

FAMILY ROAD OF GREATER BATON ROUGE, INC.
Baton Rouge, Louisiana

FINANCIAL REPORT

September 30, 2020

FAMILY ROAD OF GREATER BATON ROUGE, INC.
Baton Rouge, Louisiana

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John L. McKowen
Certified Public Accountant

2178 Myrtle Avenue
Baton Rouge, Louisiana 70806

Office (225) 615-7844
jlmckowen@cox.net

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Family Road of Greater Baton Rouge, Inc.
Baton Rouge, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of Family Road of Greater Baton Rouge, Inc., a Louisiana nonprofit corporation, which comprise the statement of financial position as of September 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit Standards*, issued by the Comptroller General of the United States. Those standards require that I 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, I 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

Member

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evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Road of Greater Baton Rouge, Inc. as of September 30, 2020, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

My 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 on pages 19-20, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the schedule of compensation, benefits and other payments to the executive director on page 25 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and derives 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 my 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*, I have also issued my report dated March 30, 2021, on my consideration of Family Road of Greater Baton Rouge Inc.'s internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.



John L. McKowen, CPA

Baton Rouge, Louisiana
March 30, 2021

FAMILY ROAD OF GREATER BATON ROUGE, INC.
 Baton Rouge, Louisiana
STATEMENT OF FINANCIAL POSITION
 September 30, 2020

ASSETS

Current Assets

Cash and cash equivalents - without donor restrictions	\$	59,736
Accounts Receivable		65,015
Cash and cash equivalents - with donor restrictions		32,765
Total Current Assets		157,516

Property and Equipment

Building		432,382
Furniture and equipment		444,808
Leasehold improvements		488,035
		1,365,225
Less: Accumulated depreciation		(940,224)
Net Property and Equipment		425,001

	\$	582,517
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LIABILITIES

Current Liabilities

Accounts payable	\$	28,060
Accrued expenses		103,544
Notes payable - current portion		49,262
Total Current Liabilities		180,866

Long-Term Liabilities

Notes payable - less current portion		56,122
Total Long-Term Liabilities		56,122

		236,988
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NET ASSETS

Without donor restrictions		312,764
With donor restrictions		32,765
Total Net Assets		345,529

	\$	582,517
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The accompanying notes are an integral part of these financial statements.

FAMILY ROAD OF GREATER BATON ROUGE, INC.
 Baton Rouge, Louisiana
STATEMENT OF ACTIVITIES
 Year ended September 30, 2020

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

Unrestricted revenue			
Contributed services		\$	9,749
Donated materials			5,085
Public support			18,550
Other			14,762
Forgiveness of debt			55,000
Grants			1,178,749
	Total unrestricted revenue		<u>1,281,895</u>
Net assets released from restrictions			142,543
	Total unrestricted revenue and other support		<u>1,424,438</u>
Expenses			
Program			1,189,398
Management and general			249,948
Fundraising			6,300
	Total expenses		<u>1,445,646</u>
	Change in net assets without donor restrictions		<u>(21,208)</u>

CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS

Restricted grants			137,500
Net assets released from restrictions			<u>(142,543)</u>
	Change in net assets with donor restrictions		<u>(5,043)</u>
TOTAL CHANGE IN NET ASSETS			(26,251)
Net assets at beginning of year			<u>371,780</u>
	Net assets at end of year		<u><u>\$ 345,529</u></u>

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

FAMILY ROAD OF GREATER BATON ROUGE, INC.
 Baton Rouge, Louisiana
STATEMENT OF CASH FLOWS
 Year ended Septemeber 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (26,251)
Adjustments to reconcile the change in net assets to net cash provided by operating activities	
Depreciation	35,070
Changes in operating assets and liabilities:	
Accounts receivable	2,311
Accrued expenses and accounts payable	35,645
Net cash provided by operating activities	46,775

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of capital assets	(21,721)
Net cash used by investing activities	(21,721)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds of PPP loan	75,000
Forgiveness of debt	(55,000)
Net cash provided by investing activities	20,000
Net increase in cash and cash equivalents	45,054
Cash and cash equivalents, beginning of year	47,447
Cash and cash equivalents, end of year	\$ 92,501

Family Road had no interest expense or income tax expense for the year ended September 30, 2020.

The accompanying notes are an integral part of these statements.

FAMILY ROAD OF GREATER BATON ROUGE, INC.
Baton Rouge, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES
For the year ended September 30, 2020

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and contract labor	\$ 781,411	\$ 111,248	\$ -	\$ 892,659
Payroll taxes and employee benefits	100,936	29,739	-	130,675
Utilities and building maintenance	8,037	18,234	-	26,271
Insurance	19,087	5,882	-	24,969
Depreciation	-	37,138	-	37,138
In-kind donations (program)	14,834	-	-	14,834
Meetings, travel and education	25,651	27	-	25,678
Legal and accounting fees	25,009	11,186	-	36,195
Marketing	12,583	348	-	12,931
Telephone	21,653	7,328	-	28,981
Office and computer supplies	90,265	10,651	-	100,916
Printing and publications	8,913	1,889	-	10,802
Postage	275	55	-	330
Fundraising expenses	-	-	6,300	6,300
Program and other expenses	<u>80,744</u>	<u>16,223</u>	<u>-</u>	<u>96,967</u>
 Total expenses	 <u>\$ 1,189,398</u>	 <u>\$ 249,948</u>	 <u>\$ 6,300</u>	 <u>\$ 1,445,646</u>

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

FAMILY ROAD OF GREATER BATON ROUGE, INC.
Baton Rouge, Louisiana
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and purpose

Family Road of Greater Baton Rouge, Inc. (the Organization) is a Louisiana nonprofit corporation organized to provide a place to help meet the needs of families through collaboration and coordination of community resources. The sources of income to the Organization include donations (public support), grants, donated services and materials.

The Healthy Start grant was initially awarded to the Organization during the year ended September 30, 2002. The grant has been continually renewed since that time and is currently scheduled through March 31, 2023. Funding is provided by the U.S. Department of Health and Human Services through the Health Resources and Services Administration – Maternal and Child Health Bureau. The goal of the Healthy Start program is to enhance the community's service system to address significant infant mortality and other personal health indicators related to disparities or differences occurring due to the lack of education, low income, disability, or living in rural areas.

Basis of accounting and reporting

Family Road of Greater Baton Rouge, Inc. prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Family Road of Greater Baton Rouge, Inc. reports its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. As of September 30, 2020, Family Road of Greater Baton Rouge, Inc. had net assets without donor restrictions of \$312,764, and net assets with donor restrictions of 32,765.

Cash and cash equivalents

Cash and cash equivalents include all monies in banks with original maturities of 90 days or less. Restricted cash represents amounts held by the Organization with donor imposed restrictions

Promises to give

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in

FAMILY ROAD OF GREATER BATON ROUGE, INC.

Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions and grants 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 as unrestricted net assets.

The Organization uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. Management has determined that no allowance is necessary as of September 30, 2020.

Property and equipment

Property and equipment are stated at historical cost. Depreciation of property and equipment is based upon the estimated useful lives of the assets, which range from 5-39 years, using the straight-line method. Maintenance and repairs are charged to expense, while additions and improvements are capitalized.

Contributed materials and services

The Organization recognizes contribution revenue for certain services received at the estimated fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased, if not provided for by donation.

Donated materials and equipment are reflected as contribution income and expense in the accompanying financial statements at their estimated values at the date of receipt.

Contributions

Contributions and grants received are recorded as those with donor restrictions or without donor restrictions depending on the nature of any donor restrictions.

Income taxes

Family Road of Greater Baton Rouge, Inc. is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation.

FAMILY ROAD OF GREATER BATON ROUGE, INC.

Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

The Organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years 2017, 2018 and 2019 are subject to examination by the IRS.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – CASH

Family Road maintains four bank accounts at the same financial institution. The cash in this institution is maintained in demand deposit accounts. Family Road's unreconciled cash balance per bank as of September 30, 2020 was \$110,640. Family Road's deposits are fully insured by the Federal Deposit Insurance Corporation (FDIC) as they are below the maximum insured amount of \$250,000.

NOTE 3 – NOTES PAYABLE

The Organization received \$427,250 as part of a loan agreement with the Office of Community Development during the year ended September 30, 2010 which was used for the purchase of the building occupied by Family Road. An additional \$5,132 was received during the year ended September 30, 2011 and finally \$117,618 was received during the year ended September 30, 2013. This is a principal only loan with a term of 10 years. The repayment terms of the note will be forgiven on a straight-line basis over the life of the loan in accordance with the grant terms. During the year ended September 30, 2020, \$55,000 was forgiven on the loan.

In April, 2020, Family Road was granted an unsecured loan in the amount of \$75,000 pursuant to the Paycheck Protection Program under Division A, Title I of the Cares Act, which was enacted March 27, 2020. The loan bears an interest rate of 1% and has a maturity of two years. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred. Under the terms of the loan, certain amounts may be forgiven if they are used for qualifying expenses as described in the CARE Act.

FAMILY ROAD OF GREATER BATON ROUGE, INC.
 Baton Rouge, Louisiana
NOTES TO FINANCIAL STATEMENTS

A summary of long-term debt at September 30, 2020 is as follows:

	<u>Amount</u>
Community Development Block Grant (CDBG) loan; 10 years at 0%, forgivable, secured by building	\$ 30,384
Paycheck Protection Program loan; 2 years at 1%, unsecured	75,000
 Total long-term debt	 \$ 105,384
Less: current portion	<u>(49,262)</u>
Long term debt, net of current portion	<u>\$ 56,122</u>

Assuming the remaining CDBG loan will be forgiven as scheduled, total scheduled debt payments during the years ending September 30 are as follows:

	<u>Amount</u>
2021	49,262
2022	49,262
2023	<u>6,860</u>
Total	<u>\$105,384</u>

NOTE 4 – DONATED MATERIALS

The Organization received various contributions of materials to be used both within the program and to be distributed to clients without charge during the year ended September 30, 2020. These contributions have been recorded as revenue with an offsetting entry recorded to expense. The value of donated material received during the year ended September 30, 2020 was \$5,085, and consisted mainly of diapers, formula, baby and children’s clothing, and various items of infant related equipment.

NOTE 5 – CONTRIBUTED SERVICES

During the year ended September 30, 2020, the total value of contributed services meeting the requirements for recognition in the financial statements was \$9,749. Contributed

FAMILY ROAD OF GREATER BATON ROUGE, INC.

Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

services represent volunteer hours worked by various social workers, nutritionists, and other professionals.

NOTE 6 – PENSION PLAN

All employees, 18 years of age or older, are eligible to participate in the Employee Retirement Savings Plan at the date of hire. Employees may make voluntary contributions of up to 25% of their pay, up to \$18,000 per year. There currently is no match requirement for the Organization under this plan.

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets that are available for use within one year of the statement of net position date for general expenses consist of unrestricted cash of \$59,736 and accounts receivable of \$65,015.

As part of the Organization's liquidity management, Family Road structures its financial assets to be available as general expenditures, liabilities and other obligations come due.

NOTE 8 – RELATED PARTY TRANSACTIONS

During the year ended September 30, 2020, Family Road of Greater Baton Rouge paid Clay Young Enterprises, LLC a total of \$10,940 for advertising services. Mr. Young serves on the board of directors of Family Road.

NOTE 9 – SUBSEQUENT EVENTS

Management of Family Road of Greater Baton Rouge, Inc. has evaluated subsequent events through March 30, 2021, the date that the financial statements were available to be issued and has determined that no events have occurred that require disclosure.

John L. McKowen
Certified Public Accountant

2178 Myrtle Avenue
Baton Rouge, Louisiana 70806

Office (225) 615-7844
jlmckowen@cox.net

**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***

To the Board of Directors
Family Road of Greater Baton Rouge, Inc.
Baton Rouge, Louisiana

I 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 Family Road of Greater Baton Rouge, Inc. (Family Road or the Organization), a Louisiana non-profit corporation, which comprise the statement of financial position as of September 30, 2020 and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated March 30, 2021.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Family Road's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Family Road's internal control. Accordingly, I do not express an opinion on the effectiveness of Family Road'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 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 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.

My 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 my audit I did not identify any deficiencies in internal control that I 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 Family Road's financial statements are free from material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of 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 Revised Statute 24:513, the Legislative Auditor distributes this report as a public document.



John L. McKowen, CPA
Baton Rouge, Louisiana
March 30, 2021

John L. McKowen
Certified Public Accountant

2178 Myrtle Avenue
Baton Rouge, Louisiana 70806

Office (225) 615-7844
jlmckowen@cox.net

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

To the Board of Directors
Family Road of Greater Baton Rouge, Inc.
Baton Rouge, Louisiana

Report on Compliance for its Major Federal Program

I have audited Family Road of Greater Baton Rouge, Inc.'s (Family Road or the Organization), (a Louisiana non-profit corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Family Road's major federal programs for the year ended September 30, 2020. Family Road's major federal program is 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Family Road's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 I 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 Family Road's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the Family Road's compliance.

Opinion on its Major Federal Program

In my opinion, Family Road, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2020.

Report on Internal Control over Compliance

Management of Family Road is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Family Road'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, I do not express an opinion on the effectiveness of the Family Road'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.

My 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. I did not identify any deficiencies in internal control over compliance that I 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 my 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.



John L. McKowen, CPA
Baton Rouge, Louisiana
March 30, 2021

FAMILY ROAD OF GREATER BATON ROUGE, INC.
 Baton Rouge, Louisiana
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended September 30, 2020

Federal Grantor/Pass-Through-Grantor Program Title	Grant Number	CFDA Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>			
Passed through			
Health Resources and Services Administration			
Maternal and Child Health Bureau:			
Healthy Start Program	H49MC00107	93.926E	\$ 1,143,749
Passed through			
Centers for Medicare and Medical Services:			
Total U.S. Department of Health and Human Services			<u>1,143,749</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through			
City of Baton Rouge – Parish of East Baton Rouge			
Office of Community Development			
Community Development Block Grant (loan)	N/A	14.218	<u>85,384</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,229,133</u>

FAMILY ROAD OF GREATER BATON ROUGE, INC.

Baton Rouge, Louisiana

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended September 30, 2020

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Family Road of Greater Baton Rouge, Inc. and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from the amounts presented in the preparation of the basic financial statements.

NOTE B – RECONCILIATION OF EXPENSES TO FEDERAL EXPENDITURES

Total expenses	\$1,445,646
Non-cash adjustment – depreciation	(37,138)
Non-cash adjustment – donated service and materials	(14,834)
Non-federal expenditures	<u>(249,925)</u>
Total Federal Expenditures	<u>\$1,143,749</u>

NOTE C – FORGIVABLE LOAN

The Organization received \$427,250 as part of a loan agreement with the City of Baton Rouge – Parish of East Baton Rouge, Office of Community Development during the year ended September 30, 2010 which was used for the purchase of the building occupied by Family Road. An additional \$5,132 was received during the year ended September 30, 2011 for building improvements and finally \$117,618 was received during the year ended September 30, 2013 for a total of \$550,000. This is a principal only loan with a term of 10 years. The repayment terms of the note will be forgiven on a straight-line basis over the life of the loan in accordance with the grant terms. During the year ended September 30, 2020, \$55,000 was forgiven on the loan.

NOTE D – DE MINIMUS COST RATE

During the year ended September 30, 2020, the Organization elected to use the 10% de minimus cost rate as covered in Section 200.414 of the Uniform Guidance.

NOTE E – AMOUNTS PASSED THROUGH TO SUBRECIPIENTS

During the year ended September 30, 2020, the Organization did not pass through any federal funding to subrecipients.

FAMILY ROAD OF GREATER BATON ROUGE, INC.
Baton Rouge, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended September 30, 2020

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified Opinion

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? No
- Noncompliance material to financial statements noted? No

Federal Awards

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)? No

The programs tested as major programs include:

Healthy Start Program CFDA #93.926E

- The threshold for distinguishing Types A and B programs was program expenditures equal to or exceeding \$750,000.
- Family Road of Greater Baton Rouge, Inc. did not qualify as a low-risk auditee.

FAMILY ROAD OF GREATER BATON ROUGE, INC.
Baton Rouge, Louisiana
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year ended September 30, 2020

FINDINGS AND QUESTIONED COSTS – Financial Statement Audit

None noted.

FINDINGS AND QUESTIONED COSTS – Major Federal Award Programs

None noted.

FAMILY ROAD OF GREATER BATON ROUGE, INC.
Baton Rouge, Louisiana
**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

AGENCY HEAD NAME: Dena Christy

Ms. Christy received the following compensation, benefits or other payments derived from public (governmental) funds which require disclosure in accordance with La. R.S. 24:513(A)(3).

PURPOSE	AMOUNT
Salary	\$60,675
Fringe benefits	<u>10,667</u>
Total	<u>\$71,732</u>