

**Families Helping Families
of Greater Baton Rouge, Inc.
Baton Rouge, Louisiana
June 30, 2021**

Table of Contents

Independent Auditor's Report	Page	3
Financial Statements		
Statement of Financial Position	Page	5
Statement of Activities	Page	6
Statement of Functional Expenses	Page	7
Statement of Cash Flows	Page	8
Notes to Financial Statements	Page	9
Supplementary Information		
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	Page	17
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 <i>Government Auditing Standards</i>	Page	19
Schedule of Findings and Responses	Page	20
Summary Schedule of Prior Year Findings	Page	21



**HAWTHORN
WAYMOUTH
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Certified Public Accountants

Louis C. McKnight, III, CPA
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Independent Auditor's Report

Board of Directors
Families Helping Families of Greater Baton Rouge, Inc.
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Families Helping Families of Greater Baton Rouge, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, 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.

Auditor's 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families Helping Families of Greater Baton Rouge, Inc. as of June 30, 2021, 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.

Report on Summarized Comparative Information

We have previously audited Families Helping Families of Greater Baton Rouge, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 25, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it was derived.

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 agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021, on our consideration of Families Helping Families of Greater Baton Rouge, 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 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 Families Helping Families of Greater Baton Rouge, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Families Helping Families of Greater Baton Rouge, Inc.'s internal control over financial reporting and compliance.

Hawthorn, Waymouth & Carroll, L.L.P.

December 22, 2021

Families Helping Families of Greater Baton Rouge, Inc.
Statement of Financial Position
June 30, 2021
With Summarized Comparative Totals as of June 30, 2020

Assets

	2021	2020
Current Assets		
Cash and cash equivalents	\$ 362,702	\$ 310,253
Accounts receivable, net	59,411	52,007
Prepaid expenses	140	71
Total current assets	422,253	362,331
Property and Equipment, net	460,905	466,733
Total assets	\$ 883,158	\$ 829,064

Liabilities and Net Assets

Current Liabilities		
Current maturities of long-term debt	\$ 35,151	\$ 58,021
Unrelated business income taxes payable	7,664	6,494
Accounts payable	16,017	8,591
Accrued liabilities	24,425	34,600
Total current liabilities	83,257	107,706
Long-Term Debt, less current maturities	328,913	326,497
Total liabilities	412,170	434,203
Net Assets		
Without donor restrictions	456,260	368,063
With donor restrictions	14,728	26,798
Total net assets	470,988	394,861
Total liabilities and net assets	\$ 883,158	\$ 829,064

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

Families Helping Families of Greater Baton Rouge, Inc.
Statement of Activities
Year Ended June 30, 2021
With Summarized Comparative Totals for the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Revenue and Other Support				
Contracts	\$ 443,102	\$ -	\$ 443,102	\$ 474,380
Fundraising and charitable gaming	134,396	-	134,396	71,969
Contributions	29,205	-	29,205	122,222
Rent	14,400	-	14,400	14,400
Interest	199	-	199	1,824
Miscellaneous	7,018	-	7,018	12,901
Gain on forgiveness of debt	84,453	-	84,453	-
Net assets released from restrictions	<u>12,070</u>	<u>(12,070)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>724,843</u>	<u>(12,070)</u>	<u>712,773</u>	<u>697,696</u>
Expenses				
Program	429,713	-	429,713	487,555
Management and general	108,708	-	108,708	78,634
Fundraising	<u>74,503</u>	<u>-</u>	<u>74,503</u>	<u>57,311</u>
Total expenses	<u>612,924</u>	<u>-</u>	<u>612,924</u>	<u>623,500</u>
Change in Net Assets Before				
Unrelated Business Income Tax	111,919	(12,070)	99,849	74,196
Unrelated Business Income Tax	<u>23,722</u>	<u>-</u>	<u>23,722</u>	<u>16,122</u>
Change in Net Assets	88,197	(12,070)	76,127	58,074
Net Assets, beginning of period	<u>368,063</u>	<u>26,798</u>	<u>394,861</u>	<u>336,787</u>
Net Assets, end of period	<u>\$ 456,260</u>	<u>\$ 14,728</u>	<u>\$ 470,988</u>	<u>\$ 394,861</u>

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

Families Helping Families of Greater Baton Rouge, Inc.
Statement of Functional Expenses
Year Ended June 30, 2021
With Summarized Comparative Totals for the Year Ended June 30, 2020

	<u>Program Services</u>					<u>Management and General</u>	<u>Fundraising</u>	<u>2021 Total</u>	<u>2020 Total</u>
	<u>Behavioral Health</u>	<u>RCASD</u>	<u>LA Dept of Education</u>	<u>Other Programs</u>	<u>Total Program</u>				
Accounting services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,821	\$ 1,821	\$ 3,134
Advertising	379	152	37	316	884	49	117	1,050	5,247
Consulting	-	-	-	-	-	5,000	-	5,000	769
Contract labor	-	-	-	926	926	-	-	926	3,665
Depreciation	2,606	1,303	2,606	7,818	14,333	3,645	-	17,978	14,333
Education and training	365	-	-	160	525	27	-	552	1,101
Insurance	3,326	2,406	1,192	5,352	12,276	1,020	1,303	14,599	14,871
Occupancy	8,161	3,005	902	5,455	17,523	2,708	-	20,231	19,245
Office	898	324	164	1,032	2,418	1,405	125	3,948	5,231
Payroll	102,815	50,299	45,775	103,966	302,855	76,191	11,896	390,942	402,605
Payroll taxes	8,200	3,982	3,641	8,560	24,383	2,968	1,117	28,468	33,493
Professional fees	23,942	1,330	1,086	5,801	32,159	11,256	410	43,825	26,433
Rent	634	243	37	567	1,481	292	50,989	52,762	31,694
Repairs and maintenance	831	419	115	883	2,248	457	-	2,705	2,762
Stipends	-	-	-	-	-	408	-	408	6,131
Supplies	4,452	579	285	1,198	6,514	1,272	6,725	14,511	32,325
Travel and meetings	-	-	-	446	446	1,280	-	1,726	6,259
Interest	3,000	2,314	683	4,745	10,742	730	-	11,472	14,147
Miscellaneous	-	-	-	-	-	-	-	-	55
Total expenses	\$ 159,609	\$ 66,356	\$ 56,523	\$ 147,225	\$ 429,713	\$ 108,708	\$ 74,503	\$ 612,924	\$ 623,500

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

Families Helping Families of Greater Baton Rouge, Inc.
Statement of Cash Flows
Year Ended June 30, 2021
With Summarized Comparative Totals for the Year Ended June 30, 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 76,127	\$ 58,074
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	17,978	14,333
Gain on forgiveness of debt	(84,453)	-
(Increase) Decrease in assets:		
Accounts receivable	(7,404)	1,182
Taxes receivable	-	1,211
Prepaid expenses	(69)	1,645
Increase (Decrease) in liabilities:		
Unrelated business income taxes payable	1,170	6,494
Accounts payable	7,426	(3,099)
Accrued liabilities	<u>(10,175)</u>	<u>(4,714)</u>
Net cash provided by operating activities	<u>600</u>	<u>75,126</u>
Cash Flows from Investing Activities		
Purchase of property and equipment	<u>(12,150)</u>	<u>(12,150)</u>
Net cash used in financing activities	<u>(12,150)</u>	<u>(12,150)</u>
Cash Flows from Financing Activities		
Proceeds from long-term debt	83,297	84,453
Principal payments on long-term debt	<u>(19,298)</u>	<u>(19,568)</u>
Net cash provided by (used in) financing activities	<u>63,999</u>	<u>64,885</u>
Net Change in Cash and Cash Equivalents	52,449	127,861
Cash and Cash Equivalents, beginning of year	<u>310,253</u>	<u>182,392</u>
Cash and Cash Equivalents, end of year	<u>\$ 362,702</u>	<u>\$ 310,253</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	<u>\$ 11,472</u>	<u>\$ 14,147</u>
Cash paid for unrelated business income taxes	<u>\$ 16,300</u>	<u>\$ 9,108</u>

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

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2021

Note 1—Nature of Operations

Families Helping Families of Greater Baton Rouge, Inc. (FHFGBR) is a non-profit corporation, which was founded on January 10, 1998. The organization's mission is to provide individualized services, information, resources, and support needed to positively enhance the independence, productivity, and integration of individuals with disabilities in the greater Baton Rouge area.

FHFGBR derives the majority of its revenue from state contracts for the following programs:

Office of Behavioral Health (OBH) - Provides families and youth with education, skills, and resources to increase and strengthen their ability to function successfully in their homes and communities; provide opportunities to increase advocacy skills, and empower families to inform children's behavioral health policies, practices and services in Louisiana; and provide education to increase the knowledge of family members and professionals.

Resource Center for Autism Spectrum Disorders (RCASD) – A comprehensive source of information for families with members who have autism spectrum disorder. RCASD offers one-to-one support, family-oriented education, referrals and various communication software assisting children with social and verbal communication.

State Department of Education (SDE) - Provides training, education, and empowerment to families of children with disabilities through workshops, presentations, and one-on-one support to develop an individualized education/transition plan to help their children learn in an inclusive environment to ensure full and valued membership in the community.

Note 2—Summary of Significant Accounting Policies

A. Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

FHFGBR reports information regarding its financial position and activities according to two classes of net assets that are based upon existence or absence of restrictions on use that are placed on them by donors: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions include those net assets whose use by the Organization is not restricted by donors, even though their use may be limited in other respects, such as by contract or board designation. Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity. At June 30, 2021, FHFGBR had net assets with donor restrictions of \$14,728.

B. Recently Adopted Accounting Standards

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. FHFGBR adopted Topic 606 effective July 1, 2020, the first day of the FHFGBR's fiscal year, using the modified retrospective approach. No cumulative-effect adjustment in net assets was recorded as the adoption of Topic 606 did not significantly impact the entity's reported historical revenue. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2021

Note 2—Summary of Significant Accounting Policies (Continued)

C. 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 revenue and expenses during the reporting period. Actual results could differ from the estimates that were used.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, FHFGBR considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Included in cash and cash equivalents at June 30, 2021 is cash of \$27,765, required to be held in a separate bank account for the purpose of charitable gaming.

E. Accounts Receivable

Accounts receivable are recorded at net realizable value consisting of the carrying amount less an allowance for doubtful accounts. FHFGBR determines its allowance for doubtful accounts based on prior years' experiences and management's analysis of possible bad debts. FHFGBR uses the specific identification allowance method, charging off old receivables on a case-by-case basis. FHFGBR considers all accounts receivable at June 30, 2021 to be fully collectible and, therefore, did not establish an allowance for doubtful accounts.

F. Property and Equipment

Property and equipment are stated at cost or, if donated, at fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Expenditures for major repairs and improvements that extend the useful lives of property and equipment are capitalized at cost. Expenditures for maintenance and minor repairs are charged to expense as incurred. The estimated useful lives for property and equipment are: Building (30 years); Equipment (3-7 years); and Furniture/Fixtures (7-15 years).

G. Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. 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.

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2021

Note 2—Summary of Significant Accounting Policies (Continued)

H. Income Taxes

FHFGBR is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an entity other than a private foundation within the meaning of Section 509(a). However, income from certain activities not directly related to FHFGBR's tax-exempt purpose is subject to taxation as unrelated business income. As of June 30, 2021, FHFGBR owed unrelated business income taxes of \$7,664.

Management has determined that there are no uncertain tax positions that would require recognition in the financial statements. Interest on any income tax liability would be reported as interest expense and penalties on any income tax would be reported as income taxes.

Management's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based on ongoing analysis of tax laws, regulations, and interpretations thereof as well as other factors.

I. Liquidity Management

As of June 30, 2021, the following financial assets could be made readily available within one year of the date of the statement of financial position to meet general expenditures:

Cash and cash equivalents	\$ 362,702
Accounts receivable	<u>59,411</u>
 Total financial assets, period end	 422,113
 Less, those unavailable for general expenditures within one year, due to:	
Donor restrictions on the use of assets for particular programs	<u>(14,728)</u>
 Financial assets available to meet cash needs for general expenditures within one year.	 <u>\$ 407,385</u>

As part of its liquidity management, FHFGBR has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due.

J. Revenue Recognition

FHFGBR recognizes revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. The majority of the entity's revenue from contracts with customers is derived from fixed fee cost reimbursable state contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Revenues are recognized when FHFGBR has incurred expenditures in compliance with specific contract provisions.

Fundraising registrations, included in fundraising income, are recognized when the fundraising events are held and performance obligations are satisfied.

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2021

Note 2—Summary of Significant Accounting Policies (Continued)

K. Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses are allocated in the accompanying financial statements to program services, management and general, and fundraising functional expense groups. The methods of allocation are based on several factors such as utilization of office space as well as FHFGBR's estimates of the relative proportion of various staff members' time and effort between program and administrative functions. Other expenses are allocated based on use.

L. Prior Period Information

The amounts shown for the year ended June 30, 2020 in the accompanying financial statements are included to provide a basis for comparison with 2021 and present summarized totals only. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with FHFGBR's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

M. New Accounting Pronouncements Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases*. This ASU affects any entity that enters into a lease, with some specified scope exemptions. The main difference between previous U.S. GAAP and this ASU is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous U.S. GAAP. The amendments in this ASU are effective for fiscal years beginning after December 15, 2021. FHFGBR is currently assessing the impact of this pronouncement on its financial statements.

Note 3—Property and Equipment

The following is a summary of property and equipment as of June 30, 2021:

Land	\$ 150,000
Building	430,000
Equipment	71,843
Furniture and fixtures	<u>38,565</u>
	690,408
Less: accumulated depreciation	<u>(229,503)</u>
Total property and equipment, net	<u>\$ 460,905</u>

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2021

Note 4—Long-term Debt

The following is a summary of long-term debt as of June 30, 2021:

Note payable to a financial institution with a balloon payment of \$181,850 in March 2026, bearing interest at 4.50%, collateralized by building and land.	\$ 286,616
Note payable to a bank, dated February 2, 2021, under the Paycheck Protection Program established by the Coronavirus Aid Relief, and Economic Security (CARES) Act. The note bears interest at 1.00%, maturing on February 1, 2026, with 10 months of deferred payments. FHFGBR has until the end of the 10 months to apply for forgiveness for the total amount.	83,297
	369,913
Less: unamortized debt issuance costs	(5,849)
	364,064
Less: current maturities of long-term debt	35,151
	\$ 328,913

Future maturities of long-term debt for fiscal years ending June 30 are as follows:

2022	\$	35,151
2023		43,432
2024		44,469
2025		45,614
2026		195,398
	\$	364,064

Note 5—Net Assets with Donor Restrictions

Net assets with donor restrictions are comprised of the following as of June 30, 2021:

Purpose or time restricted:	
Database software	\$ 10,846
COVID-19 supplies	3,882
	\$ 14,728

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2021

Note 6—Contingencies

FHFGBR participates in federal and state grant programs, which are governed by various rules and regulations. Costs charged to the grant programs are subject to audit and adjustment by the grantor agency; therefore, to the extent that FHFGBR has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable at year end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Any costs disallowed would be recognized in the period agreed upon by the grantor agency and FHFGBR.

Note 7—Economic Dependency

FHFGBR receives revenue through grants and contracts administered by the State of Louisiana. The grant and contract amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds received by FHFGBR could be reduced significantly by an amount that could adversely impact its operations. Management is not aware of any actions that will adversely affect the amount of grants and contracts the organization will receive in the next fiscal year.

Note 8—Board of Directors Compensation

The Board of Directors is a voluntary board; therefore, no compensation or per diem has been paid to any Director.

Note 9—PPP Loan Forgiveness

FHFGBR received a loan from a bank dated April 22, 2020 in the amount of \$84,453 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan was accounted for under FASB ASC 470. FHFGBR applied for and has been notified that \$84,453 in eligible expenditures for payroll and other expenses described in the CARES Act has been forgiven. Upon forgiveness, FHFGBR accounted for derecognition of the liability in accordance with FASB ASC 405-20. A gain was recorded on extinguishment of debt as income in the period of forgiveness.

Note 10—Operating Leases

FHFGBR pays rent on a month-to-month basis to their bingo hall management company. Rent payments are calculated as a percentage of games played and remitted on a monthly basis. Total rent expense for the years ended June 30, 2021 was \$52,762.

Note 11—Risk and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern”, and on March 10, 2020, declared it to be a pandemic. Actions continue to be taken to mitigate the impact of the virus; however, it is possible that there could be further negative economic impact to the state of Louisiana and FHFGBR. It cannot be projected what that impact could be as of the date of this report.

Families Helping Families of Greater Baton Rouge, Inc.
Notes to Financial Statements
June 30, 2021

Note 12—Subsequent Events

Management of FHFGBR evaluated all subsequent events through December 22, 2021, the date the financial statements were available to be issued. As a result, no subsequent events required adjustment to, or disclosure in, these financial statements.

Supplementary Information

**Families Helping Families of Greater Baton Rouge, Inc.
Schedule of Compensation, Benefits, and Other
Payments to Agency Head or Chief Executive Officer
Year Ended June 30, 2021**

**Agency Head: Jamie Tindle, Executive Director
(July 2020 - August 2020)**

Purpose	Amount
Salary	\$ 32,204
Benefits - cell phone allowance	200

**Agency Head: Heath Hebert, Interim Executive Director
(August 2020 - May 2021)**

Purpose	Amount
Salary (contractor compensation)	\$ 49,740
Reimbursements	128

**Agency Head: Dr. Marilyn Thornton, Executive Director
(May 2021 - June 2021)**

Purpose	Amount
Salary	\$ 6,167
Benefits - health insurance	400
Benefits - cell phone allowance	100



**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***

Board of Directors
Families Helping Families of Greater Baton Rouge, Inc.
Baton Rouge, 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 of Greater Baton Rouge, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 22, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Families Helping Families of Greater Baton Rouge, Inc.'s (FHFGBR) 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 FHFGBR's internal control. Accordingly, we do not express an opinion on the effectiveness of FHFGBR'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2021-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Families Helping Families of Greater Baton Rouge, 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Families Helping Families of Greater Baton Rouge, Inc.'s Response to Finding

Families Helping Families of Greater Baton Rouge, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Families Helping Families of Greater Baton Rouge, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements 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.

Hawthorn, Waymouth & Carroll, L.L.P.

December 22, 2021

Families Helping Families of Greater Baton Rouge, Inc.
Schedule of Findings and Responses
Year Ended June 30, 2021

Part I. Summary of Audit Results

1. An unmodified opinion has been expressed on the financial statements of Families Helping Families of Greater Baton Rouge, Inc., as of and for the year ended June 30, 2021, and the related notes to the financial statements.
2. No deficiencies in internal control over financial reporting that we consider to be material weaknesses were identified.
3. No instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* were identified.
4. A single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* was not required.
5. A management letter was not issued.

Part II. Financial Statement Findings

2021-001: Segregation of Duties

Condition:

Due to the small size of the organization, ideal segregation of duties has not been achieved.

Criteria:

The organization should separate responsibilities for authorizing transactions, recording those transactions, and the custody of assets.

Cause:

The size of the organization does not permit proper segregation of duties.

Effect:

The lack of segregation of duties increases the risk of fraud related to misappropriation of assets, financial statement misstatements, or both.

Auditor's Recommendation:

While we recognize it may not be cost effective to justify implementing a full segregation of duties for an extensive system of internal control in all areas, we believe it is important that management and those charged with governance are aware that some weaknesses may exist and that they should apply diligent oversight and monitoring activities.

Management's Corrective Action Plan:

Management has requested more involvement from the Board treasurer to help reduce the risk associated with a lack of segregation of duties. The treasurer will now review all transactions, and continue as a co-signer for check amounts of \$1,000 or greater on cash accounts. Management believes this will increase the effectiveness of Board oversight and monitoring.

Families Helping Families of Greater Baton Rouge, Inc.
Summary Schedule of Prior Year Findings
Year Ended June 30, 2021

Part I. Financial Statement Findings

2020-001: Segregation of Duties

Summary of Prior Year Finding:

Due to the small size of the organization, ideal segregation of duties has not been achieved.

Status:

Finding repeats as current year finding 2021-001.

Part II. A management letter was not issued for the year ended June 30, 2020.