

NORTHLAND FAMILY HELP CENTER

**Financial Statements,
Supplementary Information
and
Single Audit Reports**

June 30, 2021 and 2020

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Independent Auditors' Report

To the Board of Directors of
Northland Family Help Center
Flagstaff, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of Northland Family Help Center (the Center, 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.

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 auditors' 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 Northland Family Help Center 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 Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 January 10, 2022, on our consideration of the Center'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 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 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 the Center's internal control over financial reporting and compliance.

Fester & Chapman, PLLC

January 10, 2022

NORTHLAND FAMILY HELP CENTER

Statements of Financial Position

June 30,

	2021	2020
ASSETS		
Current assets:		
Cash	\$ 672,238	\$ 407,919
Investments	237,279	187,086
Grants and contracts receivable, net	141,152	227,853
Note receivable, current portion		6,731
Prepaid expenses	6,673	2,660
Total current assets	1,057,342	832,249
Endowment investments	998,179	787,152
Note receivable, noncurrent portion		87,918
Property and equipment, net	908,874	964,179
Total assets	\$ 2,964,395	\$ 2,671,498
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 8,323	\$ 10,884
Salaries and benefits payable	112,932	100,210
Total current liabilities	121,255	111,094
Net assets:		
Without donor restrictions:		
Available for operations	1,468,641	1,211,750
Board designated	870,553	844,708
Total without donor restrictions	2,339,194	2,056,458
With donor restrictions	503,946	503,946
Total net assets	2,843,140	2,560,404
Total liabilities and net assets	\$ 2,964,395	\$ 2,671,498

The accompanying notes are an integral part of these statements.

NORTHLAND FAMILY HELP CENTER

Statements of Activities

Years Ended June 30,

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating support and revenues:						
Contributions	\$ 142,037		\$ 142,037	\$ 114,371		\$ 114,371
Contracts and grants	1,596,930		1,596,930	1,566,962		1,566,962
Other revenue	<u>3,157</u>		<u>3,157</u>	<u>5,377</u>		<u>5,377</u>
Total operating support and revenues	1,742,124		1,742,124	1,686,710		1,686,710
Operating expenses:						
Program services:						
Women's shelter	508,041		508,041	496,987		496,987
Children's shelter	650,856		650,856	573,707		573,707
Counseling services	369,870		369,870	323,963		323,963
Community education	<u>83,062</u>		<u>83,062</u>	<u>118,762</u>		<u>118,762</u>
Total program services	1,611,829		1,611,829	1,513,419		1,513,419
Supporting services:						
General and administrative	82,380		82,380	107,235		107,235
Fundraising	<u>26,358</u>		<u>26,358</u>	<u>32,362</u>		<u>32,362</u>
Total supporting services	<u>108,738</u>		<u>108,738</u>	<u>139,597</u>		<u>139,597</u>
Total operating expenses	<u>1,720,567</u>		<u>1,720,567</u>	<u>1,653,016</u>		<u>1,653,016</u>
Change in net assets from operations	21,557		21,557	33,694		33,694
Other gains (losses) and releases from restrictions:						
Net gain (loss) on ACF investments	50,152		50,152	(2,934)		(2,934)
Net gain (loss) on endowment investments	70,650	\$ 140,377	211,027	(14,898)		(14,898)
Released from purpose restrictions	<u>140,377</u>	<u>(140,377)</u>				
Total other gains (losses) and releases	<u>261,179</u>		<u>261,179</u>	<u>(17,832)</u>		<u>(17,832)</u>
Change in net assets	282,736		282,736	15,862		15,862
Net assets, beginning of year	<u>2,056,458</u>	<u>503,946</u>	<u>2,560,404</u>	<u>2,040,596</u>	<u>\$ 503,946</u>	<u>2,544,542</u>
Net assets, end of year	<u>\$ 2,339,194</u>	<u>\$ 503,946</u>	<u>\$ 2,843,140</u>	<u>\$ 2,056,458</u>	<u>\$ 503,946</u>	<u>\$ 2,560,404</u>

The accompanying notes are an integral part of these statements.

NORTHLAND FAMILY HELP CENTER

Statement of Functional Expenses

Year Ended June 30, 2021

	Program Services					Supporting Services			Total Expenses
	Women's Shelter	Children's Shelter	Counseling Services	Community Education	Total Program Services	General and Administration	Fund-Raising	Total Supporting Services	
Salaries and wages	\$ 339,085	\$ 429,134	\$ 261,202	\$ 48,676	\$ 1,078,097	\$ 51,062	\$ 16,632	\$ 67,694	\$ 1,145,791
Employee related expenses	53,235	79,171	38,851	5,929	177,186	409	2,487	2,896	180,082
Total personnel expenses	392,320	508,305	300,053	54,605	1,255,283	51,471	19,119	70,590	1,325,873
Communications	4,669	6,364	2,439	910	14,382	699	255	954	15,336
Equipment rental	2,491	2,871	1,401	522	7,285	402	147	549	7,834
Food	10,429	10,902			21,331				21,331
Insurance	10,845	12,499	6,097	2,274	31,715	1,747	639	2,386	34,101
Interest and fiscal charges						1,390	361	1,751	1,751
Licenses, fees and memberships	3,984	1,588	2,476	98	8,146	75	327	402	8,548
Postage and printing	57	228	111	73	469	169	12	181	650
Professional services	22,455	33,228	10,559	12,743	78,985	15,187	1,674	16,861	95,846
Professional staff development and certification	917	16,035	13,114	570	30,636	170	21	191	30,827
Public relations							1,138	1,138	1,138
Repairs and maintenance	17,646	20,038	10,548	3,760	51,992	6,049	1,000	7,049	59,041
Small equipment and furnishings replacement	3,060	1,590	322		4,972	344		344	5,316
Storage rental	308	355	173	65	901	50	18	68	969
Supplies	6,728	4,923	1,115	490	13,256	1,145	117	1,262	14,518
Transportation	1,153	1,434			2,587				2,587
Travel	34				34				34
Utilities	8,228	9,483	4,626	1,725	24,062	1,326	485	1,811	25,873
Depreciation	22,717	21,013	16,836	5,227	65,793	2,156	1,045	3,201	68,994
Total expenses	<u>\$ 508,041</u>	<u>\$ 650,856</u>	<u>\$ 369,870</u>	<u>\$ 83,062</u>	<u>\$ 1,611,829</u>	<u>\$ 82,380</u>	<u>\$ 26,358</u>	<u>\$ 108,738</u>	<u>\$ 1,720,567</u>

The accompanying notes are an integral part of these statements.

NORTHLAND FAMILY HELP CENTER

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services				Supporting Services				Total Expenses
	Women's Shelter	Children's Shelter	Counseling Services	Community Education	Total Program Services	General and Administrative	Fund-raising	Total Supporting Services	
Salaries and wages	\$ 318,712	\$ 372,246	\$ 216,479	\$ 77,137	\$ 984,574	\$ 68,091	\$ 21,057	\$ 89,148	\$ 1,073,722
Employee related expenses	55,634	62,968	32,835	13,699	165,136	3,913	3,362	7,275	172,411
Total personnel expenses	374,346	435,214	249,314	90,836	1,149,710	72,004	24,419	96,423	1,246,133
Activities	410	75		91	576		671	671	1,247
Communications	4,448	5,894	2,450	909	13,701	752	294	1,046	14,747
Equipment rental	2,449	2,794	1,484	591	7,318	446	176	622	7,940
Food	15,991	13,275			29,266	929		929	30,195
Insurance	4,415	6,820	2,488	874	14,597	4,848	245	5,093	19,690
Interest and fiscal charges						1,378	528	1,906	1,906
Licenses, fees and memberships	3,297	1,342	1,070	175	5,884	162	50	212	6,096
Postage and printing	234	327	176	67	804	182	24	206	1,010
Professional services	24,084	34,066	12,541	12,048	82,739	16,285	1,911	18,196	100,935
Professional staff development and certification	4,921	12,817	20,305	99	38,142	119	30	149	38,291
Public relations							942	942	942
Repairs and maintenance	16,775	20,292	12,964	4,329	54,360	3,550	1,148	4,698	59,058
Small equipment and furnishings replacement	1,590	781	3,798		6,169	140		140	6,309
Storage rental	295	338	180	73	886	54	21	75	961
Supplies	8,267	5,043	3,382	950	17,642	1,600	161	1,761	19,403
Transportation	1,015	2,015	221	110	3,361	74	35	109	3,470
Travel	906	2,477	11	221	3,615	105	16	121	3,736
Utilities	8,768	10,043	5,391	2,209	26,411	1,626	655	2,281	28,692
Depreciation	24,776	20,094	8,188	5,180	58,238	2,981	1,036	4,017	62,255
Total expenses	<u>\$ 496,987</u>	<u>\$ 573,707</u>	<u>\$ 323,963</u>	<u>\$ 118,762</u>	<u>\$ 1,513,419</u>	<u>\$ 107,235</u>	<u>\$ 32,362</u>	<u>\$ 139,597</u>	<u>\$ 1,653,016</u>

The accompanying notes are an integral part of these statements.

NORTHLAND FAMILY HELP CENTER

Statements of Cash Flows

Years Ended June 30, 2021

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 282,736	\$ 15,862
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	68,994	62,255
Net (gain) loss on endowment investments	(211,027)	14,898
Net (gain) loss on other investments	(50,192)	2,934
Change in:		
Grants and contracts receivable, net	86,701	(24,254)
Prepaid expenses	(4,013)	
Accounts payable	(2,561)	(18,071)
Salaries and benefits payable	12,722	18,635
Net cash provided by operating activities	183,360	72,259
Cash flows from investing activities:		
Proceeds from sales of investments		100,001
Purchases of fixed assets	(13,690)	(53,832)
Collections of note receivable	94,649	12,393
Net cash provided by investing activities	80,959	58,562
Net changes in cash	264,319	130,821
Cash, beginning of year	407,919	277,098
Cash, end of year	\$ 672,238	\$ 407,919

The accompanying notes are an integral part of these statements.

NORTHLAND FAMILY HELP CENTER

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Northland Family Help Center (the Center) was incorporated in Arizona in 1978 as a nonprofit organization. The Center's primary programs are the operation of a women's shelter and a children's shelter in Flagstaff, Arizona. In addition, the Center provides counseling, advocacy, community education, and referrals for individuals and families affected by domestic violence and abuse.

The Center received approximately 92% and 93% of its unrestricted operating revenue from federal and state grants and contracts for the years ended June 30, 2021 and 2020, respectively.

Basis of Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) topic of *Not-for-Profit Entities*. The Center 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 available for use in general operations and not subject to donor (or certain grantor) restrictions. The Center's Board of Directors has set aside an amount equal to the accumulated depreciation on its property and equipment as board designated net assets, which is included in net assets without donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the restricted stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Center reports gifts of land, buildings, and equipment as net assets without donor restrictions support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

NORTHLAND FAMILY HELP CENTER

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Functional Expenses: In the statements of functional expenses, directly identifiable expenses are charged to programs and supporting services. Certain costs have been allocated among the programs and supporting services benefited based on management's estimate of employee hours and facility usage devoted to each function.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Grants and Contracts Receivable: The Center recognizes grants and contracts as support when eligible costs are incurred or services are provided. Grants receivable are recorded when grant and contract expenses are incurred or contracted services have been provided, but reimbursement has not been received by the Center. Management has not recorded an allowance for doubtful grants and contracts receivable at June 30, 2021 and 2020, based on an analysis of the outstanding receivables and on historical collections.

Investments: The Center follows the provisions of FASB ASC's topic of *Not-for-Profit Entities* regarding its investments. Management has estimated the fair value of its investments using available market information and other valuation methodologies as described in Note 8. Accordingly, the estimates presented are not necessarily indicative of the amounts that the Center could realize in a current market exchange. The use of different assumptions and/or estimation methods may have a material effect on the estimated fair value amounts. The estimates are based on pertinent information available to management as of June 30, 2021 and 2020. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, current estimates of fair value may differ significantly from the statements presented.

Contributions: Contributions are reported in accordance with FASB ASC's topic of *Not-for-Profit Entities*. Contributions received are recorded as without donor restrictions and with donor restrictions support, depending on the existence and/or nature of any donor restrictions. When restrictions are met in the same period as the restricted contributions are received, they are reported as net assets without donor restrictions. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When net assets with donor restrictions expires, they are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

NORTHLAND FAMILY HELP CENTER

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment: Acquisitions of property and equipment in excess of \$1,000 are capitalized. Property and equipment are stated at cost, or estimated fair value if donated. Depreciation is computed using the straight-line method based on estimated economic lives of the assets as follows:

Buildings and improvements	5-40 years
Computers and equipment	3-5 years
Furniture and equipment	3-10 years
Vehicles	7 years

Income Taxes: The Center is exempt from federal and state income taxes as an organization other than a private foundation under Section 501(c)(3) of the Internal Revenue Code and similar state provisions.

NOTE 2 - LIQUIDITY AND AVAILABILITY

The Center monitors its liquidity so that it is able to meet its operating needs and other contractual commitments. The Center has the following financial assets that could readily be made available within one year of each fiscal year end to fund expenses without limitations:

	2021	2020
Financial assets included in current assets:		
Cash	\$ 672,238	\$ 407,919
Investments	237,279	187,086
Grants and contracts receivable, net	141,152	227,853
Note receivable, current portion		6,731
Total financial assets included in current assets	1,050,669	829,589
Less amounts unavailable for general expenditure within one year:		
Board-designated net assets	(870,553)	(844,708)
Financial assets available to meet cash needs for general expenditures within one year	\$ 180,116	\$ (15,119)

In addition to financial assets available to meet general expenditures over the year, the Center operates with a balanced budget and anticipates covering its general expenditures by collecting contributions, grants, and other revenues; and by utilizing donor-restricted resources from current and prior year gifts. The Center's Board of Directors may choose to remove designations of net assets with a majority vote from its members at any time.

NORTHLAND FAMILY HELP CENTER

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 3 - CONCENTRATION OF RISK

The Center maintains its cash and investments in various accounts at financial institutions. Accounts are insured in limited amounts by the Federal Deposit Insurance Corporation (FDIC), or covered under Securities Investor Protection Corporation (SIPC). The Center has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on its cash or investments.

NOTE 4 - NOTE RECEIVABLE

On June 30, 2014, the Center sold a building and land for \$180,000 to an unrelated party in exchange for a note receivable, collectible in monthly installments of \$966, including interest at 5%, until the note was to mature in July 2024, when a balloon payment of \$65,589 was to be due. The note was secured by the building and land. The Center received interest payments on the note totaling \$3,125 and \$5,203 during the years ended June 30, 2021 and 2020, respectively, which are included in other revenue on the statements of activities. As of June 30, 2021, the full amount of the note receivable had been collected.

NOTE 5 - PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Land and improvements	\$ 316,160	\$ 316,160
Buildings and improvements	1,186,530	1,186,530
Computers and equipment	155,833	188,571
Furniture and equipment	52,693	49,415
Vehicles	<u>68,211</u>	<u>68,211</u>
	1,779,427	1,808,887
Less accumulated depreciation	<u>(870,553)</u>	<u>(844,708)</u>
	<u>\$ 908,874</u>	<u>\$ 964,179</u>

NORTHLAND FAMILY HELP CENTER

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 6 - ENDOWMENT FUND

In June 2003, the Center entered into an agreement with Arizona Community Foundation to establish an endowment fund for the Center. The Center has adopted investment and spending policies based on the requirements of the State Prudent Management of Institutional Funds Act (SPMIFA). As a result of the Center's interpretation of SPMIFA, and in accordance with donor restrictions, contributions to the endowment fund are classified as net assets with donor restrictions. Investment earnings available for distribution are recorded as net assets with donor restrictions until appropriated by the Board of Directors for expenditure. In accordance with SPMIFA, the Center considers the following factors in making a determination to appropriate endowment funds for expenditures: the duration and preservation of the fund; general economic conditions; the possible effect of inflation and deflation of endowment investments; the expected total return from income and appreciation of endowment investments; other financial resources of the Center; and the investment policies of the Center. The Center has adopted a spending policy that ten percent of the fair value of the endowment investments is available to be distributed annually by approval from seventy-five percent of the Center's Board members.

A summary of endowment fund activity follows for the years ended June 30:

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 283,206	\$ 503,946	\$ 787,152	\$ 298,104	\$ 503,946	\$ 802,050
Net realized and unrealized gains/(losses)	78,888	140,377	219,265	(7,456)		(7,456)
Investment expenses	(8,238)		(8,238)	(7,442)		(7,442)
Allocated for expenditures	140,377	(140,377)				
Endowment net assets, end of year	<u>\$ 494,233</u>	<u>\$ 503,946</u>	<u>\$ 998,179</u>	<u>\$ 283,206</u>	<u>\$ 503,946</u>	<u>\$ 787,152</u>

NOTE 7 - INVESTMENTS WITH THE ARIZONA COMMUNITY FOUNDATION (ACF)

The Board of Directors has designated assets, which are invested in a fund managed by ACF, for the purpose of securing the Center's long-term financial viability. ACF invests funds on behalf of the Center, in return for which the Center pays a management fee. These investments had a fair value of \$237,279 and \$187,086 at June 30, 2021 and 2020, respectively, and are included in the investment balance on the statement of financial position.

NORTHLAND FAMILY HELP CENTER

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 8 - FAIR VALUE MEASUREMENTS

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities. At June 30, 2021 and 2020, the Center did not have any financial instruments it valued based on Level 1 inputs.

Level 2 inputs generally are available indirect information, such as quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 inputs are the most subjective, and are generally based on the entity's own assumptions on how knowledgeable parties would price assets or liabilities, and are developed using the best information available in the circumstances. At June 30, 2021 and 2020, the Center did not have any financial instruments it valued based on Level 3 inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Pooled investments: Valued at the net asset value (NAV) of shares held by the Center at year end.

NORTHLAND FAMILY HELP CENTER

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 8 - FAIR VALUE MEASUREMENTS - Continued

The fair value of assets measured on a recurring basis at June 30, 2021, was as follows:

	<u>Level 2</u>
<u>Endowment investments:</u>	
Arizona Community Foundation Endowment	\$ 998,179
<u>Investments:</u>	
Arizona Community Foundation Reserve	<u>237,279</u>
	<u>\$ 1,235,458</u>

The fair value of assets measured on a recurring basis at June 30, 2020, was as follows:

	<u>Level 2</u>
<u>Endowment investments:</u>	
Arizona Community Foundation Endowment	\$ 787,152
<u>Investments:</u>	
Arizona Community Foundation Reserve	<u>187,086</u>
	<u>\$ 974,238</u>

NOTE 9 - CONDITIONAL CONTRIBUTIONS

The Center received conditional contributions during the fiscal years ending June 30, 2021 and 2020. Conditional contributions are recorded as refundable advances until the donor-imposed conditions are substantially met. Certain conditions are required to be met by the Center in the subsequent years in order to earn and receive these amounts. Conditional contributions received and earned in the same fiscal year are recognized as net assets without donor restrictions.

As of June 30, 2020, amounts awarded, but not received or earned totaled \$187,384, and were subsequently earned in the year ended June 30, 2021. As of June 30, 2021, amounts awarded, but not received or earned totaled \$917,159. While management believes that the Center will meet the conditions, they had not been met as of the year ended June 30, 2021. Accordingly, no amounts have been recorded as revenue or receivables for these conditional contributions in these financial statements.

NOTE 10 - SUBSEQUENT EVENTS

The Center has evaluated subsequent events through January 10, 2022, the date which the financial statements were available to be issued, and has concluded that no events have occurred since June 30, 2021, that would require an adjustment to or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

NORTHLAND FAMILY HELP CENTER
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Assistance Listings Number	Federal Program Name	Cluster Title	Pass-Through Grantor	Pass-Through Grantor's Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture						
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	SNAP Cluster	Arizona Community Action Association	None	\$ 11,180	\$
Total U.S. Department of Agriculture					<u>11,180</u>	
U.S. Department of Housing and Urban Development						
14.231	COVID-19: Emergency Solutions Grant Program	N/A	Arizona Department of Economic Security	DES-HMLS-2A10, DES-HMLS-18	30,793	
Total U.S. Department of Housing and Urban Development					<u>30,793</u>	
U.S. Department of Justice						
16.575	Crime Victim Assistance	N/A	Arizona Department of Public Safety	2018-077, 2018-301	424,981	
Total U.S. Department of Justice					<u>424,981</u>	
U.S. Department of Health and Human Services						
93.136	Injury Prevention and Control Research and State and Community Based Programs	N/A	Arizona Department of Health Services	CTR048196	42,515	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	N/A	N/A	N/A	155,826	
93.558	Temporary Assistance for Needy Families	TANF Cluster	Arizona Foundation for Legal Services & Education	ADES18-202137	9,918	
93.558	Temporary Assistance for Needy Families	TANF Cluster	Arizona Department of Health Services	ADES17-178651	51,673	
<i>Total 93.558 / TANF Cluster</i>					<u>61,591</u>	
93.623	Basic Center Grant	N/A	N/A	N/A	206,818	
93.623	COVID-19: Basic Center Grant	N/A	N/A	N/A	40,000	
<i>Total CFDA 93.623</i>					<u>246,818</u>	
93.658	Foster Care Title IV-E	N/A	Arizona Department of Economic Security	CTR041682	40,807	
93.667	Social Services Block Grant	N/A	Arizona Department of Health Services	ADHS17-178651	13,490	
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	N/A	Health Choice Integrated Care	CO14290, CO14489	141,444	
Total U.S. Department of Health and Human Services					<u>702,491</u>	
Total Expenditures of Federal Awards					<u>\$ 1,169,445</u>	<u>\$</u>

The accompanying notes are an integral part of this schedule.

NORTHLAND FAMILY HELP CENTER

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

NOTE 1 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant transactions of Northland Family Help Center for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 3 - FEDERAL ASSISTANCE LISTINGS NUMBER

The program titles and Federal Assistance Listings numbers were obtained from the federal or pass-through grantors or the *2021 Federal Assistance Listings*. When no Federal Assistance Listings numbers had been assigned to a program, the two digit federal agency identifier and the federal contract number were used. When there was no federal contract number, the two digit federal agency identifier and the word "unknown" were used.

NOTE 4 - INDIRECT COST RATE

The Center did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414.

NOTE 4 - SUBRECIPIENTS

The Center did not pass through any funds to subrecipients during the fiscal year ended June 30, 2021.

SINGLE AUDIT REPORTS



**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 of
Northland Family Help Center
Flagstaff, Arizona

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 Northland Family Help Center (the Center, 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 January 10, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center'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 the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 the Center'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 Center'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 Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fester & Chapman, PLLC

January 10, 2022



Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors of
Northland Family Help Center
Flagstaff, Arizona

Report on Compliance for Each Major Federal Program

We have audited Northland Family Help Center's (the Center, a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended June 30, 2021. The Center's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Center's compliance.

Opinion on Each Major Federal Program

In our opinion, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Fester & Chapman, PLLC

January 10, 2022

NORTHLAND FAMILY HELP CENTER

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

Section I - Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued:		<u>Unmodified</u>		
Internal control over financial reporting:				
Material weakness(es) identified?	_____	yes	<u> X </u>	no
Significant deficiency(ies) identified?	_____	yes	<u> X </u>	none reported
Noncompliance material to the financial statements noted?	_____	yes	<u> X </u>	no

Federal Awards:

Internal control over major programs:				
Material weakness(es) identified?	_____	yes	<u> X </u>	no
Significant deficiency(ies) identified?	_____	yes	<u> X </u>	none reported
Type of auditors' report on compliance for major programs:		<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance 2 CFR §200.516(a)?	_____	yes	<u> X </u>	no

Identification of major programs:

<u>Federal Assistance Listings Number</u>	<u>Name of Federal Programs or Cluster</u>
93.623	Basic Center Grant

Dollar threshold used to distinguish between Type A and Type B programs:		<u>\$750,000</u>		
Auditee qualified as low-risk auditee?	<u> X </u>	yes	_____	no

Other Matters:

Auditee's Summary Schedule of Prior Audit Findings required to be reported in accordance with 2 CFR §200.511(b)?	_____	yes	<u> X </u>	no
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NORTHLAND FAMILY HELP CENTER

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

Section II - Financial Statement Findings

None noted.

Section III - Federal Award Findings and Questioned Costs

None noted.