
FAMILIES HELPING FAMILIES OF GREATER
NEW ORLEANS, INC.
JEFFERSON, LOUISIANA

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018



Todd M. Tournillon
Certified Public Accountant

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NEW ORLEANS, INC.
JEFFERSON, LOUISIANA

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018

**FAMILIES HELPING FAMILIES OF GREATER
NEW ORLEANS, INC.**

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Independent Auditors' Report

The Board of Directors
Families Helping Families of Greater New Orleans, Inc.

We have audited the accompanying consolidated financial statements of Families Helping Families of Greater New Orleans, Inc. (the Organization, a nonprofit corporation), which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated 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 consolidated 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 2018 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Families Helping Families of Greater New Orleans, Inc. as of June 30, 2018 and the consolidated 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.

Prior Period Financial Statements

The financial statements of Families Helping Families of Greater New Orleans, Inc. as of June 30, 2017 were audited by other auditors whose report dated November 28, 2017, expressed an unmodified opinion on those statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Supplementary Information as listed in the table of contents is presented for additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 September 28, 2018, on our consideration of the Organization'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 the Organization's internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

TMT CPA, LLC

Metairie, Louisiana
September 28, 2018

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

	<u>ASSETS</u>	
	2018	2017
<u>CURRENT ASSETS</u>		
Cash, unrestricted	\$ 185,039	\$ 211,220
Grants receivable	53,428	66,605
Investments	512,917	560,241
Prepaid expenses	6,639	7,707
	<u>758,023</u>	<u>845,773</u>
<u>PROPERTY AND EQUIPMENT</u>	420,465	6,304
	<u>\$ 1,178,488</u>	<u>\$ 852,077</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 4,098	\$ 19,223
Accrued payroll and related liabilities	14,340	16,666
Accrued annual leave	5,411	5,340
Current portion of note payable	10,619	-
	<u>34,468</u>	<u>41,229</u>
<u>NOTE PAYABLE, LONG TERM</u>	320,979	-
	<u>355,447</u>	<u>41,229</u>
<u>NET ASSETS</u>		
Unrestricted	823,041	810,848
Temporarily restricted	-	-
	<u>823,041</u>	<u>810,848</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 1,178,488</u>	<u>\$ 852,077</u>

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

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<u>REVENUES</u>						
Grant appropriations	\$ 499,974	\$ -	\$ 499,974	\$ 488,927	\$ -	\$ 488,927
Fundraising revenue	13,055	-	13,055	19,147	-	19,147
Contributions	5,603	-	5,603	8,470	-	8,470
Registration fees	4,205	-	4,205	6,905	-	6,905
Investment income	53,297	-	53,297	29,703	-	29,703
Other income	1,870	-	1,870	-	-	-
Deepwater Horizon settlement income	-	-	-	89,783	-	89,783
	578,004	-	578,004	642,935	-	642,935
Net assets released from restrictions	-	-	-	-	-	-
Total revenues and other support	578,004	-	578,004	642,935	-	642,935
<u>EXPENSES</u>						
Program expenses	430,370	-	430,370	414,911	-	414,911
Fundraising expenses	8,142	-	8,142	18,804	-	18,804
Management and general	127,299	-	127,299	115,869	-	115,869
Total expenses	565,811	-	565,811	549,584	-	549,584
<u>CHANGE IN NET ASSETS</u>	12,193	-	12,193	93,351	-	93,351
<u>NET ASSETS, BEGINNING OF THE YEAR</u>	810,848	-	810,848	717,497	-	717,497
<u>NET ASSETS, END OF THE YEAR</u>	\$ 823,041	\$ -	\$ 823,041	\$ 810,848	\$ -	\$ 810,848

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

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018				2017			
	Program Services - Informational and Educational	Fundraising	Support Services - General and Administrative	Total	Program Services - Informational and Educational	Fundraising	Support Services - General and Administrative	Total
Personnel costs	\$ 278,820	\$ 4,975	\$ 66,630	\$ 350,425	\$ 269,071	\$ 11,961	\$ 92,489	\$ 373,521
Contract services	56,672	409	-	57,081	38,502	2,263	-	40,765
Occupancy	20,183	-	7,820	28,003	29,610	-	5,640	35,250
Supplies	24,238	345	145	24,728	27,632	2,853	13	30,498
Other expenses	3,788	2,200	26,893	32,881	4,725	855	12,007	17,587
Travel	17,864	-	-	17,864	11,094	326	51	11,471
Insurance	9,528	-	5,053	14,581	9,863	-	-	9,863
Printing	7,033	4	-	7,037	9,353	311	-	9,664
Telephone	7,854	-	31	7,885	7,866	-	-	7,866
Conference expenses	3,010	-	-	3,010	5,940	-	-	5,940
Depreciation	-	-	6,545	6,545	-	-	4,643	4,643
Loss on disposal of equipr	-	-	5,011	5,011	-	-	0	-
Postage	1,380	209	(154)	1,435	1,255	235	(3)	1,487
Amortization	-	-	-	-	-	-	1,029	1,029
Interest expense	-	-	9,325	9,325	-	-	-	-
	<u>\$ 430,370</u>	<u>\$ 8,142</u>	<u>\$ 127,299</u>	<u>\$ 565,811</u>	<u>\$ 414,911</u>	<u>\$ 18,804</u>	<u>\$ 115,869</u>	<u>\$ 549,584</u>

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

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 12,193	\$ 93,351
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	6,546	5,672
Loss on disposal of equipment	5,011	-
Realized (gain) loss on investments	(19,999)	5,052
Unrealized gain on investments	(27,677)	(28,869)
Changes in operating assets and liabilities:		
Grants receivable	13,177	(21,974)
Prepaid expenses	1,068	2,398
Accounts payable	(15,125)	17,795
Payroll and related liabilities	(2,326)	2,675
Accrued annual leave	71	(437)
	(27,061)	75,663
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of land and building	(422,000)	-
Purchase of equipment	(3,718)	-
Proceeds from sale of investments	95,000	-
Purchase of investments	-	(113,244)
	(330,718)	(113,244)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from notes payable	337,600	-
Payments on notes payable	(6,002)	-
	331,598	-
Net change in cash and cash equivalents	(26,181)	(37,581)
Cash and cash equivalents, beginning of year	211,220	248,801
Cash and cash equivalents, end of year	\$ 185,039	\$ 211,220
<u>SUPPLEMENTAL DISCLOSURE</u>		
Cash paid for interest	\$ 9,325	\$ -

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

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018

1. Summary of Significant Accounting Policies

History and Organization

Families Helping Families of Greater New Orleans, Inc. (the Organization) is a nonprofit corporation organized under the laws of the State of Louisiana. The Organization's single program is to provide informational support and educational services to area families who have family members with special needs (disabilities) through a coordinated network of resources, support and services.

Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles and accordingly reflect all significant receivables, payables, and other liabilities.

Consolidated Financial Statements

The consolidated financial statements include the accounts of Families Helping Families of Greater New Orleans, Inc. and its supporting organization 700 Hickory, Inc. 700 Hickory Inc. was created during the year ended June 30, 2018 to facilitate the purchase of land and building in Jefferson, Louisiana. All significant intercompany transactions and accounts are eliminated.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors.

- Unrestricted net assets – Unrestricted net assets are resources that are available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

- Temporarily restricted net assets – Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Organization's unspent contributions are reported in this class if the donor limited their use, as are promised contributions that are not yet due. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. At June 30, 2018 and 2017, the Organization does not hold any temporarily restricted net assets.
- Permanently restricted net assets – Permanently restricted net assets are resources whose use is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. At June 30, 2018 and 2017, the Organization does not hold any permanently restricted net assets.

Cash and Cash Equivalents

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

Grants receivable

Grants receivable are reported at the amount management expects to collect from outstanding balances. Differences between the amount due and the amount management expects to collect are reported in the statements of activities of the year in which those differences are determined with the offsetting entry to a valuation allowance for grants receivable. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to grants receivable.

Investments

The Organization reports investments in equity securities with readily determinable fair values and investments in debt securities at the fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities. Interest and dividend income is recorded on the accrual basis.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018

1. Summary of Significant Accounting Policies (continued)

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the following useful lives:

Building	30 years
Equipment	5-7 years

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is noted. If the carrying amount for the asset is not recoverable, the value is written down to the asset's fair value.

Accrued Compensated Absences

The Organization accrues accumulated unpaid leave when earned by the employee. Generally annual leave must be taken during the fiscal year earned. However, up to 40 hours may be carried over per employee per fiscal year. Eligible employees who terminate employment with the Organization are reimbursed for each day of accumulated annual leave.

Revenue

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized. All other 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 and reported in the Statements of Activities as net assets released from restrictions

Grant revenue is recognized as it is earned in accordance with the approved contracts.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018

1. Summary of Significant Accounting Policies (continued)

Donated services

No amounts have been reflected in the consolidated financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization throughout the year, but these services do not meet the criteria for recognition as contributed services.

Functional allocation of expenses

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

Income tax status

The Organization is exempt from federal income tax under [Section 501\(c\)\(3\)](#) of the Internal Revenue Code. The Organization had no unrelated business activity during the years ended June 30, 2018 and 2017. Accordingly, no provision for income taxes is included in the financial statements. 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\(a\)\(2\)](#)

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that could affect reported amounts of assets at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Actual results and the results of future periods could differ from those estimates.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018

2. Grants Receivable

The Organization has the following grants receivable at June 30, 2018 and 2017.

	<u>2018</u>	<u>2017</u>
U.S. Department of Education Parent Training	\$ 25,078	\$ 34,671
Louisiana Staff Development of Educators	17,900	15,288
LA Department of Health & Hospitals - Children's	4,941	11,421
Jefferson Parish Human Services Authority	4,875	4,875
Bayou Land Families Helping Families	350	350
Parent to Parent of Georgia	284	-
	<u>\$ 53,428</u>	<u>\$ 66,605</u>

3. Investments

The Organization has the following investments at June 30, 2018 and 2017.

	<u>2018</u>	<u>2017</u>
Common stocks	\$ 185,776	\$ 193,852
Corporate bonds	198,575	241,674
Exchange traded funds	60,467	116,374
Money market funds	68,099	8,341
	<u>\$ 512,917</u>	<u>\$ 560,241</u>

The Organization has the following investment income for the years ended June 30, 2018 and 2017.

	<u>2018</u>	<u>2017</u>
Interest income	\$ 6,262	\$ 5,707
Dividend income	9,935	7,535
Realized gain/(loss)	19,999	(5,052)
Unrealized gain/(loss)	23,736	27,216
Investment fees	(6,635)	(5,703)
	<u>\$ 53,297</u>	<u>\$ 29,703</u>

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018

4. Property and Equipment

The Organization has the following property and equipment at June 30, 2018 and 2017.

	<u>2018</u>	<u>2017</u>
Land	\$ 92,800	\$ -
Building	329,200	-
Equipment	<u>16,325</u>	<u>61,035</u>
Total historical cost	438,325	61,035
less: accumulated depreciation	<u>(17,860)</u>	<u>(54,731)</u>
Property and equipment, net	<u>\$ 420,465</u>	<u>\$ 6,304</u>

During the year ended June 30, 2018, 700 Hickory, Inc. purchased land and building for \$422,000 to house the operations of the Organization.

5. Note Payable

The Organization has the following note payable at June 30, 2018 and 2017.

	<u>2018</u>	<u>2017</u>
4.725% Mortgage payable to financial institution, secured by land and building, due in monthly installments of \$2,190 through November 2037.	<u>\$ 331,598</u>	<u>\$ -</u>
Total	<u>331,598</u>	<u>-</u>
Less: Current Portion	<u>(10,619)</u>	<u>-</u>
Total notes payable, long term	<u>\$ 320,979</u>	<u>\$ -</u>

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018

5. Note Payable (continued)

Principal payments required in future years as of June 30, 2018, are as follows:

<u>Years ending June 30,</u>	
2019	\$ 10,619
2020	11,098
2021	11,683
2022	12,255
2023	12,855
2024-2028	74,288
2029-2033	94,401
2034-2038	<u>104,399</u>
Total	<u>\$ 331,598</u>

6. Fair Value Measurements

Generally accepted accounting principles (GAAP) provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to adjusted quoted prices in active markets for identical assets or liabilities (level 1 investments) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under the framework are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement determined using model-based techniques that include option pricing model, discounted cash flow models, and similar techniques.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018

6. Fair Value Measurements (continued)

The asset 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.

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, 2018 and 2017.

Common stocks, Exchange traded funds, and Money market funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate bonds: Valued on the basis of prices from an orderly transaction between market participants provided by reputable dealers or pricing services. In determining the value of an investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices and market transactions in comparable investments and various relationships between investments.

The following table sets forth by level, within the fair value hierarchy, the Organization's investment assets at fair value as of June 30, 2018. There have been no changes in the methodologies used at June 30, 2018.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$ 185,776	\$ -	\$ -	\$ 185,776
Corporate bonds	-	198,575	-	198,575
Exchange traded funds	60,467	-	-	60,467
Money market funds	68,099	-	-	68,099
	<u>\$ 314,342</u>	<u>\$ 198,575</u>	<u>\$ -</u>	<u>\$ 512,917</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$ 193,852	\$ -	\$ -	\$ 193,852
Corporate bonds	-	241,674	-	241,674
Exchange traded funds	116,374	-	-	116,374
Money market funds	8,341	-	-	8,341
	<u>\$ 318,567</u>	<u>\$ 241,674</u>	<u>\$ -</u>	<u>\$ 560,241</u>

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018

7. Operating Lease

The Organization maintained a lease agreement for its programmatic and administrative office space through January 2018. Included in occupancy expenses is \$20,563 and \$35,250 for office rent during the years ended June 30, 2018 and 2017.

8. Income Taxes

The Organization is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and applicable state law.

The Organization may recognize the tax benefit from a tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The Organization has analyzed its tax positions taken for filings with the Internal Revenue Service and the state of Louisiana. The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations, or cash flows.

9. Concentrations of Credit Risk

The Organization maintains its cash and cash equivalent balances in one financial institution. Custodial credit risk is the risk that in the event of a bank failure, the Organization's deposits may not be returned to them. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2018, the amounts on deposit by the Organization were covered by FDIC insurance.

10. Contingency

The Organization participates in a number of state and federal programs which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Organization has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable at June 30, 2018 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying consolidated financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Organization.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018

11. Economic Dependency

The Organization receives the majority of its revenue in the form of grants from the federal government and the State of Louisiana. The grant amounts are generally appropriated each year by the respective grantor agency. If significant budget cuts are made at the federal or state level, the amount of funds the Organization receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will significantly affect the amount of funds the Organization will receive in fiscal year 2019 relating to its federal and state grant awards.

12. Board of Directors Compensation

The Board of Directors serves and directs Families Helping Families of Greater New Orleans, Inc. on a voluntary basis. The Board does not receive compensation.

13. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 28, 2018, and determined no item requires disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

ASSETS

	Families Helping Families of Greater New Orleans, Inc.	700 Hickory, Inc.	Eliminations	Consolidated Total
<u>CURRENT ASSETS</u>				
Cash, unrestricted	\$ 170,047	\$ 14,992	\$ -	\$ 185,039
Grants receivable	53,428	-	-	53,428
Investments	512,917	-	-	512,917
Prepaid expenses	9,113	2,526	(5,000)	6,639
Total current assets	<u>745,505</u>	<u>17,518</u>	<u>(5,000)</u>	<u>758,023</u>
<u>PROPERTY AND EQUIPMENT</u>	<u>3,952</u>	<u>416,513</u>	<u>-</u>	<u>420,465</u>
<u>DUE FROM RELATED ENTITY</u>	<u>105,000</u>	<u>-</u>	<u>(105,000)</u>	<u>-</u>
<u>TOTAL ASSETS</u>	<u>\$ 854,457</u>	<u>\$ 434,031</u>	<u>\$ (110,000)</u>	<u>\$ 1,178,488</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>				
Accounts payable	\$ 4,098	\$ -	\$ -	\$ 4,098
Accrued payroll and related liabilities	14,340	-	-	14,340
Accrued annual leave	5,411	-	-	5,411
Current portion of note payable	-	10,619	-	10,619
Total current liabilities	<u>23,849</u>	<u>10,619</u>	<u>-</u>	<u>34,468</u>
<u>NON-CURRENT LIABILITIES</u>				
Note payable	-	320,979	-	320,979
Due to related entity	-	105,000	(105,000)	-
Security deposit	-	5,000	(5,000)	-
Total current liabilities	<u>-</u>	<u>430,979</u>	<u>(110,000)</u>	<u>320,979</u>
Total liabilities	<u>23,849</u>	<u>441,598</u>	<u>(110,000)</u>	<u>355,447</u>
<u>NET ASSETS</u>				
Unrestricted	830,608	(7,567)	-	823,041
Temporary restricted	-	-	-	-
Total net assets	<u>830,608</u>	<u>(7,567)</u>	<u>-</u>	<u>823,041</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 854,457</u>	<u>\$ 434,031</u>	<u>\$ (110,000)</u>	<u>\$ 1,178,488</u>

See accompanying independent auditors' report

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	Families Helping Families of Greater New Orleans, Inc.	700 Hickory, Inc.	Eliminations	Consolidated Total
<u>REVENUES AND OTHER SUPPORT</u>				
Grant appropriations	\$ 499,974	\$ -	\$ -	\$ 499,974
Fundraising revenue	13,055	-	-	13,055
Contributions	5,603	-	-	5,603
Registration fees	4,205	-	-	4,205
Investment income	53,296	1	-	53,297
Lease income	-	17,840	(17,840)	-
Other income	1,870	-	-	1,870
	<u>578,003</u>	<u>17,841</u>	<u>(17,840)</u>	<u>578,004</u>
Total revenues and other support				
<u>EXPENSES</u>				
Program expenses	446,879	-	(16,509)	430,370
Fundraising expenses	8,142	-	-	8,142
Management and general	103,222	25,408	(1,331)	127,299
	<u>558,243</u>	<u>25,408</u>	<u>(17,840)</u>	<u>565,811</u>
Total expenses				
<u>CHANGE IN NET ASSETS</u>	<u>19,760</u>	<u>(7,567)</u>	<u>-</u>	<u>12,193</u>
<u>NET ASSETS, BEGINNING OF THE YEAR</u>	<u>810,848</u>	<u>-</u>	<u>-</u>	<u>810,848</u>
<u>NET ASSETS, END OF THE YEAR</u>	<u>\$ 830,608</u>	<u>\$ (7,567)</u>	<u>\$ -</u>	<u>\$ 823,041</u>

See accompanying independent auditors' report

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO THE AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2018

Agency Head Name: Mary Jacob, Executive Director

	2018
Salary	\$ 84,871
Benefits - Health Insurance	-
Benefits - Retirement	-
Deferred Compensation	-
Workers Compensation	-
Benefits - Life Insurance	-
Benefits - Long Term Disability	-
Benefits - FICA & Medicare	6,493
Car Allowance	-
Vehicle Provided by the Agency	-
Cell Phone	956
Dues	-
Vehicle Rental	-
Per Diem	1,464
Reimbursements	850
Travel	2,025
Registration Fees	1,134
Conference Travel	4,236
Unvouchered Expenses	-
Meetings and Conventions	-
Other	-
	-
Total	\$ 102,029

See accompanying independent auditors' report

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

The Board of Directors
Families Helping Families of Greater New Orleans, Inc.

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 of Greater New Orleans, Inc (the Organization), which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 28, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 the Organization'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

TMT CPA, LLC

Metairie, Louisiana
September 28, 2018