

NORTHLAKE HOMELESS COALITION

Financial Statements
and
Independent Accountant's Review Report

December 31, 2019



Contents

Independent Accountant's Review Report	1 - 2
---	--------------

Financial Statements

Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10

Supplementary Information

Schedule of Compensation, Benefits, and Other Payments to Agency Head	12
--	----

Schedule of Findings	13
-----------------------------	-----------

Independent Accountant's Report on Applying Agreed-Upon Procedures	14 - 16
---	----------------

Louisiana Attestation Questionnaire	17 - 18
--	----------------

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, 2019, 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 December 29, 2020, on the results of our agreed-upon procedures.

LOUISIANA • TEXAS

Other Matter*Supplementary Information*

The accompanying schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute 24:513 A(3), on page 12, 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 handwritten signature in cursive script that reads "LaPorte".

A Professional Accounting Corporation

Covington, LA
December 29, 2020

NORTHLAKE HOMELESS COALITION
Statement of Financial Position
December 31, 2019

Assets	
Cash	\$ 16,600
Grants Receivable	<u>21,975</u>
Total Assets	<u>\$ 38,575</u>
Liabilities	
Deferred Revenue	<u>\$ 21,916</u>
Total Liabilities	<u>21,916</u>
Net Assets	
Without Donor Restrictions	<u>16,659</u>
Total Net Assets	<u>16,659</u>
Total Liabilities and Net Assets	<u>\$ 38,575</u>

See accompanying notes and independent accountant's review report.

NORTHLAKE HOMELESS COALITION
Statement of Activities
For the Year Ended December 31, 2019

Net Assets Without Donor Restrictions	
Support and Revenue	
Federal Grant Revenue	\$ 355,179
State and Local Grant Revenue	7,334
Other Income	<u>21,775</u>
Total Unrestricted Support and Revenue	<u>384,288</u>
Expenses	
Program Services	
Homelessness Prevention	
Salaries and Related Benefits	211,658
Rental Assistance	84,902
Travel	13,977
Supplies and Equipment	20,896
Rent	8,250
Professional Fees	5,622
Miscellaneous	<u>17,208</u>
Total Program Services	<u>362,513</u>
Supporting Services	
General and Administrative	
Travel	6,721
Supplies and Equipment	2,144
Professional Fees	375
Miscellaneous	<u>8,603</u>
Total Supporting Services	<u>17,843</u>
Total Expenses	<u>380,356</u>
Change in Net Assets Without Donor Restrictions	3,932
Net Assets, Beginning of Year	<u>12,727</u>
Net Assets, End of Year	<u><u>\$ 16,659</u></u>

See accompanying notes and independent accountant's review report.

NORTHLAKE HOMELESS COALITION
Statement of Cash Flows
For the Year Ended December 31, 2019

Cash Flows from Operating Activities	
Change in Net Assets Without Donor Restrictions	\$ 3,932
Adjustments to Reconcile Change in Net Assets Without Donor Restrictions to Net Cash Used in Operating Activities	
(Increase) Decrease in Assets	
Grants Receivable	(13,308)
Increase (Decrease) in Liabilities	
Deferred Revenue	<u>(17,283)</u>
Net Cash Used in Operating Activities	<u>(26,659)</u>
Net Decrease in Cash	(26,659)
Cash, Beginning of Year	<u>43,259</u>
Cash, End of Year	<u><u>\$ 16,600</u></u>

See accompanying notes and independent accountant's review 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, 2019, 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, 2019.

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, 2019, 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 - Not Yet Adopted

In May 2014, the FASB issued Accounting Standards Update (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. The new revenue standard may be applied retrospectively as of the date of adoption. Early adoption is permitted. ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, deferred the effective date of ASU 2014-09 to annual financial statements issued for fiscal years beginning after December 15, 2019. Management is currently evaluating the impact of adopting the new revenue standard on its financial statements.

In January 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 financing or operating leases. A lessee should recognize in the balance sheet 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 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, deferred the effective date of ASU 2016-02 to financial statements issued for fiscal years beginning after December 15, 2021. Management is currently evaluating the impact of adopting the new lease standard on its financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 will clarify and improve current guidance about whether a transfer of assets, or the reduction, settlement or cancellation of liabilities, is a contribution or an exchange transaction. ASU 2018-08 is effective for the Coalition on January 1, 2020. Management is currently evaluating the impact of ASU 2018-08 will have on the financial statements.

Note 2. Cash

The Coalition's bank balance as of December 31, 2019 was \$16,600. 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 \$21,975 at December 31, 2019. 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	\$	16,600
Grants Receivable		<u>21,975</u>
Total	\$	<u>38,575</u>

Note 6. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 29, 2020, and determined the following event occurred that requires disclosure:

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Coalition operates.

NORTHLAKE HOMELESS COALITION

Notes to Financial Statements

Note 6. Subsequent Events (Continued)

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) which establishes several programs created to assist small businesses in paying their employees and certain other expenses during the COVID-19 crisis. Coalition participated in these programs in order to obtain working capital and pay employees.

It is unknown how long these and any other adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the Coalition.

No further subsequent events occurring after December 29, 2020 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, 2019

Agency Head
Amanda Stapleton, Executive Director

Purpose	Amount
Salary	\$66,246
Reimbursements	\$4,606
Business Cell Phone	\$1,263
Travel	\$4,658

Louisiana Revised Statute (R.S.) 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, 2019

Current Year Findings

None.

Other Matters

The Louisiana Legislative Auditor (LLA) performed certain procedures at the Coalition, for the period January 1, 2018 to December 31, 2018, 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

2018-001 State Audit Law

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

Status: This finding has been resolved.

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, 2019, as required by Louisiana Revised Statute (R.S.) 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 findings 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.

Findings: 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.

Findings: 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.

Findings: No exceptions noted.

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

Findings: No exceptions noted.

LOUISIANA • TEXAS

An Independently Owned Member, RSM US Alliance
RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each is separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

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

Findings: 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.

Findings: 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.

Findings: 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.

Findings: 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.

Findings: No exceptions noted.

State Audit Law

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

Findings: No exceptions noted.

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).

Findings: 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.

Findings: 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
December 29, 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, 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.

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

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>Toni P. Jackson</u> <small>Toni P. Jackson (Dec 28, 2023 12:38 CST)</small>	Secretary	_____	Date
<u>Brian D. Lehard</u> <small>Brian D. Lehard (Dec 28, 2023 12:34 CST)</small>	Treasurer	_____	Date
<u>Leroy D'Amico, Jr.</u> <small>Leroy D'Amico, Jr. (Dec 28, 2023 12:37 CST)</small>	President	_____	Date

AGREED-UPON PROCEDURES REPORT

Northlake Homeless Coalition

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period of January 1, 2019 through December 31, 2019

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

We have performed the procedures enumerated below as they are a required part of the engagement. 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 Northlake Homeless Coalition (NHC) 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 Northlake Homeless Coalition and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about Northlake Homeless Coalition's compliance with certain laws and regulations during the period of January 1, 2019 through December 31, 2019 in accordance with Act 774 of the 2014 Regular Legislative Session. 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.

Our procedures and findings are as follows:

Prior Year Follow Up

1. Obtain and inspect NHC's documentation relating to the prior year recommendation to consult with legal counsel and HUD regarding its compliance with 24 CFR 578.95 (specifically regarding conflicts of interest, based on NHC's policy of allowing representatives of funded agencies to serve on the board of directors). Observe that NHC consulted with legal and HUD regarding its compliance with 24 CFR 578.95.

Results: NHC followed up with HUD on this matter. NHC did not consult with legal counsel.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

1. Obtain and inspect the entity's written policies and procedures over credit cards, bank debit cards, fuel cards, and P-cards (cards), and observe that they address the following:
 - a) How cards are to be controlled, including procedures for lost cards, authorized users, removal of signatory authorization upon employment termination, and approval required to open an account;
 - b) Allowable business uses, including a prohibition on cash advances;
 - c) Documentation requirements, including procedures for lost receipts;
 - d) Required approvers of statements; and
 - e) Monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Results: NHC's written policies and procedures did not address items c), d), or e).

2. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Only include those cards whose balances are paid with public funds. Obtain management's representation that the listing is complete.

Results: We obtained the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, and management's representation that the listing is complete.

3. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: We selected NHC's only card and randomly selected one monthly statement. We noted no evidence of review or approval, in writing, by someone other than the authorized card holder. We did not observe any finance charges or late fees on the selected statement.

4. Using the monthly statements or combined statements selected under #3 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address the missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: We randomly selected ten transactions. Management was unable to provide supporting documentation or written documentation of the business/public purpose for four of the transactions selected. Management had no compensating control to address the missing receipt. In addition, three of the ten items selected were meals. No documentation of the individuals participating was provided for one of the meals.

Information Technology Disaster Recovery/Business Continuity

1. Obtain and inspect the entity's written policies and procedures over information technology disaster recovery/business continuity (or the equivalent contractual terms if IT services are outsourced) and observe that they address (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: NHC does not have written policies and procedures over information technology disaster recovery/business continuity.

2. Perform the following sub-procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
 - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have active antivirus software and that the antivirus, operating system, and accounting system software are the most recent versions available (i.e., up-to-date).

Results: We performed the procedure and discussed the results with management.

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*. We were not engaged to perform, and did not perform, an examination or review, the objective of which would be the expression of an opinion or conclusion. 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 management of Northlake Homeless Coalition 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.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA
January 25, 2021

January 28, 2021

Mr. Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor
1600 North 3rd Street
Baton Rouge, LA 70802

Mr. Purpera,

Please accept this letter in response to the findings of the NHC FY 2019 Agreed-Upon-Procedures (AUP) Report. This review has provided an opportunity for our organization to identify areas for improvement and we are confident that because of this process, we will be a stronger and fully compliant nonprofit organization.

Subject	Response
<p>Prior Year Follow Up: Consult with legal and HUD regarding its compliance with 24 CFR 578.95 (specifically regarding conflicts of interest, based on NHC’s policy of allowing representatives of funded agencies serve on the board of directors).</p>	<p>While we did not retain legal counsel to address this issue, HUD has given very specific guidance that CoC boards must be representative of the relevant organizations and projects serving homeless populations and subpopulations within the CoC’s geographic area (See HUD FAQ on this topic).</p> <p>Further, the HUD Guidance states the following on CoC Board composition: The CoC Program interim rule establishes two characteristics of board composition. According to the rule, the board must:</p> <ul style="list-style-type: none"> (1) Include at least one homeless or formerly homeless individual (2) Represent the relevant organizations and projects serving homeless subpopulations, such as persons with substance use disorders; persons with HIV/AIDS; veterans; the chronically homeless; families with children; unaccompanied youth; the seriously mentally ill; and victims of domestic violence, dating violence, sexual assault, and stalking (HUD Guidance). <p>While the CoC has not had a funded agency represented on the board since 2018, our Governance Charter allows for that representation as an integral component of the decision-making</p>

body and has a compliant conflict of interest policy to address any conflicts of interest that may arise.

Credit Cards/Debit Cards/Fuel Cards/P-Cards: Obtain and inspect the entity's written policies and procedures over credit cards, bank debit cards, fuel cards, and P-cards and observe they address the following:

- a) How cards are to be controlled including procedures for lost cards, authorized users, removal of signatory authorization upon employment termination and approval required to open an account;
- b) Allowable business uses, including a prohibition on cash advances;
- c) Documentation requirements, including procedures for lost receipts;
- d) Required approvers of statements; and
- e) Monitoring card usage (e.g. determining the reasonableness of fuel cards purchases)

Credit Cards/Debit Cards/Fuel Cards/P-Cards: Using the listing prepared by management, randomly select five cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement obtain supporting documentation and:

- a) Observe that the monthly statement was reviewed and approved in writing by someone other than the authorized card holder.
- b) Observe that finance charges were not assessed on the selected statements.

Credit Cards/Debit Cards/Fuel Cards/P-Cards: Using the monthly statements, randomly select 10 transactions and obtain supporting documentation for the transactions. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address the missing receipt statement that is subject to increased scrutiny.

The AUP reflects that we do not have written policies and procedures to address items c), d) or e). The NHC Finance Committee will meet on February 11, 2021 to discuss these deficiencies in the current policies and procedures and to draft language to address these areas of concern proactively. The revised policies and procedures will be presented for approval by the full board on Thursday, February 25th and will be implemented immediately upon approval.

The NHC has one debit card with issued to the Executive Director. The charges are reviewed by the board Treasurer who received a copy of the bank statement and the reconciliation report. The NHC will clarify this procedure to include a formal approval process that can be documented and recorded and will make the corresponding changes to the Financial policies and procedures so they can be reviewed and approved by the board at the next board meeting.

The NHC has one debit card that is used for making purchases with both public and private funds. Because our grants operate on a reimbursement basis, private funds are used to make purchases and are then reimbursed with public funding sources if they are eligible.

Of the 10 purchases selected, four of these purchases (including the three meals) were made using private funds. The NHC was unable to provide receipts for a total of four debit card transactions made in conjunction with our 2019 Point In Time survey; of these four transactions, two were purchased with private funds. Moving forward, the NHC will take the following corrective actions:

	<ol style="list-style-type: none"> 1. Effective immediately, any charges with missing receipts will not be charged to public funds and will require a missing receipt statement to be completed that will be subject to review by the NHC treasurer. This process will be included in the revised Financial Policies and Procedures. 2. The NHC will create a mechanism to document individuals participating in meals and include this in financial supporting documentation moving forward. 3. The NHC has begun the hiring process for a full time Finance Assistant who will be responsible obtaining and compiling appropriate supporting documentation for financial transactions. This represents an increase in capacity for effectively carrying out appropriate internal financial controls.
<p>Information Technology Disaster Recovery Business Continuity: The NHC does not have written policies and procedures over information technology, disaster recovery, business continuity.</p>	<p>The NHC board will develop and implement an IT disaster recovery and business continuity policy and procedure moving forward and take the following additional actions:</p> <ol style="list-style-type: none"> 1. Contract with an IT service provider for technology support services and to ensure that all company computers have active antivirus software and that the antivirus, operating system and accounting system software are up to date. 2. The NHC will purchase a cyber security insurance policy to further protect our critical technology infrastructure.

Should you have any further questions or concerns, please do not hesitate to contact me at amills@northlakehomeless.org or 985.789.3108.

Sincerely,

Amanda Mills

Amanda Mills
Executive Director