s internal control over financial reporting and compliance.


Knight Masden

Alexandria, Louisiana

February 25, 2021



Families Helping Families at the Crossroads of Louisiana, Inc.
Statement of Financial Position
June 30, 2020

Assets	
Current Assets	
Cash and cash equivalents	\$ 95,921
Investments in certificate of deposit	1,920
Contract amounts receivable	<u>91,309</u>
Total Current Assets	189,150
Plant, Property and Equipment, net	<u>212,979</u>
Total Assets	<u><u>\$ 402,129</u></u>
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	\$ 8,850
Payroll liabilities	12,833
Notes payable	<u>181,083</u>
Total Current Liabilities	202,766
Long Term Liabilities	<u>39,347</u>
Total Liabilities	242,113
Net Assets	
without Donor Restriction	<u>160,016</u>
Total Net Assets	<u>160,016</u>
Total Liabilities and Net Assets	<u><u>\$ 402,129</u></u>

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

Families Helping Families at the Crossroads of Louisiana, Inc.
Statement of Activities
For the Year Ended June 30, 2020

	<u>Unrestricted</u>
Revenues	
Fees for contractual services	\$ 1,179,691
Other income	<u>8,957</u>
Total Revenues	1,188,648
Functional Expenses	
Program services	1,012,134
Management and general	<u>224,385</u>
Total Functional Expenses	<u>1,236,519</u>
Change in Net Assets	(47,871)
Net Assets - Beginning	<u>207,887</u>
Net Assets - Ending	<u>\$ 160,016</u>

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

Families Helping Families at the Crossroads of Louisiana, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2020

Cash Flows from Operating Activities	
Change in Net Assets	\$ (47,871)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities	
Depreciation	20,866
Gain on sale of fixed assets	(951)
Increase in contract receivables	143,765
Decrease in accounts payable	(22,351)
Decrease in payroll liabilities	(646)
Net Cash Provided/(Used) by Operating activities	92,812
Cash flows from Investing Activities	
Proceeds from sale of fixed assets	1,700
Purchase of fixed assets	(17,382)
Net Cash Provided/(Used) by Investing Activities	(15,682)
Cash flows from Financing Activities	
Proceeds from loan	654,535
Repayment of debt	(567,424)
Net Cash Provided/(Used) by Financing Activities	87,111
Net Increase (Decrease) in Cash and Cash equivalents	164,241
Cash and Cash Equivalents - Beginning	(68,320)
Cash and Cash Equivalents - Ending	\$ 95,921
Cash paid for interest	\$ 8,869

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

Families Helping Families at the Crossroads of Louisiana, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2020

	<u>Program Service</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries	\$ 650,672	\$ 102,548	\$ 753,220
Employee benefits	34,527	4,489	39,016
Payroll taxes	50,222	8,177	58,399
Janitorial	-	540	540
Office supplies	18,120	7,440	25,560
Telephone	9,777	3,404	13,181
Rent	24,240	-	24,240
Utilities	-	7,906	7,906
Supplies	3,141	914	4,055
Printing	5,980	1,427	7,407
Contract labor	21,399	400	21,799
Dues	600	990	1,590
Insurance	11,000	15,744	26,744
Postage	3,889	1,791	5,680
Website maintenance	1,920	1,138	3,058
Travel and meetings	68,486	17,264	85,750
Repairs and maintenance	-	18,731	18,731
Security	961	-	961
Legal and accounting	4,200	9,775	13,975
Training	3,786	6,694	10,480
Bank charges	-	634	634
Interest	9,387	1,098	10,485
Crisis management	79,794	-	79,794
Depreciation	10,033	10,833	20,866
Miscellaneous	-	2,448	2,448
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u>\$ 1,012,134</u>	<u>\$ 224,385</u>	<u>\$ 1,236,519</u>

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

Families Helping Families at the Crossroads of Louisiana, Inc.
Notes to the Financial Statements
June 30, 2020

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities

Families Helping Families at the Crossroads of Louisiana, Inc. (the Organization) (Region 6) is a private, non-profit corporation governed by a board of directors and is organized on the laws of the State of Louisiana. The Organization's purpose is to inform the public concerning the handicapped and to provide information, referral, education and to respond to the needs and capacities of handicapped people and their families. The support for the Organization primarily comes from state funds through contracts for services provided.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time or be permanently maintained by the Organization. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates have been applied in the determination of donated food values and depreciation in preparation of the accompanying financial statements.

Families Helping Families at the Crossroads of Louisiana, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2020

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with original maturities of less than three months.

Revenue Recognition and Promises to Give

Contributions are recognized when the donor makes an unconditional promise to give to the Organization. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one activity are charged to the programs and supporting services based on the estimated amount of time that employees devote to various activities. Additional overhead is allocated to various activities based on the program's direct cost.

Income Taxes

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. However, the Organization participates in gaming and is required to pay income tax on this unrelated business income. When tax is due, there is provision made for the taxes due in the financial statements. Furthermore, the Organization is not classified as a "private foundation" by the internal revenue service.

Property and Equipment

Property and equipment are stated at cost. Additions, renewals and betterments that extend the useful life of the assets are capitalized. Maintenance and repair expenditures are expensed as incurred. Provisions for depreciation and amortization are computed using the straight-line method over the assets' useful lives, which range from 3 to 39 years. Capitalization threshold of \$500 is used.

Families Helping Families at the Crossroads of Louisiana, Inc.
Notes to the Financial Statements
June 30, 2020

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

Contract Receivable

Contracts receivable represents amounts owed to the Organization for the costs incurred under fee for service contracts at the end of the fiscal year. Management considers all amounts receivable to be collectible, therefore, there is no provision for uncollectible amounts established.

Note 2 – Fixed Assets and Depreciation

The following schedule summarizes estimated useful life, cost and accumulated depreciation of property, plant and equipment as of June 30, 2020:

<u>Description</u>	<u>Life</u>	
Equipment	5 - 7 years	\$141,007
Building	39 years	244,708
Land		12,500
Less: Accumulated Depreciation		<u>(185,236)</u>
Net Fixed Assets		<u>\$212,979</u>

Depreciation expense for the year ended June 30, 2020 was \$20,866.

Note 3 – Notes Payable

Note payable to Red River Bank for additional working capital dated August 13, 2019; collateralized by building and land in Pineville, LA; payable in 60 monthly payments of \$506; with interest rate of 5.75%. \$43,003

Note payable to Red River Bank as part of the Payroll Protection Plan dated April 14, 2020; with interest rate of 1% 153,700

Note payable to Red River Bank for additional working capital; dated May 28, 2020; collateralized by building and land in Pineville, LA; payable in 15 monthly payments of \$3,000; with interest rate of 6.25%. 23,727

Total 220,430
Less current portion (181,083)

Total long term notes payable \$ 39,347

Families Helping Families at the Crossroads of Louisiana, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2020

Note 3 – Notes Payable (continued)

Future maturities of notes payable as of June 30, 2020 were as follows:

Years Ended <u>June 30</u>	<u>Amounts</u>
2021	\$181,083
2022	\$ 3,875
2023	\$ 4,107
2024	\$ 4,353
2025	\$ 27,005

Note 4 – Fair Value Measurement

FASB ACS 820-10, Fair Value Measurement, defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement and enhances disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fair value of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 – Represented by quoted prices that are available in an active market. Level 1 securities include highly liquid government bonds, treasury securities, mortgage products and exchange traded equities.

Level 2 – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but are observable, either directly or indirectly through corroboration with observable market data and estimated using pricing models or discounted cash flows. Level 2 securities would include U.S. agency securities, mortgage-backed agency securities, obligations of states and political subdivisions, and certain corporate, asset backed securities, and swap agreements.

Level 3 – Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement include the reporting entity's own assumptions about the market risk. Level 3 securities would include hedge funds, private equity securities, and private investments in public entities.

Fair value of assets measured on a recurring basis at June 30, 2020 are as follows:

<u>Description</u>	<u>Fair Value Measurement at June 30, 2020 Using</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash	\$95,921	\$95,921	\$ -	\$ -
Certificate of deposit	\$1,920	\$1,920		

Families Helping Families at the Crossroads of Louisiana, Inc.
Notes to the Financial Statements
June 30, 2020

Note 5 – Operating Lease

The Organization has an operating lease for office space for \$2,020 per month on a month to month basis. The rental cost for the year ended June 30, 2020 was \$24,240.

Note 6 – Donated Services

Unpaid volunteers have made significant contributions of their time to the Organization. The value of the contributed time is not reflected in these statements since it is not susceptible to an objective measurement.

Note 7 – Retirement Plan

The Organization adopted a 401-k savings plan for its employees. All employees are eligible to participate from date of hire. Employees are eligible to make voluntary contributions to the plan. The Organization matches the first 3% of employee wages contributed to the plan. The Organization contributed \$9,111 to the plan during the year ended June 30, 2020.

Note 8 – Subsequent Events

The Organization has no material subsequent events that would require disclosure. Subsequent events have been evaluated through February 25, 2021, which is the date the financial statements were available for issuance.

Note 9 – Income Taxes

As of June 30, 2020, tax years 2017 and subsequent were still within the prescription period for examination by taxing authorities.

Families Helping Families at the Crossroads of Louisiana, Inc.
Schedule of Federal Awards
For the Year Ended June 30, 2020

<u>Federal Grantor/Pass-through Grantor</u>	<u>Federal CDFA Number</u>	<u>Pass- through Identifying Number</u>	<u>Pass- through to Sub- recipients</u>	<u>Federal Expenditures</u>
U. S. Department of Education– Special Education – Grants for Infants and Families with Disabilities Indirect Programs: Office for Citizens with Development Disabilities Louisiana Department of Health	84.181A		\$ -	\$587,074
Twenty-First Century Community Learning Centers Indirect Programs: Louisiana Department of Education	84.278		-	<u>54,290</u>
Total U. S. Department of Education			-	641,364
U. S. Department of Health and Human Services Block Grants for Community Mental Health Services Indirect Programs: Central Louisiana Human Services District	93.958		-	16,810
Development Disabilities Basic Support and Advocacy Grants Indirect Programs: Louisiana Developmental Disabilities Council	93.630		-	<u>107,849</u>
Total U.S. Department of Health and Human Services			-	<u>124,659</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$766,023</u>

Families Helping Families at the Crossroads of Louisiana, Inc.
Notes to the Schedule of Federal Awards
For the Year Ended June 30, 2020

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Families Helping Families at the Crossroads of Louisiana, Inc. (the Organization) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B – Indirect Cost Rate Election

The Organization did not elect to use the 10% de minimis indirect cost rate during the year ended June 30, 2020.



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**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance
and Other Matters based on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

Board of Directors

Families Helping Families at the Crossroads of Louisiana, Inc.

Pineville, 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 at the Crossroads of Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, 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 February 25, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Families Helping Families at the Crossroads of Louisiana, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Families Helping Families at the Crossroads of Louisiana, 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 limitation, 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2020-001.

Families Helping Families at the Crossroads of Louisiana's Response to Findings

Families Helping Families at the Crossroads of Louisiana's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Families Helping Families at the Crossroads of Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

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. Under Louisiana statutes, this report is distributed by the Legislative Auditor as a public document.



KnightMasden

Alexandria, Louisiana

February 25, 2021





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A Professional Accounting Corporation

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Dona C. Manuel, CPA

Stephanie R. Lemoine, CPA

**Independent Auditors' Report on Compliance for Each Major Program and on Internal Control
over Compliance Required by the Uniform Guidance**

Board of Directors
Families Helping Families at the Crossroads of Louisiana, Inc.
Pineville, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Families Helping Families at the Crossroads of Louisiana, 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 Families Helping Families at the Crossroads of Louisiana, Inc.'s major federal programs for the year ended June 30, 2020. Families Helping Families at the Crossroads of Louisiana, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Families Helping Families at the Crossroads of Louisiana, 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 Families Helping Families at the Crossroads of Louisiana, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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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 Families Helping Families at the Crossroads of Louisiana, Inc.'s compliance.

Basis for Qualified Opinion on Special Education – Grants for Infants and Families with Disabilities

As described in the accompanying schedule of findings and questioned costs, Families Helping Families at the Crossroads of Louisiana did not comply with requirements regarding CFDA 84.181A Special Education – Grants for Infants and Families with Disabilities as described in finding number 2020-001 for Allowable Cost. Compliance with such requirements is necessary, in our opinion, for Families Helping Families at the Crossroads of Louisiana to comply with the requirements applicable to that program.

Qualified Opinion on Special Education – Grants for Infants and Families with Disabilities

In our opinion, except for the noncompliance described in the “Basis for Qualified Opinion” paragraph, Families Helping Families at the Crossroads of Louisiana, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Special Education – Grants for Infants and Families with Disabilities for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Families Helping Families at the Crossroads of Louisiana, 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 Families Helping Families at the Crossroads of Louisiana, 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 Families Helping Families at the Crossroads of Louisiana, 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 considered to be a material weakness. However, a material weakness may exist that has 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. Under Louisiana statutes, this report is distributed by the Legislative Auditor as a public document.



KnightMasden

Alexandria, Louisiana

February 25, 2021



Families Helping Families at the Crossroads of Louisiana, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

A. Summary of Auditors' Results

1. The auditors' report expresses an unmodified opinion on the financial statements of Families Helping Families at the Crossroads of Louisiana, Inc.
2. No material weakness was disclosed during the audit of the financial statements and is reported in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. One instance of noncompliance material to the financial statements of Families Helping Families at the Crossroads of Louisiana, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
4. No material weaknesses in internal control over major federal award programs disclosed during the audit is reported in the *Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance*.
5. The auditors' report on compliance for the major federal award program administered by Families Helping Families at the Crossroads of Louisiana, Inc. expresses an qualified opinion.
6. Audit findings that are required to be reported in accordance with the Uniform Guidance are reported in Section C of this schedule.
7. The program tested as major programs include:

Special Education – Grants for Infants and Families with Disabilities CFDA Number
84.181A
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Families Helping Families at the Crossroads of Louisiana, Inc. does not qualify as a low-risk auditee.

Families Helping Families at the Crossroads of Louisiana, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

B. Findings – Financial Statement Audit

INTERNAL CONTROL AND COMPLIANCE FINDING

2020-001 Payroll Protection Program Funds

Condition:

Costs were allocated to two different funding sources.

Criteria:

Costs are to be allocated to only one funding source.

Effect:

Families Helping Families is not in compliance with the Allowable Cost requirement of the grants.

Cause:

Funds used in the forgiveness of the Payroll Protection Program were also used on reimbursement request for several grants.

Recommendation:

Create a QuickBooks class for each funding source to help deter the allocation of costs to more than one funding source.

Response:

See Management's Corrective Action Plan for their response.

C. Findings and Questioned Costs – Major Federal Award Programs Audit

DEPARTMENT OF EDUCATION

Passed through the State of Louisiana

See Above

Families Helping Families at the Crossroads of Louisiana, Inc.
Management's Corrective Action Plan
For the Year Ended June 30, 2020

2020-001 Payroll Protection Program Funds

Condition:

Costs were allocated to two different funding sources.

Response:

Due to intense processing for quick application and instruction from our Financial Institution, we proceeded to make application as advised. This money was used to assist in deficits presented by the COVID situation.

Implementation Date:

Immediate.

Contact:

James Sprinkle, Executive Director

Families Helping Families at the Crossroads of Louisiana, Inc.
Summary of Prior Year Audit Findings
For the Year Ended June 30, 2020

No prior year findings.

Families Helping Families at the Crossroads of Louisiana, Inc.
Schedule of Compensation, Benefits and Other Payments to Executive Director
For the Year Ended June 30, 2020

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 60,500
Vehicle provided by organization	<u>3,375</u>
	<u>\$ 63,875</u>

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