



Parents Helping Parents

*Building Bright Futures for
Children with Special Needs*

PARENTS HELPING PARENTS, INC.

**Financial Statements
and Supplementary Information
June 30, 2016 and 2015**

**Together with
Independent Auditors' Report
and Single Audit Report**

PARENTS HELPING PARENTS, INC.

Table of Contents

June 30, 2016

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 19
SUPPLEMENTARY INFORMATION	20
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 <i>Government Auditing Standards</i>	21 - 22
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	23 - 25
Schedule of Expenditures of Federal Awards	26
Notes to the Schedule of Expenditures of Federal Awards	27
Schedule of Findings and Questioned Costs	28 - 29



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Parents Helping Parents, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Parents Helping Parents, Inc. (the "Organization"), a nonprofit organization, which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Board of Directors of
Parents Helping Parents, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), is presented for purposes of 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 November 21, 2016, 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 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 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.

Robert Lee & Associates, LLP

San Jose, California

November 21, 2016

PARENTS HELPING PARENTS, INC.
Statements of Financial Position

		June 30,	
		<u>2016</u>	<u>2015</u>
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$	85,047	\$ 73,144
Grants and accounts receivable		182,931	119,950
Pledges receivable, net - current		31,302	28,297
In-kind rent receivable - current		325,710	325,710
Prepaid expenses		9,373	15,524
Total current assets		<u>634,363</u>	<u>562,625</u>
Investments		174,877	172,354
Property and equipment, net		133,517	145,365
Pledges receivable, net - non-current		35,188	-
In-kind rent receivable, net - non-current		287,084	589,225
Deposits		15,510	15,510
Total assets	\$	<u>1,280,539</u>	\$ <u>1,485,079</u>
<u>LIABILITIES AND NET ASSETS</u>			
Current liabilities:			
Accounts payable and accrued expenses	\$	154,574	\$ 119,360
Capital lease obligations - current		4,656	4,656
Total current liabilities		159,230	124,016
Capital lease obligations - non-current		11,597	16,253
Total liabilities		<u>170,827</u>	<u>140,269</u>
Contingency			
Net assets:			
Unrestricted			
Undesignated		898,940	1,174,973
Designated		44,282	41,540
Total unrestricted net assets		943,222	1,216,513
Temporarily restricted		166,490	128,297
Total net assets		<u>1,109,712</u>	<u>1,344,810</u>
Total liabilities and net assets	\$	<u>1,280,539</u>	\$ <u>1,485,079</u>

The accompanying notes are an integral part of these financial statements

PARENTS HELPING PARENTS, INC.
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Total
Revenue:			
Grants and contracts	\$ 1,272,016	\$ -	\$ 1,272,016
Contributions and pledges	335,501	66,490	401,991
Program service fees	79,670	-	79,670
Fundraising event revenue, net:			
Fundraising event revenue	110,709	-	110,709
Less fundraising event expenses	(33,238)	-	(33,238)
Total fundraising event revenue, net	77,471	-	77,471
In-kind income	23,569	-	23,569
Investment income:			
Interest income	3,623	-	3,623
Realized gain on investments	2,775	-	2,775
Unrealized gain on investments	(3,875)	-	(3,875)
Net assets released from restrictions	28,297	(28,297)	-
Total revenue	1,819,047	38,193	1,857,240
Expenses:			
Operating programs:			
Community and family services	417,011	-	417,011
Education of public and professionals	935,320	-	935,320
Technology center	99,287	-	99,287
Total program services	1,451,618	-	1,451,618
Supporting services:			
Management and general	168,731	-	168,731
Development	146,279	-	146,279
Total supporting services	315,010	-	315,010
Total expenses before in-kind rent expense	1,766,628	-	1,766,628
Change in net assets before in-kind rent expense	52,419	38,193	90,612
In-kind rent expense	325,710	-	325,710
Change in net assets	(273,291)	38,193	(235,098)
Net assets, beginning of year	1,216,513	128,297	1,344,810
Net assets, end of year	\$ 943,222	\$ 166,490	\$ 1,109,712

The accompanying notes are an integral part of these financial statements

PARENTS HELPING PARENTS, INC.
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Total
Revenue:			
Grants and contracts	\$ 1,300,786	\$ -	\$ 1,300,786
Contributions and pledges	388,161	28,297	416,458
Program service fees	38,560	-	38,560
Fundraising event, net:			
Fundraising event revenue	55,769	-	55,769
Less fundraising event expenses	(13,773)	-	(13,773)
Total fundraising event revenue, net	41,996	-	41,996
In-kind income	35,160	-	35,160
Investment income:			
Interest income	3,481	-	3,481
Realized gain on investments	1,089	-	1,089
Unrealized gain on investments	599	-	599
Other revenue	32	-	32
Net assets released from restrictions	34,201	(34,201)	-
Total revenue	1,844,065	(5,904)	1,838,161
Expenses:			
Operating programs:			
Community and family services	511,072	-	511,072
Education of public and professionals	873,625	-	873,625
Technology center	89,061	-	89,061
Total program services	1,473,758	-	1,473,758
Supporting services:			
Management and general	160,536	-	160,536
Development	138,056	-	138,056
Total supporting services	298,592	-	298,592
Total expenses before in-kind rent expense	1,772,350	-	1,772,350
Change in net assets before in-kind rent expense	71,715	(5,904)	65,811
In-kind rent expense	325,710	-	325,710
Change in net assets	(253,995)	(5,904)	(259,899)
Net assets, beginning of year	1,470,508	134,201	1,604,709
Net assets, end of year	\$ 1,216,513	\$ 128,297	\$ 1,344,810

The accompanying notes are an integral part of these financial statements

PARENTS HELPING PARENTS, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2016

	Operating Programs				Supporting Services		Total Supporting Services	Total
	Community and Family Services	Education of Public and Professionals	Technology Center	Total Program	Management and General	Development		
Personnel costs								
Salaries and wages	\$ 260,388	\$ 428,680	\$ 40,298	\$ 729,366	\$ 94,433	\$ 95,371	\$ 189,804	\$ 919,170
Payroll taxes and employee benefits	62,340	97,527	9,711	169,578	12,641	27,704	40,345	209,923
Total personnel expenses	<u>322,728</u>	<u>526,207</u>	<u>50,009</u>	<u>898,944</u>	<u>107,074</u>	<u>123,075</u>	<u>230,149</u>	<u>1,129,093</u>
Operating costs								
Subcontractors	2,585	297,494	-	300,079	-	-	-	300,079
Occupancy	35,737	57,362	4,519	97,618	12,472	10,604	23,076	120,694
Professional fees	11,527	15,504	18,944	45,975	26,754	3,040	29,794	75,769
Supplies	7,768	5,203	18,322	31,293	1,595	1,331	2,926	34,219
Printing and publications	3,932	11,406	157	15,495	696	1,860	2,556	18,051
Specific assistance	17,168	300	-	17,468	-	-	-	17,468
Other expenses	3,540	1,040	234	4,814	5,872	1,866	7,738	12,552
Depreciation and amortization	3,428	5,506	524	9,458	1,136	1,254	2,390	11,848
Telephone and communication	1,939	4,752	1,004	7,695	1,938	701	2,639	10,334
Travel	1,281	5,185	1,864	8,330	703	-	703	9,033
Membership dues	644	645	3,451	4,740	1,784	300	2,084	6,824
Postage and shipping	3,393	1,107	96	4,596	845	1,353	2,198	6,794
Equipment expense	1,021	2,027	74	3,122	2,417	160	2,577	5,699
Conferences and trainings	320	1,582	89	1,991	2,949	735	3,684	5,675
Interest expense	-	-	-	-	2,496	-	2,496	2,496
Total operating expenses	<u>94,283</u>	<u>409,113</u>	<u>49,278</u>	<u>552,674</u>	<u>61,657</u>	<u>23,204</u>	<u>84,861</u>	<u>637,535</u>
Total expenses before in-kind rent	417,011	935,320	99,287	1,451,618	168,731	146,279	315,010	1,766,628
In-kind rent expense	<u>96,444</u>	<u>154,799</u>	<u>12,195</u>	<u>263,438</u>	<u>33,655</u>	<u>28,617</u>	<u>62,272</u>	<u>325,710</u>
Total expenses	<u>\$ 513,455</u>	<u>\$ 1,090,119</u>	<u>\$ 111,482</u>	<u>\$ 1,715,056</u>	<u>\$ 202,386</u>	<u>\$ 174,896</u>	<u>\$ 377,282</u>	<u>\$ 2,092,338</u>

The accompanying notes are an integral part of these financial statements

PARENTS HELPING PARENTS, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2015

	Operating Programs				Supporting Services		Total Supporting Services	Total
	Community and Family Services	Education of Public and Professionals	Technology Center	Total Program	Management and General	Development		
Personnel costs								
Salaries and wages	\$ 326,968	\$ 373,155	\$ 30,406	\$ 730,529	\$ 101,952	\$ 89,381	\$ 191,333	\$ 921,862
Payroll taxes and employee benefits	76,914	92,481	9,974	179,369	17,846	20,070	37,916	217,285
Total personnel expenses	<u>403,882</u>	<u>465,636</u>	<u>40,380</u>	<u>909,898</u>	<u>119,798</u>	<u>109,451</u>	<u>229,249</u>	<u>1,139,147</u>
Operating costs								
Subcontractors	4,795	320,071	-	324,866	-	-	-	324,866
Occupancy	36,930	44,289	3,745	84,964	9,299	8,006	17,305	102,269
Professional fees	15,886	15,559	17,540	48,985	15,761	5,242	21,003	69,988
Supplies	7,406	5,443	25,869	38,718	1,753	1,050	2,803	41,521
Other expenses	3,381	820	97	4,298	3,678	50	3,728	8,026
Specific assistance	18,893	300	-	19,193	-	-	-	19,193
Printing and publications	3,581	1,870	125	5,576	620	7,812	8,432	14,008
Depreciation and amortization	5,186	5,846	513	11,545	1,570	1,460	3,030	14,575
Postage and shipping	3,604	1,584	129	5,317	1,058	3,169	4,227	9,544
Telephone and communication	3,215	2,967	234	6,416	2,050	662	2,712	9,128
Equipment expense	2,842	3,119	264	6,225	913	665	1,578	7,803
Travel	1,078	5,362	165	6,605	694	55	749	7,354
Interest expense	-	-	-	-	2,095	-	2,095	2,095
Membership dues	-	559	-	559	589	300	889	1,448
Conferences and trainings	393	200	-	593	658	134	792	1,385
Total operating expenses	<u>107,190</u>	<u>407,989</u>	<u>48,681</u>	<u>563,860</u>	<u>40,738</u>	<u>28,605</u>	<u>69,343</u>	<u>633,203</u>
Total expenses before in-kind rent	511,072	873,625	89,061	1,473,758	160,536	138,056	298,592	1,772,350
In-kind rent expense	<u>117,614</u>	<u>141,053</u>	<u>11,927</u>	<u>270,594</u>	<u>29,619</u>	<u>25,497</u>	<u>55,116</u>	<u>325,710</u>
Total expenses	<u>\$ 628,686</u>	<u>\$ 1,014,678</u>	<u>\$ 100,988</u>	<u>\$ 1,744,352</u>	<u>\$ 190,155</u>	<u>\$ 163,553</u>	<u>\$ 353,708</u>	<u>\$ 2,098,060</u>

The accompanying notes are an integral part of these financial statements

PARENTS HELPING PARENTS, INC.
Statements of Cash Flows

	For the Year Ended June 30,	
	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ (235,098)	\$ (259,899)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	11,848	14,575
In-kind rent expense	325,710	325,710
Present value discount of in-kind rent expense	(23,569)	(35,172)
Realized and unrealized (gains) losses on investments	1,100	(1,688)
Changes in operating assets and liabilities:		
Grants and accounts receivable	(62,981)	17,469
Pledges receivable, net	(38,193)	5,904
Prepaid expenses	6,151	(9,178)
Accounts payable and accrued expenses	35,214	(62)
Net cash provided by operating activities	20,182	57,659
Cash flows from investing activities:		
Purchases of investments	(3,623)	(4,232)
Net cash used by investing activities	(3,623)	(4,232)
Cash flows from financing activities:		
Payments on note payable	-	(2,135)
Payments on line of credit	-	(25,000)
Payments on capital lease obligations	(4,656)	(3,391)
Net cash used by financing activities	(4,656)	(30,526)
Increase in cash and cash equivalents	11,903	22,901
Cash and cash equivalents, beginning of year	73,144	50,243
Cash and cash equivalents, end of year	\$ 85,047	\$ 73,144
<u>Supplemental disclosure of cash flow information</u>		
Cash paid during the year for interest	\$ 2,496	\$ 2,095
<u>Supplemental disclosure of non-cash transactions</u>		
In-kind rent received	\$ 325,710	\$ 325,710
Acquisition of assets through capital lease obligation	\$ -	\$ 24,300

The accompanying notes are an integral part of these financial statements

PARENTS HELPING PARENTS, INC.

Notes to Financial Statements

June 30, 2016

Note 1 - Organization and programs:

Description of organization

Parents Helping Parents, Inc. (the "Organization") is a nonprofit public benefit corporation incorporated in March of 1980. The Organization offers emotional support, assistance, and information to families with special needs children throughout the United States. The fundamental purpose of the Organization is to provide support to allow the family to function independently, handling their own situation, making decisions about their child in a positive, realistic frame of mind, and to help the family return to a normal functioning unit as soon as possible. The Organization is supported primarily through contributions, grants and fees.

Operating programs

Community and family services - Relates to expenses of the Organization to provide information and resources to parents having children with special needs and to the professionals who serve them.

Education of public and professionals - Includes expenses incurred by the Organization to provide a wide range of services to help parents better understand, support, and advocate for their children in special education programs.

Technology center - Represents program expenses relating to the Organization's iTECH center, which offers parents and professionals an opportunity to gain hands-on experience with assistive devices and instructional software, before making a decision on which ones best suit their needs.

Supporting services

Management and general - Includes direct business management salaries, related expenses and indirect allocations of other expenses identified which include a component of general administration.

Development - Includes expenses relating to the Organization's fundraising efforts to continue to provide the structure necessary to encourage and secure public financial report.

Note 2 - Summary of significant accounting policies:

Basis of accounting - The financial statements have been prepared on the accrual basis of accounting which recognizes revenue and support when earned and expenses when incurred and accordingly reflect all significant receivables, payables and other liabilities.

PARENTS HELPING PARENTS, INC.

Notes to Financial Statements

June 30, 2016

Note 2 - Summary of significant accounting policies (continued):

Basis of presentation - The Organization presents information regarding its financial position and activities according to three classes of net assets:

- *Unrestricted net assets* - the portion of net assets that is neither temporarily nor permanently restricted by donor-imposed stipulations. These net assets are intended for use of management and the Board of Directors for facility maintenance and general operations.
- *Temporarily restricted net assets* - the portion of net assets for which the use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization.
- *Permanently restricted net assets* - the portion of net assets for which the use is limited by donor-imposed stipulations that neither expire by passage of time nor can be removed by actions of the Organization. There were no permanently restricted net assets as of June 30, 2016 and 2015.

Use of estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates used in preparing these financial statements include the useful lives of property and equipment and the allocation of expenses by function. Actual results could differ from these estimates.

Revenue recognition - Contributed support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other contributed support is recognized as revenue when received or un-conditionally promised. The Organization reports gifts of cash and other assets as restricted support if such gifts are received with donor stipulations that limit the use of the donated assets. When such restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions.

Promises to give, that are expected to be collected in future years, are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts, if any, is included in contribution revenue. Conditional promises to give, if any, are not included as support until the conditions are substantially met.

Grant and contract revenues are recognized on a monthly basis as the Organization provides services to federal, state, local and other non-profit organizations. The revenue is recognized by providing the entity's with an invoice detailing services performed.

PARENTS HELPING PARENTS, INC.

Notes to Financial Statements

June 30, 2016

Note 2 - Summary of significant accounting policies (continued):

In-kind contributions - Significant donated equipment, facility and other goods are recorded at estimated fair value at the date of receipt. Contributed services, which require a specialized skill and which the Organization would have paid for if not donated, are recorded at their estimated fair market value at the time the services are rendered. In addition, a substantial number of volunteers have contributed significant amounts of time in promoting the Organization's programs. The value of contributed volunteer services has not been recognized in the accompanying financial statements because such volunteer services do not require specialized skills.

Functional expense allocations - The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated, based on estimates of time, space, and other factors, among the classifications.

Cash and cash equivalents - Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of their acquisition date. Not included as cash equivalents are funds restricted as to their use, regardless of liquidity or the maturity dates of investments.

Grants and accounts receivables - Grants receivable consist of amounts that have been invoiced by the Organization to other federal and non-profit organizations that have not been collected at year-end. There were no conditional grants at June 30, 2016 and 2015. All grants are expected to be received within the next 12 months. Other receivables include the value of future receipts (other than campaign pledges and grants) that are expected to be received within the next 12 months.

Pledges receivable and allowance for doubtful accounts - Pledges receivable consist of receivables relating to annual fundraising campaigns to support the major programs of the Organization. Pledges receivable are carried at pledge amounts less an estimate made for doubtful receivables. The Organization uses the allowance method to determine uncollectible trade receivables. The allowance is based on prior years' experience and management's analysis of specific receivables. The financial statements reflect these receivables net of the allowance reserve. When an account is determined uncollectible, it is deducted from the accounts receivable and charged to expense. The allowance for doubtful accounts as of June 30, 2016 and 2015 was approximately \$1,000 and \$5,000, respectively.

PARENTS HELPING PARENTS, INC.

Notes to Financial Statements

June 30, 2016

Note 2 - Summary of significant accounting policies (continued):

Pledges receivable and allowance for doubtful accounts (continued) - Unconditional promises to give are promises that depend only on the passage of time or the demand by the promisor for performance. A conditional promise to give is a promise that depends on the occurrence of a specified future and uncertain event to bind the promisor. Conditional promises to give are not included as support until the conditions are substantially met. There were no conditional promises to give at June 30, 2016 and 2015.

Prepaid expenses and other assets - Prepaid expenses and other assets include payments for lease deposits, contracts and program related activities.

Long-term in-kind receivables - The portion of receivables expected to be collected during a period extending beyond one year is classified as a long-term receivable and is discounted to reflect the current value of the amount to be received. The Organization received an in-kind donation of office rent for the period extending from 2008 to 2018. The estimated fair value of in-kind office rent, which will be realized beyond June 30, 2016 has been classified as a long-term in-kind receivable (see Note 5).

Investments - All investments are valued in accordance with Generally Accepted Accounting Principles ("GAAP"), including Fair Value Measurements.

The Organization invests primarily in marketable securities. All debt securities and equity securities are carried at quoted market prices as of the last trading date of the Organization's fiscal year. The Organization's Board of Directors has established an investment policy. Contributions of investments are recorded at estimated fair value at the date of donation. Unrealized gains and losses that result from market fluctuations are recognized in the period such fluctuations occur. Realized gains and losses resulting from the sales or maturities are the differences between the investment's cost basis and the sale or maturity settlement of the investment. Dividend and interest income are accrued when earned. The Organization may have risk associated with its concentration of investments in one geographic region and in certain industries.

Property and equipment - Property and equipment are stated at cost less accumulated depreciation and amortization. Acquisitions of items in excess of \$500 are capitalized. Significant donated items are recorded at estimated fair value at the date of receipt. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of land, buildings and equipment are recorded as unrestricted support.

PARENTS HELPING PARENTS, INC.

Notes to Financial Statements

June 30, 2016

Note 2 - Summary of significant accounting policies (continued):

Depreciation and amortization - Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to thirty years. Leasehold improvements are amortized using the straight-line method over the lesser of the assets' estimated useful lives or the term of the applicable lease. Property under capital leases is amortized over the lives of the respective leases or the estimated useful lives of the assets, whichever is shorter.

Fair value of financial instruments - Financial instruments included in the Organization's Statement of Financial Position as of June 30, 2016 and 2015 include cash and cash equivalents, receivables, investments, accounts payable and accrued expenses, and investments. The carrying amounts of cash and cash equivalents, receivables, accounts payable and accrued expenses approximate their fair values due to their short maturities. The fair values of the Organization's line of credit is based on the borrowing rates currently available to the Organization for debt with similar terms and average maturities and, accordingly, approximate their carrying value. Investments are reflected in the accompanying Statement of Financial Position at their estimated fair values using methodologies described above.

Concentration of credit risk - Financial instruments that potentially subject the Organization to credit risk consist primarily of uninsured cash and cash equivalents, grants and accounts receivables and investments. The Organization maintains cash and cash equivalents with commercial banks and other major financial institutions. Cash equivalents include overnight investments, and money market funds. These accounts are insured up to \$250,000 per depositor by an agency of the federal government. At times, such amounts may exceed Federal Deposit Insurance Corporation ("FDIC") limits.

The credit risk associated with receivables is mitigated by the fact that the receivables are generally related to government grants and contracts that have already been earmarked for the Organization. Additionally, any receivables that are expected to be collected after one year have been discounted and are reflected in the financial statements at their net present value. The Organization's investments have been placed with high quality financial institutions. The Organization monitors these investments and has not experienced significant credit losses. It is the Organization's opinion that it is not exposed to any significant credit risks.

Revenue concentration - During the years ended June 30, 2016 and 2015, the Organization's one major revenue source, was the U.S. Department of Education, which accounted for 46% and 49%, respectively, of the total revenue and 53% and 54%, respectively, of the total accounts receivable of the Organization. The U.S. Department of Education provided three separate grants to the Organization that make up the total concentration, see page 27 for details.

PARENTS HELPING PARENTS, INC.

Notes to Financial Statements

June 30, 2016

Note 2 - Summary of significant accounting policies (continued):

Accounting for uncertainty in income taxes - The Organization evaluates its uncertain tax positions and will recognize a loss contingency when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position for all uncertain tax positions in the aggregate could differ from the amount recognized. Management did not identify any uncertain tax positions as of June 30, 2016 and 2015.

The Organization is subject to potential examination by taxing authorities for income tax returns filed in the U.S. federal jurisdiction and the State of California. The tax years that remain subject to potential examination for the U.S. federal jurisdiction is June 30, 2013 and forward. The State of California tax jurisdiction is subject to potential examination for fiscal tax years June 30, 2012 and forward.

Recent accounting pronouncements - In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") No. 2016-14 "Not-for-Profit Entities: Presentation of Financial Statements for Not-for-Profit Entities." The ASU is intended to improve identified issues about the current financial reporting for Not-for-Profits. This ASU is effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Early application is permitted. Management is currently evaluating the impact of this pronouncement.

In February 2016, the FASB issued FASB ASU No. 2016-02 "Leases." The ASU is intended to increase transparency and comparability between organizations recognizing lease assets and liabilities by recognizing lease assets and lease liabilities on the balance sheet and increasing the related disclosures. For non-public entities, the effective date will be effective for annual reporting periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020. Early application is permitted. Management is currently evaluating the impact of this pronouncement.

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") No. 2014-09 "Revenue from Contracts with Customers (Topic 606)". The ASU provides guidance over the core principle of recognizing revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods. ASU 2014-09 will supersede the revenue recognition requirements in FASB Accounting Standard Codification (ASC) 605, "Revenue Recognition", and most industry-specific guidance throughout the Industry Topics of the FASB ASC.

PARENTS HELPING PARENTS, INC.

Notes to Financial Statements

June 30, 2016

Note 2 - Summary of significant accounting policies (continued):

Recent accounting pronouncements (continued) - The purpose of the new standard is to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and International Financial Reporting Standards (IFRS). This ASU is effective for annual financial statements issued for the fiscal years beginning after December 15, 2018 and early adoption is allowed after December 15, 2016.

Reclassifications - Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Subsequent events - Subsequent events have been evaluated through the date of the independent auditors' report, which is the date the financial statements were available to be issued and it has been determined that no material subsequent events that require an estimate to be recorded or disclosed as of June 30, 2016.

Note 3 - Investments:

The Organization follows the provisions of the Fair Value Measurements and Disclosure topic of the FASB Accounting Standards Codification. These standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority.

The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. At June 30, 2016 and 2015, the Organization was invested in Level 1 investments and had no investment in Level 2 and Level 3 inputs. The Organization's investments were measured using quoted prices in active markets for identical assets (Level 1). At June 30, 2016 and 2015, the Organization's investments were recorded in Large Blend Mutual Funds totaling \$174,877 and \$172,354, respectively.

Note 4 - Pledges receivable:

Unconditional promises to give, which are not expected to be collected until after the year contributed, are reflected in the accompanying financial statements as pledges receivable and revenue in the appropriate net asset category. Pledges receivable are recorded at fair value which includes a discount rate of 6% at June 30, 2016.

PARENTS HELPING PARENTS, INC.

Notes to Financial Statements

June 30, 2016

Note 4 - Pledges receivable (continued):

Pledge receivables consist of the following at June 30:

	2016	2015
Receivables in less than one year	\$ 31,302	\$ 28,297
Receivables in one to three years	40,000	-
	71,302	28,297
Less: discount to net present value	(4,812)	-
	66,490	28,297
Less: current portion	(31,302)	(28,297)
Non-current portion	\$ 35,188	\$ -

Note 5 - In-kind rent receivable - use of facility:

The Organization entered into a lease agreement with another charitable organization during the year ended 2008 for the lease of an office in its facility to conduct operations for \$1 per month. The lease expires in 2018. The receivable for the contributed use of the facility reflects the fair value of the use of the facility for 10 years. The Organization has recognized contribution revenue and a receivable for the present value of the promise for use of its facility with the annual maturity of contributed support receivable recognized as rent expense. The receivable was recorded after discounting the future cash flows to present value using a discount rate of 4%. The total facility rent expense was \$325,710 for the years ended June 30, 2016 and 2015. The maturities of this receivable are as follows:

Year Ending June 30,	Amount
2017	\$ 325,710
2018	298,568
Total in-kind receivable	624,278
Less: discount for present value of future rent receivable	(11,484)
In-kind receivable, net	612,794
Less: current portion, net	(325,710)
Non-current portion, net	\$ 287,084

PARENTS HELPING PARENTS, INC.

Notes to Financial Statements

June 30, 2016

Note 6 – Property and equipment, net:

Property and equipment, including equipment under capital leases, consist of the following at June 30:

	<u>2016</u>	<u>2015</u>
Leasehold Improvements	\$ 156,817	\$ 156,817
Equipment	87,779	93,947
Furniture & Fixtures	<u>700</u>	<u>700</u>
Total property and equipment	245,296	251,464
Less: accumulated depreciation and amortization	<u>(111,779)</u>	<u>(106,099)</u>
Property and equipment, net	<u>\$ 133,517</u>	<u>\$ 145,365</u>

Depreciation and amortization expense was \$11,848 and \$14,575 for the years ended June 30, 2016 and 2015, respectively.

Note 7 - Line of credit:

The Organization has a revolving line of credit from the Bank of the West with a maximum credit amount of \$100,000. The line of credit's interest rate varies with the bank's index rate at prime plus 2.50% (6% at June 30, 2016). There was no balance due on the line of credit at June 30, 2016 and 2015. The agreement requires the Organization to comply with certain covenants. At June 30, 2016, management is not aware of any violations of the covenants.

Note 8 - Capital lease obligations:

The Organization has entered into a capital lease agreement for equipment with a cost of \$24,300 and related accumulated depreciation of \$8,910. The lease, expiring in 2019, requires aggregate monthly payments of \$440 and bears 3.4 % interest per annum.

PARENTS HELPING PARENTS, INC.

Notes to Financial Statements

June 30, 2016

Note 8 - Capital lease obligations (continued):

At June 30, 2016, the present values of future minimum payments under the agreements were as follows:

Year Ending June 30,	Amount
2017	\$ 5,285
2018	5,285
2019	5,285
2020	1,322
Total payment	17,177
Less amounts representing interest	(924)
Present value of minimum lease payments	16,253
Less portion due within one year	(4,656)
Portion due after one year	\$ 11,597

Note 9 - Temporarily restricted net assets:

Temporarily restricted net assets are part of the net assets of the Organization resulting from contributions and other inflows of assets whose use is restricted by donor imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. Temporarily restricted net assets were available for the following purposes at June 30:

	2016	2015
Future year donor pledges	\$ 66,490	\$ 28,297
Volunteer support	100,000	100,000
Total	\$ 166,490	\$ 128,297

Note 10 - Net assets released from restrictions:

Net assets are released from donor restrictions by incurring expenses, satisfying the restricted purposes or by occurrences of other events specified by donors. For the years ended June 30, 2016 and 2015, net assets released from donor restrictions related to future donor pledges totaled \$28,297 and \$34,201, respectively.

PARENTS HELPING PARENTS, INC.

Notes to Financial Statements

June 30, 2016

Note 11 - Contingency:

Grant awards require the fulfillment of certain conditions as set forth in the instruments of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms it has accommodated the objectives of the organization to the provisions of the grants. The Organization's management is not aware of any non-compliance with grant terms of all grants.

Note 12 - Retirement plan:

The Organization participates in a defined contribution plan (the "Plan") under Section 401(k) of the Internal Revenue Code. The Plan is for the benefit of all eligible employees of the Organization who qualify under the participation requirements. The Plan also allows for an employer matching contribution. No employer contributions were made during the years ended June 30, 2016 and 2015.

Note 13 - Related party transactions:

The members of the Board of Directors of the Organization are active in oversight of fundraising events, activities, and in making private contributions. Contributions received from the Board of Directors or from companies with which the Board of Directors are affiliated, were approximately \$9,800 and \$10,400 for the years ended June 30, 2016 and 2015.

SUPPLEMENTARY INFORMATION



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

To the Board of Directors of
Parents Helping Parents, Inc.

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 Parents Helping Parents, Inc. (the "Organization"), a nonprofit organization, which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 21, 2016.

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 opinion 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.

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 (CONTINUED)

To the Board of Directors of
Parents Helping Parents, Inc.

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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

 Robert Lee & Associates, LLP

San Jose, California
November 21, 2016



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE

To the Board of Directors of
Parents Helping Parents, Inc.

Report on Compliance for Each Major Federal Program

We have audited Parents Helping Parents, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2016. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE (CONTINUED)

To the Board of Directors of
Parents Helping Parents, Inc.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE (CONTINUED)

To the Board of Directors of
Parents Helping Parents, Inc.

Report on Internal Control over Compliance (Continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

 Robert Lee & Associates, LLP

San Jose, California
November 21, 2016

PARENTS HELPING PARENTS, INC.

Single Audit Reports

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA number	Pass-through entity identifying number	Federal Program Expenditures	Passed through to subrecipients
<u>EXPENDITURES OF FEDERAL AWARDS:</u>				
U.S. Department of Education:				
Special Education - Parent Training and Information Center *	84.328M	H328M120008	\$ 144,357	\$ 70,633
Special Education - Parent Training and Information Center *	84.328M	H328M150030	388,596	232,441
Total Parent Training and Information Center			532,953	303,074
Early Intervention Services (IDEA)				
Passed-through Programs from California				
Department of Developmental Services:				
Special Education - Grant for Infants and Families	84.181	H18A140037	113,212	-
Total Early Intervention Services			113,212	-
Special Education (IDEA)				
Passed through the California Department of Education:				
Special Education - Grants to States	84.027A	H027A150116	203,215	-
Total Special Education			203,215	-
Total U.S. Department of Education			849,380	303,074
Total Expenditures of Federal Awards			\$ 849,380	\$ 303,074

* Denotes a major program

PARENTS HELPING PARENTS, INC.
Single Audit Reports
Notes to the Schedule of Expenditures and Federal Awards
Year Ended June 30, 2016

Note 1 - Organization and operations:

Description of Organization

Parents Helping Parents, Inc. (the "Organization") is a nonprofit public benefit corporation incorporated in March of 1980. The Organization offers emotional support, help, and information to families with special needs children throughout the United States. The fundamental purpose of the Organization is to provide support to allow the family to function independently, handling their own situation, making decisions about their child in a positive, realistic frame of mind, and to help the family return to a normal functioning unit as soon as possible. The Organization is supported primarily through contributions, grants and fees.

The Organization has received a determination letter from the Internal Revenue Service that it is exempt from federal taxation under Section 501(c) (3) of the U.S. Internal Revenue Code. The Organization is exempt from California franchise taxes under Revenue and Taxation Code Section 23701(d).

Note 2 - Summary of significant accounting policies:

Basis of accounting - Expenditures in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, OMB Circular A-122 *Cost Principles for Non-Profit Organizations*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Organization has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The information in the accompanying Schedule of Expenditures of Federal Awards ("SEFA") includes the federal grant and loan activity of the Organization under programs of the federal government for the year ending June 30, 2016. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in the SEFA may differ from amounts presented in, or used in the preparation of, the consolidated financial statements.

PARENTS HELPING PARENTS, INC.

Single Audit Reports

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Parents Helping Parents, Inc.
2. No significant deficiencies relating to the audit of the financial statements are reported in the basic financial statements.
3. No instances of noncompliance material to the financial statements of the Organization were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the financial statements.
5. The auditors' report on compliance for the major federal award programs for the Organization expresses an unmodified opinion.
6. Audit findings relative to the major federal award programs for the Organization is reported in Part C of this Schedule below.
7. The programs tested as major programs include:

<u>Major Program</u>	<u>CFDA</u>	<u>Expenditures</u>
Special Education – Parent Training and Information Center	84.328M	<u>532,953</u>
Total Major Program Expenditures		\$ <u>532,953</u>
Total Federal Award Expenditures		\$ <u>849,380</u>
Percent of Total Federal Award Expenditures		<u>63%</u>

8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Organization was determined to be a low risk auditee.

PARENTS HELPING PARENTS, INC.
Single Audit Reports
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2016

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

Current Year Findings

No financial statements audit findings noted in the current year.

Prior Year Findings

No financial statements audit findings noted in the prior year.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM
AUDIT**

Current Year Findings

There are no current year findings that were considered material instances of noncompliance in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Prior Year Findings

No findings or questioned costs were noted on the Organization's major programs in the prior year.