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

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021



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Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of Families Helping Families of Greater New Orleans, Inc. (the Organization, a nonprofit corporation), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 2021 and 2020 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Families Helping Families of Greater New Orleans, Inc. as of June 30, 2021 and 2020 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Supplementary Information as listed in the table of contents is presented for additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 22, 2021 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
December 22, 2021

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

<u>ASSETS</u>		
	<u>2021</u>	<u>2020</u>
<u>CURRENT ASSETS</u>		
Cash, unrestricted	\$ 311,988	\$ 292,782
Grants receivable	66,747	46,574
Investments	661,003	563,807
Prepaid expenses	4,424	4,671
Total current assets	<u>1,044,162</u>	<u>907,834</u>
<u>PROPERTY AND EQUIPMENT, NET</u>	<u>385,513</u>	<u>397,017</u>
<u>TOTAL ASSETS</u>	<u>\$ 1,429,675</u>	<u>\$ 1,304,851</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 5,005	\$ 4,234
Accrued payroll and related liabilities	13,877	17,119
Accrued annual leave	6,558	6,429
Refundable advance	-	66,600
Current portion of note payable	12,255	11,683
Total current liabilities	<u>37,695</u>	<u>106,065</u>
<u>NOTE PAYABLE, LONG TERM</u>	<u>285,945</u>	<u>298,199</u>
Total liabilities	<u>323,640</u>	<u>404,264</u>
<u>NET ASSETS</u>		
Without donor restrictions	1,106,035	900,587
With donor restrictions	-	-
Total net assets	<u>1,106,035</u>	<u>900,587</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 1,429,675</u>	<u>\$ 1,304,851</u>

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, 2021 AND 2020

	2021			2020		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<u>REVENUES</u>						
Grant appropriations	\$ 587,916	\$ -	\$ 587,916	\$ 522,651	\$ -	\$ 522,651
Fundraising revenue	4,555	-	4,555	6,466	-	6,466
Contributions	5,464	-	5,464	5,478	-	5,478
Investment return, net	98,331	-	98,331	29,031	-	29,031
Other income	71,575	-	71,575	8,721	-	8,721
	<u>767,841</u>	<u>-</u>	<u>767,841</u>	<u>572,347</u>	<u>-</u>	<u>572,347</u>
Net assets released from restrictions	-	-	-	-	-	-
Total revenues and other support	<u>767,841</u>	<u>-</u>	<u>767,841</u>	<u>572,347</u>	<u>-</u>	<u>572,347</u>
<u>EXPENSES</u>						
Program expenses	478,525	-	478,525	481,174	-	481,174
Fundraising expenses	2,312	-	2,312	1,214	-	1,214
Management and general	81,556	-	81,556	83,049	-	83,049
Total expenses	<u>562,393</u>	<u>-</u>	<u>562,393</u>	<u>565,437</u>	<u>-</u>	<u>565,437</u>
<u>CHANGE IN NET ASSETS</u>	205,448	-	205,448	6,910	-	6,910
<u>NET ASSETS, BEGINNING OF THE YEAR</u>	900,587	-	900,587	893,677	-	893,677
<u>NET ASSETS, END OF THE YEAR</u>	<u>\$ 1,106,035</u>	<u>\$ -</u>	<u>\$ 1,106,035</u>	<u>\$ 900,587</u>	<u>\$ -</u>	<u>\$ 900,587</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, 2021 AND 2020

	2021				2020			
	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	\$ 374,756	\$ 1,929	\$ 50,607	\$ 427,292	\$ 382,435	\$ 992	\$ 49,867	\$ 433,294
Contract services	50,427	323	250	51,000	40,668	185	15	40,868
Occupancy	5,317	-	-	5,317	6,556	-	80	6,636
Supplies	8,606	14	-	8,620	17,136	36	83	17,255
Other expenses	4,822	14	1,192	6,028	1,231	-	3,239	4,470
Travel	88	-	-	88	6,811	-	11	6,822
Insurance	6,005	-	3,410	9,415	7,978	-	3,073	11,051
Printing	7,184	32	-	7,216	6,424	-	-	6,424
Telephone	9,997	-	-	9,997	8,772	-	-	8,772
Conference expenses	10,005	-	-	10,005	1,805	-	-	1,805
Depreciation	-	-	11,504	11,504	-	-	11,503	11,503
Postage	1,318	-	-	1,318	1,358	1	1	1,360
Interest expense	-	-	14,593	14,593	-	-	15,177	15,177
	<u>\$ 478,525</u>	<u>\$ 2,312</u>	<u>\$ 81,556</u>	<u>\$ 562,393</u>	<u>\$ 481,174</u>	<u>\$ 1,214</u>	<u>\$ 83,049</u>	<u>\$ 565,437</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, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 205,448	\$ 6,910
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	11,504	11,503
Unrealized gain on investments	(74,664)	(14,129)
Changes in operating assets and liabilities:		
Grants receivable	(20,173)	9,476
Prepaid expenses	247	727
Accounts payable	771	138
Refundable advance	(66,600)	66,600
Payroll and related liabilities	(3,242)	1,439
Accrued annual leave	129	599
Net cash provided by operating activities	<u>53,420</u>	<u>83,263</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments	(159,635)	(380,876)
Proceeds from sale of investments	137,103	368,118
Net cash used in investing activities	<u>(22,532)</u>	<u>(12,758)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payments on notes payable	(11,682)	(11,097)
Net cash used in financing activities	<u>(11,682)</u>	<u>(11,097)</u>
Net change in cash and cash equivalents	19,206	59,408
Cash and cash equivalents, beginning of year	<u>292,782</u>	<u>233,374</u>
Cash and cash equivalents, end of year	<u>\$ 311,988</u>	<u>\$ 292,782</u>
<u>SUPPLEMENTAL DISCLOSURE</u>		
Cash paid for interest	<u>\$ 14,593</u>	<u>\$ 15,177</u>

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, 2021

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, 2021

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, 2021 and 2020.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Grants receivable

Grants receivable are reported at the amount management expects to collect from outstanding balances. Differences between the amount due and the amount management expects to collect are reported in the statements of activities of the year in which those differences are determined with the offsetting entry to a valuation allowance for grants receivable. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to grants receivable.

Investments

The Organization reports investments in equity securities with readily determinable fair values and investments in debt securities at the fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities. Interest income and dividend income are recorded on the accrual basis.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021

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 Compensated Absences

The Organization accrues accumulated unpaid leave when earned by the employee. Generally annual leave must be taken during the fiscal year earned. However, annual leave up to certain limits may be carried over per employee per fiscal year. Eligible employees who terminate employment with the Organization are reimbursed for each day of accumulated annual leave.

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 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, 2021 and 2020.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021

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, 2021, 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, 2021, and 2020. 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.

New Accounting Pronouncements – Adopted

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, (Topic 606) Revenue from Contracts with Customers. This ASU is a comprehensive new revenue recognition model that requires an organization to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods and services. Additional disclosure is required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. This standard was adopted by the Organization effective July 1, 2020, using the full retrospective method. 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, 2021

1. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements – Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, Leases, which requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. In July 2018, the FASB issued ASU 2018-11, Leases (Topic 842): Targeted Improvements, to simplify the lease standard's implementation. The amended guidance relieves businesses and other organizations of the requirement to present prior comparative years' results when they adopt the new lease standard. On June 3, 2020, the FASB deferred the effective date of this standard for certain entities. This standard is effective for the Organization's year ending June 30, 2023.

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.

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>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 311,988	\$ 292,782
Grants receivable	66,747	46,574
Investments	661,003	563,807
	<u>\$ 1,039,738</u>	<u>\$ 903,163</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, 2021

3. Grants Receivable

The Organization has the following grants receivable at June 30, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
U.S. Department of Education Parent Training	\$ 24,344	\$ 15,740
Louisiana State Department of Education	10,400	13,453
LA Department of Health & Hospitals – Children’s	16,775	11,549
Alabama Parent Education Center, Inc.	8,223	-
Jefferson Parish Human Services Authority	6,655	5,482
Bayou Land Families Helping Families	350	350
	<u>\$ 66,747</u>	<u>\$ 46,574</u>

4. Investments

The Organization has the following investments at June 30, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Common stocks	\$ 271,518	\$ 181,798
Corporate bonds	25,348	112,068
Exchange traded funds	306,022	118,844
Money market funds	58,115	151,097
Total Investments	<u>\$ 661,003</u>	<u>\$ 563,807</u>

The Organization has the following investment return, net for the years ended June 30, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Interest income	\$ 5,331	\$ 10,154
Dividend income	4,773	3,888
Realized gain	21,078	7,611
Unrealized gain	74,664	14,129
Investment fees	<u>(7,515)</u>	<u>(6,751)</u>
Investment return, net	<u>\$ 98,331</u>	<u>\$ 29,031</u>

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021

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, 2021 and 2020.

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, 2021

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, 2021, and 2020. There have been no changes in the methodologies used at June 30, 2021.

Balance at June 30, 2021	Level 1	Level 2	Level 3	Total
Common stocks	\$ 271,518	\$ -	\$ -	\$ 271,518
Corporate bonds	-	25,348	-	25,348
Exchange traded funds	306,022	-	-	306,022
Money market funds	58,115	-	-	58,115
	<u>\$ 635,655</u>	<u>\$ 25,348</u>	<u>\$ -</u>	<u>\$ 661,003</u>
Balance at June 30, 2020	Level 1	Level 2	Level 3	Total
Common stocks	\$ 181,798	\$ -	\$ -	\$ 181,798
Corporate bonds	-	112,068	-	122,068
Exchange traded funds	118,844	-	-	118,844
Money market funds	151,097	-	-	151,097
	<u>\$ 451,739</u>	<u>\$ 112,068</u>	<u>\$ -</u>	<u>\$ 563,807</u>

6. Property and Equipment

The Organization has the following property and equipment at June 30, 2021 and 2020.

	2021	2020
Land	\$ 92,800	\$ 92,800
Building	329,200	329,200
Equipment	15,237	15,237
Total historic cost	437,237	437,237
less: accumulated depreciation	(51,724)	(40,220)
Property and equipment, net	<u>\$ 385,513</u>	<u>\$ 397,017</u>

During the year ended June 30, 2018, 700 Hickory, Inc. purchased land and building for \$422,000 to house the operations of the Organization. Depreciation expense of \$11,504 and \$11,503 is included in the consolidated statements of functional expenses for the years then ended June 30, 2021, and 2020, respectively.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021

7. Note Payable

The Organization has the following note payable at June 30, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
4.725% Mortgage payable to financial institution, secured by land and building, due in monthly installments of \$2,190 through November 2037.	<u>\$ 298,200</u>	<u>\$ 309,882</u>
Total	<u>298,200</u>	<u>309,882</u>
Less: Current Portion	<u>(12,255)</u>	<u>(11,683)</u>
Total notes payable, long term	<u>\$ 285,945</u>	<u>\$ 298,199</u>

Principal payments required in future years as of June 30, 2021, are as follows:

<u>Years ending June 30</u>	
2022	\$ 12,255
2023	12,855
2024	13,450
2025	14,143
2026	14,836
2027-2031	85,785
2032-2036	108,955
2037-2038	<u>35,920</u>
Total	<u>\$ 298,200</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, 2021

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, 2021 and 2020, the amounts on deposit by the Organization were covered by FDIC insurance.

10. Contingency

The Organization participates in a number of state and federal programs which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Organization has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable at June 30, 2021 and 2020 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 2022 relating to its federal and state grant awards.

12. Board of Directors Compensation

The Board of Directors serves and directs Families Helping Families of Greater New Orleans, Inc. on a voluntary basis. The Board does not receive compensation.

13. Risks and Uncertainties

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

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021

13. Risks and Uncertainties (continued)

The Organization has been primarily working remotely since March 2020. The administrative staff work in the office as needed and there has been no reduction in services or support to families. The Organization continues to follow the federal, state, and local guidance on best practices for operating and delivery of services. The Organization is uncertain how long these conditions will last and what the complete financial effect will be.

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

On May 1, 2020, the Organization received a U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) loan in the amount of \$66,600 and is recorded on the statement of financial position as a refundable advance at June 30, 2020. This loan is potentially forgivable if the Organization meets certain criteria provided by the SBA. The loan has an interest rate of 1% and is due five years from the date of origination. The Paycheck Protection Program loan does not require any collateral or personal guarantees associated with this loan. On May 25, 2021, the loan was forgiven and the Organization recorded \$66,600 in other income.

15. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 22, 2021, and determined no item requires disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

ASSETS

	Families Helping Families of Greater New Orleans, Inc.	700 Hickory, Inc.	Eliminations	Consolidated Total
<u>CURRENT ASSETS</u>				
Cash, unrestricted	\$ 299,144	\$ 12,844	\$ -	\$ 311,988
Grants receivable	66,747	-	-	66,747
Investments	661,003	-	-	661,003
Prepaid expenses	9,424	-	(5,000)	4,424
Total current assets	<u>1,036,318</u>	<u>12,844</u>	<u>(5,000)</u>	<u>1,044,162</u>
<u>PROPERTY AND EQUIPMENT, NET</u>				
	<u>1,919</u>	<u>383,594</u>	<u>-</u>	<u>385,513</u>
<u>DUE FROM RELATED ENTITY</u>				
	<u>98,875</u>	<u>-</u>	<u>(98,875)</u>	<u>-</u>
<u>TOTAL ASSETS</u>	<u>\$ 1,137,112</u>	<u>\$ 396,438</u>	<u>\$ (103,875)</u>	<u>\$ 1,429,675</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>				
Accounts payable	\$ 5,005	\$ -	\$ -	\$ 5,005
Accrued payroll and related liabilities	13,877	-	-	13,877
Accrued annual leave	6,558	-	-	6,558
Refundable advance	-	-	-	-
Current portion of note payable	-	12,255	-	12,255
Total current liabilities	<u>25,440</u>	<u>12,255</u>	<u>-</u>	<u>37,695</u>
<u>NON-CURRENT LIABILITIES</u>				
Note payable	-	285,945	-	285,945
Due to related entity	-	98,875	(98,875)	-
Security deposit	-	5,000	(5,000)	-
Total non-current liabilities	<u>-</u>	<u>389,820</u>	<u>(103,875)</u>	<u>285,945</u>
Total liabilities	<u>25,440</u>	<u>402,075</u>	<u>(103,875)</u>	<u>323,640</u>
<u>NET ASSETS</u>				
Without donor restrictions	1,111,672	(5,637)	-	1,106,035
With donor restrictions	-	-	-	-
Total net assets	<u>1,111,672</u>	<u>(5,637)</u>	<u>-</u>	<u>1,106,035</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 1,137,112</u>	<u>\$ 396,438</u>	<u>\$ (103,875)</u>	<u>\$ 1,429,675</u>

See accompanying independent auditors' report

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Families Helping Families of Greater New Orleans, Inc.	700 Hickory, Inc.	Eliminations	Consolidated Total
<u>REVENUES AND OTHER SUPPORT</u>				
Grant appropriations	\$ 587,916	\$ -	\$ -	\$ 587,916
Fundraising revenue	4,555	-	-	4,555
Contributions	5,464	-	-	5,464
Investment return, net	98,263	68	-	98,331
Lease income	-	36,000	(36,000)	-
Other income	71,575	-	-	71,575
Total revenues and other support	<u>767,773</u>	<u>36,068</u>	<u>(36,000)</u>	<u>767,841</u>
<u>EXPENSES</u>				
Program expenses	508,079	-	(33,600)	474,479
Fundraising expenses	2,098	-	-	2,098
Management and general	53,658	34,558	(2,400)	85,816
Total expenses	<u>563,835</u>	<u>34,558</u>	<u>(36,000)</u>	<u>562,393</u>
<u>CHANGE IN NET ASSETS</u>	<u>203,938</u>	<u>1,510</u>	<u>-</u>	<u>205,448</u>
<u>NET ASSETS, BEGINNING OF THE YEAR</u>	<u>907,734</u>	<u>(7,147)</u>	<u>-</u>	<u>900,587</u>
<u>NET ASSETS, END OF THE YEAR</u>	<u>\$ 1,111,672</u>	<u>\$ (5,637)</u>	<u>\$ -</u>	<u>\$ 1,106,035</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, 2021

Agency Head Name: Mary Jacob, Executive Director

Salary	\$ 85,546
Benefits - Healthcare	600
Benefits - Retirement	-
Deferred Compensation	-
Workers Compensation	-
Benefits - Life Insurance	-
Benefits - Long Term Disability	-
Benefits - FICA & Medicare	6,544
Car Allowance	-
Vehicle Provided by the Agency	-
Cell Phone	1,370
Dues	-
Vehicle Rental	-
Per Diem	-
Reimbursements	104
Travel	88
Registration Fees	-
Conference Travel	-
Unvouchered Expenses	-
Meetings and Conventions	-
Other	-
	<hr/>
Total	<u>\$ 94,252</u>

See accompanying independent auditors' report



Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Families Helping Families of Greater New Orleans, Inc. (the Organization), which comprise the consolidated statement of financial position as of June 30, 2021, 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 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richard CPAS

Metairie, Louisiana
December 22, 2021