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

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019**

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NEW ORLEANS, INC.  
JEFFERSON, LOUISIANA**

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019**

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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, 2019, 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 2019 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, 2019 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, 2018 were audited by other auditors whose report dated September 28, 2018, expressed an unmodified opinion on those statements.

## **Emphasis of Matter**

As discussed in Note 1 to the consolidated financial statements, the Organization adopted Accounting Standards Update No. 2016-14 in the current year related to the presentation of financial statements. Our opinion is not modified with respect to this matter.

## **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 25, 2019, 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.

*Richard CPAS*

Metairie, Louisiana  
September 25, 2019

**FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**

<b><u>ASSETS</u></b>		
	<u>2019</u>	<u>2018</u>
<b><u>CURRENT ASSETS</u></b>		
Cash, unrestricted	\$ 233,374	\$ 185,039
Grants receivable	56,050	53,428
Investments	536,920	512,917
Prepaid expenses	5,398	6,639
	<hr/>	<hr/>
Total current assets	831,742	758,023
	<hr/>	<hr/>
<b><u>PROPERTY AND EQUIPMENT</u></b>	408,520	420,465
	<hr/>	<hr/>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 1,240,262</u></b>	<b><u>\$ 1,178,488</u></b>
	<hr/>	<hr/>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable	\$ 4,096	\$ 4,098
Accrued payroll and related liabilities	15,680	14,340
Accrued annual leave	5,830	5,411
Current portion of note payable	11,098	10,619
	<hr/>	<hr/>
Total current liabilities	36,704	34,468
	<hr/>	<hr/>
<b><u>NOTE PAYABLE, LONG TERM</u></b>	309,881	320,979
	<hr/>	<hr/>
Total liabilities	346,585	355,447
	<hr/>	<hr/>
<b><u>NET ASSETS</u></b>		
Without donor restrictions	893,677	823,041
With donor restrictions	-	-
	<hr/>	<hr/>
Total net assets	893,677	823,041
	<hr/>	<hr/>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b><u>\$ 1,240,262</u></b>	<b><u>\$ 1,178,488</u></b>
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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, 2019 AND 2018**

	2019			2018		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<b><u>REVENUES</u></b>						
Grant appropriations	\$ 622,113	\$ -	\$ 622,113	\$ 499,974	\$ -	\$ 499,974
Fundraising revenue	10,108	-	10,108	13,055	-	13,055
Contributions	3,876	-	3,876	5,603	-	5,603
Registration fees	-	-	-	4,205	-	4,205
Investment income	25,081	-	25,081	53,297	-	53,297
Other income	4,328	-	4,328	1,870	-	1,870
	665,506	-	665,506	578,004	-	578,004
Net assets released from restrictions	-	-	-	-	-	-
Total revenues and other support	665,506	-	665,506	578,004	-	578,004
<b><u>EXPENSES</u></b>						
Program expenses	509,694	-	509,694	430,370	-	430,370
Fundraising expenses	3,552	-	3,552	8,142	-	8,142
Management and general	81,624	-	81,624	127,299	-	127,299
Total expenses	594,870	-	594,870	565,811	-	565,811
<b><u>CHANGE IN NET ASSETS</u></b>	70,636	-	70,636	12,193	-	12,193
<b><u>NET ASSETS, BEGINNING OF THE YEAR</u></b>	823,041	-	823,041	810,848	-	810,848
<b><u>NET ASSETS, END OF THE YEAR</u></b>	\$ 893,677	\$ -	\$ 893,677	\$ 823,041	\$ -	\$ 823,041

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

**FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019				2018			
	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	\$ 345,140	\$ 3,207	\$ 47,064	\$ 395,411	\$ 278,820	\$ 4,975	\$ 66,630	\$ 350,425
Contract services	55,263	345	-	55,608	56,672	409	-	57,081
Occupancy	4,876	-	-	4,876	20,183	-	7,820	28,003
Supplies	27,529	-	262	27,791	24,238	345	145	24,728
Other expenses	2,187	-	4,726	6,913	3,788	2,200	26,893	32,881
Travel	15,856	-	-	15,856	17,864	-	-	17,864
Insurance	9,744	-	1,971	11,715	9,528	-	5,053	14,581
Printing	7,870	-	-	7,870	7,033	4	-	7,037
Telephone	9,413	-	-	9,413	7,854	-	31	7,885
Conference expenses	30,590	-	-	30,590	3,010	-	-	3,010
Depreciation	-	-	11,945	11,945	-	-	6,545	6,545
Loss on disposal of equipment	-	-	-	-	-	-	5,011	5,011
Postage	1,226	-	-	1,226	1,380	209	(154)	1,435
Interest expense	-	-	15,656	15,656	-	-	9,325	9,325
	<u>\$ 509,694</u>	<u>\$ 3,552</u>	<u>\$ 81,624</u>	<u>\$ 594,870</u>	<u>\$ 430,370</u>	<u>\$ 8,142</u>	<u>\$ 127,299</u>	<u>\$ 565,811</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, 2019 AND 2018**

	2019	2018
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 70,636	\$ 12,193
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	11,945	6,546
Loss on disposal of equipment	-	5,011
Unrealized gain on investments	(18,339)	(27,677)
Changes in operating assets and liabilities:		
Grants receivable	(2,622)	13,177
Prepaid expenses	1,241	1,068
Accounts payable	(2)	(15,125)
Payroll and related liabilities	1,340	(2,326)
Accrued annual leave	419	71
	<u>64,618</u>	<u>(7,062)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of land and building	-	(422,000)
Purchase of equipment	-	(3,718)
Purchase of investments	(190,630)	(200,686)
Proceeds from sale of investments	184,966	275,687
	<u>(5,664)</u>	<u>(350,717)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Proceeds from notes payable	-	337,600
Payments on notes payable	(10,619)	(6,002)
	<u>(10,619)</u>	<u>331,598</u>
Net change in cash and cash equivalents	48,335	(26,181)
Cash and cash equivalents, beginning of year	185,039	211,220
Cash and cash equivalents, end of year	<u>\$ 233,374</u>	<u>\$ 185,039</u>
<b><u>SUPPLEMENTAL DISCLOSURE</u></b>		
Cash paid for interest	<u>\$ 15,656</u>	<u>\$ 9,325</u>

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, 2019**

**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.

Financial Statement Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions net assets for an operating reserve or board-designated endowment.

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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**1. Summary of Significant Accounting Policies (continued)**

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.

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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**1. Summary of Significant Accounting Policies (continued)**

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 net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as net assets without restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions and reported in the consolidated statements of activities as net assets released from restrictions

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

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 costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs, primarily salaries, benefits, and rent expenses have been allocated among the programs and supporting services benefited. The allocation between functions is based on time spent by specific employees as estimated by management. All other costs are charged directly to the appropriate functional category.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**1. Summary of Significant Accounting Policies (continued)**

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, 2019 and 2018. 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).

700 Hickory, Inc. is exempt from federal income tax under Section 501(c)2 of the Internal Revenue Code as a title holding corporation. 700 Hickory, Inc. has no unrelated business activity during the years ended June 30, 2019 and 2018. Accordingly, no provision for income taxes is included in the consolidated financial statements.

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.

New Accounting Pronouncements - Adopted

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**2. Liquidity and Availability**

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

Cash and cash equivalents	\$	226,924
Grants receivable		56,050
Investments		536,920
	\$	<u>819,894</u>

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

**3. Grants Receivable**

The Organization has the following grants receivable at June 30, 2019 and 2018.

	2019	2018
U.S. Department of Education Parent Training	\$ 21,329	\$ 25,078
Louisiana Staff Development of Educators	14,409	17,900
LA Department of Health & Hospitals – Children's	15,087	4,941
Jefferson Parish Human Services Authority	4,875	4,875
Bayou Land Families Helping Families	350	350
Parent to Parent of Georgia	-	284
	\$ <u>56,050</u>	\$ <u>53,428</u>

**4. Investments**

The Organization has the following investments at June 30, 2019 and 2018.

	2019	2018
Common stocks	\$ 180,972	\$ 185,776
Corporate bonds	211,344	198,575
Exchange traded funds	69,224	60,467
Money market funds	48,612	68,099
Mutual funds	26,768	-
Total Investments	\$ <u>536,920</u>	\$ <u>512,917</u>

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**4. Investments (continued)**

The Organization has the following investment income for the years ended June 30, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
Interest income	\$ 8,453	\$ 6,261
Dividend income	3,992	9,935
Realized gain/(loss)	779	19,999
Unrealized gain/(loss)	18,339	23,736
Investment fees	<u>(6,482)</u>	<u>(6,635)</u>
	<u>\$ 25,081</u>	<u>\$ 53,297</u>

**5. 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.

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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**5. Fair Value Measurements (continued)**

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, 2019 and 2018.

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, 2019 and 2018. There have been no changes in the methodologies used at June 30, 2019.

Balance at June 30, 2019		<u>Level 1</u>		<u>Level 2</u>		<u>Level 3</u>		<u>Total</u>
Common stocks	\$	180,972	\$	-	\$	-	\$	180,972
Corporate bonds		-		211,344		-		211,344
Exchange traded funds		69,224		-		-		69,224
Money market funds		48,612		-		-		48,612
Mutual funds		26,768		-		-		26,768
	\$	<u>325,576</u>	\$	<u>211,344</u>	\$	<u>-</u>	\$	<u>536,920</u>
Balance 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>

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**6. Property and Equipment**

The Organization has the following property and equipment at June 30, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
Land	\$ 92,800	\$ 92,800
Building	329,200	329,200
Equipment	16,325	16,325
Total historic cost	<u>438,325</u>	<u>438,325</u>
less: accumulated depreciation	<u>(29,805)</u>	<u>(17,860)</u>
Property and equipment, net	<u>\$ 408,520</u>	<u>\$ 420,465</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. Depreciation expense of \$11,945 and \$6,545 is included in the consolidated statements of functional expenses for the years then ended June 30, 2019 and 2018, respectively.

**7. Note Payable**

The Organization has the following note payable at June 30, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
4.725% Mortgage payable to financial institution, secured by land and building, due in monthly installments of \$2,190 through November 2037.	\$ <u>320,979</u>	\$ <u>331,598</u>
Total	<u>320,979</u>	<u>331,598</u>
Less: Current Portion	<u>(11,098)</u>	<u>(10,619)</u>
Total notes payable, long term	<u>\$ 309,881</u>	<u>\$ 320,979</u>

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**7. Note Payable (continued)**

Principal payments required in future years as of June 30, 2019, are as follows:

<u>Years ending June 30</u>		
2020	\$	11,098
2021		11,683
2022		12,255
2023		12,855
2024		13,449
2025-2029		77,962
2030-2034		99,023
2035-2038		<u>82,654</u>
Total	\$	<u>320,979</u>

**8. Operating Lease**

The Organization maintained a lease agreement for its programmatic and administrative office space through January 2018. Included in occupancy expenses is \$0 and \$20,563 for office rent during the years ended June 30, 2019 and 2018, respectively.

**9. 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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**10. 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, 2019 and 2018, the amounts on deposit by the Organization were covered by FDIC insurance.

**11. 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, 2019 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.

**12. 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.

**13. 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.

**14. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 25, 2019, 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, 2019**

**ASSETS**

	Families Helping Families of Greater New Orleans, Inc.	700 Hickory, Inc.	Eliminations	Consolidated Total
<b><u>CURRENT ASSETS</u></b>				
Cash, unrestricted	\$ 221,941	\$ 11,433	\$ -	\$ 233,374
Grants receivable	56,050	-	-	56,050
Investments	536,920	-	-	536,920
Prepaid expenses	10,398	-	(5,000)	5,398
Total current assets	<u>825,309</u>	<u>11,433</u>	<u>(5,000)</u>	<u>831,742</u>
<b><u>PROPERTY AND EQUIPMENT</u></b>	<u>2,980</u>	<u>405,540</u>	<u>-</u>	<u>408,520</u>
<b><u>DUE FROM RELATED ENTITY</u></b>	<u>98,550</u>	<u>-</u>	<u>(98,550)</u>	<u>-</u>
<b><u>TOTAL ASSETS</u></b>	<u>\$ 926,839</u>	<u>\$ 416,973</u>	<u>\$ (103,550)</u>	<u>\$ 1,240,262</u>

**LIABILITIES AND NET ASSETS**

<b><u>CURRENT LIABILITIES</u></b>				
Accounts payable	\$ 4,096	\$ -	\$ -	\$ 4,096
Accrued payroll and related liabilities	15,680	-	-	15,680
Accrued annual leave	5,830	-	-	5,830
Current portion of note payable	-	11,098	-	11,098
Total current liabilities	<u>25,606</u>	<u>11,098</u>	<u>-</u>	<u>36,704</u>
<b><u>NON-CURRENT LIABILITIES</u></b>				
Note payable	-	309,881	-	309,881
Due to related entity	-	98,550	(98,550)	-
Security deposit	-	5,000	(5,000)	-
Total current liabilities	<u>-</u>	<u>413,431</u>	<u>(103,550)</u>	<u>309,881</u>
Total liabilities	<u>25,606</u>	<u>424,529</u>	<u>(103,550)</u>	<u>346,585</u>
<b><u>NET ASSETS</u></b>				
Without donor restrictions	901,233	(7,556)	-	893,677
With donor restrictions	-	-	-	-
Total net assets	<u>901,233</u>	<u>(7,556)</u>	<u>-</u>	<u>893,677</u>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<u>\$ 926,839</u>	<u>\$ 416,973</u>	<u>\$ (103,550)</u>	<u>\$ 1,240,262</u>

See accompanying independent auditors' report

**FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Families Helping Families of Greater New Orleans, Inc.	700 Hickory, Inc.	Eliminations	Consolidated Total
<b><u>REVENUES AND OTHER SUPPORT</u></b>				
Grant appropriations	\$ 622,113	\$ -	\$ -	\$ 622,113
Fundraising revenue	10,108	-	-	10,108
Contributions	3,876	-	-	3,876
Investment income	25,008	73	-	25,081
Lease income	-	28,800	(28,800)	-
Other income	4,328	-	-	4,328
	<u>665,433</u>	<u>28,873</u>	<u>(28,800)</u>	<u>665,506</u>
<b><u>EXPENSES</u></b>				
Program expenses	543,926	-	(26,820)	517,106
Fundraising expenses	3,226	-	-	3,226
Management and general	47,656	28,862	(1,980)	74,538
	<u>594,808</u>	<u>28,862</u>	<u>(28,800)</u>	<u>594,870</u>
<b><u>CHANGE IN NET ASSETS</u></b>	<u>70,625</u>	<u>11</u>	<u>-</u>	<u>70,636</u>
<b><u>NET ASSETS, BEGINNING OF THE YEAR</u></b>	<u>830,608</u>	<u>(7,567)</u>	<u>-</u>	<u>823,041</u>
<b><u>NET ASSETS, END OF THE YEAR</u></b>	<u>\$ 901,233</u>	<u>\$ (7,556)</u>	<u>\$ -</u>	<u>\$ 893,677</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, 2019**

**Agency Head Name:** Mary Jacob, Executive Director

	2019
Salary	\$ 84,871
Benefits - Healthcare	600
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	1,518
Dues	18
Vehicle Rental	-
Per Diem	962
Reimbursements	219
Travel	2,707
Registration Fees	50
Conference Travel	1,704
Unvouchered Expenses	-
Meetings and Conventions	-
Other	-
	-
Total	\$ 99,142

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, 2019, 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 25, 2019.

**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.

*Richard CPAS*

Metairie, Louisiana  
September 25, 2019

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

**LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE  
AGREED-UPON PROCEDURES REPORT**

**JUNE 30, 2019**

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RICHARD  CPAS

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

**LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE  
AGREED-UPON PROCEDURES REPORT**

**JUNE 30, 2019**



**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of Families Helping Families of Greater New Orleans, Inc.  
And the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the management of Families Helping Families of Greater New Orleans, Inc. (the "Entity") and the Louisiana Legislative Auditor (LLA) (the specified parties) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. Families Helping Families of Greater New Orleans, Inc's management is responsible for those C/C areas identified in the SAUPs.

This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.

**We performed the procedures above and noted no exceptions.**

b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

**The Entity does not use a purchase order system. We performed the procedures above and noted the following exceptions:**

- **The written policy provided by the Entity does not address how vendors are added to the vendor list.**

c) *Disbursements*, including processing, reviewing, and approving.

**We performed the procedures above and noted no exceptions.**

*Written Policies and Procedures (continued)*

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- d) *Disbursements*, including processing, reviewing, and approving.
- e) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

**We performed the procedures above and noted no exceptions.**

- f) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

**We performed the procedures above and noted no exceptions.**

- g) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

**We performed the procedures above and noted the following exceptions:**

- **The written policy provided by the Entity did not address types of services requiring written contracts, standard terms and conditions, legal review, and monitoring process.**

- h) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

**We performed the procedures above and noted no exceptions.**

- i) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

**We performed the procedures above and noted no exceptions.**

- j) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

**Not applicable to non-profit organizations.**

## *Written Policies and Procedures (continued)*

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- k) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

**Not applicable to non-profit organizations.**

- l) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Not applicable to non-profit organizations.**

- m) *Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**We performed the procedures above and noted the following exceptions:**

- **The written policy provided by the Entity does not address disaster recovery/business continuity.**

## *Board or Finance Committee*

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

**We performed the procedures above and noted no exceptions.**

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

**We performed the procedures above and noted no exceptions.**

## *Board or Finance Committee (continued)*

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- c) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

**We performed the procedures above and noted no exceptions.**

- d) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

**The procedures above are not applicable since the Organization is not a governmental entity.**

## *Bank Reconciliations*

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3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

**We performed the procedures above and noted no exceptions.**

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

**We performed the procedures above and noted no exceptions.**

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**We performed the procedures above and noted no exceptions.**

## *Collections*

---

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

**We performed the procedures above and noted no exceptions.**

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

**The procedures above are not applicable due to no cash drawers/registers.**

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

**We performed the procedures above and noted no exceptions.**

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

**We performed the procedures above and noted no exceptions.**

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

**We performed the procedures above and noted no exceptions.**

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

**We performed the procedures above and noted no exceptions.**

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

a) Observe that receipts are sequentially pre-numbered.

**We performed the procedures above and noted no exceptions.**

b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**We performed the procedures above and noted no exceptions.**

c) Trace the deposit slip total to the actual deposit per the bank statement.

**We performed the procedures above and noted no exceptions.**

d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

**We performed the procedures above and noted no exceptions.**

e) Trace the actual deposit per the bank statement to the general ledger.

**We performed the procedures above and noted no exceptions.**

*Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)*

---

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

**We performed the procedures above and noted no exceptions.**

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

**We performed the procedures above and noted no exceptions.**

- b) At least two employees are involved in processing and approving payments to vendors.

**We performed the procedures above and noted no exceptions.**

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

**We performed the procedures above and noted the following exception:**

- **The employee responsible for processing payments is not prohibited from adding/modifying vendor files and no employee reviews changes to vendor files.**

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**We performed the procedures above and noted no exceptions.**

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

*Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases) (continued)*

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- f) Observe that the disbursement matched the related original invoice/billing statement.

**We performed the procedures above and noted no exceptions.**

- g) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**We performed the procedures above and noted no exceptions.**

*Credit Cards/Debit Cards/Fuel Cards/P-Cards*

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

**We performed the procedures above and noted no exceptions.**

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit /debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

**We performed the procedures above and noted no exceptions.**

- b) Observe that finance charges and late fees were not assessed on the selected statements.

**We performed the procedures above and noted no exceptions.**

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

*Credit Cards/Debit Cards/Fuel Cards/P-Cards (continued)*

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**We performed the procedures above and noted the following exceptions:**

- One item tested for \$21.05 did not state the business/public purpose for the purchase.
- One item tested for \$126.91 did not document the individuals participating in the meal.

*Travel and Travel-Related Expense Reimbursements (excluding card transactions)*

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

**We performed the procedures above and noted no exceptions.**

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

**We performed the procedures above and noted no exceptions.**

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

**We performed the procedures above and noted no exceptions.**

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**We performed the procedures above and noted no exceptions.**

## *Contracts*

---

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

**The procedures above are not applicable because the Louisiana Public Bid Law was not required for the contracts tested.**

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

**The procedures above are not applicable because the contracts tested did not require approval by the governing body/board.**

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

**The procedures above are not applicable because the contracts tested were not amended.**

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**We performed the procedures above and noted no exceptions.**

## *Payroll and Personnel*

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16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

**We performed the procedures above and noted no exceptions.**

*Payroll and Personnel (continued)*

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17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

**We performed the procedures above and noted no exceptions.**

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

**We performed the procedures above and noted the following exception:**

- **The attendance and leave of the Executive Director were not approved by a supervisor/board member.**

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

**We performed the procedures above and noted no exceptions.**

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

**We performed the procedures above and noted no exceptions.**

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

**We performed the procedures above and noted no exceptions.**

**Ethics – not applicable to nonprofits.**

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

**Debt Service – not applicable to nonprofits.**

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Other**

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

**No misappropriations of public funds or assets.**

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**We performed the procedures above and noted the following exception:**

- **The entity did not post on its premises nor on its website the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.**

**Management's Response**

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Management has reviewed the above items and will address all exceptions by adding in policies/procedures and/or implementing other actions by December 31, 2019.



We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Richard CPAS*

Metairie, Louisiana  
September 25, 2019