

**Families Helping Families Region 7
Shreveport, Louisiana**

Financial Statements

As of and for the Years Ended June 30, 2021 and 2020

Families Helping Families Region 7
Shreveport, Louisiana

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Independent Auditors' Report

To the Board of Directors
Families Helping Families Region 7
Shreveport, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Families Helping Families Region 7, (a nonprofit corporation) 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.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 Region 7, 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.

Other Matter

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying other supplementary information listed in the table of contents as Schedule of Compensation, Benefits, and Other Payments to Agency Head and shown on page 13 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 30, 2021, on our consideration of Families Helping Families Region 7's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to solely 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 Region 7'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 Region 7's internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
December 30, 2021

Families Helping Families Region 7
 Shreveport, Louisiana
 Statements of Financial Position
 June 30, 2021, and 2020

ASSETS	2021	2020
Current assets:		
Cash and cash equivalents	\$ 95,629	\$ 77,986
Grant receivable	41,576	21,112
Prepaid expenses	888	677
Total current assets	138,093	99,775
Property and equipment	11,494	11,494
Accumulated depreciation	(9,912)	(9,085)
Net property and equipment	1,582	2,409
 Total Assets	 \$ 139,675	 \$ 102,184
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accrued liabilities	\$ 18,205	\$ 14,330
Loan payable		23,200
Total current liabilities	18,205	37,530
Net assets:		
With donor restrictions	44,206	14,320
Without donor restrictions	77,264	50,334
Total net assets	121,470	64,654
 Total Liabilities and Net Assets	 \$ 139,675	 \$ 102,184

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

Families Helping Families Region 7
 Shreveport, Louisiana
 Statement of Activities
 For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Contractual revenue	\$ 212,274	\$ 29,886	\$ 242,160
Gain on forgiveness of loan	23,200		23,200
Donations	3,624		3,624
Miscellaneous	106		106
Total revenues, gains and other support	239,204	29,886	269,090
EXPENSES			
Program	153,744		153,744
Management and general	58,530		58,530
Total expenses	212,274		212,274
Changes in net assets	26,930	29,886	56,816
Net assets as of beginning of year	50,334	14,320	64,654
Net assets as of end of year	\$ 77,264	\$ 44,206	\$ 121,470

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

Families Helping Families Region 7
 Shreveport, Louisiana
 Statement of Activities
 For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contractual revenue	\$ 188,002	\$ 13,435	\$ 201,437
Donations	2,904		2,904
Satisfaction of restrictions	3,115	(3,115)	
Total revenue and other support	194,021	10,320	204,341
EXPENSES			
Program	137,714		137,714
Mangement and general	53,403		53,403
Total expenses	191,117		191,117
Changes in net assets	2,904	10,320	13,224
Net assets as of beginning of year	47,430	4,000	51,430
Net assets as of end of year	\$ 50,334	\$ 14,320	\$ 64,654

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

Families Helping Families Region 7
 Shreveport, Louisiana
 Statements of Functional Expenses
 For the Years Ended June 30, 2021 and 2020

	2021		
	Program Expenses	Management and General	Total
Personnel	\$ 82,331	\$ 41,942	\$ 124,273
Fringe benefits	6,111	3,209	9,320
Office expense	18,758	4,689	23,447
Occupancy	17,373	4,343	21,716
Insurance	4,311		4,311
Depreciation	827		827
Advertising	6,851		6,851
Miscellaneous	2,806	753	3,559
Professional services	14,376	3,594	17,970
	<u>\$ 153,744</u>	<u>\$ 58,530</u>	<u>\$ 212,274</u>

	2020		
	Program Expenses	Management and General	Total
Personnel	\$ 67,303	\$ 36,385	\$ 103,688
Fringe benefits	5,082	2,783	7,865
Office expense	19,576	4,894	24,470
Occupancy	17,916	4,479	22,395
Insurance	6,576		6,576
Depreciation	827		827
Miscellaneous	4,803	1,145	5,948
Professional services	14,868	3,717	18,585
Travel	763		763
	<u>\$ 137,714</u>	<u>\$ 53,403</u>	<u>\$ 191,117</u>

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

Families Helping Families Region 7
Shreveport, Louisiana
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
Operating Activities		
Changes in net assets	\$ 56,816	\$ 13,224
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	827	827
Gain on forgiveness of loan	(23,200)	
(Increase) decrease in:		
Grants receivable	(20,464)	(1,388)
Prepaid expenses	(211)	4,144
Increase (decrease) in:		
Accrued liabilities	3,875	1,260
	17,643	18,067
Financing Activities		
Proceeds from note payable		23,200
Net cash provided by financing activities		23,200
Net increase in cash and cash equivalents	17,643	41,267
Cash and cash equivalents as of beginning of year	77,986	36,719
Cash and cash equivalents as of end of year	\$ 95,629	\$ 77,986
Non-cash Financing Activities		
Loan payable forgiven	\$ 23,200	\$

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

Families Helping Families Region 7
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2021 and 2020

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Families Helping Families Region 7 (FHF7) is a private, nonprofit corporation governed by a board of directors and administered by a professional staff. FHF7's goal is to provide information and referral, education and training and peer to peer support to individuals with disabilities and their families. The support for FHF7 comes primarily from state funds through contracts—grants from the State of Louisiana, Department of Health and Hospitals and other organizations.

B. Basis of Accounting

The financial statements of FHF7 have been prepared on the accrual basis of accounting.

C. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

D. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. Under those standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the organization. These net assets may be used at the discretion of FHF7's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of FHF7 or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. FHF7 has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

E. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, FHF7 considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

F. Advertising Costs

FHF7 uses advertising to promote its services among the community it serves. The costs of advertising are expensed as incurred. For the years ended June 30, 2021, and 2020 advertising cost totaled \$6,851, and \$0, respectively, and are included in advertising on the Statements of Functional Expenses.

(Continued)

Families Helping Families Region 7
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2021 and 2020
(Continued)

J. Property and Equipment

It is the policy of FHF7 to capitalize all fixed assets with a unit cost of \$500 or more. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Federal Government has a reversionary interest in property purchased with federal funds. Its disposition as well as the ownership of any proceeds therefrom is subject to federal regulations. Depreciation is provided on the straight-line method over the estimated useful lives of the assets.

H. Contributions

Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restriction, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net asset with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

I. Income Tax Status

FHF7 is a non-profit corporation and is exempt from state and federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to FHF7's tax-exempt purpose is subject to taxation as unrelated business income. FHF7 had no such income for this audit period. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ended June 30, 2018, 2019, 2020, and 2021 are subject to examination by the IRS, generally three years after they were filed.

J. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated to functions based upon management's equitable determination.

(2) Concentrations of Credit Risk

FHF7 maintains cash balances at a financial institution located in the Shreveport area. Accounts at that institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2021 and 2020, total cash balances held at financial institutions were \$95,629 and \$77,986, respectively, all of which was secured by FDIC insurance.

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of June 30, 2021 and 2020, FHF7 had no significant concentrations of credit risk in relation to grant receivables.

(3) Third Party Reimbursement

During the year ended June 30, 2021 and 2020, FHF7 received contractual revenue from state and other grants in the amount of \$242,160 and \$201,437, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(Continued)

Families Helping Families Region 7
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2021 and 2020
(Continued)

(4) Accrued Liabilities

Accrued liabilities at June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Accrued payroll	\$ 11,689	\$ 9,844
Accrued leave	2,952	2,150
Payroll taxes payable	3,564	2,336
	<u>\$ 18,205</u>	<u>\$ 14,330</u>

(5) Operating Leases

FHF7 leases office space under an operating lease. Rental costs for the years ended June 30, 2021 and 2020, totaled \$18,550 and \$16,377, respectively. The future minimum lease payments on this lease are as follows:

For the Year Ending June 30,

2022	\$ 19,150
2023	19,200
2024	19,200
2025	<u>1,600</u>
Total	<u>\$ 59,150</u>

(6) Liquidity and Availability of Financial Assets

FHF7 monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. FHF7 has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

Financial assets at year-end:	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 95,629	\$ 77,986
Grant receivables	<u>41,576</u>	<u>21,112</u>
Total financial assets	137,205	99,098
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>(44,206)</u>	<u>(14,320)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 92,999</u>	<u>\$ 84,778</u>

In addition to financial assets available to meet general expenditures over the year, FHF7 operates with a balanced budget and anticipates covering its general expenditures using the income generated from contractual agreements with governmental agencies and contributions. The Statement of Cash Flows identifies the sources and uses of FHF7's cash and shows positive cash generated by operations of \$17,643 and \$18,067, for June 30, 2021 and 2020, respectively.

(Continued)

Families Helping Families Region 7
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2021 and 2020
(Continued)

(7) Net Assets

Net assets at June 30, 2021 and 2020, consisted of the following:

	<u>2021</u>	<u>2020</u>
Net Assets Without Donor Restrictions:		
Undesignated	\$ 75,682	\$ 47,925
Net investment in property and equipment	<u>1,582</u>	<u>2,409</u>
Total net assets without donor restrictions	<u>77,264</u>	<u>50,334</u>
Net Assets With Donor Restrictions:		
Subject to expenditure for specified purpose –		
Restricted for disability advocacy	44,206	13,435
Restricted for HOPE closet		<u>885</u>
Total net assets with donor restrictions	<u>44,206</u>	<u>14,320</u>
 Total Net Assets	 <u>\$ 121,470</u>	 <u>\$ 64,654</u>

(8) Property and Equipment

Property and equipment at June 30, 2021, with estimated depreciable life, are summarized as follows:

Furniture, fixtures, equipment	5 – 10 years	\$ 11,494
Accumulated depreciation		<u>(9,912)</u>
		<u>\$ 1,582</u>

Depreciation expense for the year ended June 30, 2021 was \$827.

Property and equipment at June 30, 2020, with estimated depreciable life, are summarized as follows:

Furniture, fixtures, equipment	5 – 10 years	\$ 11,494
Accumulated depreciation		<u>(9,085)</u>
		<u>\$ 2,409</u>

Depreciation expense for the year ended June 30, 2020 was \$827.

(9) Loan Payable

In April 2020, the FHF7 received loan proceeds in the amount of approximately \$23,200 under the Paycheck Protection Program ("PPP"). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). The loan and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The FHF7 intends to use the proceeds for purposes consistent with the PPP.

In October 2020, the FHF7 received loan forgiveness in the amount of \$23,200, for the "PPP" loan. The forgiveness is recognized as gain on forgiveness of loan on the statement of activities for the year ended June 30, 2021.

(Continued)

Families Helping Families Region 7
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2021 and 2020
(Continued)

(10) Subsequent Events

Subsequent events have been evaluated through December 30, 2021, the date the financial statements were available to be issued.

(11) Uncertainty

As a result of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact financial resources. While the duration on the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonably estimated at this time.

(12) New Accounting Pronouncement

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers". This Standard, along with its related amendments, requires organizations to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This standard was effective for annual reporting periods beginning after December 15, 2019. The adoption of this standard did not have a material effect on the Organization's financial statements and required no adjustment.

Families Helping Families Region 7
Shreveport, Louisiana
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2021

Agency Head: Chanel Jackson, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 55,923
Reimbursement	218

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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*

Independent Auditors' Report

To the Board of Directors
Families Helping Families Region 7
Shreveport, 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 Region 7 (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 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Families Helping Families Region 7's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Families Helping Families Region 7's internal control. Accordingly, we do not express an opinion on the effectiveness of Families Helping Families Region 7'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.

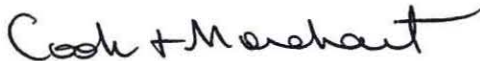
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Families Helping Families Region 7's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
December 30, 2021

Families Helping Families Region 7
Shreveport, Louisiana
Summary Schedule of Audit Findings
June 30, 2021 and 2020

Summary Schedule of Prior Year Audit Findings

There were no findings for the prior audit period ended June 30, 2020.

Summary Schedule of Current Year Audit Findings

There are no findings for the current audit period ended June 30, 2021.