

**NORTHSHORE FAMILIES
HELPING FAMILIES, INC.**

FINANCIAL STATEMENTS

June 30, 2021 and 2020



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Northshore Families Helping Families, Inc.

Opinion

We have audited the financial statements of Northshore Families Helping Families, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northshore Families Helping Families, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Northshore Families Helping Families, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Northshore Families Helping Families, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Northshore Families Helping Families, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Northshore Families Helping Families, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Summary of Compensation, Benefits and Other Payments to Agency Heads 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 a report dated March 1, 2022 on our consideration of Northshore Families Helping Families, Inc.'s, internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grants 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 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 Northshore Families Helping Families, Inc.'s internal control over financial reporting and compliance.

Metairie, Louisiana
March 1, 2022

Wegmann Bazet

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
STATEMENTS OF FINANCIAL POSITION

June 30, 2021 and 2020

ASSETS

	2021	2020
Current assets		
Cash and cash equivalents	\$ 222,769	\$ 167,200
Accounts receivable	28,521	28,410
Total current assets	251,290	195,610
Property and equipment, at cost less accumulated depreciation	224,651	231,088
Other noncurrent assets	-	1,700
Total assets	\$ 475,941	\$ 428,398

LIABILITIES

Current liabilities		
Accounts payable	\$ 22,850	\$ 33
Accrued expenses	4,821	3,173
Accrued payroll liabilities	11,053	9,221
Refundable advance	-	23,534
Current portion of long-term debt	7,100	6,700
Total current liabilities	45,824	42,661
Long-term debt, less current portion	131,354	138,497
Total liabilities	177,178	181,158

NET ASSETS

Without donor restrictions	298,763	247,240
Total net assets	298,763	247,240
Total liabilities and net assets	\$ 475,941	\$ 428,398

See accompanying Notes to Financial Statements.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2021 and 2020

	2021	2020
Revenues and other support		
Contract revenue	\$ 3,850	\$ 4,550
Contributions	16,585	26,213
Direct public grants	255,405	216,943
Interest income	700	4,811
Other income	23,551	-
	<u>300,091</u>	<u>252,517</u>
Expenses		
Program services		
Louisiana Department of Education	31,506	48,360
Florida Parishes Human Services Authority	97,245	53,768
Children's Special Health Services	5,861	38,907
Louisiana Development Disabilities Council FHF Center	59,972	55,369
Louisiana Family to Family Health Center	1,214	724
State Personnel Development Grant	-	250
Other program services	1,500	266
Supporting services		
Fundraising expenses	-	4,569
Management and general	51,270	29,349
	<u>248,568</u>	<u>231,562</u>
Change in net assets	51,523	20,955
Net asset without donor restrictions, Beginning of year	<u>247,240</u>	<u>226,285</u>
Net asset without donor restrictions, End of year	<u>\$ 298,763</u>	<u>\$ 247,240</u>

See accompanying Notes to Financial Statements.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2021

	Program Services						Supporting Services			
	Louisiana Department of Education	Florida Parishes Human Services Authority	Children's Special Health Services	LA Development Disabilities Council FHF Center	Louisiana Family to Family Health Center	Other program services	Total program services	Fundraising expenses	Management and general	Total
Administrative costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 341	\$ 341
Advertising	487	392	-	392	-	-	1,271	-	1,846	3,117
Bank service charges	-	-	-	-	-	-	-	-	290	290
Contributions	117	116	-	117	-	-	350	-	1,500	1,850
Contract labor	220	220	-	220	-	-	660	-	102	762
Depreciation	-	-	-	-	-	-	-	-	6,437	6,437
Dues and subscriptions	1,555	2,196	-	2,196	-	-	5,947	-	1,952	7,899
Equipment rental	674	736	-	736	-	-	2,146	-	-	2,146
Insurance	2,464	2,509	-	2,509	-	-	7,482	-	348	7,830
Interest expense	-	-	-	-	-	-	-	-	8,275	8,275
Postage and delivery	114	114	-	114	-	-	342	-	113	455
Professional services	1,481	1,481	1,244	1,481	237	-	5,924	-	10	5,934
Repairs and maintenance	322	351	-	375	-	-	1,048	-	23,869	24,917
Salaries and taxes	18,978	84,116	1,266	47,290	-	-	151,650	-	4,448	156,098
Seminars and education	99	19	-	19	-	1,500	1,637	-	1,739	3,376
Supplies	1,588	1,588	1,433	1,022	-	-	5,631	-	-	5,631
Telephone	1,181	1,181	942	1,182	-	-	4,486	-	-	4,486
Utilities	2,226	2,226	976	2,319	977	-	8,724	-	-	8,724
Total	\$ 31,506	\$ 97,245	\$ 5,861	\$ 59,972	\$ 1,214	\$ 1,500	\$ 197,298	\$ -	\$ 51,270	\$ 248,568

See accompanying Notes to Financial Statements.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2020

	Program Services						Supporting Services		Total		
	Louisiana Department of Education	Florida Parishes Human Services Authority	Children's Special Health Services	LA Development Disabilities Council FHF Center	Louisiana Family to Family Health Center	State Personnel Development Grant	Other program services	Total program services		Fundraising expenses	Management and general
Administrative costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,539	\$ 2,539
Advertising	874	874	874	874	-	250	-	3,746	1,532	625	5,903
Bank service charges	-	-	-	-	-	-	-	-	-	15	15
Contributions	-	-	-	-	-	-	-	-	-	100	100
Contract labor	175	191	165	223	-	-	-	754	-	301	1,055
Depreciation	-	-	-	-	-	-	-	-	-	4,935	4,935
Dues and subscriptions	1,034	1,036	-	52	-	-	-	2,122	-	2,294	4,416
Equipment rental	894	894	123	894	-	-	-	2,805	100	203	3,108
Insurance	2,500	2,498	531	2,988	-	-	-	8,517	472	-	8,989
Interest expenses	-	-	-	-	-	-	-	-	-	6,501	6,501
Meals	-	-	-	-	-	-	-	-	-	105	105
Postage and delivery	128	128	-	128	-	-	-	384	-	129	513
Printing and copying	-	-	-	-	-	-	-	-	-	91	91
Professional services	3,265	3,265	2,776	3,265	450	-	-	13,021	-	-	13,021
Property taxes	2,044	2,043	-	-	-	-	-	4,087	-	-	4,087
Rent	1,300	1,300	-	1,300	-	-	-	3,900	-	-	3,900
Repairs and maintenance	131	120	-	131	-	-	-	382	-	298	680
Salaries and taxes	30,125	37,846	31,317	42,378	-	-	-	141,666	-	10,065	151,731
Seminars and education	2,318	-	300	197	-	-	266	3,081	-	472	3,553
Supplies	1,857	1,857	1,677	1,198	-	-	-	6,589	2,465	676	9,730
Telephone	1,090	1,091	870	1,090	-	-	-	4,141	-	-	4,141
Utilities	625	625	274	651	274	-	-	2,449	-	-	2,449
Total	\$ 48,360	\$ 53,768	\$ 38,907	\$ 55,369	\$ 724	\$ 250	\$ 266	\$ 197,644	\$ 4,569	\$ 29,349	\$ 231,562

See accompanying Notes to Financial Statements.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 51,523	\$ 20,955
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation	6,437	4,935
(Increase) decrease in operating assets:		
Accounts receivable	(111)	(5,461)
Other noncurrent assets	1,700	-
Increase (decrease) in operating liabilities:		
Accounts payable	22,817	33
Accrued expenses	1,648	2,452
Accrued payroll liabilities	1,832	(938)
Refundable advance	(23,534)	23,534
Net cash provided by operating activities	<u>62,312</u>	<u>45,510</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>-</u>	<u>(84,148)</u>
Net cash used by investing activities	<u>-</u>	<u>(84,148)</u>
Cash flows from financing activities:		
Repayments of long-term debt	<u>(6,743)</u>	<u>(4,803)</u>
Net cash used by financing activities	<u>(6,743)</u>	<u>(4,803)</u>
Net increase (decrease) in cash	55,569	(43,441)
Cash and cash equivalents at beginning of year	<u>167,200</u>	<u>210,641</u>
Cash and cash equivalents at end of year	<u>\$ 222,769</u>	<u>\$ 167,200</u>

See accompanying Notes to Financial Statements.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2021 and 2020

1) The Organization

Northshore Families Helping Families, Inc. (the Organization) is a not-for-profit organization established in 1992. The mission of the Organization is to provide the individualized services, information, resources and support needed to positively enhance the independence, productivity and inclusion of individuals with disabilities. The primary sources of revenue are from contributions, grants and contracts for services provided.

2) Summary of significant accounting policies

The following are summaries of significant accounting policies of the Organization:

a) Basis of accounting

The Organization's policy is to prepare its financial statements on the accrual basis of accounting, which recognizes all revenues and the related assets when earned and all expenses and the related obligations when incurred.

b) Financial statement presentation

Financial Accounting Standards Board, Accounting Standards Codification ("ASC") 958, *Not-for-Profit Entities*, requires the net assets and changes in net assets be reported for two classifications – net assets with donor restrictions and net assets without donor restrictions based on the existence or absence of donor imposed restrictions. Restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted contributions.

c) Cash and cash equivalents

For purposes of the statements of cash flows the Organization considers all highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents.

d) Accounts receivable

The Organization's receivables at June 30, 2021 and 2020 consist of amounts owed from state and local private and public agencies for grants and fees for service programs. The Organization considers all amounts to be fully collectible. Therefore, an allowance for uncollectible accounts is not provided in these financial statements.

e) Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") 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. Actual results could differ from those estimates.

f) Income taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. The Organization has filed for and received income tax exemptions in the various jurisdictions where it is required to do so. The Organization files Form 990 tax returns in the U.S. federal jurisdiction and in Louisiana.

Financial Accounting Standards Board, Accounting Standards Codification 740, *Income Taxes*, requires management to assess uncertain tax positions. Management of the Organization believes there are no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax positions. With few exceptions, the Organization is not subject to U.S. federal, state and local income tax examination by tax authorities beyond three years from the filing of those returns.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2021 and 2020

2) Summary of significant accounting policies (continued)

g) Functional expenses allocation

The costs of providing the program services and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated on a reasonable basis that is consistently applied.

When possible, expenses are first allocated by direct identification and then by allocation if an expenditure benefits more than one program or function. The expenses that are allocated are allocated on the basis of estimates of time and effort.

h) Property and equipment

Property and equipment are carried at cost. Depreciation of property is provided over the estimated useful lives of the assets using the straight-line method. Repairs and maintenance are expensed as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the assets carrying amount and related accumulated depreciation of the assets are removed from the accounts and any gain or loss is included in operations. Depreciation is provided on the straight-line method over the following useful lives.

	<u>Estimated lives</u>
Building	39 years
Equipment	4 - 7 years

i) Contributions

Contributions received are recorded with donor restrictions or without donor restrictions, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. All other donor restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is when a stipulated time restrictions ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reports in the statements of activities as net assets released from restrictions.

j) Contributed services

The Organization relies on volunteers to assist with many routine services and activities related to the Organization. If these services and activities (a) neither create nor enhance a nonfinancial asset, nor (b) require specialized skills provided by individuals possessing those skills, which would typically need to be purchased if not provided by donation, their value is not recognized in the financial statements.

k) Fundraising

All expenses associated with fundraising events are expensed as incurred.

l) Advertising costs

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2021 and 2020 was \$3,117 and \$5,903, respectively.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2021 and 2020

2) Summary of significant accounting policies (continued)

m) New accounting pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the statements of financial position as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2021. Management is currently assessing the impact of this pronouncement on its financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets*. This accounting standard improves transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations through enhancements to presentation and disclosure. The standard is effective for annual periods beginning after December 15, 2021. Management is currently assessing the impact of this pronouncement on its financial statements.

3) Concentrations of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits. The Organization at times has cash on deposit at financial institutions that is in excess of federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation up to certain limits.

The Organization has not experienced any losses in such accounts. The Organization has no policy requiring collateral or other security to support its deposits or receivables.

4) Property and equipment

Property and equipment consists of the following:

	<u>2021</u>	<u>2020</u>
Building	\$ 234,148	\$ 234,148
Equipment	10,271	10,271
Total cost	<u>244,419</u>	<u>244,419</u>
Less: accumulated depreciation	(19,768)	(13,331)
Property and equipment	<u>\$ 224,651</u>	<u>\$ 231,088</u>

5) Program grants

A substantial portion of the Organization's support and revenue is derived from grants for programs conducted. The various grants are approved on a year-to-year basis. Any unauthorized expenditures must be refunded. The Organization received approximately 86% and 88% of its revenue from grants for the years ended June 30, 2021 and 2020, respectively.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2021 and 2020

6) Liquidity and availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 222,769	\$ 167,200
Accounts receivable	28,521	28,410
	\$ 251,290	\$ 195,610

The Organization receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures.

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

7) Long-term debt

Long-term debt consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Note payable to a financial institution dated September 30, 2019 with a variable interest rate as defined in the agreement (5.74% at June 30, 2021). The note is payable in monthly installments of \$1,252 including interest. The note matures in September 2034 and is secured by the real estate.	\$ 138,454	\$ 145,197
Less: current portion	(7,100)	(6,700)
Long-term debt, less current portion	\$ 131,354	\$ 138,497

Aggregate maturities of long-term debt in the years subsequent to June 30, 2021 are as follows:

2022	\$	7,100
2023		7,600
2024		8,000
2025		8,500
2026		9,000
Thereafter		98,254

8) Supplemental disclosures of cash flows information

	<u>2021</u>	<u>2020</u>
Cash payments for interest	\$ 8,275	\$ 6,501
Non-cash financing of real estate	\$ -	\$ 150,000

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2021 and 2020

9) Refundable advance

During the year ended June 30, 2020, the Organization received a \$35,700 loan, under the Paycheck Protection Program “PPP” administered by a Small Business Administration (SBA) approved partner. The loan was uncollateralized and was fully guaranteed by the Federal government. The Organization was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. During 2020, the Organization utilized \$12,166 of the PPP funds received on qualifying expenses and the remaining portion of \$23,534 is listed as long-term debt on the statements of financial position. The Organization anticipated utilizing the remaining portion on qualifying expenses and expected the loan to be fully forgiven. During 2021, the \$23,534 was forgiven and included in direct public grants.

During the year ended June 30, 2021, the Organization received a second loan under the PPP administered by a SBA approved partner in the amount of \$31,680. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. During 2021, the Organization utilized \$31,680 of the PPP funds received on qualifying expenses and is included in direct public grants.

The Organization applied ASC 958-605, *Not-for-Profit Entities: Revenue Recognition* and recognized PPP funds expected to be forgiven as a conditional contribution. Accordingly, the Organization recognized income as it incurred qualifying PPP expenses and determined that the conditions of forgiveness were substantially met. The related income is included in government grants on the statement of activities.

10) Coronavirus (COVID-19)

The COVID-19 pandemic has impacted and could further impact the Organization’s operations and the operations of the Organization’s suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Organization’s business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Organization’s customers, suppliers, and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume.

Even after the COVID-19 pandemic has subsided, the Organization may continue to experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Organization cannot reasonably estimate the impact at this time.

11) Subsequent events

Management has evaluated subsequent events through the date of the auditors’ report, the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Northshore Families Helping Families, Inc.
Covington, Louisiana

We have performed the procedures enumerated in the Schedule of Agreed-Upon Procedures (Schedule), which were agreed to by Northshore Families Helping Families, Inc. (the Organization) and the Louisiana Legislative Auditor, for the period of July 1, 2020 through June 30, 2021. The Organization's management is responsible for the Schedule.

The Organization has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose in determining the Organization's compliance with Act 774 of the 2014 Regular Legislative Session requires the Louisiana Legislative Auditor's (LLA) for the period of July 1, 2020 through June 30, 2021. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes..

The procedures and associated findings are described in the Schedule.

We were engaged by the Organization to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Schedule of the Organization as of June 30, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information of the Organization and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Metairie, Louisiana
March 1, 2022

Wegmann Dazet

SCHEDULE OF AGREED UPON PROCEDURES

Information Technology Disaster Recovery/Business Continuity

1. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Outcome: We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Outcome: We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity’s computers currently in use, and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Outcome: We performed the procedure and discussed the results with management.

Payroll and Personnel

1. Obtain and inspect the entity’s written policies and procedures over payroll/personnel and observe that they address (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Outcome: We obtained the entity’s written policies and procedures over payroll/personnel and determined that (1) payroll processing are addressed, (2) reviewing and approving time and attendance records, including leave and overtime worked are addressed and (3) approval process for employees rate of pay or approval and maintenance of pay rate schedules are addressed.

2. Obtain a listing of employees employed during the fiscal period and management’s representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Outcome: We obtained the entity’s listing of employees employed during the fiscal period from management and verified the listing is complete. We randomly selected five employees, obtained related paid salaries and personnel files and agreed to authorized salaries/pay rates in the personnel files without findings or exceptions.

See Independent Accountants’ Report on Applying Agreed-Upon Procedures.

Payroll and Personnel (Continued)

3. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #2 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees agree to the authorized salary/pay rate found within the personnel file.

Outcome: We randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #2 above, we obtained attendance records and leave documentation for the pay period and observed the following without findings or exceptions:

- a) *That all selected employees documented their daily attendance and leave.*
- b) *That supervisors approved the attendance and leave of the selected employees.*
- c) *That any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.*
- d) *That the rate paid to the employees agree to the authorized salary/pay rate found within the personnel file.*

4. Obtain a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee cumulate leave records, agree the pay rates to the employee authorized pay rates in the employee personnel files, and agree the termination payment to entity policy.

Outcome: We obtained a listing of employees that received termination payments during the fiscal period and verified the listing is complete. We randomly selected two employees, obtained the related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments without exceptions. We agreed the pay rates to the employee authorized pay rates in the employee personnel files and agreed the termination payment to the entity's policy without findings or exceptions.

5. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Outcome: We verified that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines without findings or exception.

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

To the Board of Directors
Northshore Families Helping Families, Inc.
Covington, Louisiana

We have audited, 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, the financial statements of Northshore Families Helping Families, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 1, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northshore Families Helping Families, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Northshore Families Helping Families, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Northshore Families Helping Families, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northshore Families Helping Families, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Metairie, Louisiana
March 1, 2022

Wegmann Bazet

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
SUPPLEMENTARY INFORMATION - SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD

For the Year Ended June 30, 2021

SUMMARY OF COMPENSATION

Executive Director

Kathy Dillon 07/01/20 - 06/30/21

Purpose	Amount
Salary	\$ 54,404
Benefits-insurance	-
Reimbursements-mileage	2,444