

NORTHSHORE HOUSING INITIATIVE, INC.
(A Nonprofit Organization)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
JUNE 30, 2019 AND 2018

NORTHSHORE HOUSING INITIATIVE, INC.
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

TABLE OF CONTENTS

	<u>Page #</u>
INDEPENDENT ACCOUNTANT’S REVIEW REPORT	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8– 13
SUPPLEMENTARY INFORMATION	
Schedule 1 - Schedule of Compensation, Benefits and Other Payments to the Executive Director and Related Notes	14
INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES	15-17
INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES UNDER ACT 774	18-19
LOUISIANA ATTESTATION QUESTIONNAIRE	20-21



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Northshore Housing Initiative, Inc.
Mandeville, Louisiana

Report on the Financial Statements

We have reviewed the accompanying financial statements of Northshore Housing Initiative, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. 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 reviews, 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.

Supplementary Information

The supplementary information included in Schedule 1 - Schedule of Compensation, Benefits and Other Payments to Executive Director is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. We have not audited or reviewed such information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Bernard & Franks

Metairie, Louisiana
December 20, 2019

NORTHSHORE HOUSING INITIATIVE, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash	\$ 31,239	\$ 38,662
Accounts Receivable- Government Agency	50,000	86,078
Total current assets	\$ 81,239	\$ 124,740
CONSTRUCTION IN PROGRESS	\$ 4,923	\$ -
LAND-designated for leases	\$ 461,320	\$ 409,663
OTHER ASSETS		
Deposits	\$ 425	\$ 425
Restricted cash reserve	7,365	5,275
Total other assets	\$ 7,790	\$ 5,700
Total assets	\$ 555,272	\$ 540,103
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 4,922	\$ 5,013
Accrued payroll	2,491	
Vested leave benefits	4,692	
Line of credit	-	77,679
	\$ 12,105	\$ 82,692
LEASEHOLDER DEPOSITS	\$ 7,365	\$ 5,275
NET ASSETS		
Net assets without donor restrictions:		
Undesignated	\$ 74,482	\$ 42,473
Designated	461,320	409,663
Total net assets	\$ 535,802	\$ 452,136
Total liabilities and net assets	\$ 555,272	\$ 540,103

See accompanying Notes and Accountants Report.

NORTHSHORE HOUSING INITIATIVE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
WITHOUT DONOR RESTRICTIONS NET ASSETS		
REVENUES, GAINS, AND OTHER SUPPORT		
Government grants	\$ 154,966	\$ 267,715
Contributions	32,937	13,115
Lease fees	7,605	6,165
TOTAL UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT	\$ 195,508	\$ 286,995
EXPENSES		
Program services	\$ 71,372	\$ 79,717
Supporting services		
General and administrative	36,443	35,440
Fundraising	4,027	3,035
Total expenses	\$ 111,842	\$ 118,192
Increase (decrease) in net assets	\$ 83,666	\$ 168,803
NET ASSETS BEGINNING OF YEAR	\$ 452,136	\$ 283,333
NET ASSETS END OF YEAR	\$ 535,802	\$ 452,136

See accompanying Notes and Accountants Report.

NORTHSIIORE HOUSING INITIATIVE, INC.

**STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	Program Services	Supporting Services		Total
	Affordable Housing Program	Management and General	Fundraising	
Copensation and related expense:				
Compensation	\$ 59,532	\$ 10,598	\$ 3,533	\$ 73,663
Employee payroll taxes and benefits	4,098	4,741	247	9,086
Total	\$ 63,630	\$ 15,339	\$ 3,780	\$ 82,749
Dues and fees	\$ 400	\$ -	\$ -	\$ 400
Insurance	-	2,545	-	2,545
Interest	3,311	564	-	3,875
Miscellaneous	15	459	247	721
Office expenses	-	2,533	-	2,533
Professional fees	4,016	5,858	-	9,874
Rent	-	5,100	-	5,100
Telephone	-	1,053	-	1,053
Travel	-	2,312	-	2,312
Website	-	680	-	680
Total expenses	\$ 71,372	\$ 36,443	\$ 4,027	\$ 111,842

See accompanying Notes and Accountants Report.

NORTHSHORE HOUSING INITIATIVE, INC.

**STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Affordable Housing Program</u>	<u>Management and</u>	<u>Fundraising</u>	
Copensation and related expense:				
Compensation	\$ 59,532	\$ 12,650	\$ 2,550	\$ 74,732
Employee payroll taxes and benefits	9,015	585	195	9,795
Total	<u>\$ 68,547</u>	<u>\$ 13,235</u>	<u>\$ 2,745</u>	<u>\$ 84,527</u>
Dues and fees	\$ -	\$ 2,107	\$ -	\$ 2,107
Insurance	-	2,387	-	2,387
Interest	3,321	-	-	3,321
Miscellaneous	1,999	2,833	290	5,122
Office expenses	-	216	-	216
Professional fees	5,850	5,016	-	10,866
Rent	-	4,950	-	4,950
Telephone	-	1,010	-	1,010
Travel	-	3,095	-	3,095
Website	-	591	-	591
Total expenses	<u>\$ 79,717</u>	<u>\$ 35,440</u>	<u>\$ 3,035</u>	<u>\$ 118,192</u>

See accompanying Notes and Accountants Report.

NORTSHORE HOUSING INITIATIVE, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 83,666	\$ 168,803
(Increase) decrease in operating assets:		
Accounts receivable	36,078	(37,239)
Deposit and prepaid expense	-	520
Increase (decrease) in operating liabilities:		
Accounts payable and other current liabilities	7,092	8,476
Net cash provided by (used in) operating activities	\$ 126,836	\$ 140,560
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land designated for leases	\$ (51,657)	\$ (162,163)
Transfer of funds into the cash reserve for leasees	(2,090)	
Net cash provided by (used in) investing activities	\$ (53,747)	\$ (162,163)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	\$ -	\$ 48,402
Proceeds from leasees for cash reserve	2,090	
Expenditures for construction in progress	(4,923)	
Payments on line of credit	(77,679)	-
Net cash provided by (used in) financing activities	\$ (80,512)	\$ 48,402
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (7,423)	\$ 26,799
BEGINNING CASH AND CASH EQUIVALENTS	38,662	11,863
ENDING CASH AND CASH EQUIVALENTS	\$ 31,239	\$ 38,662
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	\$ 3,875	\$ 3,321

See accompanying Notes and Accountants Report.

NORTHSHORE HOUSING INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

Accounts Receivables

The account receivable from a government agency is stated at the amount management expects to collect from outstanding balances primarily on grants treated as exchange transactions. The financial statements do not include an estimate for allowance for doubtful accounts. Management believes that all receivables are collectible.

Restricted Cash Reserves and Leaseholder Deposits

Restricted cash reserves consist of payments required by the lease agreement from the leaseholders that are held in a separate account for possible repairs to the leaseholder's property.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in without donor restrictions net assets classification if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in with donor restriction net assets class. When a restriction expires, net assets are reclassified to the without donor restriction net assets class.

Grant revenue from governmental agencies is recognized as earned in accordance with approved agreements and contracts when services specified by the agreement are performed and expended by the Organization.

Lease fees paid under the land lease agreements are recognized as income when the monthly rental fee is collected. Uncollected fees are considered doubtful for collection and are not recognized until the fee is collected.

Donated Assets and Services

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions over the useful life of the donated asset. The Organization reclassifies temporarily restricted net assets to unrestricted net assets over such useful life.

NORTHSHORE HOUSING INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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NORTHSHORE HOUSING INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Assets and Services (Continued)

Contributions of donated non-cash assets are recorded at their fair market value in the period received. Contribution of donated services that create or enhance non-financial assets or that requires specialized skills are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair market values in the period received. For the years ended June 30, 2019 and 2018, the Organization had no in kind contributed services.

Property and Equipment

The Organization capitalizes all expenditures in excess of \$2,500 for property and equipment at cost. Contributed property and equipment is recorded at fair value at the date of donation. 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 property and equipment are recorded as unrestricted support.

Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Routine repairs and maintenance are expensed as incurred.

Concentrations

The Organization's primary source of revenue is from a governmental grant for real estate and organization expenditures. For the fiscal years ended June 30, 2019 and 2018, \$154,966 and \$267,715, or 79% and 93% of the Organization's total gross revenue was from the government grant. Additionally, \$32,937 and \$13,115 or 17% and 2% of the total gross revenue was from contributions. The remaining \$7,605 and \$6,165 or 4% and 2% of the total gross revenue was from fees related to leases and other.

Income Tax Status

The Organization is a nonprofit organization and exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and classified by the Internal Revenue Code as other than a private foundation. The Organization believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to financial statements. The Organization's Federal Exempt Information Returns (Form 990) for years ended June 30, 2017, 2018 and 2019 are subject to examination by the IRS, generally for three years after they were filed.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NORTHSHORE HOUSING INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly related to the class are charged as appropriate.

New Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (*Topic 842*), which requires that lessees to recognize right-of-use assets and lease liabilities for all leases not considered short-term leases. The ASU is effective for the Organization for the year ending December 31, 2020. The adoption of this standard is expected to result in the Organization's recognizing right-of-use assets and lease liabilities for some leases currently accounted for as operating leases under the legacy lease accounting guidance. Management is evaluating the impact of this standard on the Organization's financial statements. In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (*Topic 606*).

This ASU amends the existing accounting standards for revenue recognition, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U. S. Generally Accepted Accounting Principles when it becomes effective for years beginning after December 15, 2018.

NOTE 2. CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash balances at one financial institution. Accounts at the Institution are insured by the Federal Deposit Insurance Corporation (FDIC insured) for amounts up to \$250,000. As of June 30, 2018 and 2017, the Organization has no uninsured balances.

NOTE 3. LINE OF CREDIT

The Organization has a \$150,000 bank line of credit which matures July 15, 2020. Amounts borrowed under this agreement bear interest at 5.10%. For the years ended June 30, 2019 and 2018, \$ -0- and \$77,679 was outstanding on this line, respectively. The line is secured by the sub recipient grant the Organization has with St. Tammany Parish.

NORTHSHORE HOUSING INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 4. LEASING ACTIVITIES

The Organization's leasing activities consists of the leasing of land to qualified homebuyers. The Organization had seventeen leases by the year ended June 30, 2019. Each lease is for a term of 99 years and requires a monthly payment of \$45. The Organization received \$6,615 and \$3,105 in lease fee payments for the years ended June 30, 2018 and 2017, respectively. The following is a schedule by years of future minimum proceeds under the leases at June 30, 2018:

<u>Year Ended June 30,</u>	<u>Amount</u>
2019	\$ 8,100
2020	8,100
2021	8,100
2022	8,100
2023	8,100
Thereafter	<u>750,195</u>
Total	<u><u>\$ 790,695</u></u>

NOTE 5. LEASE

Beginning January 1, 2018 a lease located in Slidell, Louisiana was executed. The lease term was for twelve months ending December 31, 2018. Since the termination of the lease in December 2018, the lease is considered to be on a month to month basis. The lease requires monthly payments of \$425. Rental expense for the year ended June 30, 2019 and 2018 were \$5,100 and \$4,950.

NOTE 6. BOARD DESIGNATED NET ASSETS

For the years ended June 30, 2019 and 2018, board designated net assets were set aside for the following purpose:

	<u>2019</u>	<u>2018</u>
Land trust	\$ 461,320	\$ 409,663

NOTE 7. BOARD OF DIRECTORS

The Board of Directors' serves the Organization without compensation.

NORTHSHORE HOUSING INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 8. SUBSEQUENT EVENTS

Subsequent events were evaluated through December 20, 2019, which is the date the financial statements were available to be issued.

NOTE 9. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization had the following financial assets available within one year of the statement of financial position date for general expenditures for the year ended June 30, 2019:

Cash and cash equivalents	\$ 31,239
Accounts receivable	50,000
	<hr/>
	\$ 81,239

None of the financial assets listed above are subject to donor restrictions or other contractual restrictions that make them unavailable for general expenditures within one year of the Statement of Financial Position. The Center has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Government grants revenues, which totaled \$154,966 for the year ended June 30, 2019, are cost reimbursement grants which require expenditures for the grant's purpose in advance and the grant costs are subsequently billed and reimbursed in the subsequent months to the contracting agency and paid with government funds. Such amounts would only be spent by the Organization if an approved contract is in place.

Additionally, as described in Note 3, the Organization has a \$150,000 line of credit in place to meet cash needs in case of a necessity for working capital.

SUPPLEMENTARY INFORMATION

NORTHSHORE HOUSING INITIATIVE, INC.
SCHEDULE 1- SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO THE EXECUTIVE
DIRECTOR AND RELATED NOTES
YEAR ENDED JUNE 30, 2019

Executive Director: Jennifer Dexter

Compensation	\$	63,461
Phone allowance		500
Health Stipend		4,000
Meals/Travel/Other		909
	\$	<u>68,870</u>

NOTE A. REIMBURSABLE EXPENSES

The executive director is reimbursed for expenses that were paid for the benefit of the Organization. Reimbursable expenses included office supplies, meals and travel.

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**



AGREED-UPON PROCEDURES REPORT
Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Board of Directors
Northshore Housing Initiative
Slidell, Louisiana:

We have performed the procedures enumerated below, which were agreed to by The Northshore Housing Initiative and the Louisiana Legislative Auditor, on the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the year ended June 30, 2019, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked "not applicable."

Management of the Northshore Housing Initiative, a nonprofit corporation, is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. These procedures were agreed to by management of the Northshore Housing Initiative and the Legislative Auditor, State of Louisiana.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

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

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

<u>CFDA</u>	<u>Agency</u>	<u>Grant Name</u>	<u>Federal</u>	<u>Expenditures</u>	<u>From</u>	<u>To</u>
14.218	St. Tammany Parish	St Tammany Parish Land Trust	HUD	57,196.00	6/1/2016	5/30/2020
14.218	St. Tammany Parish	Operating Assistance Grant	HUD	23,000.00	1/1/2018	12/31/2018
14.252	Enterprise Community	Capacity Building Grant	HUD	16,694.00	9/1/2017	4/30/2019
14.239	Louisiana Housing	Operations Grant	HUD	50,000.00	7/1/2018	6/30/2019

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

- We randomly select six disbursements from each award administered during the period under examination, provided that no more than 30 disbursements in total will be selected.
- We traced the six disbursements for each award to supporting documentation as to proper amount and payee.

No exceptions were noted. The St. Tammany Parish Land Trust Program is for purchasing land and only two transactions occurred for that grant. We examined both transactions.

- We determined that the six disbursements, except for the St. Tammany Parish Land Trust Program, for each award were properly coded to the correct fund and general ledger account.

No exceptions were noted.

- We determined that the six disbursements, except for the St. Tammany Parish Land Trust Program, for each award received approval from proper authorities.

No exceptions were noted.

- For federal awards, we determine that the disbursements selected complied with the applicable specific program compliance requirements summarized in the *Compliance Supplement* or contained in the grant agreement, if the program is not included in the *Compliance Supplement* and for state and local awards, determine whether the disbursements comply with the grant agreement, relating to:

- Activities allowed or unallowed – We compared documentation for each of the selected disbursements with program compliance requirements related to services allowed or not allowed under the federal regulations.
- Eligibility – We determined that the selected disbursements complied with eligibility requirements under federal regulations.
- Reporting – We reviewed federal required reports to determine that they were properly and timely completed.

No exceptions were noted.

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

No exceptions were noted.

Open Meetings

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

This procedure does not apply to this Organization.

Budget

5. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agencies was provided with a comprehensive budget of those grants that included the purpose and duration. There were no state funded grants obtained by the Organization.

No exceptions were noted.

State Audit Law

6. The Organization provided a timely report to the Legislative Auditor in accordance with R.S. 24:513.

Prior Comments and Recommendations

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

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

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

The purpose of this report is solely to describe the scope of testing performed on the Agency's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Audit Guide, and the result of that testing, and not to provide and opinion on control or compliance. This report is intended solely for the use of management of the Northshore Housing Initiative and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bernard & Franks

Metairie, Louisiana
December 20, 2019

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES
UNDER ACT 774**



AGREED-UPON PROCEDURES REPORT UNDER ACT 774
Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Board of Directors
Northshore Housing Initiative, Inc.
and the Louisiana Legislative Auditor
Slidell, Louisiana:

We have performed the procedures enumerated below, which were agreed to by Northshore Housing Initiative, Inc. and the Louisiana Legislative Auditor, in accordance with procedures prescribed under Act 774 of the 2014 Regular Legislative Session during the year ended June 30, 2019. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted.

Management of the Northshore Housing Initiative, Inc., a nonprofit corporation, is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. These procedures were agreed to by management of the Northshore Housing Initiative, Inc. and the Legislative Auditor, State of Louisiana.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures:

1. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and.
 - a) Observe that the board/finance committee met with a quorum at least monthly or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

Results of the Above Procedures:

We obtained the minutes of the Board of Directors for the year ended June 30, 2019 along with the Articles of Incorporation and Bylaws that were in effect during that period. The governing documents require a bimonthly Board of Directors meeting.

The Board of Directors met on the following dates:

- August 10, 2018 (quorum was present)
- October 12, 2018 (quorum was present)
- December 14, 2018 (quorum was present)
- February 8, 2019 (quorum was present)
- April 12, 2019 (quorum was present)
- June 28, 2019 (quorum was present)

Based on the reading of the minutes of the Board of Directors for the above meetings, the meetings were held on a bimonthly basis in accordance with the Organization's Bylaws. Attendance records indicate that a quorum was present for each meeting held.

Minutes reflect that the financial statements including the profit and loss statement and balance sheet were reviewed by the Board of Directors.

No exceptions were noted from completion of the agreed-upon procedures noted above.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion or conclusion on the procedures described above. 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.

The purpose of this report is solely to describe the results of our testing for the performance of the agreed-upon procedures prescribed by the Louisiana Legislative Auditor under Act 774 of the 2014 Regular Legislative Session and not provide an opinion on internal controls or compliance with laws and regulations. This report is intended solely for the use of management of Northshore Housing Initiative, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bernard & Franks

Metairie, Louisiana
December 20, 2019

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

12/20/2019 (Date Transmitted)

Bernard & Franks, A Corporation of Certified Public Accountants (CPA Firm Name)

4141 Veterans Memorial Blvd., Suite 313 (CPA Firm Address)

Metairie, LA 70002 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2019 (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.**

Not applicable

Yes No

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.

Not applicable - no prior year recommendations

Yes No

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

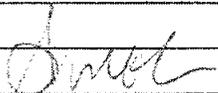
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period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

_____	Secretary	_____	Date
_____	Treasurer	_____	Date
_____ 	President	12/30/19	Date