

NORTHLAKE HOMELESS COALITION

Financial Statements
and
Independent Accountant's Review Report

December 31, 2018



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Independent Accountant's Review Report

To the Board of Directors
Northlake Homeless Coalition
Mandeville, Louisiana

We have reviewed the accompanying financial statements of Northlake Homeless Coalition (the Coalition), which comprise the statement of financial position as of December 31, 2018, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements (collectively, the financial statements). A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

Accountant's Conclusion

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

In accordance with standards established by the American Institute of Certified Public Accountants, the *Louisiana Governmental Audit Guide*, and the provisions of state law, we have issued a report dated February 14, 2020, on the results of our agreed-upon procedures.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2018, the Coalition adopted the Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our accountant's conclusion is not modified with respect to this matter.

Other Matter*Supplementary Information*

The accompanying schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute (LRS) 24:513 A(3), on page 11, is presented for the purpose of additional analysis and is not a required part of the basic 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 financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Schedule of Certain Findings

Our review disclosed certain findings that are required to be reported under *Government Auditing Standards* and those findings, along with management's response, are described in the attached schedule of findings.



A Professional Accounting Corporation

Covington, LA
February 14, 2020

NORTHLAKE HOMELESS COALITION
Statement of Financial Position
December 31, 2018

Assets	
Cash	\$ 43,259
Grants Receivable	<u>8,667</u>
Total Assets	<u>\$ 51,926</u>
Liabilities	
Deferred Revenue	<u>\$ 39,199</u>
Total Liabilities	<u>39,199</u>
Net Assets	
Without Donor Restrictions	<u>12,727</u>
Total Net Assets	<u>12,727</u>
Total Liabilities and Net Assets	<u>\$ 51,926</u>

See accompanying notes and account's report.

NORTHLAKE HOMELESS COALITION
Statement of Activities
For the Year Ended December 31, 2018

Net Assets Without Donor Restrictions	
Support and Revenue	
Federal Grant Revenue	\$ 249,160
State and Local Grant Revenue	15,682
Other Income	<u>40,642</u>
Total Unrestricted Support and Revenue	<u>305,484</u>
Expenses	
Program Services	
Homelessness Prevention	
Salaries and Related Benefits	202,055
Rental Assistance	27,439
Travel	11,476
Supplies and Equipment	9,030
Rent	2,856
Professional Fees	3,750
Miscellaneous	<u>8,662</u>
Total Program Services	<u>265,268</u>
Supporting Services	
General and Administrative	
Salaries and Related Benefits	37,750
Travel	72
Supplies and Equipment	2,418
Rent	1,694
Professional Fees	5,020
Miscellaneous	<u>11,818</u>
Total Supporting Services	<u>58,772</u>
Total Expenses	<u>324,040</u>
Change in Net Assets Without Donor Restrictions	(18,556)
Net Assets, Beginning of Year	<u>31,283</u>
Net Assets, End of Year	<u><u>\$ 12,727</u></u>

See accompanying notes and accountant's report.

NORTHLAKE HOMELESS COALITION
Statement of Cash Flows
For the Year Ended December 31, 2018

Cash Flows from Operating Activities	
Change in Net Assets Without Donor Restrictions	\$ (18,556)
Adjustments to Reconcile Change in Net Assets Without Donor Restrictions to Net Cash Provided by Operating Activities	
(Increase) Decrease in Assets	
Grants Receivable	318
Other Receivable	5,000
Increase (Decrease) in Liabilities	
Deferred Revenue	<u>36,052</u>
Net Cash Provided by Operating Activities	<u>22,814</u>
Net Increase in Cash	22,814
Cash, Beginning of Year	<u>20,445</u>
Cash, End of Year	<u><u>\$ 43,259</u></u>

See accompanying notes and accountant's report.

NORTHLAKE HOMELESS COALITION

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Organization

Northlake Homeless Coalition (the Coalition), a Louisiana non-profit organization, is a network of private and public service providers working together to end the ravages of homelessness in the southeast Louisiana Parishes of Livingston, St. Helena, St. Tammany, Tangipahoa, and Washington. The Coalition's mission is to eliminate and thereafter prevent homelessness in this region. The objectives of the Coalition is to serve as the Department of Housing and Urban Development (HUD) designated Continuum of Care (CoC) for this region and align with HUD's stated purpose of the CoC program to: provide a community-wide commitment to the goal of ending homelessness; provide funding for efforts to quickly re-house individuals and families experiencing homelessness; promote access to and effective use of mainstream programs; and optimize self-sufficiency among persons experiencing homelessness.

Federal Income Taxes

The Coalition is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code.

Basis of Accounting

The Coalition prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, involving the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

The Coalition follows the provisions of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under the *Not-for-Profit Entities* Topic of the FASB ASC, the Coalition is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. As of December 31, 2018, there are no net assets with donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Actual results could differ from those estimates.

NORTHLAKE HOMELESS COALITION

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Contributions

Contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. Once expended for their restricted purpose, these net assets with donor restrictions are released to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donated Goods and Services

Organizations are required to recognize as revenue and related expense, services received if the organization would typically need to purchase the services if not received as donations. No amounts have been reflected in the financial statements for donated goods and services because there was either no objective basis available to measure their value or the value given was immaterial to the financial statements taken as a whole.

Revenue and Expenses

Revenue is recognized when earned. Support for the Coalition is provided primarily through federal grants received either directly from federal agencies or passed through state and local governmental agencies, and by contracts and agreements signed with various local agencies to provide support.

For federal and state grants administered on a cost-reimbursement basis, revenue is recognized as allowable expenditures are incurred.

Amounts collected in advance but unearned are reflected in the statement of financial position as deferred revenue.

Cash Flow Information

The Coalition considers all short-term investments with an original maturity of three months or less to be cash equivalents. The Coalition did not make any cash payments for income taxes during the year ended December 31, 2018.

Functional Expenses

The costs of providing the Coalition's program and supporting services have been presented on a functional basis in the statement of activities which presents the natural classification detail of expenses by function. Expenses are first allocated by direct identification and then allocated if an expenditure benefits more than one program or function. As of December 31, 2018, all expenses were allocated by direct identification.

Advertising Costs

Advertising costs are expensed as incurred. There were no advertising expenses for the year.

NORTHLAKE HOMELESS COALITION

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements - Adopted

In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which amends the existing requirements for the financial statements and notes of not-for-profit entities (NFPs). The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Coalition implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The adoption of the ASU resulted in no reclassification of net assets.

Recent Accounting Pronouncements - Not Yet Adopted

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount to which an entity expects to be entitled when products are transferred to customers. ASU 2014-09 will be effective for the Coalition beginning in the year ending December 31, 2019, though early adoption is permitted. The new revenue standard may be applied retrospectively as of the date of adoption. The Coalition is currently evaluating the impact of adopting the new revenue standard on its financial statements and it does not expect to experience a significant impact.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 will be effective for the Coalition beginning in the year ending December 31, 2019. Management does not expect ASU 2016-02 to have a significant impact on the financial statements.

Note 2. Cash

The Coalition's bank balance as of December 31, 2018 was \$47,173. This balance is fully insured by the Federal Deposit Insurance Corporation (FDIC), which insures up to \$250,000 per account category per financial institution.

NORTHLAKE HOMELESS COALITION

Notes to Financial Statements

Note 3. Grants Receivable

Under the terms of the various grant agreements, the Coalition had a total due from various grantors of \$8,667 at December 31, 2018. The Coalition has determined that an uncollectible allowance is not required, and the balance is considered to be fully collectible.

Note 4. Uncertain Tax Positions

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Coalition believes it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements. Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

Note 5. Liquidity and Availability

The Coalition monitors liquidity required to meet its operating needs and other contractual commitments. Expenditures are generally met within 30 days, utilizing the financial resources the Coalition has available. Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, consist of the following:

Cash	\$	43,259
Grants Receivable		<u>8,667</u>
Total	\$	<u>51,926</u>

Note 6. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 14, 2020, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

NORTHLAKE HOMELESS COALITION
Supplementary Information
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2018

Agency Head
Amanda Mills, Executive Director

Purpose	Amount
Salary	\$51,276
Reimbursements	\$2,665
Business Cell Phone	\$1,254

Louisiana Revised Statute 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees be reported as a supplemental report within the financial statements of local government and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that received public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

NORTHLAKE HOMELESS COALITION
Schedule of Findings
For the Year Ended December 31, 2018

Current Year Findings

2018-001 State Audit Law

Criteria: Louisiana Revised Statute (LRS) 24:513.

Condition: Northlake Homeless Coalition (the Coalition) did not timely report as required by state law.

Cause: The Coalition was not aware of the requirements.

Effect: Noncompliance with LRS 24:513.

Recommendation: Gain an understanding of the reporting requirements.

Management's

Response: The Coalition is in the process of completing reporting requirements for years ended December 31, 2016 through 2018 as required by state law.

Other Matters

The Louisiana Legislative Auditor (LLA) performed certain procedures at the Coalition to address the requirements of Act 774 of the 2014 Regular Legislative Session and issued their report dated October 9, 2019. A copy of the report may be obtained online at the LLA website.

The U.S. Department of Housing and Urban Development (HUD) Office of Inspector General (OIG) issued a report dated July 11, 2019, evaluating whether the Coalition administered its Continuum of Care (CoC) in accordance with HUD and the Coalition's program requirements. A copy of the report may be obtained online at the HUD OIG website.

Prior Year Findings

2017-001 State Audit Law

Condition: Northlake Homeless Coalition did not timely report as required by state law.

Status: The Coalition is in the process of submitting the report. The finding has not been fully resolved. See current year finding 2018-001.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Northlake Homeless Coalition
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below which were agreed to by Northlake Homeless Coalition (the Coalition) and the Louisiana Legislative Auditor (the specified parties), on the Coalition's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2018, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Coalition's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the agency's management.

Results: Management provided the list of grant awards for the fiscal year.

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

Results: Randomly selected six disbursements from each grant administered during the fiscal year.

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

Results: No exceptions noted.

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

Results: No exceptions noted.

5. Report whether the selected disbursements were approved in accordance with the agency's policies and procedures.

Results: No exceptions noted.

6. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

Results: No exceptions noted.

7. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the agency's financial records, and report whether the amounts in the close-out reports agree with the agency's financial records.

Results: No exceptions noted.

Open Meeting

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions.

Results: Procedure not applicable.

Budget

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the agency provided to the applicable federal, state, or local grantor agency. Report whether the budgets for federal, state, and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

Results: No exceptions noted.

State Audit Law

10. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

Results: Northlake Homeless Coalition did not timely report in accordance with R.S. 24:513.

11. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Results: No exceptions noted.

Prior-Year Comments

12. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

Results: No prior year suggestions, exceptions, recommendations, and/or comments.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Coalition's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the management of Northlake Homeless Coalition and the Louisiana Legislative Auditor, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA
February 14, 2020

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

_____ (Date Transmitted)

_____ Laporte, APAC _____ (CPA Firm Name)
_____ 5100 Village Walk, Suite 300 _____ (CPA Firm Address)
_____ Covington, LA 70433 _____ (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2018 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to the open meetings law.**

Yes No N/A

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes No

Reporting

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No N/A

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes No

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes No

The previous responses have been made to the best of our belief and knowledge.

<u>Tom Jackson</u>	Secretary	<u>1-21-2020</u>	Date
<u>Colleen Edwards</u>	Treasurer	<u>1-21-2020</u>	Date
<u>Jeremy Dinnity Jr.</u>	President	<u>1/21/2020</u>	Date