

FAMILY SERVICE OF GREATER NEW ORLEANS

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

June 30, 2018 and 2017



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Report



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INDEPENDENT AUDITORS' REPORT

President and Board of Directors of
Family Service of Greater New Orleans
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Family Service of Greater New Orleans (a non-profit organization) (Family Service), 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 Controller General of the United States. Those standards require that we plan and perform the audits 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 auditors' 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 Family Service'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 Family Service'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 Family Service 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 Schedule of Compensation, Benefits and Other Payments to Agency Head and Schedule of Support, Revenues and Expenses in Accordance with United Way Requirements on pages 23 and 24 are presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedule of Compensation, Benefits and Other Payments to Agency Head 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. Such 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 standard generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head is fairly stated, in all material respects, in relation to the financial statements as a whole.

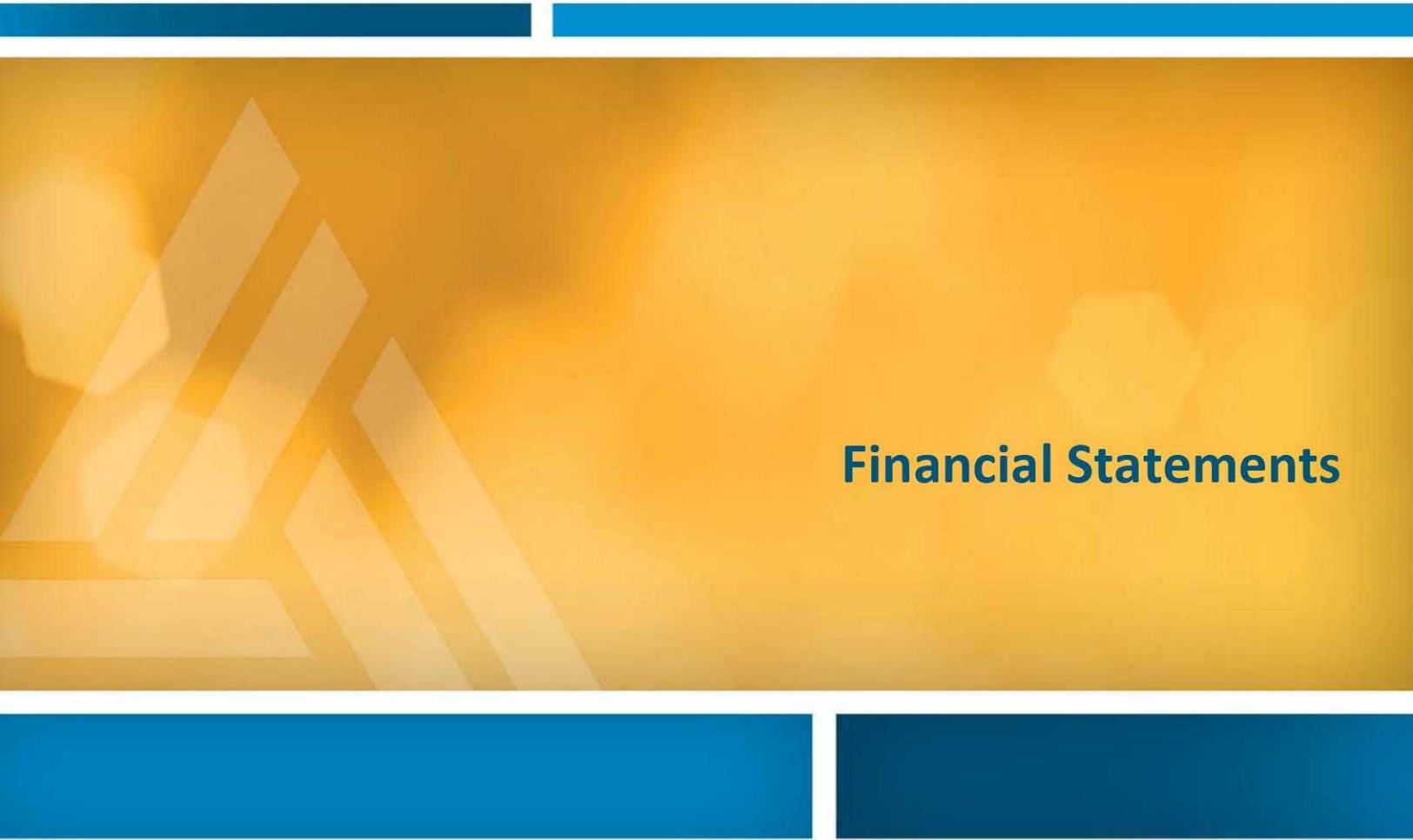
The Schedule of Support, Revenues, and Expenses in Accordance with United Way Requirements has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, on our consideration of Family Service'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 Family Service'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* and in considering Family Service's internal control over financial reporting and compliance.

Cary Riggs & Ingram, L.L.C.

December 21, 2018



Financial Statements

**FAMILY SERVICE OF GREATER NEW ORLEANS
STATEMENTS OF FINANCIAL POSITION**

<i>June 30,</i>	<i>2018</i>	<i>2017</i>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 35,376	\$ 86,025
Accounts receivable	81,140	143,353
Contributions receivable	310,288	109,316
Prepaid expenses	-	3,448
TOTAL CURRENT ASSETS	426,804	342,142
EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET	1,607	5,207
DEPOSITS	9,148	12,836
CASH RESTRICTED FOR PERMANENT ENDOWMENT	3,460	3,460
TOTAL ASSETS	\$ 441,019	\$ 363,645
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 103,951	\$ 36,455
Line of credit	40,000	20,000
Accrued salaries	5,637	4,669
Accrued vacation	24,139	34,826
TOTAL CURRENT LIABILITIES	173,727	95,950
TOTAL LIABILITIES	173,727	95,950
NET ASSETS		
Unrestricted	3,315	24,474
Temporarily restricted	260,517	239,761
Permanently restricted	3,460	3,460
TOTAL NET ASSETS	267,292	267,695
TOTAL LIABILITIES AND NET ASSETS	\$ 441,019	\$ 363,645

The accompanying footnotes are an integral part of this financial statement.

FAMILY SERVICE OF GREATER NEW ORLEANS STATEMENT OF ACTIVITIES

<i>For the year ended June 30, 2018</i>	Temporarily		Permanently	
	Unrestricted	Restricted	Restricted	Total
SUPPORT, REVENUE, GAINS AND LOSSES				
Fees and grants from governmental agencies	\$ 918,195	\$ -	\$ -	\$ 918,195
United Way allocations and designations	81,664	50,000	-	131,664
Program service fees	55,023	-	-	55,023
Private grants	44,750	250,519	-	295,269
Contributions	90,247	-	-	90,247
Fundraising revenue	5,812	-	-	5,812
Interest income	10,288	-	-	10,288
Miscellaneous revenue	425	-	-	425
Net assets released from restrictions	279,763	(279,763)	-	-
TOTAL SUPPORT, REVENUE, GAINS AND LOSSES	1,486,167	20,756	-	1,506,923
EXPENSES				
Program Services				
Counseling	1,191,281	-	-	1,191,281
At-risk children and youth	82,746	-	-	82,746
Total program services	1,274,027	-	-	1,274,027
Supporting Services				
Fundraising and development	5,121	-	-	5,121
Management and general	228,178	-	-	228,178
Total supporting services	233,299	-	-	233,299
TOTAL EXPENSES	1,507,326	-	-	1,507,326
CHANGES IN NET ASSETS	(21,159)	20,756	-	(403)
Net assets, beginning of year	24,474	239,761	3,460	267,695
NET ASSETS, END OF YEAR	\$ 3,315	\$ 260,517	\$ 3,460	\$ 267,292

The accompanying footnotes are an integral part of this financial statement.

FAMILY SERVICE OF GREATER NEW ORLEANS STATEMENT OF ACTIVITIES

<i>For the year ended June 30, 2017</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT, REVENUE, GAINS AND LOSSES				
Fees and grants from governmental agencies	\$ 874,378	\$ -	\$ -	\$ 874,378
United Way allocations and designations	29,149	50,000	-	79,149
Program service fees	88,143	-	-	88,143
Private grants	22,000	325,000	-	347,000
Contributions	40,978	-	-	40,978
Fundraising revenue	2,650	-	-	2,650
Interest income	15,005	-	-	15,005
Miscellaneous revenue	105,140	-	-	105,140
Net assets released from restrictions	353,849	(353,849)	-	-
TOTAL SUPPORT, REVENUE, GAINS AND LOSSES	1,531,292	21,151	-	1,552,443
EXPENSES				
Program Services				
Counseling	1,218,615	-	-	1,218,615
At-risk children and youth	106,164	-	-	106,164
Total program services	1,324,779	-	-	1,324,779
Supporting Services:				
Fundraising and development	18,887	-	-	18,887
Management and general	246,388	-	-	246,388
Total supporting services	265,275	-	-	265,275
TOTAL EXPENSES	1,590,054	-	-	1,590,054
CHANGES IN NET ASSETS	(58,762)	21,151	-	(37,611)
Net assets, beginning of year	83,236	218,610	3,460	305,306
NET ASSETS, END OF YEAR	\$ 24,474	\$ 239,761	\$ 3,460	\$ 267,695

The accompanying footnotes are an integral part of this financial statement.

**FAMILY SERVICE OF GREATER NEW ORLEANS
STATEMENT OF FUNCTIONAL EXPENSES**

<i>For the year ended June 30, 2018</i>	Counseling	At-Risk Children and Youth	Total Program Services	Fundraising and Development	Management and General	Total Supporting Services	Total Program and Supporting Services
Salaries	\$ 773,710	\$ 50,866	\$ 824,576	\$ -	\$ 88,731	\$ 88,731	\$ 913,307
Employee benefits	86,763	4,045	90,808	-	13,220	13,220	104,028
Payroll taxes	58,814	3,867	62,681	-	8,233	8,233	70,914
Total employee compensation	919,287	58,778	978,065	-	110,184	110,184	1,088,249
Occupancy	112,532	15,963	128,495	-	16,634	16,634	145,129
Professional fees	76,506	1,726	78,232	5,000	62,817	67,817	146,049
Marketing and advertising	3,214	320	3,534	-	425	425	3,959
Equipment and maintenance	12,493	1,201	13,694	-	2,872	2,872	16,566
Communications	21,367	1,212	22,579	-	141	141	22,720
Conferences and meetings	771	7	778	30	34	64	842
Insurance	13,104	1,307	14,411	-	13,035	13,035	27,446
Supplies	24,312	1,959	26,271	-	2,359	2,359	28,630
Travel	1,931	89	2,020	30	466	496	2,516
Printing and publications	147	5	152	-	255	255	407
Dues and licensing fees	796	35	831	-	920	920	1,751
Miscellaneous	39	4	43	32	13,995	14,027	14,070
Depreciation	-	-	-	-	3,600	3,600	3,600
Postage and printing	730	140	870	29	441	470	1,340
Client assistance	4,052	-	4,052	-	-	-	4,052
TOTAL EXPENSES	\$ 1,191,281	\$ 82,746	\$ 1,274,027	\$ 5,121	\$ 228,178	\$ 233,299	\$ 1,507,326

The accompanying footnotes are an integral part of this financial statement.

FAMILY SERVICE OF GREATER NEW ORLEANS
STATEMENT OF FUNCTIONAL EXPENSES

<i>For the year ended June 30, 2017</i>	Counseling	At-Risk Children and Youth	Total Program Services	Fundraising and Development	Management and General	Total Supporting Services	Total Program and Supporting Services
Salaries	\$ 824,568	\$ 69,167	\$ 893,735	\$ -	\$ 136,970	\$ 136,970	\$ 1,030,705
Employee benefits	81,918	6,602	88,520	-	9,178	9,178	97,698
Payroll taxes	62,108	4,552	66,660	-	7,573	7,573	74,233
Total employee compensation	968,594	80,321	1,048,915	-	153,721	153,721	1,202,636
Occupancy	119,013	17,240	136,253	-	16,214	16,214	152,467
Professional fees	44,725	1,360	46,085	17,100	48,955	66,055	112,140
Marketing and advertising	5,732	510	6,242	-	698	698	6,940
Equipment and maintenance	14,456	1,664	16,120	-	4,162	4,162	20,282
Communications	18,206	1,579	19,785	-	2,065	2,065	21,850
Conferences and meetings	2,557	-	2,557	-	364	364	2,921
Insurance	21,315	1,917	23,232	-	5,085	5,085	28,317
Supplies	12,829	1,361	14,190	84	1,704	1,788	15,978
Travel	4,280	9	4,289	-	257	257	4,546
Printing and publications	1,597	167	1,764	1,625	2,662	4,287	6,051
Dues and licensing fees	4,439	5	4,444	-	1,180	1,180	5,624
Miscellaneous	106	-	106	55	5,576	5,631	5,737
Depreciation	-	-	-	-	3,600	3,600	3,600
Postage and printing	291	31	322	23	145	168	490
Client assistance	475	0	475	-	-	-	475
TOTAL EXPENSES	\$ 1,218,615	\$ 106,164	\$ 1,324,779	\$ 18,887	\$ 246,388	\$ 265,275	\$ 1,590,054

The accompanying footnotes are an integral part of this financial statement.

FAMILY SERVICE OF GREATER NEW ORLEANS
STATEMENTS OF CASH FLOWS

<i>For the years ended June 30,</i>	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (403)	\$ (37,611)
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Depreciation expense	3,600	3,600
Changes in operating assets and liabilities:		
Accounts receivable	62,213	(49,401)
Contributions receivable	(200,972)	40,684
Prepaid expense	3,448	2,440
Deposits	3,688	411
Accounts payable	67,496	5,566
Accrued salaries	968	(5,993)
Accrued vacation	(10,687)	4,286
NET CASH USED IN OPERATING ACTIVITIES	(70,649)	(36,018)
CASH FLOWS FROM FINANCING ACTIVITIES		
Line of credit	20,000	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	20,000	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(50,649)	(36,018)
Cash and cash equivalents, beginning of year	89,485	125,503
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 38,836	\$ 89,485
RECONCILIATION TO STATEMENTS OF FINANCIAL POSITION		
Cash and cash equivalents	\$ 35,376	\$ 86,025
Cash restricted for permanent endowment	3,460	3,460
TOTAL CASH AND CASH EQUIVALENTS	\$ 38,836	\$ 89,485
SUPPLEMENTAL INFORMATION		
Cash paid during the year for interest	\$ 1,503	\$ 1,213

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

FAMILY SERVICE OF GREATER NEW ORLEANS NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES

Organization

Family Service of Greater New Orleans (Family Service), a non-profit organization, is a United Way agency and a member agency of the Alliance for Children and Families. Its mission is to strengthen the emotional health and foster the self-sufficiency of families and individuals. Family Service obtains the majority of its funding from governmental grants, private grants, and donor contributions.

Programs and services provided by Family Service are as follows:

Counseling

General Counseling - Family Service provides clinical counseling to address a variety of challenges that individuals, children, couples and families face. These challenges can include: depression, anxiety, trauma, abuse, domestic violence, anger, communication, relationships, family dynamics, behavior, life transition, addiction, and many others.

Group Counseling – Family Service offers a variety of group counseling programs for individuals or couples in need of guidance.

Community Based Counseling - Children and adults who currently receive Medicaid can receive mental health services through the Community Based Counseling Program. Services take place in the home, community, or school.

Child Abuse – Family Service provides intensive treatment and support services for families where abuse has been validated. Child abuse cases are referred to Family Service through the Office of Community Services.

Rivarde Detention Center – Family Service clinicians provide 24-hour counseling, suicide assessment, and support services for juveniles in the Rivarde Detention Center, which is located in Harvey, Louisiana.

Batterer Intervention Program – The program is designed to help men and women stop their use of violence in their relationships.

NOLA Dads – The program utilizes individual sessions, educational groups, and mentoring to support young men on their journey of being better dads. The Program follows the 24/7 Dad Program, a curriculum used across the country, to focus on increasing awareness, improving knowledge, and developing the skills to aid in becoming better prepared and more present fathers.

**FAMILY SERVICE OF GREATER NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - NATURE OF ACTIVITIES (CONTINUED)

Counseling (Continued)

Victims of Crime (VOCA) – Family Service offers individual and support groups for victims of violence.

Orleans Parish Drug Court – Family Service provides substance abuse treatment for clients referred through the Orleans Parish District Court. Family Service works collaboratively with the District Court to ensure that clients receive the necessary support to lead safe, drug-free lives.

At-Risk Children and Youth

Anger Management – The program is designed to help middle school youth ages 11 to 17 learn how to deal more effectively with violence.

Young Wellness Initiative – Children under age 18 receive school or office-based treatment.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Family Service have been prepared on the accrual basis of accounting, which is in accordance with accounting principles generally accepted in the United States of America.

Functional Expenses

The cost of various programs and supporting services has been reported on a functional basis. This requires the allocation of certain costs based on total program costs and estimates made by management. The allocation between the functions is compiled based on actual amounts spent or management's best estimates.

Equipment and Leasehold Improvements

Equipment and leasehold improvements greater than \$1,000 are capitalized at their purchase price, or, in the case of a contributed asset, at the estimated fair market value at the date of receipt.

Depreciation is computed using the straight-line method over the following estimated lives:

Equipment	5 years
Leasehold improvements	10 years

FAMILY SERVICE OF GREATER NEW ORLEANS NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment and Leasehold Improvements (Continued)

Under certain cost reimbursement contracts with the State of Louisiana, Family Service is allowed to purchase equipment over \$1,000, subject to the provision that upon the termination of the contract this equipment may be claimed by the State. As a result, in conformity with the contract provisions, Family Service has expensed these items in the year of the purchase since the contracts terminate within one (1) to two (2) years. No equipment has been purchased under these cost reimbursement contracts during the years ended June 30, 2018 and 2017.

Impairment of Long-Lived Assets

Family Service reviews long-lived assets, consisting of property and equipment, for impairment and determined whether an event or change in facts and circumstances indicates that their carrying amount may not be recoverable. Family Service determines recoverability of the assets by comparing the carrying value of the asset to net future undiscounted cash flows that the asset is expected to generate. The impairment recognized is the amount by which the carrying amount exceeds the fair market value of the asset. There were no asset impairments recorded during 2018 or 2017.

Income Tax Status

Family Service is a not-for profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Contributions

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to Family Service that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**FAMILY SERVICE OF GREATER NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions (Continued)

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support 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 support. Absent donor stipulations regarding how long those donated assets must be maintained, Family Service reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Family Service reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Contributions received during the year whose restrictions are met within the year are recorded as unrestricted revenue on the Statements of Activities.

Accounts and Pledges Receivable and Allowance for Doubtful Accounts

It is the policy of Family Service to report receivables at net realizable value estimating the allowance for uncollectible accounts based on prior experience and current economic conditions. There was no allowance for doubtful accounts established at June 30, 2018 and 2017. Family Service charges off uncollectible accounts receivable when management determines the receivable will not be collected. Any difference between the direct write-off method and the allowance method is considered immaterial. Family Service does not record a discount for multi-year pledges receivable; however, present value discounts are considered immaterial.

Compensated Absences

Vacation may be carried forward in accordance with Family Service's policy as follows:

<u>Length of Service Completed</u>	<u>Maximum Carry-Forward Hours</u>
Less than five (5) years	37.5
Five (5) years or more	75

Accordingly, Family Service has recorded \$24,139 and \$34,826 on the Statements of Financial Position at June 30, 2018 and 2017 for accrued vacation.

Advertising

Advertising costs are expensed as incurred. Advertising expenses for the years ended June 30, 2018 and 2017 totaled \$3,959 and \$6,940, respectively.

FAMILY SERVICE OF GREATER NEW ORLEANS NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, Family Service considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Basis of Presentation

Family Service follows the provisions of Not-For-Profit Entities Topic of FASB ASC (FASB ASC 958), which establishes external financial reporting for not-for-profit organizations which includes three basis financial statements and classification of resources into three separate categories of net assets, as follows:

- Unrestricted – Net assets which are free of donor imposed restrictions; all revenues, expenses, gains and losses that are not changes in permanently or temporarily restricted net assets.
- Temporarily Restricted – Net assets whose use by Family Service is limited by donor-imposed stipulations that either expire by the passage of time or that can be fulfilled or removed by actions of Family Service pursuant to such stipulations.
- Permanently Restricted – Net assets whose use by Family Service is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled and removed by actions of Family Service.

FAMILY SERVICE OF GREATER NEW ORLEANS NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. Under this ASU, net assets will be presented in two classes: net assets with donor restrictions and net assets without donor restrictions. Underwater endowments will be included in net assets with donor restrictions and new or enhanced disclosures regarding the composition of net assets will be required. Disclosures regarding liquidity and availability of resources for general operating expenditures within one year of the date of the statement of financial position must also be presented. The ASU requires expenses to be presented by both nature and function, and investment return will be presented net of investment expenses. Absent specific donor stipulations, Family Service will use the placed-in-service approach for reporting expirations of restrictions on long-lived assets. The ASU is effective for fiscal period beginning July 1, 2018, but early adoption is permitted. Adoption of this ASU will impact the presentation and disclosures of Family Service's financial statements. Family Service has not elected to early adopt this standard. Management is evaluating the impact that the implementation of this ASU will have on Family Service's financial statements.

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842). Under the new provisions, all lessees will report a right-of-use asset and a liability for the obligation to make payments for all leases with the exception of those leases with a term of 12 months or less. All other leases will fall into one of two categories: 1) Financing leases, similar to capital leases, will require the recognition of an asset and liability, measured at the present value of the lease payments. Interest on the liability will be recognized separately from amortization of the asset and principal repayments will be classified as financing outflows and payments of interest as operating outflows on the statement of cash flows; 2) Operating leases will also require the recognition of an asset and liability measured at the present value of the lease payments. A single lease cost, consisting of interest on the obligation and amortization of the asset, calculated such that the amortization of the asset will increase as the interest amount decreases resulting in a straight-line recognition of lease expense. All cash outflows will be classified as operating on the Statements of Cash Flows. Lessor accounting remains substantially unchanged with the exception that no leases entered into after the effective date will be classified as leveraged leases. For sale leaseback transactions, the sale will only be recognized if the criteria in the new revenue recognition standard are met. If there is no sale, the buyer-lessor does not recognize the transaction as a purchase and consideration paid for the asset is treated as a financing transaction. The ASU is effective for fiscal period beginning July 1, 2020, but early adoption is permitted. Family Service has not elected to early adopt this standard. Management is still evaluating the impact that the implementation of this ASU will have on Family Service's financial statements.

FAMILY SERVICE OF GREATER NEW ORLEANS NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Pronouncements

In May 2014, FASB issued ASU No. 2014-09, *Revenues from Contracts with Customers*, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The provisions of this standard are effective for the fiscal year beginning July 1, 2019. Family Service had not elected to early adopt this standard. Management is still evaluating the impact that the implementation of this ASU will have on Family Service's financial statements.

In June 2018, FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The main provisions include guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. The amendments clarify how an entity determines whether a resource provider is participating in an exchange transactions by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred. The provisions of this standard are effective for the fiscal year beginning July 1, 2019. Family Service has not elected to early adopt this standard. Management is still evaluating the impact that the implementation of this ASU will have on Family Service's financial statement.

NOTE 3 - CASH AND CASH EQUIVALENTS

Family Service maintains cash on deposit with well capitalized banking institutions located in Southeast Louisiana. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the years ended June 30, 2018 and 2017. At times, the balance may exceed the federally insured amount; however, Family Service has experienced no such losses.

NOTE 4 – LINE OF CREDIT

Family Service has entered into a line of credit with a commercial bank for \$50,000 that matures annually to borrow funds for operations with a variable interest rate of 5% and 4.75% at June 30, 2018 and 2017, respectively. The line of credit is secured by all the funds on deposit with the bank. Family Service had \$40,000 and \$20,000 outstanding on the line of credit at June 30, 2018 and 2017, respectively.

**FAMILY SERVICE OF GREATER NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - CONTRIBUTIONS RECEIVABLE

The contributions receivable at June 30, 2018 and 2017 are categorized by source as follows:

<i>June 30,</i>	<i>2018</i>	<i>2017</i>
United Way	\$ 50,000	\$ 50,000
Methodist Health System Foundation	85,519	-
Institute of Mental Health	75,000	-
Other pledges receivable	99,769	59,316
Total	\$ 310,288	\$ 109,316

No discount or allowance for uncollectible amounts has been recorded for these receivables because management considers all amounts collectible and any discount to be insignificant.

NOTE 6 – EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Equipment and leasehold improvements consisted of the following:

<i>June 30,</i>	<i>2018</i>	<i>2017</i>
Equipment	\$ 374,959	\$ 374,959
Leasehold improvements	155,686	155,686
Accumulated depreciation	(529,038)	(525,437)
Total	\$ 1,607	\$ 5,207

Depreciation expense for the years ended June 30, 2018 and 2017 totaled \$3,600 per year.

NOTE 7 - RETIREMENT PLAN

Family Service offers a defined contribution retirement plan for full-time employees over 21 years old having at least one (1) year of service. Contributions to the plan are at the discretion of the Board of Directors. The amounts in a participant's account are 100% vested upon the attainment of the employee's normal retirement age or, if earlier, upon meeting the applicable vesting requirements listed below.

<u>Years of Vesting Service</u>	<u>Vesting Percentage</u>
Less than 2	0%
2	20%
3	50%
4	75%
5	100%

**FAMILY SERVICE OF GREATER NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - RETIREMENT PLAN (CONTINUED)

Defined contribution retirement plan expense for the years ended June 30, 2018 and 2017 totaled \$19,701 and \$19,438, respectively, and is included in employee benefits on the Statements of Functional Expenses.

NOTE 8 - COMMITMENTS

Family Service conducted operations at two (2) locations in the New Orleans, Louisiana metro area, one (1) office on Canal Street and one (1) office on Tulane Avenue.

Rental expense for occupancy is incurred monthly and determined by the total square footage occupied by Family Service. Rental expense amounted to \$145,129 and \$152,467 for the years ended June 30, 2018 and 2017, respectively. The lease ended in December 2017 and is currently on a month to month basis. In addition, Family Service has six (6) operating leases for office equipment. The leases have various terms, monthly payment amounts, and expiration dates through 2020. Equipment lease expense was \$12,470 and \$15,475 for the years ended June 30, 2018 and 2017, respectively, which is included in equipment and maintenance on the Statements of Functional Expenses.

Future minimum commitments under all operating lease agreements are as follows:

2019	\$	1,212
2020		1,212
2021		101
	\$	<u>2,526</u>

Risk Management

Effective August 13, 2003, the U.S. Department of Health and Human Services deemed Family Service and its practicing providers covered under the Federal Tort Claims Act (FTCA) for damage for personal injury, including death resulting from the performance of medical, surgical, dental, and related functions. FTCA coverage is comparable to an occurrence policy without a monetary cap. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probably ultimate costs of the incidents. Based up Family Service's experience, no such accrual has been made. However, because of the risk in providing health care services, it is possible that an event has occurred which will be the basis of a future material claim.

**FAMILY SERVICE OF GREATER NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - CONCENTRATIONS

For the year ended June 30, 2018, approximately 59% of Family Service’s revenues came from four sources and 76% of accounts receivable are due from five sources. For the year ended June 30, 2017, approximately 56% of Family Service’s revenues came from six sources and 40% of accounts receivable were due from two sources.

NOTE 10 – UNCERTAIN TAX POSITIONS

Accounting principles generally accepted in the United States of America require Family Service’s management to evaluate tax positions taken by the Family Service and recognize a tax liability if Family Service has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Family Service’s management has analyzed the tax positions taken by Family Service, and has concluded that as of June 30, 2018 and 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. Family Service is subject to routine audits by taxing jurisdictions; currently no tax audits are ongoing.

NOTE 11 - NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

<i>June, 30</i>	<i>2018</i>	<i>2017</i>
Counseling program activities	\$ 260,517	\$ 232,096
Clinical symposium	-	7,665
Total	\$ 260,517	\$ 239,761

Permanently Restricted Net Assets

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is unrestricted. For the years ended June 30, 2018 and 2017, the associated assets are included on the Statements of Financial Position as cash equivalents restricted for permanent endowment in the amount of \$3,460 per year.

NOTE 12 – FUNDRAISING EXPENSES

Fundraising expenses consist primarily of expenses associated with Family Service’s two (2) annual fundraising events. Total fundraising costs were approximately \$5,121 and \$18,887 and were approximately 88% and 712% of gross fundraising revenues for the years ended June 30, 2018 and 2017, respectively.



**FAMILY SERVICE OF GREATER NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS**

NOTE 13 – BOARD OF DIRECTORS COMPENSATION

The Board of Directors serves and directs Family Service on a voluntary basis. The Board does not receive compensation.

NOTE 14 – RELATED PARTY TRANSACTIONS

During the year ended June 30, 2018, Family Service had related party revenue resulting from contributions from Board members totaling \$21,750 and receivable balance of \$5,000 from members of the Board of Directors. There were no revenues or receivables from related parties for the year ended June 30, 2017. There were no payables due to related parties for the years ended June 30, 2018 and 2017.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 21, 2018, the date the financial statements were available to be issued and no events material to the financial statements were noted for disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.



**REPORTS AND SCHEDULES
REQUIRED BY *GOVERNMENT*
*AUDITING STANDARDS***

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

President and Board of Directors of
Family Service of Greater New Orleans
New Orleans, 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 Family Service of Greater New Orleans (a non-profit organization) (Family Service), 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 December 21, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Family Service'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 Family Service's internal control. Accordingly, we do not express an opinion on the effectiveness of Family Service'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 Family Service'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 Family Service'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 Family Service's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Family Service's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cary Riggs & Ingram, L.L.C.

December 21, 2018



FAMILY SERVICE OF GREATER NEW ORLEANS SCHEDULE OF FINDINGS AND RESPONSES

SECTION I – SUMMARY OF AUDITORS’ REPORTS

1. The auditors’ report expresses an unmodified opinion on the financial statements of Family Service of Greater New Orleans (Family Service) (a non-profit organization).
2. No instances of noncompliance material to the financial statements of Family Service were disclosed and identified during the audit.
3. No instances of noncompliance with laws, rules, and regulations were disclosed and identified during the audit.

SECTION II – FINDINGS RELATED TO FINANCIAL STATEMENTS

No findings noted.

SECTION III - FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

No findings noted.



FAMILY SERVICE OF GREATER NEW ORLEANS SUMMARY SCHEDULE OF PRIOR FINDINGS

SECTION II – FINDINGS RELATED TO FINANCIAL STATEMENTS

No findings noted.

SECTION III - FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

2017-001 – LATE REPORT FILING

Criteria: Family Service is required to submit audited financial statements with the Louisiana Legislative Auditor within six (6) months of year-end according to LA R.S. 24:513.

Auditors' Recommendation: We recommend that the President and CEO of Family Service with the assistance of the Board of Directors design and implement policies and procedures to ensure filing of the audited financial statements within the required six (6) month timeframe after year-end.

Management's Response and Current Status: Resolved. Report was filed within the required timeframe.



Supplementary Information

**FAMILY SERVICE OF GREATER NEW ORLEANS
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS MADE TO AGENCY HEAD**

For the year ended June 30,

2018

Agency Head Name: Debra Morton, President and CEO

Purpose	Total
Salary	\$ 108,856
Benefits-Fica and Medicare	8,026
Benefits-retirement	3,300
Benefits-health insurance	3,497
Benefits-life insurance	545
Benefits-long term disability	449
Workers comp	275
Reimbursements	1,262
Travel	387
Deferred compensation	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Registration fees	-
Conference travel	-
Unvouchered expenses	-
Meetings and conventions	-
Other	-
	\$ 126,597

See independent auditors' report.

FAMILY SERVICE OF GREATER NEW ORLEANS

SCHEDULE OF SUPPORT, REVENUES AND EXPENSES IN ACCORDANCE WITH UNITED WAY REQUIREMENTS

(UNAUDITED)

For the year ended June 30, 2018

	Supporting Services			Program Services		
	Agency Total	Management and General	Fund Raising	Total Program Services	Counseling	At-Risk Children and Youth
REVENUE:						
Fundraising/self support	\$ 96,059	\$ 15,812	\$ 79,667	\$ 580	\$ 580	\$ -
Program service fees	55,023	-	-	55,023	55,023	-
Governmental grants/contracts	918,195	5,940	-	912,255	912,255	-
Other foundations or national grants	295,269	42,000	2,750	250,519	250,519	-
Other revenue	10,713	10,710	-	3	3	-
TOTAL SELF-GENERATED REVENUE	1,375,259	74,462	82,417	1,218,380	1,218,380	-
Other United Way Allocations	-	-	-	-	-	-
United Way/Federated Fundraising	131,664	28,515	50,000	53,149	28,149	25,000
GRAND TOTAL REVENUE	1,506,923	102,977	132,417	1,271,529	1,246,529	25,000
EXPENSES:						
Salaries	913,307	88,731	-	824,576	773,710	50,866
Benefits	104,028	13,220	-	90,808	86,763	4,045
Taxes	70,914	8,233	-	62,681	58,814	3,867
Occupancy expenses	145,129	16,634	-	128,495	112,532	15,963
Travel & transportation	2,516	466	30	2,020	1,931	89
Office supplies	28,630	2,359	-	26,271	24,312	1,959
Printing	1,747	696	29	1,022	877	145
Direct assistance to individuals	4,052	-	-	4,052	4,052	-
Other	233,403	94,239	5,062	134,102	128,290	5,812
GRAND TOTAL EXPENSES	1,503,726	224,578	5,121	1,274,027	1,191,281	82,746
NET DIFFERENCE	3,197	(121,601)	127,296	(2,498)	55,248	(57,746)
Depreciation	3,600	3,600	-	-	-	-
Net Difference After Depreciation	\$ (403)	\$ (125,201)	\$ 127,296	\$ (2,498)	\$ 55,248	\$ (57,746)
Total Direct Program Expenses				\$ 1,274,027	\$ 1,191,281	\$ 82,746
Percentage of Total Program Expenses				100%	94%	6%
Distribution of M&G Expenses				\$ 229,699	\$ 214,780	\$ 14,919
Grand Total Program Expenses				\$ 1,503,726	\$ 1,406,061	\$ 97,665
Unduplicated People Served				3,383		
Cost per Person				\$ 444		

See independent auditors' report.

Family Service of Greater New Orleans

Statewide Agreed-Upon Procedures Report

For the Fiscal Period July 1, 2017 through June 30, 2018



CRI CARR
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Family Service of Greater New Orleans
and the Louisiana Legislative Auditor
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Board of Directors of Family Service of Greater New Orleans ("Family Service") and the Louisiana Legislative Auditor ("LLA") on the control and compliance ("C/C") areas identified in the LLA's Statewide Agreed-Upon Procedures ("SAUPs") for the fiscal period July 1, 2017 through June 30, 2018. Family Service 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 results are as follows:

Written Policies and Procedures

1. Obtain and inspect Family Service's written policies and procedures and observe that they address each of the following categories and subcategories:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
Results: No exceptions were noted in performing this procedure.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; and (3) the preparation and approval process of purchase requisitions and purchase orders.
Results: The written policies did not address how vendors are added to the vendor list.
 - c) ***Disbursements***, including processing, reviewing, and approving.
Results: No exceptions were noted in performing this procedure.

- d) **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.

Results: No exceptions were noted in performing this procedure.

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

Results: No exceptions were noted in performing this procedure.

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

Results: The written policies did not address contracts.

- g) **Credit Cards (including debit cards)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage.

Results: The written policies did not address credit cards.

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

Results: No exceptions were noted in performing this procedure.

Bank Reconciliations

2. Obtain a listing of client bank accounts from management and management's representation that the listing is complete. Ask management to identify Family Service's main operating account. Select Family Service's main operating account and all additional accounts. Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each account, and observe that:

Results: No exceptions were noted in performing this procedure.

- a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date.

Results: No exceptions were noted in performing this procedure.

- 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.

Results: CRI did not note any evidence that a member of management or the Board reviewed bank reconciliations.

- 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.

Results: No exceptions were noted in performing this procedure.

Collections

- 3. 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. Select all deposit sites.

Results: No exceptions were noted in performing this procedure.

- 4. For all deposit sites, obtain a listing of collection locations and management's representation that the listing is complete. Select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that:

Results: No exceptions were noted in performing this procedure.

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

Results: No exceptions were noted in performing this procedure.

- 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.

Results: No exceptions were noted in performing this procedure.

- 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.

Results: No exceptions were noted in performing this procedure.

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

Results: No exceptions were noted in performing this procedure.

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

Results: No exceptions were noted in performing this procedure.

6. Randomly select two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above. Obtain supporting documentation for each of the deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Results: No exceptions were noted in performing this procedure.

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

Results: No exceptions were noted in performing this procedure.

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

Results: No exceptions were noted in performing this procedure.

- d) Observe that the deposit was made within one business day of collection.

Results: No exceptions were noted in performing this procedure.

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

Results: No exceptions were noted in performing this procedure.

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

7. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Select all locations.

Results: No exceptions were noted in performing this procedure.

8. For each location selected under #7 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 and observe that job duties were 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.

Results: No exceptions were noted in performing this procedure.

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

Results: No exceptions were noted in performing this procedure.

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

Results: No exceptions were noted in performing this procedure.

- d) The board member responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results: No exceptions were noted in performing this procedure.

- 9. For each location selected under #6 above, we obtain Family Service's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five (5) disbursements, obtain supporting documentation for each transaction and:

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

Results: For two (2) of five (5) selections, management could not provide disbursement documentation.

- b) Observe that the disbursement documentation included evidence of segregation of duties tested under #7, as applicable.

Results: For two (2) of five (5) selections, management could not provide disbursement documentation.

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 procedures performed on those C/C areas identified in the SAUPs, and the result of the procedures performed, 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.

Carri Riggs & Ingram, L.L.C.

December 21, 2018

FAMILY SERVICE

OF GREATER NEW ORLEANS

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Board of Directors

Robert Nolan
Chairman
Norman Francis
1st Vice Chairman
Cathi Fontenot
2nd Vice Chairman
Michael Todd
Treasurer
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Molly Bartlett, MSW, LCSW
Chief Operating Officer

Honorary Board

Bridget Bories
Robert Brown
Angela Hill
William Oberhelman
Joyce Pulitzer
Robert Quintana
Sally Wolfe

December 21, 2018

Louisiana Legislative Auditor
1600 North 3rd Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

And

Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
Suite 350
Metairie, LA 70005

RE: Management's Response to Statewide Agreed-Upon Procedures
Family Services of Greater New Orleans

Dear Sirs:

Family Services of Greater New Orleans will review policies and procedures in regard to the comments for each financial function and make appropriate changes that will improve operations and internal controls in each area that are cost effective and within our budget constraints.

Sincerely,



Mark Major
President and CEO



STRENGTHENING FAMILY AND COMMUNITY FOR OVER 100 YEARS