

Financial Report

(Reviewed)

SilenceIsViolence

December 31, 2018

Financial Report

(Reviewed)

SilenceIsViolence

December 31, 2018

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SilenceIsViolence
New Orleans, Louisiana

December 31, 2018 and 2017

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors,
SilenceIsViolence,
New Orleans, Louisiana.

We have reviewed the accompanying financial statements of SilenceIsViolence (the "Organization"), which comprise the statement of financial position as of December 31, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA, and standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Summarized Comparative Information

We previously reviewed the Organization's 2017 financial statements and in our conclusion dated May 23, 2018, stated that based on our review, we were not aware of any material modifications that should be made to the 2017 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2017, for it to be consistent with the reviewed financial statements from which it has been derived.

Supplementary Information

The supplementary information included in the accompanying Schedule 1 is presented for purposes of additional analysis and is required by Louisiana Revised Statute 24:513(A)(3) and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the information and, accordingly, do not express an opinion on such information.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
June 4, 2019.

STATEMENT OF FINANCIAL POSITION

SilenceIsViolence
New Orleans, Louisiana

December 31, 2018
(with comparative totals for 2017)

See Independent Accountant's Review Report

| | <u>2018</u> | <u>2017</u> |
|--|-------------------|-------------------|
| Assets | | |
| Grants receivable | \$ 107,969 | \$ 100,085 |
| Other receivables | - | 787 |
| Prepaid expenses | 1,565 | - |
| | <u>1,565</u> | <u>-</u> |
| Total assets | <u>\$ 109,534</u> | <u>\$ 100,872</u> |
| Liabilities | | |
| Bank overdraft | \$ 77 | \$ 511 |
| Accounts payable and accrued liabilities | 91,744 | 82,707 |
| Note payable | 9,839 | 12,792 |
| Loan from related party | 7,651 | 10,675 |
| | <u>7,651</u> | <u>10,675</u> |
| Total liabilities | <u>109,311</u> | <u>106,685</u> |
| Net Assets (Accumulated Deficit) | | |
| Without donor restrictions | (9,777) | (5,813) |
| With donor restrictions | 10,000 | - |
| | <u>10,000</u> | <u>-</u> |
| Total net assets (accumulated deficit) | <u>223</u> | <u>(5,813)</u> |
| Total liabilities and net assets (accumulated deficit) | <u>\$ 109,534</u> | <u>\$ 100,872</u> |

See notes to financial statements.

STATEMENT OF ACTIVITIES**SilenceIsViolence**
New Orleans, LouisianaFor the year ended December 31, 2018
(with comparative totals for 2017)

See Independent Accountant's Review Report

| | 2018 | | 2017 Totals | |
|---|----------------------------------|------------------------------|----------------|-------------------|
| | Without Donor Restrictions | With Donor Restriction | | Totals |
| Revenues and Support | | | | |
| Government grants | \$ 231,767 | \$ - | \$ 231,767 | \$ 206,163 |
| Private grants | 35,071 | 10,000 | 45,071 | 101,483 |
| Contributions | 12,221 | - | 12,221 | 27,527 |
| Other income | 500 | - | 500 | 100 |
| | <u>279,559</u> | <u>10,000</u> | <u>289,559</u> | <u>335,273</u> |
| Expenses | | | | |
| Program services | 213,439 | - | 213,439 | 236,606 |
| Supporting services: General | 70,084 | - | 70,084 | 75,765 |
| | <u>283,523</u> | <u>-</u> | <u>283,523</u> | <u>312,371</u> |
| Change in Net Assets | (3,964) | 10,000 | 6,036 | 22,902 |
| Net Assets (Accumulated Deficit) | | | | |
| Beginning of year | <u>(5,813)</u> | <u>-</u> | <u>(5,813)</u> | <u>(28,715)</u> |
| End of year | <u>\$ (9,777)</u> | <u>\$ 10,000</u> | <u>\$ 223</u> | <u>\$ (5,813)</u> |

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES**SilenceIsViolence**
New Orleans, LouisianaFor the year ended December 31, 2018
(with comparative totals for 2017)

See Independent Accountant's Review Report

| | Program Services | General | Totals | |
|--------------------------|---------------------|------------------|-------------------|-------------------|
| | | | 2018 | 2017 |
| Salaries and benefits | \$ 154,413 | \$ 51,471 | \$ 205,884 | \$ 216,368 |
| Rent | 12,889 | 4,297 | 17,186 | 17,950 |
| Payroll taxes | 11,513 | 3,838 | 15,351 | 15,827 |
| Professional fees | 10,456 | 3,486 | 13,942 | 16,439 |
| Supplies | 6,041 | 2,014 | 8,055 | 11,485 |
| Utilities | 5,468 | 1,823 | 7,291 | 7,184 |
| Food | 3,498 | - | 3,498 | 1,875 |
| Other expenses | 1,948 | 650 | 2,598 | 2,370 |
| Advocacy | 2,500 | - | 2,500 | - |
| Insurance | 1,720 | 574 | 2,294 | 2,170 |
| Professional development | 1,878 | - | 1,878 | 12,389 |
| Interest expense | - | 997 | 997 | 1,186 |
| Repairs and maintenance | 510 | 170 | 680 | - |
| Telephone and internet | 479 | 160 | 639 | 3,066 |
| Bank fees | - | 562 | 562 | 971 |
| Postage | 126 | 42 | 168 | 441 |
| Funeral services | - | - | - | 2,450 |
| Artist payments | - | - | - | 200 |
| Total expenses | <u>\$ 213,439</u> | <u>\$ 70,084</u> | <u>\$ 283,523</u> | <u>\$ 312,371</u> |

See notes to financial statements.

STATEMENT OF CASH FLOWS**SilenceIsViolence**
New Orleans, LouisianaFor the year ended December 31, 2018
(with comparative totals for 2017)

See Independent Accountant's Review Report

| | <u>2018</u> | <u>2017</u> |
|--|----------------|------------------|
| Cash Flows From Operating Activities | | |
| Change in net assets | \$6,036 | \$ 22,902 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Increase in assets: | | |
| Grants receivable | (7,884) | (53,017) |
| Other receivable | 787 | (787) |
| Prepaid expenses | (1,565) | - |
| Increase in liabilities: | | |
| Accounts payable and accrued liabilities | 9,037 | 33,648 |
| Bank overdraft | (434) | 511 |
| Net cash provided by operating activities | <u>5,977</u> | <u>3,257</u> |
| Cash Flows From Financing Activities | | |
| Repayment line of credit | - | (594) |
| Repayment note payable | (2,953) | (979) |
| Repayments on loan from related party | <u>(3,024)</u> | <u>(4,149)</u> |
| Net cash used in financing activities | <u>(5,977)</u> | <u>(5,722)</u> |
| Decrease in Cash | - | (2,465) |
| Cash | | |
| Beginning of year | - | 2,465 |
| End of year | <u>\$ -</u> | <u>\$ -</u> |
| Supplemental Information | | |
| Cash paid during the year for interest | <u>\$ 997</u> | <u>\$ 1,186</u> |
| Supplemental Disclosure of Noncash Financing Activities: | | |
| Line of credit paid off through note payable | <u>\$ -</u> | <u>\$ 13,771</u> |

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

SilenceIsViolence
New Orleans, Louisiana

December 31, 2018 and 2017

Note 1 - NATURE OF ACTIVITIES

SilenceIsViolence (formerly known as New Orleans Bayou Steppers Social Aid & Pleasure Club, Inc.) (a non-profit organization) (the "Organization") was established on November 19, 2003. The Organization is a social enterprise whose mission is to call upon both citizens and public officials to achieve a safe New Orleans across all communities.

The Organization provides direct victim services, creative youth engagement, and public advocacy, working with clients and partners from every sector to achieve safe, just, and thriving communities.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Basis of Accounting**

The financial statements of the Organization have been prepared in conformity with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

b. Basis of Presentation

The Organization reports information regarding financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, based on donor stipulations and restrictions placed on contributions, if any. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation (Continued)

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time, or net assets that are maintained in perpetuity by the Organization and not expended.

c. Estimates

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

d. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the Organization considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents as of December 31, 2018 and 2017.

e. Promises to Give

Unconditional promises to give are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. There were no promises to give as of December 31, 2018 and 2017.

f. Contributions and Revenue Recognition

Contributions are recorded as assets with donor restrictions or assets without donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as unrestricted support.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Donated Services of Volunteers

Donated services have not been reflected in the financial statements since no objective basis is available to measure the value of such services. A substantial number of volunteers donate significant amounts of their time in program and supporting services.

h. Methods Used for Allocated Expenses

Many of the expenses can be directly allocated to the program or supporting functions. The financial statements also report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include facility expenses (rent, supplies, utilities, repairs and maintenance, and telephone and internet), insurance, and other operations expenses which are allocated based on facility space. Salaries and benefits are allocated on the basis of estimates of time and effort.

i. Income Taxes

The Organization has received a letter of determination from the Internal Revenue Service advising that it qualifies as a non-profit corporation under Section 501 (c)(3) of the Internal Revenue Code, and therefore, is not subject to income tax.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosures of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. Tax years ended December 31, 2015 and later remain subject to examination by the taxing authorities. As of December 31, 2018, management of the Organization believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Recently Issued Accounting Standards

Presentation of Financial Statements for Not-for-Profit Entities

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*, which changes the current guidance for assets classification, governing board designations, investment return, underwater endowment funds, expenses, liquidity and presentation of operating cash flows. Accounting Standards Updates (ASUs) ASU 2016-14 reduces the required number of classes of net assets from three to two: *net assets with restrictions and net assets without restrictions*. ASU 2016-14 also requires not-for-profit entities to provide enhanced disclosures about the amounts and purposes of governing board designations and appropriations. ASU 2016-14 requires not-for-profits to report investment return net of external and direct internal investment expenses. The requirement to disclose those netted expenses is eliminated. In the absence of explicit donor restrictions, ASU 2016-14 requires not-for-profit entities to use the placed-in-service approach to account for capital gifts. The current option to use the over-time approach has been eliminated. ASU 2016-14 requires expenses to be reported by nature in addition to function and include an analysis of expenses by both nature and function. The methods used by not-for-profit entities to allocate costs among program and support functions will also need to be disclosed. ASU 2016-14 requires not-for-profit entities to provide both qualitative and quantitative information on management of liquid available resources and the ability to cover short-term cash needs within one year of the balance sheet date. Finally, current standards allow not-for-profit entities to decide whether to present operating cash flows using either the direct method or the indirect method. ASU 2016-14 eliminates the requirement to present or disclose the indirect method of reconciliation if the entity decides to use the direct method. ASU 2016-14 is effective for annual reporting periods beginning after December 5, 2017. The Organization has adopted the provisions of ASU 2016-14 and has retrospectively applied this standard to the financial statements as of and for the year ended December 31, 2017.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Recently Issued Accounting Standards (Continued)

Statement of Cash Flows

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows* (Topic 230). ASU No. 2016-18 requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in ASU No. 2016-18 do not provide a definition of restricted cash or restricted cash equivalents. ASU No. 2016-18 is effective for fiscal years beginning after December 15, 2018. Early adoption is permitted. The Organization is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). ASU No. 2016-02 requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. The ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. The Organization is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

k. Subsequent Events

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through June 4, 2019, which is the date the financial statements were available to be issued.

Note 3 - CONCENTRATION OF CREDIT RISK

The Organization maintains cash accounts in a local financial institution. The Federal Deposit Insurance Corporation insures accounts at the financial institution up to \$250,000 as of December 31, 2018. As of December 31, 2018, the Organization did not have any funds that were not insured.

Note 4 - LINE OF CREDIT

The Organization entered into an unsecured line of credit with a local financial institution on April 28, 2016 that provided borrowings up to \$15,000. The line of credit matured on April 27, 2017 and was not renewed. The line of credit bore an interest rate equal to the Wall Street Journal prime rate plus 4%. On May 30, 2017, the Organization refinanced the line of credit with a note payable. (See Note 5.)

Note 5 - NOTE PAYABLE

On May 30, 2017, the Organization entered into a note payable in the amount of \$13,771 with a local financial institution to pay off the balance due on the line of credit. The note is due in 60 monthly installments of principle and interest of \$270 and matures on May 30, 2022. The note payable bears interest at a rate of 6.5% and is unsecured.

The balance of the note payable as of December 31, 2018 and 2017 was \$9,839 and \$12,792, respectively

Scheduled maturities of debt instruments referred to above as of December 31, 2018 are as follows:

| <u>Year Ending December 31,</u> | |
|-------------------------------------|----------------|
| 2019 | \$2,678 |
| 2020 | 2,858 |
| 2021 | 3,049 |
| 2022 | <u>1,254</u> |
| Total | <u>\$9,839</u> |

Note 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2018 and 2017 are restricted for the following purposes or periods:

| | 2018 | 2017 |
|---|-----------|------|
| Subject to expenditure for specified purpose: | | |
| Victim Allies Project | \$ 10,000 | \$ - |

Note 7 - AVAILABILITY OF FINANCIAL ASSETS

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.

The Organization receives grants and contributions without donor restrictions. Contributions without donor restrictions are considered to be available to meet cash needs for general expenditures. General expenditures include program services, and general and administrative expenses. Annual operations are defined as activities occurring during, and included in the budget for, the upcoming fiscal year.

The following table represents financial assets available for general expenditures within one year as of December 31, 2018.

| | |
|---|-----------|
| Financial assets as of December 31, 2018: | |
| Cash and cash equivalents | \$ - |
| Grants receivable | 107,969 |
| Total financial assets, as of December 31, 2018 | 107,969 |
| Less amounts unavailable for general expenditures within one year, due to: | |
| Contractual or donor imposed restrictions: | |
| Restricted by donor with purpose restrictions | (10,000) |
| Financial assets available to meet cash needs for general expenditures within one year | \$ 97,969 |

Note 8 - RISK MANAGEMENT

The Organization is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; and employee injuries. Commercial insurance coverage is purchased for claims arising from such matters. There were no settlement claims that exceeded this commercial coverage during the years ended December 31, 2018 and 2017.

Note 9 - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board. Accordingly, no compensation was paid to any Board member for the years ended December 31, 2018 and 2017.

Note 10 - RELATED PARTY TRANSACTIONS

As of December 31, 2018 and 2017, the Organization had unsecured loans from a board member with an outstanding balance of \$7,651 and \$10,675, respectively. The loan does not bear interest and the loan is due on demand.

Note 11 - CONCENTRATION

During the years ended December 31, 2018 and 2017, the Organization's major source of revenue was from one government grant totaling \$231,767 (80% of total revenue) and \$206,163 (61% of total revenue), respectively.

SUPPLEMENTARY INFORMATION

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

SilenceIsViolence
New Orleans, Louisiana

For the year ended December 31, 2018

Agency Head Name: Tamara Jackson, Executive Director

Purpose

| | |
|--|-----------------|
| Salary | \$41,070 |
| Benefits - insurance | 2,383 |
| Benefits - retirement | 0 |
| Benefits - taxes | 0 |
| Car allowance | 0 |
| Vehicle provided by government | 0 |
| Per diem | 0 |
| Reimbursements | 1,248 |
| Travel | 0 |
| Registration fees | 0 |
| Conference travel | 0 |
| Continuing professional education fees | 375 |
| Housing | 0 |
| Unvouchered expenses | 0 |
| Special meals | 0 |
| | <hr/> |
| | \$45,076 |

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

SCHEDULE OF FINDINGS AND RESPONSES

SilenceIsViolence
New Orleans, Louisiana

For the year ended December 31, 2018

Section I - Summary of Independent Accountant's Review Report

a) Financial Statements

A standard review report was issued.

Noncompliance material to financial statements noted? Yes No

b) Federal Awards

The Organization did not expend Federal awards in excess of \$750,000 during the year ended December 31, 2018.

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No financial reporting findings material to the basic financial statements were reported during the review of the financial statements for the year ended December 31, 2018.

Compliance and Other Matters

No compliance and other matters findings material to the basic financial statements were reported during the review of the financial statements for the year ended December 31, 2018.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

SilenceIsViolence
New Orleans, Louisiana

For the year ended December 31, 2018

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No financial reporting findings material to the basic financial statements were reported during the review of the financial statements for the year ended December 31, 2017.

Compliance and Other Matters

No compliance and other matters findings material to the basic financial statements were reported during the review of the financial statements for the year ended December 31, 2017.

MANAGEMENT'S CORRECTIVE ACTION PLAN

SilenceIsViolence
New Orleans, Louisiana

For the year ended December 31, 2018

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No financial reporting findings material to the basic financial statements were reported during the review of the financial statements for the year ended December 31, 2018.

Compliance and Other Matters

No compliance and other matters findings material to the basic financial statements were reported during the review of the financial statements for the year ended December 31, 2018.