

NORTHEAST NEW START OUTREACH, INC.
Winnsboro, Louisiana

**COMPILATION REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2018**

BY

ROSIE D. HARPER
CERTIFIED PUBLIC ACCOUNTANT, LLP

300 WASHINGTON STREET, SUITE 308 • MONROE, LOUISIANA 71201
OFFICE (318) 387-8008 • FAX (318) 387-0806

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ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Northeast New Start Outreach, Inc.
Winnsboro, Louisiana 71295

Management is responsible for the accompanying financial statements of Northeast New Start Outreach, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, cash flows, and functional expenses for the year then ended in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The accompanying supplementary information Schedules 1 through 4 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to my compilation engagement. I have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Management has elected to omit substantially all disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Northeast New Start Outreach, Inc.'s financial position, changes in net assets, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
May 7, 2019

FINANCIAL STATEMENTS

Statement of Financial Position
December 31, 2018

Assets

Cash	\$	20
Grant Receivable		4,311
		4,311
Total Assets		4,331

Liabilities and Net Assets**Liabilities:**

Accrued Liabilities		2,744
Loans from Officers		3,218
Payroll Liabilities		2,401
Line of Credit		1,697
		10,060
Total Liabilities		10,060

Net Assets:

Without Donor Restrictions		(5,729)
With Donor Restrictions		-
		-
Total Net Assets		(5,729)
Total Liabilities and Net Assets	\$	4,331

See Accountant's Compilation Report.

Statement of Activities
For the Year Ended
December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	\$ 1,964	\$ -	\$ 1,964
Fundraising	3,806	-	3,806
Federal Grant	-	46,734	46,734
In-Kind	9,210	-	9,210
Net Assets Released from Restrictions			
Restrictions Satisfied by Payments	46,734	(46,734)	-
Total Revenues, Gains and Other Support	61,714	-	61,714
EXPENSES			
Program Expenses	65,980	-	65,980
Total Expenses	65,980	-	65,980
Change in Unrestricted Net Assets	(4,266)	-	(4,266)
Net Assets as of Beginning of Year	(1,749)	-	(1,749)
Other Changes in Net Assets			
Prior Period Adjustment (Voided Checks)	286	-	286
Total Other Changes in Net Assets	286	-	286
Net Assets as of End of Year	\$ (5,729)	\$ -	\$ (5,729)

See Accountant's Compilation Report.

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

Operating Activities	<u>All Funds</u>
Change in Net Assets	\$ (4,266)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Decrease in Grants Receivable	1,979
Increase in Payroll Liabilities	1,366
Increase in Accrued Liabilities	2,317
Total Adjustments	<u>5,662</u>
Net Cash Provided by Operating Activities	<u>1,396</u>
 Financing Activities	
Principal Payments on Line Of Credit	<u>(1,992)</u>
Net Cash Used by Financing Activities	<u>(1,992)</u>
 Net Increase in Cash	 (596)
 Cash as of Beginning of Year	 <u>330</u>
 Other Changes in Cash	
Prior Period Adjustment	<u>286</u>
Total Other Changes in Cash	<u>286</u>
 Cash as of the End of the Year	 <u><u>\$ 20</u></u>
 Supplemental Data:	
Interest Expense	<u><u>\$ 224</u></u>

See Accountant's Compilation Report.

Statement of Functional Expenses
For the Year Ended
December 31, 2018

Program Expense**Personnel Costs**

Salaries and Wages	\$ 40,427
In-kind Service Contribution	9,210
Total Personnel Costs	<u>49,637</u>

Other Expenses

Dues and Subscriptions	620
Insurance Expense	336
Interest Expense	224
Miscellaneous	840
Office Supplies	76
Postage	171
Professional Fees	2,266
Program Expense	2,309
Rent	6,732
Telephone	1,511
Travel	455
Utilities	803

Total Other Expenses	<u>16,343</u>
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Total Expenses	<u><u>\$ 65,980</u></u>
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See Accountant's Compilation Report.

SUPPLEMENTAL INFORMATION

Budget-to-Actual
For the Year Ended
December 31, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenue/Other Receipts			
Federal Grant	46,734	46,734	-
Cash Match <i>(Contributions and Credit Line Proceeds)</i>	519	10,036	(9,517)
In-Kind Match	16,035	9,210	6,825
Total Revenue	<u>63,288</u>	<u>65,980</u>	<u>(2,692)</u>
Program Expenses			
Personnel	38,782	36,192	2,590
Personnel (Cash Match)	4,235	4,235	-
Personnel-In-Kind	9,210	9,210	-
Supplies and Operating Expense	10,542	10,542	-
Supplies and Operating Expense (Cash Match)	519	5,801	(5,282)
Total Program Expense	<u>63,288</u>	<u>65,980</u>	<u>(2,692)</u>
Budget Excess (Deficit)	<u>-</u>	<u>-</u>	<u>-</u>

See Accountant's Compilation Report.

Summary Schedule of Prior Year Findings and Responses
December 31, 2017

2017-1 Bank Reconciliations Not Completed Timely

Criteria: Bank reconciliations should be performed on a monthly basis. Bank reconciliations should be reviewed and approved by management, and any unusual reconciling items should be properly investigated.

Cause: Bank reconciliations were not completed on a timely basis

Condition: Bank reconciliations were not completed on a timely basis.

Effect: Failure to conduct timely reconciliations can result in inaccurate general ledger cash balance amounts not being detected can contribute to erroneous cash flow and budgetary information being provided to the management, thereby hampering their financial decision-making process. In addition, bank errors, however rare, may go undetected if bank reconciliations are not performed on a timely basis.

Recommendation: Bank reconciliations should be performed on a monthly basis. Bank reconciliations should be reviewed and approved by management, and any unusual reconciling items should be properly investigated.

Management's response and Planned corrective action:

We concur with the accountant's recommendation and will perform bank reconciliations on a monthly and timely basis. Bank reconciliations will be reviewed and approved by management, and any unusual reconciling items will be properly investigated.

STATUS: CLEARED

Schedule of Compensated Key Employees
December 31, 2018

Job Title	<u>Rochelle Kelley</u> Project Director	<u>Eumeka Hoard Gipson</u> Financial Officer
Salary	15,640	15,640
401K	-	-
Benefits-Insurance	-	-
Benefits-Retirement	-	-
Other Benefits	-	-
Car Allowance	-	-
Vehicle provided by Government	-	-
Per Diem	-	-
Reimbursements	-	-
Travel	-	-
Registration Fees	-	-
Conference Travel	-	-
Continuing Professional Education Fees	-	-
Housing	-	-
Unvouchered Expenses	-	-
Special Meals	-	-
Total Compensation	<u>\$ 15,640</u>	<u>\$ 15,640</u>

Schedule of Board Members
December 31, 2018

Board Members

Freeman Addison
(President / Chairman)

Bridget Mikel
(Vice-President)

Yolanda Wilson
(Secretary / Treasurer)