

**Families Helping Families at the Crossroads of Louisiana, Inc.**

**Pineville, Louisiana**

**Financial Statements**

**June 30, 2021**

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## **Independent Auditors' Report**

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

### **Report on the Financial Statement**

We have audited the accompanying financial statements of Families Helping Families at the Crossroads of Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 at the Crossroads of Louisiana, 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 the Families Helping Families at the Crossroads of Louisiana, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 25, 2021. 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 has been derived.

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Executive Director on page 23 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 November 11, 2021, on our consideration of Families Helping Families at the Crossroads of Louisiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 at the Crossroads of Louisiana, 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 at the Crossroads of Louisiana, Inc.'s internal control over financial reporting and compliance.



**KnightMadsen**

Alexandria, Louisiana

November 11, 2021



Families Helping Families at the Crossroads of Louisiana, Inc.  
 Statements of Financial Position  
 June 30, 2021

	<u>2021</u>	2020 Summarized <u>Total</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 123,663	\$ 95,921
Investments in certificate of deposit	1,920	1,920
Contract amounts receivable	<u>270,343</u>	<u>91,309</u>
Total Current Assets	395,926	189,150
Plant, Property and Equipment, net	<u>129,675</u>	<u>212,979</u>
Total Assets	<u>\$ 525,601</u>	<u>\$ 402,129</u>
Liabilities and Net Assets		
Current Liabilities		
Cash overdraft	\$ 31,337	\$ -
Accounts payable	19,802	8,850
Payroll liabilities	-	12,834
Notes payable	<u>119,797</u>	<u>181,083</u>
Total Current Liabilities	170,936	202,767
Long Term Liabilities	<u>35,472</u>	<u>39,347</u>
Total Liabilities	206,408	242,114
Net Assets		
without Donor Restriction	<u>319,193</u>	<u>160,015</u>
Total Net Assets	<u>319,193</u>	<u>160,015</u>
Total Liabilities and Net Assets	<u>\$ 525,601</u>	<u>\$ 402,129</u>

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

Families Helping Families at the Crossroads of Louisiana, Inc.  
 Statements of Activities  
 For the Years Ended June 30, 2021

	<u>2021</u> without Donor <u>Restriction</u>	<u>2020</u> Summarized <u>Total</u>
Revenues		
Fees for contractual services	\$ 1,180,535	\$ 1,179,691
Other income	<u>230,194</u>	<u>8,957</u>
Total Revenues	1,410,729	1,188,648
Functional Expenses		
Program services	982,990	1,012,134
Management and general	<u>268,561</u>	<u>224,385</u>
Total Functional Expenses	<u>1,251,551</u>	<u>1,236,519</u>
Change in Net Assets	159,178	(47,871)
Net Assets - Beginning	<u>160,015</u>	<u>207,886</u>
Net Assets - Ending	<u>\$ 319,193</u>	<u>\$ 160,015</u>

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

Families Helping Families at the Crossroads of Louisiana, Inc.  
 Statements of Cash Flows  
 For the Years Ended June 30, 2021

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 159,178	\$ (47,871)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities		
Depreciation	15,632	20,866
Gain on sale of fixed assets	(74,853)	(951)
Increase in contract receivables	(179,034)	143,765
Decrease in accounts payable	10,952	(22,351)
Decrease in payroll liabilities	(12,834)	(646)
Net Cash Provided/(Used) by Operating activities	<u>(80,959)</u>	<u>92,812</u>
Cash flows from Investing Activities		
Proceeds from sale of fixed assets	149,935	1,700
Purchase of fixed assets	<u>(7,411)</u>	<u>(17,382)</u>
Net Cash Provided/(Used) by Investing Activities	142,524	(15,682)
Cash flows from Financing Activities		
Proceeds from loan	385,511	654,535
Forgiveness of debt	(153,700)	-
Repayment of debt	<u>(296,971)</u>	<u>(567,424)</u>
Net Cash Provided/(Used) by Financing Activities	<u>(65,160)</u>	<u>87,111</u>
Net Increase (Decrease) in Cash and Cash equivalents	(3,595)	164,241
Cash and Cash Equivalents - Beginning	<u>95,921</u>	<u>(68,320)</u>
Cash and Cash Equivalents - Ending	<u>\$ 92,326</u>	<u>95,921</u>
Cash paid for interest	<u>\$ 4,259</u>	<u>\$ 10,485</u>

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

Families Helping Families at the Crossroads of Louisiana, Inc.  
 Statements of Functional Expenses  
 For the Years Ended June 30, 2021

	<u>Program Service</u>	<u>Management and General</u>	2021 <u>Total Expenses</u>	2020 <u>Summarized Total</u>
Salaries	\$ 628,755	\$ 120,224	\$ 748,979	\$ 753,220
Employee benefits	26,215	5,913	32,128	39,016
Payroll taxes	48,082	9,341	57,423	58,399
Janitorial	-	130	130	540
Office supplies	3,699	9,666	13,365	25,560
Telephone	8,793	3,624	12,417	13,181
Rent	24,240	-	24,240	24,240
Utilities	-	5,406	5,406	7,906
Supplies	7,427	112	7,539	4,055
Printing	5,278	892	6,170	7,407
Contract labor	19,700	-	19,700	21,799
Dues	931	782	1,713	1,590
Insurance	655	31,798	32,453	26,744
Postage	4,851	1,665	6,516	5,680
Website maintenance	4,048		4,048	3,058
Travel and meetings	5,802	10,581	16,383	85,750
Repairs and maintenance	2,751	37,678	40,429	18,731
Security	994		994	961
Legal and accounting	4,200	8,607	12,807	13,975
Training	777	3,438	4,215	10,480
Bank charges	-	568	568	634
Interest	-	4,259	4,259	10,485
Crisis management	177,976		177,976	79,794
Depreciation	7,816	7,816	15,632	20,866
Miscellaneous	-	6,061	6,061	2,448
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenses	<u>\$ 982,990</u>	<u>\$ 268,561</u>	<u>\$ 1,251,551</u>	<u>\$ 1,236,519</u>

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



Families Helping Families at the Crossroads of Louisiana, Inc.  
Notes to the Financial Statements  
June 30, 2021

**Note 1 – Nature of Activities and Significant Accounting Policies**

Nature of Activities

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

Basis of Presentation

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

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

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

Use of Estimates

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

Families Helping Families at the Crossroads of Louisiana, Inc.  
Notes to the Financial Statements  
June 30, 2021

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

Cash and Cash Equivalents

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

Revenue Recognition and Promises to Give

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

Functional Allocation of Expenses

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

Income Taxes

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

Property and Equipment

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

Contract Receivable

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

Families Helping Families at the Crossroads of Louisiana, Inc.  
Notes to the Financial Statements  
June 30, 2021

**Note 2 – Fixed Assets and Depreciation**

The following schedule summarizes estimated useful life, cost and accumulated depreciation of property, plant and equipment as of June 30, 2021:

<u>Description</u>	<u>Life</u>	
Equipment	5 - 7 years	\$105,107
Building	39 years	144,485
Land		35,900
Less: Accumulated Depreciation		<u>(155,817)</u>
Net Fixed Assets		<u>\$129,675</u>

Depreciation expense for the year ended June 30, 2021 was \$20,866.

**Note 3 – Notes Payable**

Line of credit with Red River Bank for additional working capital dated January 21, 2021; collateralized by building and land in Pineville, LA; with interest rate of 4.75%.	\$115,922
Note payable to Red River Bank for additional working capital dated August 13, 2019; collateralized by building and land in Pineville, LA; payable in 60 monthly payments of \$506; with interest rate of 5.75%.	<u>39,347</u>
Total	155,269
Less current portion	<u>(119,797)</u>
Total long term notes payable	<u>\$ 35,472</u>

Future maturities of notes payable as of June 30, 2021 were as follows:

<u>Years Ended</u>	<u>Amounts</u>
<u>June 30</u>	
2022	\$119,797
2023	\$ 4,107
2024	\$ 4,353
2025	\$ 27,005

Families Helping Families at the Crossroads of Louisiana, Inc.  
Notes to the Financial Statements  
June 30, 2021

**Note 4 – Fair Value Measurement**

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

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

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

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

Fair value of assets measured on a recurring basis at June 30, 2021 are as follows:

<u>Description</u>	<u>Fair Value Measurement at June 30, 2021 Using</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash	\$123,663	\$123,663	\$ -	\$ -
Certificate of deposit	\$1,920	\$1,920	\$ -	\$ -

**Note 5 – Operating Lease**

The Organization has an operating lease for office space for \$2,020 per month on a month to month basis. The rental cost for the year ended June 30, 2021 was \$24,240.

**Note 6 – Donated Services**

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

Families Helping Families at the Crossroads of Louisiana, Inc.  
Notes to the Financial Statements  
June 30, 2021

**Note 7 – Retirement Plan**

The Organization adopted a 401-k savings plan for its employees. All employees are eligible to participate from date of hire. Employees are eligible to make voluntary contributions to the plan. The Organization matches the first 3% of employee wages contributed to the plan. The Organization contributed \$7,817 to the plan during the year ended June 30, 2021.

**Note 8 – Income Taxes**

As of June 30, 2021, tax years 2018 and subsequent were still within the prescription period for examination by taxing authorities.

**Note 9 – Liquidity and Availability**

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

Cash and cash equivalents	\$123,663
Investments in certificate of deposits	1,920
Contract amounts receivable	<u>270,343</u>
	<u>\$395,926</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

**Note 10 – Payroll Protection Plan**

The Organization's payroll protection plan's loan of \$153,700 was forgiven during the year. The forgiveness is recorded in other income.

**Note 11 – Subsequent Events**

The Organization has no material subsequent events that would require disclosure. Subsequent events have been evaluated through November 11, 2021, which is the date the financial statements were available for issuance.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Families Helping Families at the Crossroads of Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 11, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Families Helping Families at the Crossroads of Louisiana, Inc.'s internal control over financial reporting (internal control) 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 Families Helping Families at the Crossroads of Louisiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Families Helping Families at the Crossroads of Louisiana, 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 Families Helping Families at the Crossroads of Louisiana, 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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana statutes, this report is distributed by the Legislative Auditor as a public document.



**KnightMasden**

Alexandria, Louisiana

November 11, 2021



Families Helping Families at the Crossroads of Louisiana, Inc.  
Schedule of Findings  
For the Year Ended June 30, 2021

**A. Summary of Auditors' Results**

1. The auditors' report expresses an unmodified opinion on the financial statements of Families Helping Families at the Crossroads of Louisiana, Inc.
2. No material weakness was disclosed during the audit of the financial statements and is reported in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instance of noncompliance material to the financial statements of Families Helping Families at the Crossroads of Louisiana, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.



Families Helping Families at the Crossroads of Louisiana, Inc.  
Schedule of Findings  
For the Year Ended June 30, 2021

**B. Findings – Financial Statement Audit**

INTERNAL CONTROL AND COMPLIANCE FINDING

No findings

Families Helping Families at the Crossroads of Louisiana, Inc.  
Prior Year Audit Findings  
For the Year Ended June 30, 2021

**2020-001 Payroll Protection Program Funds**

Condition:

Costs were allocated to two different funding sources.

Status:

Finding resolved.

Families Helping Families at the Crossroads of Louisiana, Inc.  
Schedule of Compensation, Benefits and Other Payments to Executive Director  
For the Year Ended June 30, 2021

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 48,000
Bonus	26,855
Vehicle provided by organization	<u>3,375</u>
	<u>\$ 78,230</u>

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