

**THE HARRY TOMPSON CENTER, INC.
(A NONPROFIT ORGANIZATION)**

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
JUNE 30, 2016 AND 2015**

THE HARRY TOMPSON CENTER, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

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BERNARD & FRANKS

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

NICHOLAS W. LAFRANZ III, C.P.A.

JAMES L. WHITE, C.P.A.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
The Harry Thompson Center, Inc.
New Orleans, Louisiana

We have reviewed the accompanying financial statements of The Harry Thompson Center, Inc. (a corporation), which comprise the balance sheet as of June 30, 2016, and the related statements of income and retained earnings and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

Accountant's Responsibility

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

Accountant's Conclusion

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

Report on 2015 Financial Statements

The 2015 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated December 8, 2015. We have not performed any auditing procedures since that date.

A handwritten signature in black ink that reads "Bernard A. Franks". The signature is written in a cursive style with a large, stylized 'B' and 'F'.

Metairie, Louisiana
December 19, 2016

THE HARRY TOMPSON CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

	<u>2016 Reviewed</u>	<u>2015 Audited</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 272,248	\$ 155,992
Accounts receivable	83,914	87,855
Total current assets	<u>\$ 356,162</u>	<u>\$ 243,847</u>
LAND, PROPERTY AND EQUIPMENT	\$ 9,016	\$ 9,016
Less accumulated depreciation and amortization	(9,016)	(7,539)
	<u>\$ -</u>	<u>\$ 1,477</u>
 Total assets	 <u><u>\$ 356,162</u></u>	 <u><u>\$ 245,324</u></u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 12,334	\$ 10,265
Payroll withholding	51	-
Accrued salaries and wages	-	7,958
Total current liabilities	<u>\$ 12,385</u>	<u>\$ 18,223</u>
 NET ASSETS		
Unrestricted	\$ 343,777	\$ 227,101
Total net assets	<u>\$ 343,777</u>	<u>\$ 227,101</u>
 Total liabilities and net assets	 <u><u>\$ 356,162</u></u>	 <u><u>\$ 245,324</u></u>

See Notes to the Financial Statements

THE HARRY TOMPSON CENTER, INC.

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	2016 Reviewed	2015 Audited
REVENUES, GAINS AND OTHER SUPPORT		
Contributions and grants	\$ 343,694	\$ 285,982
Fundraising events	150,476	168,567
Other	72,047	1,084
Total revenues, gains and other support	<u>\$ 566,217</u>	<u>\$ 455,633</u>
 EXPENSES		
Program services	\$ 271,264	\$ 266,909
Supporting services:		
Management and general	129,057	99,721
Fund-raising	49,220	48,502
Total expenses	<u>\$ 449,541</u>	<u>\$ 415,132</u>
 Change in net assets	<u>\$ 116,676</u>	<u>\$ 40,501</u>
 NET ASSETS AT BEGINNING OF YEAR	<u>\$ 227,101</u>	<u>\$ 186,600</u>
 NET ASSETS AT END OF YEAR	<u><u>\$ 343,777</u></u>	<u><u>\$ 227,101</u></u>

See Notes to the Financial Statements

THE HARRY TOMPSON CENTER, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016**

		<u>Supporting Services</u>		
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- raising</u>	<u>Total</u>
Salaries and related expenses:				
Salaries	\$ 159,823	\$ 40,639	\$ 5,806	\$ 206,268
Employee benefits & taxes	18,462	10,770	1,539	30,771
Workers' compensation	3,021	1,762	252	5,035
	<u>\$ 181,306</u>	<u>\$ 53,171</u>	<u>\$ 7,597</u>	<u>\$ 242,074</u>
Accounting and auditing	\$ -	\$ 30,648	\$ -	\$ 30,648
Advertising	-	-	2,883	2,883
Bank fees	-	1,584	-	1,584
Depreciation	-	1,477	-	1,477
Dues and subscriptions	-	500	-	500
Insurance	10,000	3,349	-	13,349
Meetings and conferences	-	1,124	-	1,124
Miscellaneous	-	21,439	-	21,439
Office supplies	-	6,848	-	6,848
Other supplies	20,501	-	-	20,501
Occupancy	21,225	-	-	21,225
Postage	-	196	-	196
Professional services	-	7,049	38,740	45,789
Repairs and maintenance	4,458	-	-	4,458
Staff development	-	1,629	-	1,629
Telephone	4,000	-	-	4,000
Travel and transportation	-	43	-	43
Volunteer expense	29,774	-	-	29,774
Total expenses	<u>\$ 271,264</u>	<u>\$ 129,057</u>	<u>\$ 49,220</u>	<u>\$ 449,541</u>

See Notes to the Financial Statements

THE HARRY TOMPSON CENTER, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015**

		<u>Supporting Services</u>		
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- raising</u>	<u>Total</u>
Salaries and related expenses:				
Salaries	\$ 145,011	\$ 43,197	\$ 6,171	\$ 194,379
Employee benefits & taxes	29,232	8,709	1,244	39,185
Workers' compensation	5,750	1,713	245	7,708
	<u>\$ 179,993</u>	<u>\$ 53,619</u>	<u>\$ 7,660</u>	<u>\$ 241,272</u>
Accounting and auditing	\$ -	\$ 26,347	\$ -	\$ 26,347
Advertising	-	-	768	768
Bank fees	-	1,883	-	1,883
Depreciation	-	1,803	-	1,803
Dues and subscriptions	-	450	-	450
Insurance	2,620	3,285	-	5,905
Meetings and confrences	-	557	-	557
Miscellaneous	-	1,483	-	1,483
Office supplies	-	3,621	-	3,621
Other supplies	19,855	-	-	19,855
Occupancy	24,319	-	-	24,319
Postage	-	97	-	97
Professional services	-	6,104	40,074	46,178
Repairs and maintenance	7,299	-	-	7,299
Telephone	1,519	-	-	1,519
Travel and transportation	-	472	-	472
Volunteer expense	31,304	-	-	31,304
	<u>\$ 266,909</u>	<u>\$ 99,721</u>	<u>\$ 48,502</u>	<u>\$ 415,132</u>

See Notes to the Financial Statements

THE HARRY TOMPSON CENTER, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	2016 Reviewed	2015 Audited
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 116,676	\$ 40,501
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,477	1,803
Increase (decrease) in operating assets:		
Accounts receivable	3,941	7,751
Increase (decrease) in operating liabilities:		
Accounts payable	2,069	5,038
Payroll liabilities	51	-
Accrued salaries and wages	(7,958)	7,079
Net cash provided by operating activities	<u>\$ 116,256</u>	<u>\$ 62,172</u>
 Net increase (decrease) in cash and cash equivalents	 \$ 116,256	 \$ 62,172
 Beginning cash and cash equivalents	 <u>155,992</u>	 <u>93,820</u>
 Ending cash and cash equivalents	 <u><u>\$ 272,248</u></u>	 <u><u>\$ 155,992</u></u>

See Notes to the Financial Statements

THE HARRY TOMPSON CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

The Harry Thompson Center, Inc. (the Center) is committed to providing a calm and caring environment in which to serve the needs of the poor and homeless in the downtown New Orleans area. The Center is dedicated to improving the quality of life for all those who come in need, not merely by responding to physical needs, but also by attending to the whole person with respect and compassion, after the example of Jesus. Its principle sources of revenues are donations from other charitable organizations, corporations and individuals.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic 958, Not-for-Profit Entities. The Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Center has no temporarily or permanently restricted net assets.

Basis of Accounting

The financial statements of The Harry Thompson Center, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, The Harry Thompson Center, Inc. considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Concentrations

For the year ended June 30, 2016, \$343,694 or 61% of the Center's total gross revenue was from contributions and grants. Additionally, \$150,476 or 26% of the Center's total gross revenue was from fundraising and finally \$72,047 or 13% was from miscellaneous sources.

For the year ended June 30, 2015, \$285,982 or 63% of the Center's total gross revenue was from contributions and grants. Additionally, \$168,567 or 37% of the Center's total gross revenue was from fundraising.

THE HARRY TOMPSON CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

Contributions of donated services that create or enhance non-financial assets or that require specialized skills are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair market values in the period received.

Estimates

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

Expense Allocation

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

Income Tax Status

The Center is a nonprofit organization and exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Code as other than a private foundation. The Center is also exempt from Louisiana income taxes under authority of R.S. 47.121(5). The Center believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to financial statements. The Center's Federal Exempt Information Returns (Form 990) for 2015, 2016 and 2017 are subject to examination by the IRS, generally for three years after they were filed.

Promises to Give

Unconditional promises to give, if applicable, less an allowance for uncollectible amounts, are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met and the promises become unconditional. For the years ended June 30, 2016 and 2015, the Center had no unconditional promises to give.

THE HARRY TOMPSON CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

All acquisitions of property and equipment in excess of \$300 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 useful life of the assets.

NOTE 2. CASH AND CASH EQUIVALENTS

The Harry Thompson Center, Inc. maintains two bank accounts at one institution. These accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) for amounts up to \$250,000 for interest bearing accounts. Cash at this institution did not exceed FDIC limits for the years ended June 30, 2016 and 2015.

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2016 and 2015 consisted of the following:

	2016	2015
Furniture & fixtures	\$ 9,016	\$ 9,016
Less: Accumulated depreciation	(9,016)	(7,539)
	<u>\$ -</u>	<u>\$ 1,477</u>

Depreciation expense totaled \$1,477 and \$1,803 for the years ended June 30, 2016 and 2015.

NOTE 4. COMPENSATION

The Board of Directors serves The Harry Thompson Center, Inc. without compensation.

NOTE 5. SUBSEQUENT EVENTS

Management has evaluated subsequent events affecting the Center through December 19, 2016, which is the date the financial statements were available to be issued. All disclosures considered necessary are made in the financial statements.

SUPPLEMENTARY INFORMATION

THE HARRY TOMPSON CENTER, INC.

**SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO EXECUTIVE DIRECTOR
JUNE 30, 2016**

Agency Head: Vicki Judice, Executive Director

	Amount
Salary	\$ 73,800
Benefits-insurance	7,200
Benefits-retirement	2,214
	<u>\$ 83,214</u>



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JOSEPH V. FRANKS II, C.P.A.

NICHOLAS W. LAFRANZ III, C.P.A.

JAMES L. WHITE, C.P.A.

AGREED-UPON PROCEDURES REPORT

Independent Accountant's Report On Applying Agreed-Upon Procedures

To the Board of Directors
The Harry Thompson Center, Inc.
New Orleans, Louisiana

We have performed the procedures enumerated below as they are a required part of the engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked "not applicable."

Management of the The Harry Thompson Center, Inc., a nonprofit corporation, is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. These procedures were agreed to by management of the The Harry Thompson Center, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about the The Harry Thompson Center, Inc. compliance with certain laws and regulations during the year ended June 30, 2016.

This agreed-upon procedures engagement was performed 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.

Federal, State, and Local Awards

1. We determine the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

The following table describes the federal, state, and local award expenditures for the fiscal year:

<u>Agency</u>	<u>Grant Name</u>	<u>Federal</u>	<u>Award</u>	<u>From</u>	<u>To</u>
UNITY of Greater New Orleans, Inc.	Rapid Rehousing Assistance	HUD	8,970.21	4/1/2015	3/31/2016
UNITY of Greater New Orleans, Inc.	Coordinated Assessment Grant	HUD	17,177.69	4/1/2015	3/31/2016
UNITY of Greater New Orleans, Inc.	Coming Home PSH Grant	HUD	8,665.87	10/1/2015	9/30/2016
City of New Orleans, Inc.	Emergency Solutions Grant	HUD	126,096.59	1/1/2015	12/31/2016

2. For each federal, state, and local award:

- We randomly select six disbursements from each award administered during the period under examination, provided that no more than 30 disbursements in total will be selected.
- We traced the six disbursements for each award to supporting documentation as to proper amount and payee.
- We determined that the six disbursements for each award were properly coded to the correct fund and general ledger account.
- We determined that the six disbursements for each award received approval from proper authorities.
- For federal awards, we determine that the disbursements selected complied with the applicable specific program compliance requirements summarized in the *Compliance Supplement* or contained in the grant agreement, if the program is not included in the *Compliance Supplement* and for state and local awards, determine whether the disbursements comply with the grant agreement, relating to:
 - Activities allowed or unallowed
 - Eligibility
 - Reporting

The items selected are detailed below:

	<u>Date</u>	<u>Amount</u>
<u>UNITY of Greater New Orleans, Inc.</u>		
<u>Rapid Rehousing Assistance</u>		
Kip Barard Case Manager	3/31/2016	347.79
Blue Cross	3/31/2016	60.59
Shared Solutions	3/31/2016	200.00
Kip Barard Case Manager	1/31/2016	347.79
Blue Cross	1/31/2016	60.59
Shared Solutions	1/31/2016	200.00
 <u>Coordinated Assessment Grant</u>		
	<u>Date</u>	<u>Amount</u>
CAP Case Manager-Kip Bernard	3/31/2016	646.55
Case Manager Supervisor-Vicki Judice	3/31/2016	436.72
Case Manager -Payroll Taxes	3/31/2016	82.72
Case manager-Health Insurance	3/31/2016	139.16
Case Manager Retirement	3/31/2016	20.10
Bernard & Franks	3/31/2016	36.00

<u>Coming Home PSH Grant</u>	<u>Date</u>	<u>Amount</u>
Kip Barard; Jessica Lovell	6/30/2016	465.88
Vicki Judice	6/30/2016	443.08
FICA'	6/30/2016	69.54
Health Insurance	6/30/2016	75.01
IRA	6/30/2016	15.29
Rebuild Center	6/30/2016	375.00

<u>Day Center Grant</u>	<u>Date</u>	<u>Amount</u>
Kip Barard	2/28/2016	2,128.85
Messica Lovell	2/28/2016	2,810.93
Vicki Judice	2/28/2016	471.24
Office Machines	1/26/2016	247.53
Mattress Direct	11/21/2015	282.73
C & C Drugs	11/2/2015	424.28

<u>City of New Orleans, Inc. Emergency Solutions Grant</u>	<u>Date</u>	<u>Amount</u>
Vicki Judice	6/30/2016	1,218.46
Assistant Director	6/30/2016	609.62
Site Coordinator	6/30/2016	1,883.08
Center Assistants	6/30/2016	1,688.86
Payroll Assistances	6/30/2016	2,381.58
Social Security	6/30/2016	932.17

No exceptions were found regarding proper supporting documents, proper coding, documents were properly approved and were allowable, eligible costs.

3. For the programs selected for testing in Item 2 that have been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records and determined that the amounts agreed.

Open Meetings

4. Examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law).

This procedure does not apply to this Organization.

Budget

5. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agencies was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

No exceptions were noted.

Prior Comments and Recommendations

6. Review any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

No prior year suggestions, recommendations, and/or comments were made for this Organization.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of The Harry Thompson Center, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bernard & Franks

Metairie, Louisiana
December 19, 2016