

FAMILY BRIDGES
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
For the Years Ended December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Family Bridges
Wheaton, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Family Bridges (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019 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.

Auditor's 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 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 of 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 Family Bridges as of December 31, 2020 and 2019, 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 audits were 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 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 July 22, 2021, on our consideration of Family Bridges' 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 Family Bridges' 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 Family Bridges' internal control over financial reporting and compliance.

Abendroth Accounting & Tax Services, Inc.

Tinley Park, IL
July 22, 2021

FAMILY BRIDGES
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 266,809	\$ 237,988
Prepaid expenses	9,414	9,292
Security deposit	9,201	9,201
Inventory	3,611	3,905
TOTAL CURRENT ASSETS	<u>289,035</u>	<u>260,386</u>
TOTAL ASSETS	<u>289,035</u>	<u>260,386</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	5,595	48,058
Accrued wages	56,475	75,646
TOTAL CURRENT LIABILITIES	<u>62,070</u>	<u>123,704</u>
NET ASSETS		
Without donor restrictions	226,965	136,682
With donor restrictions	-	-
TOTAL NET ASSETS	<u>226,965</u>	<u>136,682</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 289,035</u>	<u>\$ 260,386</u>

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

FAMILY BRIDGES
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
OPERATING REVENUES		
Donations	\$ 151,992	\$ 215,927
In-kind donations	1,999	40,865
Paycheck protection grant	274,350	-
Professional fees	<u>2,039,034</u>	<u>2,560,204</u>
TOTAL OPERATING REVENUES	<u>2,467,375</u>	<u>2,816,996</u>
Net assets released from donor restrictions	<u>-</u>	<u>-</u>
OPERATING EXPENSES		
Program services	1,825,273	2,401,983
Management and general	461,881	342,124
Fundraising	<u>89,938</u>	<u>111,727</u>
TOTAL OPERATING EXPENSES	<u>2,377,092</u>	<u>2,855,834</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS FROM OPERATIONS	<u>90,283</u>	<u>(38,838)</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Net assets released from donor restrictions	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	90,283	(38,838)
NET ASSETS, BEGINNING OF YEAR	<u>136,682</u>	<u>175,520</u>
NET ASSETS, END OF YEAR	<u>\$ 226,965</u>	<u>\$ 136,682</u>

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

FAMILY BRIDGES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services	Management and General	Fund- Raising	Total Expenses
Bank fees	\$ -	\$ 3,528	\$ -	\$ 3,528
Benefits	165,142	2,944	-	168,086
Events	-	633	4,912	5,545
Insurance	-	16,829	-	16,829
Marketing	123,565	23,315	-	146,880
Office expenses	1,735	2,698	380	4,813
Payroll taxes	63,783	22,161	6,620	92,564
Printing	11,452	4,398	-	15,850
Professional fees	102,385	63,831	-	166,216
Program expenses	1,335	-	-	1,335
Rent	91,181	22,079	-	113,260
Training	11,251	16,248	-	27,499
Travel	3,097	9,277	1,900	14,274
Wages	733,506	254,857	76,126	1,064,489
Workshops	516,841	19,083	-	535,924
Totals	<u>\$ 1,825,273</u> 77%	<u>\$ 461,881</u> 19%	<u>\$ 89,938</u> 4%	<u>\$ 2,377,092</u> 100%

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

FAMILY BRIDGES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services	Management and General	Fund- Raising	Total Expenses
Bank fees	\$ 854	\$ 2,943	\$ -	\$ 3,797
Benefits	195,052	-	-	195,052
Dues and subscriptions	-	363	-	363
Events	6,255	4,710	43,190	54,155
Insurance	-	15,408	-	15,408
Marketing	122,707	10,429	-	133,136
Office expenses	857	4,774	434	6,065
Payroll taxes	73,769	16,560	4,901	95,230
Printing	19,775	7,652	-	27,427
Professional fees	150,393	41,668	-	192,061
Program expenses	2,441	-	-	2,441
Rent	109,224	6,451	-	115,675
Training	27,138	8,067	-	35,205
Travel	22,804	32,654	6,843	62,301
Wages	848,349	190,445	56,359	1,095,153
Workshops	822,365	-	-	822,365
Totals	<u>\$ 2,401,983</u> 84%	<u>\$ 342,124</u> 12%	<u>\$ 111,727</u> 4%	<u>\$ 2,855,834</u> 100%

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements

FAMILY BRIDGES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 90,283	\$ (38,838)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Decrease (increase) in assets:		
Prepaid expenses	(122)	(173)
Inventory	294	624
Increase (decrease) in liabilities:		
Accounts payable	(42,463)	8,881
Accrued wages	(19,171)	(3,245)
Net cash provided (used) by operating activities	<u>28,821</u>	<u>(32,751)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	28,821	(32,751)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>237,988</u>	<u>270,739</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 266,809</u>	<u>\$ 237,988</u>
<u>SUPPLEMENTAL CASH FLOWS INFORMATION</u>		
Cash paid for:		
Interest	\$ <u>-</u>	\$ <u>-</u>
Income taxes	\$ <u>-</u>	\$ <u>-</u>

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**FAMILY BRIDGES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activities

Family Bridges (the Organization) was formed in 2010 to promote thriving communities by delivering services to strengthen family relationships, while embracing their cultural and spiritual values.

Basis of Accounting

The financial statements of Family Bridges have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation is in accordance with generally accepted accounting principles for not-for-profit organizations. Under this guidance, the agency is required to report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for general use and not subject to donor restrictions. The Organization's policy is to designate donor gifts without restriction at the discretion of the board of directors. At December 31, 2020 and 2019 all net assets without donor restrictions are undesignated.

Net Assets With Donor Restrictions – Net assets that are contributions subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by actions of the Organization and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. As of December 31, 2020 and 2019, the Organization had no net assets with donor restrictions.

Additionally, the Organization has chosen to report all donor restricted contributions whose restrictions are met within the same reporting period as support without donor restrictions.

Contributions

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

**FAMILY BRIDGES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2017, 2018 and 2019 are subject to examination by the IRS, generally for 3 years after they were filed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of less than three months to be cash equivalents.

Inventory

Inventory consists of books and learning materials. Inventory is stated at the lower of cost or net realizable value. The cost of inventory is determined based on amounts paid for each item, or if donated, the value at the date of donation.

Donated Services

Donated services in the amount of \$1,999 and \$40,865 in 2020 and 2019, respectively, were recorded at fair value at the date of donation, and have been included in revenues and program services expenses for the year ended December 31, 2020 and 2019.

Fair Value Measurement

The Organization's financial instruments consist primarily of cash, prepaid and accrued expenses. The carrying amounts of cash, prepaid and accrued expenses approximate their fair value due to the short-term nature of such instruments.

**FAMILY BRIDGES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated on the basis of estimates of time and effort.

Subsequent Events

Management has evaluated subsequent events through July 22, 2021, the date the financial statements were available to be issued.

NOTE B – LIQUIDITY AND AVAILABILITY

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

	2020	2019
Cash and cash equivalents	\$ 266,809	\$ 237,988
	<u>\$ 266,809</u>	<u>\$ 237,988</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 become due.

NOTE C – LINE OF CREDIT

The Organization has a \$100,000 line of credit with Wheaton Bank and Trust which it may draw upon as needed. Interest accrues on the outstanding balance at a variable rate, which was 3.75% at December 31, 2020. The outstanding balance on this line of credit was \$0 and \$0 at December 31, 2020 and 2019, respectively. Interest expense was \$0 and \$0 for the years ended December 31, 2020 and 2019, respectively.

FAMILY BRIDGES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE D – FUNDRAISING EXPENSE

Total fundraising expenses for the years ended December 31, 2020 and 2019 were \$89,938 and \$111,727, respectively. Fundraising expenses accounted for 4% and 4% of the total revenue for the years ended December 31, 2020 and 2019, respectively. The ratio of expense to amounts raised is computed using actual expenses and related revenue on an accrual basis.

NOTE E – LEASES

Operating Lease Commitments

Effective March 1, 2016, the Organization leased office space in Oakbrook Terrace, Illinois under an operating lease that expired on February 29, 2020. On November 9, 2019, the lease was extended thru February 29, 2024. Rent expense for this space for the years ended December 31, 2020 and 2019 was \$82,245 and \$80,241, respectively. See Note J for a subsequent event related to this lease.

During 2018, the Organization entered into a copier lease for 39 months; ending in March 2022. Rent expense for this copier for the years ended December 31, 2020 and 2019 was \$8,544 and \$8,544, respectively.

Future minimum lease payments required under all of the leases are as follows:

2021	\$ 93,462
2022	89,598
2023	90,088
2024	15,088
Total	<u>\$ 288,236</u>

NOTE F – CONTRIBUTED SERVICES

The value of contributed services included as revenues in the financial statements and the corresponding program expenses for year ended December 31, 2020 and 2019 were as follows:

	2020	2019
Workshops	\$ 1,999	\$ 40,865

NOTE G – CONCENTRATIONS

Credit Risk

Family Bridges maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits.

**FAMILY BRIDGES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE H – SUPPORT FROM GOVERNMENTAL UNITS AND CONTINGENCIES

The Organization receives a substantial amount of their support from a government agency. A substantial reduction in the level of this support, if it were to occur, could have a significant effect on the Organization's programs and activities.

These programs are subject to review by the grantors or their representatives. Such reviews could include programs for various periods prior to and including the year ended December 31, 2020 and 2019. The amount, if any, of expenditures that may be disallowed by the government agencies cannot be determined at this time, although the organization expects such amounts, if any, to be immaterial.

During the year ended December 31, 2020, the grant program through which the Organization received most of its income ended. This grant accounted for \$1,700,904 and \$2,087,037 of the Organization's income for the years ended December 31, 2020 and 2019, respectively.

NOTE I – PAYCHECK PROTECTION PROGRAM LOAN

As a result of the ongoing COVID-19 pandemic, which affected its operations, the Organization obtained a first draw loan from the Small Business Administration's Paycheck Protection Program in the amount of \$274,350 on April 3, 2020. Under the terms of the Paycheck Protection Loan program, the interest rate is capped at 1% and is not required to be collateralized by any of the Organization's assets. As of December 31, 2020, management expected the loan to be fully forgiven, therefore all of the loan proceeds have been recognized as grant income for the year ended December 31, 2020. See Note J for a subsequent event related to this note.

NOTE J – SUBSEQUENT EVENTS

The Organization evaluated events occurring between January 1, 2021 and July 22, 2021, which is the date when the accompanying financial statements were available to be issued. Due to the COVID-19, a strain of coronavirus, pandemic, the behavior of businesses and people globally has been altered in a manner that is having negative effects on global and local economies, including significant investment market volatility, various temporary business closures resulting in increased unemployment and other financial effects including, but not limited to, charitable giving. The potential singular impact on the Organization from this event is difficult to predict and could adversely impact the business, investment portfolio, financial condition or results of operations and accordingly, and, accordingly, may materially adversely impact the financial condition of the Organization. The accompanying financial statements as of and for the year ended December 31, 2020, do not reflect the effects of these subsequent events.

**FAMILY BRIDGES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE J – SUBSEQUENT EVENTS (CONTINUED)

On February 9, 2021, the Organization received a second draw loan from the Small Business Administration's Paycheck Protection Program in the amount of \$239,972. As of the date of this report, the second draw loan has been fully forgiven.

On February 19, 2021, the Organization's first draw loan from the Small Business Administration's Paycheck Protection Program referenced in Note I was fully forgiven.

On July 1, 2021, the Organization negotiated a reduction in the monthly lease payment for the office space referenced in Note E.

NOTE K – ADOPTION OF NEW ACCOUNTING STANDARDS

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Additionally, FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The Organization has adjusted the presentation of its financial statements accordingly.

SUPPLEMENTARY INFORMATION

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

The Board of Directors
Family Bridges
Wheaton, Illinois

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 Family Bridges (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, 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 July 22, 2021.

Internal Control Over Financial Reporting

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

Abendroth Accounting & Tax Services, Inc.

Tinley Park, IL
July 22, 2021

FAMILY BRIDGES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Department of Health and Human Services Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	\$ 1,700,904
Total Expenditures of Federal Awards		\$ 1,700,904

The accompanying notes are an integral part of the schedule.

FAMILY BRIDGES
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Family Bridges and is presented on the accrual basis of accounting. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation on the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures following the cost principles contained in the OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Indirect Facilities and Administration Costs

The organization has elected not to use the 10-percent de minimis cost rate.

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Directors
Family Bridges
Wheaton, Illinois

Report on Compliance for Each Major Federal Program

We have audited Family Bridges' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Family Bridges' major federal programs for the year ended December 31, 2020. Family Bridges' major federal programs are identified in the summary of auditor's 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Family Bridges' 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 Family Bridges' 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 Family Bridges' compliance.

Opinion on Each Major Federal Program

In our opinion, Family Bridges 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 December 31, 2020.

Report on Internal Control Over Compliance

Management of Family Bridges 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 Family Bridges' 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 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 Family Bridges' 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 a 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Abendroth Accounting & Tax Services, Inc.

Tinley Park, IL
July 22, 2021

FAMILY BRIDGES
FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule of Findings and Questioned Costs
Section I – Summary of Auditor's Results

Financial Statements

The type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness identified? ☐ yes ☒ no
- Significant deficiency(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness identified? ☐ yes ☒ no
- Significant deficiency(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ yes ☒ no

Identification of major programs:

CFDA Number

93.086

Name of Federal Program or Cluster

Healthy Marriage Promotion and Responsible Fatherhood Grants

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

FAMILY BRIDGES
FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule of Findings and Questioned Costs (Continued)
Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None

Summary Schedule of Prior Audit Findings

None