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

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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## Independent Auditors' Report

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

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 statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated 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 audits. 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 2020 and 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, 2020 and 2019 and the consolidated 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.

## **Emphasis of Matter**

As discussed in Note 13 to the financial statements, the Organization may be impacted by disruptions in the economy and business operations associated with the coronavirus (COVID-19) pandemic. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The extent to which the COVID-19 outbreak may impact the Organization's financial position or statement of activities cannot be reasonably estimated at this time. 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 March 12, 2021 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  
March 12, 2021

**FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2020 AND 2019**

<b><u>ASSETS</u></b>		
	<u>2020</u>	<u>2019</u>
<b><u>CURRENT ASSETS</u></b>		
Cash, unrestricted	\$ 292,782	\$ 233,374
Grants receivable	46,574	56,050
Investments	563,807	536,920
Prepaid expenses	4,671	5,398
Total current assets	<u>907,834</u>	<u>831,742</u>
<b><u>PROPERTY AND EQUIPMENT</u></b>	<u>397,017</u>	<u>408,520</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 1,304,851</u></b>	<b><u>\$ 1,240,262</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable	\$ 4,234	\$ 4,096
Accrued payroll and related liabilities	17,119	15,680
Accrued annual leave	6,429	5,830
Refundable advance	66,600	-
Current portion of note payable	11,683	11,098
Total current liabilities	<u>106,065</u>	<u>36,704</u>
<b><u>NOTE PAYABLE, LONG TERM</u></b>	<u>298,199</u>	<u>309,881</u>
Total liabilities	<u>404,264</u>	<u>346,585</u>
<b><u>NET ASSETS</u></b>		
Without donor restrictions	900,587	893,677
With donor restrictions	-	-
Total net assets	<u>900,587</u>	<u>893,677</u>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b><u>\$ 1,304,851</u></b>	<b><u>\$ 1,240,262</u></b>

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, 2020 AND 2019**

	2020			2019		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<b><u>REVENUES</u></b>						
Grant appropriations	\$ 522,651	\$ -	\$ 522,651	\$ 622,113	\$ -	\$ 622,113
Fundraising revenue	6,466	-	6,466	10,108	-	10,108
Contributions	5,478	-	5,478	3,876	-	3,876
Investment return, net	29,031	-	29,031	25,081	-	25,081
Other income	8,721	-	8,721	4,328	-	4,328
	<u>572,347</u>	<u>-</u>	<u>572,347</u>	<u>665,506</u>	<u>-</u>	<u>665,506</u>
Net assets released from restrictions	-	-	-	-	-	-
Total revenues and other support	<u>572,347</u>	<u>-</u>	<u>572,347</u>	<u>665,506</u>	<u>-</u>	<u>665,506</u>
<b><u>EXPENSES</u></b>						
Program expenses	481,174	-	481,174	509,694	-	509,694
Fundraising expenses	1,214	-	1,214	3,552	-	3,552
Management and general	83,049	-	83,049	81,624	-	81,624
Total expenses	<u>565,437</u>	<u>-</u>	<u>565,437</u>	<u>594,870</u>	<u>-</u>	<u>594,870</u>
<b><u>CHANGE IN NET ASSETS</u></b>	6,910	-	6,910	70,636	-	70,636
<b><u>NET ASSETS, BEGINNING OF THE YEAR</u></b>	<u>893,677</u>	<u>-</u>	<u>893,677</u>	<u>823,041</u>	<u>-</u>	<u>823,041</u>
<b><u>NET ASSETS, END OF THE YEAR</u></b>	<u>\$ 900,587</u>	<u>\$ -</u>	<u>\$ 900,587</u>	<u>\$ 893,677</u>	<u>\$ -</u>	<u>\$ 893,677</u>

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, 2020 AND 2019**

	2020				2019			
	Program Services - Informational and Educational	Fundraising	Support Services - Management and General	Total	Program Services - Informational and Educational	Fundraising	Support Services - Management and General	Total
Personnel costs	\$ 382,435	\$ 992	\$ 49,867	\$ 433,294	\$ 345,140	\$ 3,207	\$ 47,064	\$ 395,411
Contract services	40,668	185	15	40,868	55,263	345	-	55,608
Occupancy	6,556	-	80	6,636	4,876	-	-	4,876
Supplies	17,136	36	83	17,255	27,529	-	262	27,791
Other expenses	1,231	-	3,239	4,470	2,187	-	4,726	6,913
Travel	6,811	-	11	6,822	15,856	-	-	15,856
Insurance	7,978	-	3,073	11,051	9,744	-	1,971	11,715
Printing	6,424	-	-	6,424	7,870	-	-	7,870
Telephone	8,772	-	-	8,772	9,413	-	-	9,413
Conference expenses	1,805	-	-	1,805	30,590	-	-	30,590
Depreciation	-	-	11,503	11,503	-	-	11,945	11,945
Postage	1,358	1	1	1,360	1,226	-	-	1,226
Interest expense	-	-	15,177	15,177	-	-	15,656	15,656
	<u>\$ 481,174</u>	<u>\$ 1,214</u>	<u>\$ 83,049</u>	<u>\$ 565,437</u>	<u>\$ 509,694</u>	<u>\$ 3,552</u>	<u>\$ 81,624</u>	<u>\$ 594,870</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, 2020 AND 2019**

	2020	2019
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 6,910	\$ 70,636
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	11,503	11,945
Unrealized gain on investments	(14,129)	(18,339)
Changes in operating assets and liabilities:		
Grants receivable	9,476	(2,622)
Prepaid expenses	727	1,241
Accounts payable	138	(2)
Refundable advance	66,600	-
Payroll and related liabilities	1,439	1,340
Accrued annual leave	599	419
Net cash provided by operating activities	83,263	64,618
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of investments	(380,876)	(190,630)
Proceeds from sale of investments	368,118	184,966
Net cash used in investing activities	(12,758)	(5,664)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Payments on notes payable	(11,097)	(10,619)
Net cash used in financing activities	(11,097)	(10,619)
Net change in cash and cash equivalents	59,408	48,335
Cash and cash equivalents, beginning of year	233,374	185,039
Cash and cash equivalents, end of year	\$ 292,782	\$ 233,374
<b><u>SUPPLEMENTAL DISCLOSURE</u></b>		
Cash paid for interest	\$ 15,177	\$ 15,656

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, 2020**

**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. The Organization held no donor restricted funds as of June 30, 2020 and 2019.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**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 income and dividend income are 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.

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, annual leave up to certain limits 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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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

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.

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, 2020 and 2019. 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, 2020 and 2019. Accordingly, no provision for income taxes is included in the consolidated financial statements.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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

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.

New Accounting Pronouncements

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.

The FASB has issued ASU No. 2014-09, Revenue from Contracts with Customers, to update its revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The standard may be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. On May 20, 2020, FASB voted to defer the effective date of ASU No. 2014-09 by one year to include nonpublic companies that have not yet issued their financial statements. The Organization has deferred the adoption of this standard.

**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:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 292,782	\$ 233,374
Grants receivable	46,574	56,050
Investments	563,807	536,920
	<u>\$ 903,163</u>	<u>\$ 826,344</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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**3. Grants Receivable**

The Organization has the following grants receivable at June 30, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
U.S. Department of Education Parent Training	\$ 15,740	\$ 21,329
Louisiana State Department of Education	13,453	14,409
LA Department of Health & Hospitals – Children’s	11,549	15,087
Jefferson Parish Human Services Authority	5,482	4,875
Bayou Land Families Helping Families	350	350
	<u>\$ 46,574</u>	<u>\$ 56,050</u>

**4. Investments**

The Organization has the following investments at June 30, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
Common stocks	\$ 181,798	\$ 180,972
Corporate bonds	112,068	211,344
Exchange traded funds	118,844	69,224
Money market funds	151,097	48,612
Mutual funds	-	26,768
Total Investments	<u>\$ 563,807</u>	<u>\$ 536,920</u>

The Organization has the following investment return, net for the years ended June 30, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
Interest income	\$ 10,154	\$ 8,453
Dividend income	3,888	3,992
Realized gain	7,611	779
Unrealized gain	14,129	18,339
Investment fees	(6,751)	(6,482)
Investment return, net	<u>\$ 29,031</u>	<u>\$ 25,081</u>

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**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.

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, 2020 and 2019.

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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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

The following table sets forth by level, within the fair value hierarchy, the Organization's investment assets at fair value as of June 30, 2020 and 2019. There have been no changes in the methodologies used at June 30, 2020.

Balance at June 30, 2020	Level 1	Level 2	Level 3	Total
Common stocks	\$ 181,798	\$ -	\$ -	\$ 181,798
Corporate bonds	-	112,068	-	122,068
Exchange traded funds	118,844	-	-	118,844
Money market funds	151,097	-	-	151,097
Mutual funds	-	-	-	-
	<u>\$ 451,739</u>	<u>\$ 112,068</u>	<u>\$ -</u>	<u>\$ 563,807</u>
Balance at June 30, 2019	Level 1	Level 2	Level 3	Total
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>

**6. Property and Equipment**

The Organization has the following property and equipment at June 30, 2020 and 2019.

	2020	2019
Land	\$ 92,800	\$ 92,800
Building	329,200	329,200
Equipment	15,237	15,237
Total historic cost	<u>437,237</u>	<u>437,237</u>
less: accumulated depreciation	<u>(40,220)</u>	<u>(28,717)</u>
Property and equipment, net	<u>\$ 397,017</u>	<u>\$ 408,520</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 \$11,503 and \$11,945 is included in the consolidated statements of functional expenses for the years then ended June 30, 2020 and 2019, respectively.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**7. Note Payable**

The Organization has the following note payable at June 30, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
4.725% Mortgage payable to financial institution, secured by land and building, due in monthly installments of \$2,190 through November 2037.	<u>\$ 309,882</u>	<u>\$ 320,979</u>
Total	<u>309,882</u>	<u>320,979</u>
Less: Current Portion	<u>(11,683)</u>	<u>(11,098)</u>
Total notes payable, long term	<u>\$ 298,199</u>	<u>\$ 309,881</u>

Principal payments required in future years as of June 30, 2020, are as follows:

<u>Years ending June 30</u>	
2021	\$ 11,683
2022	12,255
2023	12,855
2024	13,450
2025	14,143
2026-2030	81,780
2031-2035	103,874
2036-2038	<u>59,842</u>
Total	<u>\$ 309,882</u>

**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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**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, 2020 and 2019, 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, 2020 and 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.

**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 2021 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. Risks and Uncertainties**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses including the Organization. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets in the local area and around the world. The Organization is uncertain how long these conditions will last and what the complete financial effect will be.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**14. U.S. Small Business Administration Paycheck Protection Program Loan**

On May 1, 2020, the Organization received a U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) loan in the amount of \$66,600 and is recorded on the statement of financial position as a refundable advance at June 30, 2020. This loan is potentially forgivable if the Organization meets certain criteria provided by the SBA. The loan has an interest rate of 1% and is due five years from the date of origination. The Paycheck Protection Program loan does not require any collateral or personal guarantees associated with this loan.

**15. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 12, 2021, 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, 2020**

**ASSETS**

	Families Helping Families of Greater New Orleans, Inc.	700 Hickory, Inc.	Eliminations	Consolidated Total
<b><u>CURRENT ASSETS</u></b>				
Cash, unrestricted	\$ 279,981	\$ 12,801	\$ -	\$ 292,782
Grants receivable	46,574	-	-	46,574
Investments	563,807	-	-	563,807
Prepaid expenses	9,671	-	(5,000)	4,671
Total current assets	<u>900,033</u>	<u>12,801</u>	<u>(5,000)</u>	<u>907,834</u>
<b><u>PROPERTY AND EQUIPMENT</u></b>				
	<u>2,450</u>	<u>394,567</u>	<u>-</u>	<u>397,017</u>
<b><u>DUE FROM RELATED ENTITY</u></b>				
	<u>99,633</u>	<u>-</u>	<u>(99,633)</u>	<u>-</u>
<b><u>TOTAL ASSETS</u></b>				
	<u>\$ 1,002,116</u>	<u>\$ 407,368</u>	<u>\$ (104,633)</u>	<u>\$ 1,304,851</u>

**LIABILITIES AND NET ASSETS**

<b><u>CURRENT LIABILITIES</u></b>				
Accounts payable	\$ 4,234	\$ -	\$ -	\$ 4,234
Accrued payroll and related liabilities	17,119	-	-	17,119
Accrued annual leave	6,429	-	-	6,429
Refundable advance	66,600	-	-	66,600
Current portion of note payable	-	11,683	-	11,683
Total current liabilities	<u>94,382</u>	<u>11,683</u>	<u>-</u>	<u>106,065</u>
<b><u>NON-CURRENT LIABILITIES</u></b>				
Note payable	-	298,199	-	298,199
Due to related entity	-	99,633	(99,633)	-
Security deposit	-	5,000	(5,000)	-
Total non-current liabilities	<u>-</u>	<u>402,832</u>	<u>(104,633)</u>	<u>298,199</u>
Total liabilities	<u>94,382</u>	<u>414,515</u>	<u>(104,633)</u>	<u>404,264</u>
<b><u>NET ASSETS</u></b>				
Without donor restrictions	907,734	(7,147)	-	900,587
With donor restrictions	-	-	-	-
Total net assets	<u>907,734</u>	<u>(7,147)</u>	<u>-</u>	<u>900,587</u>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>				
	<u>\$ 1,002,116</u>	<u>\$ 407,368</u>	<u>\$ (104,633)</u>	<u>\$ 1,304,851</u>

See accompanying independent auditors' report

**FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Families Helping Families of Greater New Orleans, Inc.	700 Hickory, Inc.	Eliminations	Consolidated Total
<b><u>REVENUES AND OTHER SUPPORT</u></b>				
Grant appropriations	\$ 522,651	\$ -	\$ -	\$ 522,651
Fundraising revenue	6,466	-	-	6,466
Contributions	5,478	-	-	5,478
Investment return, net	28,925	106	-	29,031
Lease income	-	36,000	(36,000)	-
Other income	8,721	-	-	8,721
Total revenues and other support	<u>572,241</u>	<u>36,106</u>	<u>(36,000)</u>	<u>572,347</u>
<b><u>EXPENSES</u></b>				
Program expenses	508,575	-	(33,780)	474,795
Fundraising expenses	1,214	-	-	1,214
Management and general	55,951	35,697	(2,220)	89,428
Total expenses	<u>565,740</u>	<u>35,697</u>	<u>(36,000)</u>	<u>565,437</u>
<b><u>CHANGE IN NET ASSETS</u></b>	<u>6,501</u>	<u>409</u>	<u>-</u>	<u>6,910</u>
<b><u>NET ASSETS, BEGINNING OF THE YEAR</u></b>	<u>901,233</u>	<u>(7,556)</u>	<u>-</u>	<u>893,677</u>
<b><u>NET ASSETS, END OF THE YEAR</u></b>	<u>\$ 907,734</u>	<u>\$ (7,147)</u>	<u>\$ -</u>	<u>\$ 900,587</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, 2020**

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

Salary	\$ 88,996
Benefits - Healthcare	600
Benefits - Retirement	-
Deferred Compensation	-
Workers Compensation	-
Benefits - Life Insurance	-
Benefits - Long Term Disability	-
Benefits - FICA & Medicare	6,808
Car Allowance	-
Vehicle Provided by the Agency	-
Cell Phone	1,524
Dues	49
Vehicle Rental	-
Per Diem	412
Reimbursements	275
Travel	2,063
Registration Fees	-
Conference Travel	879
Unvouchered Expenses	-
Meetings and Conventions	-
Other	-
	<hr/>
Total	<u>\$ 101,606</u>

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.  
Jefferson, 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 Families Helping Families of Greater New Orleans, Inc. (the Organization), which comprise the consolidated statement of financial position as of June 30, 2020, 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 December 30, 2020.

**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  
March 12, 2021