

**FDDOC Winners' Circle, Inc.
Shreveport, Louisiana**

Financial Statements

As of and for the Years Ended June 30, 2018 and 2017

FDDOC Winners' Circle, Inc.

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Independent Auditors' Report

To the Board of Directors
FDDOC Winners' Circle, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of FDDOC Winners' Circle, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FDDOC Winners' Circle, Inc., as of June 30, 2018, and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

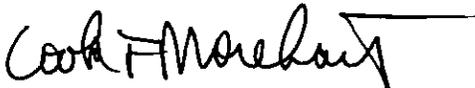
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information schedule of compensation, benefits, and other payments to agency head shown on page 13 is presented for the purpose of additional analysis and is not a required part of financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2018, on our consideration of FDDOC Winners' Circle, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of FDDOC Winners' Circle, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FDDOC Winners' Circle, Inc.'s internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
September 7, 2018

FDDOC Winners' Circle, Inc.
 Statements of Financial Position
 June 30, 2018 and 2017

	2018	2017
Assets		
Current assets:		
Cash	\$ 129,586	\$ 116,926
Contract receivable	54,861	67,866
Other receivable	7,683	1,500
Prepaid expenses	1,340	1,340
Total current assets	193,470	187,632
Fixed assets:		
Land	10,000	10,000
Building	141,548	141,548
Equipment	21,218	72,458
Accumulated depreciation	(62,009)	(97,271)
Net property and equipment	110,757	126,735
Total Assets	\$ 304,227	\$ 314,367
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 2,192	\$ 2,926
Total current liabilities	2,192	2,926
Net assets:		
Unrestricted	298,742	311,441
Temporarily restricted	3,293	
Total net assets	302,035	311,441
Total Liabilities and Net Assets	\$ 304,227	\$ 314,367

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

FDDOC Winners' Circle, Inc.
Statement of Activities
For the Year Ended June 30, 2018

	Unrestricted	Temporarily Restricted	Total
Revenues and Other Support:			
Contractual revenue – grant	\$ 415,578	\$	\$ 415,578
Donations and contributions	20,305	9,500	29,805
Rent	18,000		18,000
Gain on sale of assets	11,333		11,333
Net asset released from restrictions	6,207	(6,207)	
Total revenues and other support	471,423	3,293	474,716
Expenses:			
Program services	411,629		411,629
General administration	72,493		72,493
Total expenses	484,122		484,122
Change in net assets	(12,699)	3,293	(9,406)
Net assets as of beginning of year	311,441		311,441
Net assets as of end of year	\$ 298,742	\$ 3,293	\$ 302,035

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

FDDOC Winners' Circle, Inc.
Statement of Activities
For the Year Ended June 30, 2017

	Unrestricted
Revenues and Other Support:	
Contractual revenue – grant	\$ 365,986
Donations and contributions	45,824
Rent	18,000
Other	5,005
Total revenues and other support	434,815
Expenses:	
Program services	372,748
General administration	74,067
Total expenses	446,815
Change in net assets	(12,000)
Net assets as of beginning of year	323,441
Net assets as of end of year	\$ 311,441

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

FDDOC Winners' Circle, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2018

Expenses:	<u>Program Services</u>	<u>General Administration</u>	<u>Total</u>
Salaries and wages	\$ 258,896	\$ 30,333	\$ 289,229
Employee benefits and payroll taxes	26,772	2,253	29,025
Professional services	49,244	7,130	56,374
Other services	6,425	360	6,785
Program supplies	45,537		45,537
Office expense		5,316	5,316
Maintenance and repairs		7,561	7,561
Insurance	5,725	1,785	7,510
Office rent	11,809	5,061	16,870
Travel and training	454	1,818	2,272
Other	112	5,476	5,588
Contributions	2,744		2,744
Depreciation	3,911	5,400	9,311
	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 411,629</u>	<u>\$ 72,493</u>	<u>\$ 484,122</u>

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

FDDOC Winners' Circle, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2017

	<u>Program Services</u>	<u>General Administration</u>	<u>Total</u>
Expenses:			
Salaries and wages	\$ 226,503	\$ 31,079	\$ 257,582
Employee benefits and payroll taxes	23,090	2,985	26,075
Professional services	42,830		42,830
Other services	17,300	2,219	19,519
Program supplies	28,501		28,501
Office expense		2,534	2,534
Insurance	4,219	1,702	5,921
Office rent	6,612	2,833	9,445
Travel and training	220	878	1,098
Other	1,812	21,913	23,725
Contributions	15,923		15,923
Depreciation	5,738	7,924	13,662
	<u>5,738</u>	<u>7,924</u>	<u>13,662</u>
Total expenses	<u><u>\$ 372,748</u></u>	<u><u>\$ 74,067</u></u>	<u><u>\$ 446,815</u></u>

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

FDDOC Winners' Circle, Inc.
Notes to Financial Statements
June 30, 2018 and 2017

(1) Summary of Significant Accounting Policies

A. Nature of Activities

FDDOC Winners' Circle, Inc. (FDDOC) is a nonprofit corporation organized under the laws of the State of Louisiana. The organization was established to educate at-risk children in inner-city neighborhoods.

The support for FDDOC comes primarily from federal funds passed through a contract-grant from the State of Louisiana, Department of Education and private donations.

B. Basis of Accounting

The financial statements of FDDOC have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. Under those standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

E. Cash and Cash Equivalents

Cash equivalents, as stated for cash flow purposes, consist of non-interest bearing bank accounts and short term highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

F. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Property and equipment acquisitions are capitalized if they are in excess of \$1,000. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The funding sources and the federal government may have a reversionary interest in certain property purchased with those funds. Its disposition as well as the ownership of any proceeds therefrom is subject to certain funding source regulations.

(Continued)

FDDOC Winners' Circle, Inc.
Notes to Financial Statements
June 30, 2018 and 2017
(Continued)

G. Revenue and Support

Donations and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contractual grant revenue is reported as unrestricted support due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished) in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

H. Income Tax Status

FDDOC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the organization's tax-exempt purpose is subject to taxation as unrelated business income. FDDOC had no such income during this audit period. The Forms 990, "Return of Organization Exempt from Income Taxes", for FDDOC for the years ended June 30, 2015, 2016, 2017, and 2018 are subject to examination by the IRS, generally for three years after they were filed.

I. Donated Assets

Non-cash donations are recorded as contributions at their estimated fair value at the date of donation.

J. Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair market value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions.

K. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(Continued)

FDDOC Winners' Circle, Inc.
Notes to Financial Statements
June 30, 2018 and 2017
(Continued)

(2) Concentrations of Credit Risk

Financial instruments that potentially subject FDDOC to concentrations of credit risk consist principally of temporary cash investments and contract receivables.

Concentrations of credit risk with respect to contract receivables are limited due to these amounts being due from a governmental agency under contractual terms. As of June 30, 2018 and 2017, FDDOC had no significant concentrations of credit risk in relation to contract receivables.

FDDOC maintains cash balances at local financial institutions. Accounts at those institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At June 30, 2018 and 2017 there were no uninsured balances at those institutions.

(3) Contract Receivable

A funding source provides reimbursement of allowable costs under a contract or agreement. This balance represents an amount due from the funding source at June 30, 2018 and 2017 but not received until after those dates.

(4) Fixed Assets

A summary of fixed assets as of June 30, 2018 follows:

	<u>Estimated Useful Life</u>	<u>Cost/ Basis</u>	<u>Accumulated Depreciation</u>
Land	N/A	\$ 10,000	\$ N/A
Building	30 years	141,548	44,037
Equipment	3-5 years	21,218	17,972
		<u>\$ 172,766</u>	<u>\$ 62,009</u>

Depreciation expense for the year ended June 30, 2018 was \$9,311.

A summary of fixed assets as of June 30, 2017 follows:

	<u>Estimated Useful Life</u>	<u>Cost/ Basis</u>	<u>Accumulated Depreciation</u>
Land	N/A	\$ 10,000	\$ N/A
Building	30 years	141,548	39,319
Equipment	3-5 years	72,458	57,952
		<u>\$ 224,006</u>	<u>\$ 97,271</u>

Depreciation expense for the year ended June 30, 2017 was \$13,662.

(Continued)

FDDOC Winners' Circle, Inc.
Notes to Financial Statements
June 30, 2018 and 2017
(Continued)

(5) Contractual Revenue – Grants

FDDOC has contracts–agreements of federal funds, passed through the State of Louisiana, Department of Education, to provide academic assistance, enrichment, recreation, technology, and tutoring for K–12 students and their families. Amounts earned under these contracts for the years ended June 30, 2018 and 2017 were \$415,578 and \$365,986, respectively. The continued existences of these contracts are subject to contract renewals. FDDOC currently has a contract through August 31, 2019.

(6) Leases

FDDOC leases facilities under operating leases for office space. The rental costs on those leases for the years ended June 30, 2018 and 2017 were \$16,459 and \$9,445, respectively. As of June 30, 2018, there were no obligations under these lease agreements in excess of one year.

(7) Temporarily Restricted Net Assets

Amounts shown as temporarily restricted net assets at June 30, 2018 consisted of the following:

	<u>2018</u>
Tennis Grant	\$ 3,293

(8) Subsequent Events

Subsequent events have been evaluated through September 7, 2018, the date the financial statements were available to be issued.

FDDOC Winners' Circle, Inc.
Shreveport, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2018

Agency Head: Rhonda Rubben, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 48,500
Benefits-insurance	4,800
Conference travel	133

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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

Independent Auditors' Report

To the Board of Directors
FDDOC Winners' Circle, Inc.
Shreveport, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of FDDOC Winners' Circle, Inc., (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 7, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered FDDOC Winners' Circle, Inc.'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FDDOC Winners' Circle, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of FDDOC Winners' Circle, Inc.'s internal control.

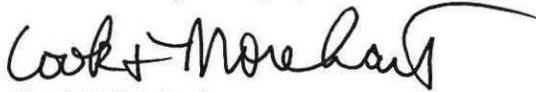
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination 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.

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.



Cook & Morehart
Certified Public Accountants
September 7, 2018

FDDOC Winners' Circle, Inc.
Shreveport, Louisiana
Summary Schedule of Audit Findings
June 30, 2018

Summary Schedule of Prior Audit Findings

There were no management letter comments or findings for the prior year audit for the year ended June 30, 2017.

Summary Schedule of Current Year Audit Findings

There are no management letter comments or findings for the current year audit for the year ended June 30, 2018.