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

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023



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

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023

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

TABLE OF CONTENTS

	<u>Page</u>
<u>Independent Auditor's Report</u>	1-3
<u>Consolidated Financial Statements</u>	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5
Consolidated Statements of Functional Expenses	6
Consolidated Statements of Cash Flows	7
<u>Notes to the Consolidated Financial Statements</u>	8-18
<u>Supplementary Information</u>	
Consolidating Statements of Financial Position	19
Consolidating Statements of Activities	20
Schedule of Compensation, Benefits, and Other Payments to the Agency Head	21
<u>Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance with Other Matters Based on An Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></u>	22-23



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

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, 2023, and 2022, 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.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Families Helping Families of Greater New Orleans, Inc. as of June 30, 2023, and 2022 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statement section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional commissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 December 18, 2023, 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 on 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
December 18, 2023

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

<u>ASSETS</u>		
	2023	2022
<u>CURRENT ASSETS</u>		
Cash, unrestricted	\$ 323,177	\$ 270,616
Accounts receivable	74,027	68,547
Investments	649,240	614,696
Prepaid expenses	2,204	5,606
Total current assets	1,048,648	959,465
<u>PROPERTY AND EQUIPMENT, NET</u>	362,505	374,009
<u>TOTAL ASSETS</u>	\$ 1,411,153	\$ 1,333,474
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 6,232	\$ 6,314
Accrued payroll and related liabilities	12,046	15,135
Accrued annual leave	5,701	6,435
Current portion of note payable	13,450	12,855
Total current liabilities	37,429	40,739
<u>NOTE PAYABLE, LONG TERM</u>	259,643	273,091
Total liabilities	297,072	313,830
<u>NET ASSETS</u>		
Without donor restrictions	1,114,081	1,019,644
With donor restrictions	-	-
Total net assets	1,114,081	1,019,644
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 1,411,153	\$ 1,333,474

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, 2023 AND 2022

	2023			2022		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<u>REVENUES</u>						
Grant appropriations	\$ 555,633	\$ -	\$ 555,633	\$ 480,029	\$ -	\$ 480,029
Contributions	20,413	-	20,413	18,223	15,000	33,223
Investment return, net	35,149	-	35,149	(45,717)	-	(45,717)
Other income	9,847	-	9,847	5,435	-	5,435
	<u>621,042</u>	<u>-</u>	<u>621,042</u>	<u>457,970</u>	<u>15,000</u>	<u>472,970</u>
Net assets released from restrictions	-	-	-	15,000	(15,000)	-
Total revenues and other support	<u>621,042</u>	<u>-</u>	<u>621,042</u>	<u>472,970</u>	<u>-</u>	<u>472,970</u>
<u>EXPENSES</u>						
Program expenses	344,417	-	344,417	414,575	-	414,575
Fundraising expenses	10,060	-	10,060	5,299	-	5,299
Management and general	172,128	-	172,128	139,487	-	139,487
Total expenses	<u>526,605</u>	<u>-</u>	<u>526,605</u>	<u>559,361</u>	<u>-</u>	<u>559,361</u>
<u>CHANGE IN NET ASSETS</u>	94,437	-	94,437	(86,391)	-	(86,391)
<u>NET ASSETS, BEGINNING OF THE YEAR</u>	<u>1,019,644</u>	<u>-</u>	<u>1,019,644</u>	<u>1,106,035</u>	<u>-</u>	<u>1,106,035</u>
<u>NET ASSETS, END OF THE YEAR</u>	<u>\$ 1,114,081</u>	<u>\$ -</u>	<u>\$ 1,114,081</u>	<u>\$ 1,019,644</u>	<u>\$ -</u>	<u>\$ 1,019,644</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, 2023 AND 2022

	2023				2022			
	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	\$ 256,770	\$ 8,309	\$ 113,763	\$ 378,842	\$ 356,879	\$ 4,965	\$ 86,766	\$ 448,610
Contract services	43,157	1,078	9,957	54,192	31,611	102	6,796	38,509
Occupancy	-	-	10,250	10,250	-	-	5,491	5,491
Supplies	3,023	29	988	4,040	1,429	-	997	2,426
Other expenses	15,017	235	1,967	17,219	9,401	139	3,119	12,659
Travel	13,629	91	457	14,177	3,057	-	-	3,057
Insurance	4,850	99	8,173	13,122	3,470	50	7,519	11,039
Printing	-	-	-	-	1,736	1	164	1,901
Telephone	7,386	166	1,554	9,106	6,109	13	2,846	8,968
Depreciation	-	-	11,504	11,504	-	-	11,504	11,504
Postage	585	53	94	732	883	29	264	1,176
Interest expense	-	-	13,421	13,421	-	-	14,021	14,021
	<u>\$ 344,417</u>	<u>\$ 10,060</u>	<u>\$ 172,128</u>	<u>\$ 526,605</u>	<u>\$ 414,575</u>	<u>\$ 5,299</u>	<u>\$ 139,487</u>	<u>\$ 559,361</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, 2023 AND 2022

	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 94,437	\$ (86,391)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	11,504	11,504
Unrealized loss (gain) on investments	(26,967)	73,857
Changes in operating assets and liabilities:		
Accounts receivable	(5,480)	(1,800)
Prepaid expenses	3,402	(1,182)
Accounts payable	(82)	1,309
Payroll and related liabilities	(3,089)	1,258
Accrued annual leave	(734)	(123)
Net cash provided by (used in) operating activities	72,991	(1,568)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments	(183,545)	(345,468)
Proceeds from sale of investments	175,968	317,918
Net cash used in investing activities	(7,577)	(27,550)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payments on notes payable	(12,853)	(12,254)
Net cash used in financing activities	(12,853)	(12,254)
Net change in cash and cash equivalents	52,561	(41,372)
Cash and cash equivalents, beginning of year	270,616	311,988
Cash and cash equivalents, end of year	\$ 323,177	\$ 270,616
<u>SUPPLEMENTAL DISCLOSURE</u>		
Cash paid for interest	\$ 13,421	\$ 14,021

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, 2023

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.

Program Description

The Organization's mission is to empower individuals with disabilities and their families to have high expectations for themselves or their loved ones with a disability through effective advocacy. Individuals with disabilities' core expectations should be an inclusive education, independent living, and employment. The Organization accomplishes this through three primary services: 1) Peer-to-Peer support is recognized as an effective evidence-based practice that strengthens a network people belong to and depend on for human service needs. The Organization offers this support through their trained, knowledgeable staff with the same or similar lived experiences 2) Training is an important key for individuals to gain the knowledge they need to become effective advocates. Teaching individuals about the laws that govern the services they are entitled to is critical to successful advocacy. The Organization uses Malcolm Knowles' Theory on Adult Learning as the foundation for all training development. Using Knowles' assumptions about adult learners motivates individuals with disabilities and their loved ones to engage in advocacy opportunities. 3) The Organization provides information and outreach to individuals with disabilities and their families who often feel isolated because they are unaware of others that are experiencing the same thing. This is provided at in-person events, through literature provided to community agencies, medical staff, and others providing needed services to this population, website, social media, e-blast, and more.

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.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023

1. Summary of Significant Accounting Policies (continued)

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, 2023, and 2022.

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. Cash and cash equivalents, including money markets held in investment trading accounts managed by third parties are classified as investments.

Accounts receivable

Accounts 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 accounts 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 accounts 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 an accrual basis.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023

1. Summary of Significant Accounting Policies (continued)

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 Annual Leave

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.

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 contractual terms.

Donated goods and services

Volunteers may contribute time to the Organization's program services and administrative activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet the recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services rendered. No significant contributions of such goods or services were received during the years ended June 30, 2023, and 2022.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023

1. Summary of Significant Accounting Policies (continued)

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, 2022, and 2020. 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, 2023, and 2022. Accordingly, no provision for income taxes is included in the consolidated financial statements.

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that could affect reported amounts of assets at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Actual results and the results of future periods could differ from those estimates, and those differences could be material.

New Accounting Pronouncements – Adopted

In September 2020, the FASB issued ASU 2020-07 on Topic 958, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. The FASB ASU requires the new standard to be applied retrospectively, with amendments taking effect for the Organization's year ending June 30, 2022. The adoption of this standard did not have a material impact on the Organization's financial statements.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023

1. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements – Adopted (continued)

Effective July 1, 2022, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842), and all related amendments using the modified retrospective method. This guidance requires that right-of-use (ROU) assets and lease liabilities be recorded on the balance sheet. The Organization elected the practical expedient relief package allowed by the new standard, which does not require the reassessment of (1) whether existing contracts contain a lease, (2) the lease classification or (3) unamortized initial direct costs for existing leases. Additionally, the Organization made accounting policy elections for the exclusion of short-term leases (leases with an initial term of 12 months or less and which do not include a purchase option that the Organization is reasonably certain to exercise) from the balance sheet presentation. The Organization had no operating or finance leases as of December 31, 2022 with terms of greater than 12 months.

The Organization does not recognize ROU assets and lease liabilities on short term leases but recognizes lease expense for these leases on a straight-line basis over the lease terms and any variable lease payments in the period in which obligation for those payments is incurred. See Note 13 to these financial statements for further details of these leases. In March 2023, ASU 2023-01, *Leases* (Topic 842) *Common Control Arrangements* was released. The ASU provides a practical expedient for private companies to use written terms and conditions of a common control arrangement to determine (i) whether a lease exists and, if so (ii) the classification of and accounting for that lease. In addition, the ASU requires entities under common control to amortize the associated leasehold improvements over the economic life of the improvements (regardless of the lease term) as long as the lessee controls the use of the underlying asset through a lease. In addition, the ASU requires the lessee to account for leasehold improvements as a transfer between entities under common control through an adjustment to equity if, and when, the lessee no longer controls the use of the underlying asset. The Organization has adopted this ASU retrospectively to the beginning of the period in which the Organization adopted Leases Topic 842 (July 1, 2022).

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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 323,177	\$ 270,616
Accounts receivable	74,027	68,547
Investments	649,240	614,696
	<u>\$ 1,046,444</u>	<u>\$ 953,859</u>

As part of the Organization's liquidity management plan, the Organization 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, 2023

3. Accounts Receivable

The Organization has the following accounts receivable at June 30, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
U.S. Department of Education Parent Training	\$ 41,065	\$ 22,667
Louisiana Department of Health & Hospitals	17,050	16,762
Louisiana State Department of Education	7,125	11,803
Jefferson Parish Human Services Authority	4,900	7,690
Alabama Parent Education Center, Inc.	3,887	7,125
Louisiana Pokey Institute for Children	-	1,450
Bayou Land Families Helping Families	-	1,050
	<u>\$ 74,027</u>	<u>\$ 68,547</u>

4. Investments

The Organization has the following investments at June 30, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Common stocks	\$ 187,014	\$ 200,432
Corporate bonds	282,742	246,496
Exchange traded funds	83,723	85,425
Money market funds	95,761	82,343
Total Investments	<u>\$ 649,240</u>	<u>\$ 614,696</u>

The Organization has the following investment return, net for the years ended June 30, 2023, and 2022.

	<u>2023</u>	<u>2022</u>
Interest income	\$ 11,140	\$ 2,949
Dividend income	4,762	5,930
Realized gain (loss)	(81)	27,703
Unrealized gain (loss)	26,967	(73,857)
Investment fees	(7,639)	(8,442)
Investment return, net	<u>\$ 35,149</u>	<u>\$ (45,717)</u>

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023

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, 2023 and 2022.

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, 2023

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, 2023, and 2022

Balance at June 30, 2023	Level 1	Level 2	Level 3	Total
Common stocks	\$ 187,014	\$ -	\$ -	\$ 187,014
Corporate bonds	-	282,742	-	282,742
Exchange traded funds	83,723	-	-	83,723
Money market funds	95,761	-	-	95,761
	<u>\$ 366,498</u>	<u>\$ 282,742</u>	<u>\$ -</u>	<u>\$ 649,240</u>

Balance at June 30, 2022	Level 1	Level 2	Level 3	Total
Common stocks	\$ 200,432	\$ -	\$ -	\$ 200,432
Corporate bonds	-	246,496	-	246,496
Exchange traded funds	85,425	-	-	85,425
Money market funds	82,343	-	-	82,343
	<u>\$ 368,200</u>	<u>\$ 246,496</u>	<u>\$ -</u>	<u>\$ 614,696</u>

6. Property and Equipment

The Organization has the following property and equipment at June 30, 2023 and 2022.

	2023	2022
Land	\$ 92,800	\$ 92,800
Building	329,200	329,200
Equipment	15,238	15,238
Total historic cost	437,238	437,238
less: accumulated depreciation	(74,733)	(63,229)
Property and equipment, net	<u>\$ 362,505</u>	<u>\$ 374,009</u>

During the year ended June 30, 2018, 700 Hickory, Inc. purchased land and a building for \$422,000 to house the operations of the Organization. Depreciation expense of \$11,504 and \$11,504 is included in the consolidated statements of functional expenses for the years then ended June 30, 2023, and 2022, respectively.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023

7. Note Payable

The Organization has the following note payable at June 30, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
4.725% Mortgage payable to financial institution, secured by land and building, due in monthly installments of \$2,190 through November 2037.	\$ 273,093	\$ 285,946
Total	<u>273,093</u>	<u>285,946</u>
Less: Current Portion	<u>(13,450)</u>	<u>(12,855)</u>
Total notes payable, long term	<u>\$ 259,643</u>	<u>\$ 273,091</u>

Principal payments required in future years as of June 30, 2023, are as follows:

<u>Years ending June 30</u>	<u>Amount</u>
2024	\$ 13,450
2025	14,143
2026	14,836
2027	15,562
2028	16,297
2029-2033	94,401
2034-2037	104,404
Total	<u>\$ 273,093</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, 2023

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, 2023, the Organization held \$42,989 in excess of FDIC insurance limits. At June 30, 2022, the amounts on deposit by the Organization were covered by FDIC insurance. To date, the Organization has not experienced losses in any of these accounts.

Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies, and foundations supportive of the Organization's mission. Investment performance is monitored by the Organization and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

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, 2023 and 2022 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 2024 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.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023

13. Related Party Transaction

The Organization leases office facilities from a commonly controlled entity (700 Hickory, Inc.) under a short-term lease agreement. The Organization's unamortized balance of associated leasehold improvements totaled \$268,848 as of June 30, 2023. The remaining economic life of the leasehold improvements is 30 years. The remaining lease term is less than 12 months. Lease expense included in these consolidated financial statements and charged to general and administrative expenses was \$36,000 and \$36,000 for the years ended June 30, 2023 and 2022, respectively.

14. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 18, 2023, 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, 2023

<u>ASSETS</u>				
	<u>Families Helping Families of Greater New Orleans, Inc.</u>	<u>700 Hickory, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
<u>CURRENT ASSETS</u>				
Cash, unrestricted	\$ 297,254	\$ 25,923	\$ -	\$ 323,177
Accounts receivable	74,027	-	-	74,027
Investments	649,240	-	-	649,240
Prepaid expenses	7,204	-	(5,000)	2,204
Total current assets	<u>1,027,725</u>	<u>25,923</u>	<u>(5,000)</u>	<u>1,048,648</u>
<u>PROPERTY AND EQUIPMENT, NET</u>	<u>857</u>	<u>361,648</u>	<u>-</u>	<u>362,505</u>
<u>DUE FROM RELATED ENTITY</u>	<u>121,598</u>	<u>-</u>	<u>(121,598)</u>	<u>-</u>
<u>TOTAL ASSETS</u>	<u>\$ 1,150,180</u>	<u>\$ 387,571</u>	<u>\$ (126,598)</u>	<u>\$ 1,411,153</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>				
Accounts payable	\$ 6,232	\$ -	\$ -	\$ 6,232
Accrued payroll and related liabilities	12,046	-	-	12,046
Accrued annual leave	5,701	-	-	5,701
Current portion of note payable	-	13,450	-	13,450
Total current liabilities	<u>23,979</u>	<u>13,450</u>	<u>-</u>	<u>37,429</u>
<u>NON-CURRENT LIABILITIES</u>				
Note payable	-	259,643	-	259,643
Due to related entity	-	121,598	(121,598)	-
Security deposit	-	5,000	(5,000)	-
Total non-current liabilities	<u>-</u>	<u>386,241</u>	<u>(126,598)</u>	<u>259,643</u>
Total liabilities	<u>23,979</u>	<u>399,691</u>	<u>(126,598)</u>	<u>297,072</u>
<u>NET ASSETS</u>				
Without donor restrictions	1,126,201	(12,120)	-	1,114,081
With donor restrictions	-	-	-	-
Total net assets	<u>1,126,201</u>	<u>(12,120)</u>	<u>-</u>	<u>1,114,081</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 1,150,180</u>	<u>\$ 387,571</u>	<u>\$ (126,598)</u>	<u>\$ 1,411,153</u>

See accompanying independent auditors' report

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Families Helping Families of Greater New Orleans, Inc.	700 Hickory, Inc.	Eliminations	Consolidated Total
<u>REVENUES AND OTHER SUPPORT</u>				
Grant appropriations	\$ 555,633	\$ -	\$ -	\$ 555,633
Contributions	20,413	-	-	20,413
Investment return, net	35,101	48	-	35,149
Lease income	-	36,000	(36,000)	-
Other income	9,847	-	-	9,847
Total revenues and other support	<u>620,994</u>	<u>36,048</u>	<u>(36,000)</u>	<u>621,042</u>
<u>EXPENSES</u>				
Program expenses	392,142	-	(6,566)	385,576
Fundraising expenses	5,299	-	(677)	4,622
Management and general	123,332	41,832	(28,757)	136,407
Total expenses	<u>520,773</u>	<u>41,832</u>	<u>(36,000)</u>	<u>526,605</u>
<u>CHANGE IN NET ASSETS</u>	<u>100,221</u>	<u>(5,784)</u>	<u>-</u>	<u>94,437</u>
<u>NET ASSETS, BEGINNING OF THE YEAR</u>	<u>1,025,980</u>	<u>(6,336)</u>	<u>-</u>	<u>1,019,644</u>
<u>NET ASSETS, END OF THE YEAR</u>	<u>\$ 1,126,201</u>	<u>\$ (12,120)</u>	<u>\$ -</u>	<u>\$ 1,114,081</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, 2023

Agency Head Name: Mary Jacob, Executive Director

	Amount
Salary	\$ 89,432
Benefits - Healthcare	600
Benefits - Retirement	-
Deferred Compensation	-
Workers Compensation	-
Benefits - Life Insurance	-
Benefits - Long Term Disability	-
Benefits - FICA & Medicare	6,820
Car Allowance	-
Vehicle Provided by the Agency	-
Cell Phone	623
Dues	-
Vehicle Rental	-
Per Diem	-
Reimbursements	-
Travel	7,326
Registration Fees	-
Conference Travel	-
Unvouchered Expenses	-
Meetings and Conventions	-
Other	-
Total	\$ 104,801

See accompanying independent auditors' report



INDEPENDENT AUDITOR'S 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, 2023, 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 18, 2023.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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 statements. 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
December 18, 2023

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

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

JUNE 30, 2023

RICHARD  CPAS

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

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

JUNE 30, 2023

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

TABLE OF CONTENTS

	<u>Page</u>
<u>Independent Accountants' Report on Applying Agreed-Upon Procedures</u>	1
<u>Schedule A: Agreed-Upon Procedures and Observations and Results</u>	2-15



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the period July 1, 2022, through June 30, 2023. Families Helping Families of Greater New Orleans, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Families Helping Families of Greater New Orleans, Inc. (the Organization) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the period July 1, 2022, through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by Families Helping Families of Greater New Orleans, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of Families Helping Families of Greater New Orleans, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Richard CPAS
Metairie, Louisiana
December 18, 2023

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

PROCEDURES (SCHEDULE A)

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 25 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

1) *Written Policies and Procedures*

A. Obtain and inspect the entity’s written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity’s operations:

- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- iii. ***Disbursements***, including processing, reviewing, and approving.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

No exceptions were found as a result of this procedure.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, 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 (e.g., determining the reasonableness of fuel card purchases).

No exceptions were found as a result of this procedure.

- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. is a nonprofit organization.

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

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. does not have any debt.

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

No exceptions were found as a result of this procedure.

- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. is a nonprofit organization.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

2) Board or Finance Committee

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

No exceptions were found as a result of this procedure.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. is a nonprofit organization.

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

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. is a nonprofit organization.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. did not have any audit findings.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

3) *Bank Reconciliations*

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

4) *Collections (excluding electronic funds transfers)*

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

No exceptions were found as a result of this procedure.

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

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions were found as a result of this procedure.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

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

No exceptions were found as a result of this procedure.

- iii. Each employee responsible for collecting cash is not also 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, and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in force during the fiscal period.

No exceptions were found as a result of this procedure.

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

- i. Observe that receipts are sequentially pre-numbered.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

- iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

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

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. does not utilize purchase requests.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions were found as a result of this procedure.

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

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity, and

No exceptions were found as a result of this procedure.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions were found as a result of this procedure.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions were found as a result of this procedure.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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

No exceptions were found as a result of this procedure.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5 that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- C. Using the monthly statements or combined statements selected under #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions were found as a result of this procedure.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

No exceptions were found as a result of this procedure.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

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

No exceptions were found as a result of this procedure.

- iii. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

8) Contracts

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- iii. If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

9) Payroll and Personnel

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

No exceptions were found as a result of this procedure.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exceptions were found as a result of this procedure.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exceptions were found as a result of this procedure.

- iii. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exceptions were found as a result of this procedure.

- iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions were found as a result of this procedure.

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

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. does not provide termination payments.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions were found as a result of this procedure.

10) *Ethics*

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. is a nonprofit organization.

- ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. is a nonprofit organization.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. is a nonprofit organization.

11) *Debt Service*

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. does not have any debt.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. does not have any debt.

12) *Fraud Notice*

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

13) *Information Technology Disaster Recovery/Business Continuity*

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. is a nonprofit organization.

- B. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. is a nonprofit organization.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. is a nonprofit organization.

- i. Number and percentage of public servants in the agency who have completed the training requirements;

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. is a nonprofit organization.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

AGREED-UPON PROCEDURES AND OBSERVATIONS AND RESULTS

FOR THE YEAR ENDED JUNE 30, 2023

- ii. Number of sexual harassment complaints received by the agency:

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. is a nonprofit organization.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred:

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. is a nonprofit organization.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. is a nonprofit organization.

- v. Amount of time it took to resolve each complaint.

The above procedure is not applicable, as Families Helping Families of Greater New Orleans, Inc. is a nonprofit organization.