

**CAPITAL AREA ALLIANCE FOR THE HOMELESS
BATON ROUGE, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2020**

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John L. McKowen
Certified Public Accountant

2178 Myrtle Avenue
Baton Rouge, Louisiana 70806

Office (225) 615-7844
jlmckowen@cox.net

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Capital Area Alliance for the Homeless
153 N. 17th Street
Baton Rouge, Louisiana 70802

I have reviewed the accompanying financial statements of the Capital Area Alliance for the Homeless (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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 entity 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, I 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

My 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 AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am 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.



John L. McKowen, CPA
Baton Rouge, Louisiana
April 30, 2021

Member
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

**CAPITAL AREA ALLIANCE FOR THE HOMELESS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020**

ASSETS

Current Assets

Cash	\$ 176,844
Accounts Receivable	221,104
Certificates of Deposit	<u>102,285</u>
Total Current Assets	<u>500,233</u>

Property and Equipment, Net	<u>36,263</u>
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Total Assets	<u><u>\$ 536,496</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	<u>\$ 3,510</u>
Total Current Liabilities	3,510

Net Assets

Without Restriction	469,383
With Restriction	<u>63,603</u>
Total Net Assets	<u>532,986</u>

Total Liabilities and Net Assets	<u><u>\$ 536,496</u></u>
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See accompanying notes and independent accountant's review report.

**CAPITAL AREA ALLIANCE FOR THE HOMELESS
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDING DECEMBER 31, 2020**

REVENUES

Government Grants and Contracts	\$ 396,435
Private Grants and Contributions	152,134
Service Contracts	155,462
Earned and Other Income	21,932
PPP Loan Forgiveness	55,900
Total Revenues	<u>\$ 781,863</u>

EXPENSES

Management and General	\$ 247,053
Program Services	<u>454,797</u>
Total Expenses	<u>701,850</u>

CHANGE IN NET ASSETS

	80,013
Net Assets - Beginning of Year	<u>452,973</u>
Net Assets - End of Year	<u><u>\$ 532,986</u></u>

See accompanying notes and independent accountant's review report.

**CAPITAL AREA ALLIANCE FOR THE HOMELESS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDING DECEMBER 31, 2020**

	<u>Management & General</u>	<u>Program Service</u>	<u>Total</u>
Client Service	\$ -	\$ 2,849	\$ 2,849
Computer Expenses	7,604	97,418	105,022
Depreciation	4,422	-	4,422
Insurance	-	929	929
Occupancy	76,090	-	76,090
Office Supplies	5,152	629	5,781
Payroll Taxes	3,910	23,328	27,238
Professional Services	26,191	14,822	41,013
Repairs and Maintenance	36,362	685	37,047
Salaries	52,784	303,502	356,286
Telephone and Internet	34,538	-	34,538
Training and Conferences	-	10,635	10,635
	<u>\$ 247,053</u>	<u>\$ 454,797</u>	<u>\$ 701,850</u>

See accompanying notes and independent accountant's review report.

**CAPITAL AREA ALLIANCE FOR THE HOMELESS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING DECEMBER 31, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in net assets	\$ 80,013
Adjustments to reconcile net revenues over expenses to net cash provided by operating activities:	
Depreciation	4,422
Increase in accounts receivable	(49,466)
Increase in certificates of deposit	(1,572)
Increase in accounts payable	<u>3,510</u>
Net cash provided by operating activities	<u>36,907</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of fixed assets	<u>(20,638)</u>
Net cash used in investing activities	<u>(20,638)</u>

INCREASE IN CASH	16,269
CASH, BEGINNING OF YEAR	<u>160,575</u>
CASH, END OF YEAR	<u><u>\$ 176,844</u></u>

See accompanying notes and independent accountant's review report.

**CAPITAL AREA ALLIANCE FOR THE HOMELESS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2020**

1. Summary of Significant Accounting Policies

Organization

The mission of the Capital Area Alliance for the Homeless (CAAH) is to provide a continuum of care network for the homeless population in the Capital Area comprised of the civil parishes of Ascension, East Baton Rouge, East Feliciana, Iberville, Pointe Coupee, West Baton Rouge, and West Feliciana through a coordinated body of diverse organizations and individuals.

CAAH administers the Homeless Management Information System (HMIS) for the Balance of State and contracts with nonprofits to provide these services to other regions. HMIS is a local information technology system used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness. CAAH also provides training to users of the HMIS system on how to enter data and generate the required reports.

Basis of Accounting

The financial statements of CAAH have been prepared on the accrual basis of accounting according to accounting principles generally accepted in the United States of America. Accordingly, all significant receivables, payables and other liabilities are reflected in the financial statements.

Use of Estimates

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

Cash

Cash consists of deposits held with a bank in a checking and savings account.

Accounts Receivable

Accounts receivable arising from grants are recorded at their net realizable value while accounts receivable from contracts are recognized to the extent of services provided plus an admin fee. Management has not recorded an allowance for doubtful accounts as it considers all amounts to be collectible. Receivables are written off when deemed uncollectible by management and recoveries, if any, are recorded when received.

Net Assets

CAAH reports information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions are net assets that are not subject to donor-imposed restrictions and are available for use at the organization's discretion.

Net Assets With Donor Restrictions are net assets subject to donor-imposed restrictions that may or will be met by either actions of the organization or the passage of time. Once the restrictions are met they are reclassified to net assets without donor restrictions.

**CAPITAL AREA ALLIANCE FOR THE HOMELESS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2020**

1. Summary of Significant Accounting Policies - Continued

Revenue Recognition and Performance Obligations

Revenue from grants and contracts are recognized according to the specific agreement. Generally, revenues from grants are recognized in the period of the grant award while revenues from cost reimbursement contracts are recognized to the extent of services provided plus an admin fee. These grants and service contracts do not generally give rise to variable consideration.

Contributions are recorded when made. All contributions are available for unrestricted use unless there is a donor-imposed restriction.

Functional Expenses

CAAH allocates its expenses on a functional basis among its various programs. Expenses that can be identified with a specific program are allocated directly according to their natural expense classification. Other expenses are allocated between program service and general and administrative based on management's estimate of time, percentage, or square footage used, among other factors.

Donated services

Unpaid board members and volunteers conduct a significant portion of CAAH's functions. The value of this contributed time is not reflected in the accompanying financial statements since the service performed does not meet the criteria necessary for recognition.

Income Taxes

CAAH accounts for income taxes in accordance with FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management believes it has no material uncertain tax positions and, accordingly has not recognized a liability for any unrecognized tax benefits.

CAAH is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

CAAH files Form 990 in the U.S. federal jurisdiction. The organizations open audit periods are 2017 through 2020.

Subsequent Events

In preparing these financial statements CAAH has evaluated events and transactions for potential recognition or disclosure through April 30, 2021, which is the date the financial statements were available to be issued.

**CAPITAL AREA ALLIANCE FOR THE HOMELESS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2020**

2. Property and Equipment

Property and equipment is presented in the financial statements at cost less allowances for depreciation. Depreciation is computed using the straight-line method and is provided over the estimated useful lives of assets which ranges from 5 to 15 years.

Property and equipment, related services lives, and accumulated depreciation as of December 31, 2020 are as follows:

	Service Lives	Amount
Furniture and fixtures	5	\$ 75,896
Leasehold improvements	15	25,405
		<u>101,301</u>
Accumulated depreciation		(65,038)
		<u>\$ 36,263</u>

Depreciation expense was \$4,422 for the year ended December 31, 2020.

3. Concentrations

From time to time CAAH maintains cash balances in banks that are insured by FDIC insurable limits. Management periodically evaluates the integrity of the entities that hold the organization's cash.

CAAH derives the majority of its revenues from governmental sources as earned revenue or grants, the loss of which would have a material adverse effect on the organization. The organization also relies on various grants and donations from local foundations, churches, and individuals for a significant portion of its support.

Concentrations of revenue and accounts receivable for the year ended December 31, 2020 are as follows:

	Revenue	A/R
Government Contract	44%	67%
Contract Revenue 1	10%	11%
Contract Revenue 2	10%	22%

4. Commitments and Contingencies

CAAH receives contracts and donations for specific purposes from various entities that are subject to examination. Such examinations could lead to requests for reimbursement to the entity for expenditures disallowed under the terms of the agreement. It is the opinion of management that any potential examinations will not result in any disallowed expenditures.

**CAPITAL AREA ALLIANCE FOR THE HOMELESS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2020**

5. Net Assets with Donor Restrictions

	Beginning of Year	Increase	Decrease	End of Year
One Stop Repairs and Refurbishment	\$ 77,949	\$ 20,000	\$ 49,122	\$ 48,827
Tiny Homes	-	18,929	4,153	14,776
	<u>\$ 77,949</u>	<u>\$ 38,929</u>	<u>\$ 53,275</u>	<u>\$ 63,603</u>

During the year CAAH received funding from various donors to support renovations at the One Stop. These donations are recorded as net assets with donor restrictions when received and are released to net assets without donor restrictions once spent for their intended purpose.

6. Liquidity and Availability of Financial Assets

CAAH has \$500,233 of financial assets available within one year of the statement of financial position date to meet cash needs for general and operating expenditures, consisting of cash of \$176,844, accounts receivable of \$221,104, and certificates of deposit of \$102,285. There are no amounts unavailable for general use due to contractual or donor imposed restrictions within one year of the statement of financial position date.

As part of the organization's liquidity management plan, excess cash is placed in a savings account and two certificates of deposit that can be accessed to meet unexpected liquidity needs or in the event of financial distress.

7. Board of Directors Compensation

The Board of Directors is a voluntary board, therefore, no compensation as been paid to any member due to their board service.

8. Related Party Transactions

CAAH has contracted with a CPA firm owned by a board member to provide bookkeeping and other consulting services. During the year ended December 31, 2020 CAAH paid the firm \$20,000.

LOUISIANA ATTESTATION QUESTIONNAIRE
Capital Area Alliance for the Homeless
For the Year Ending 12/31/2020

April 30, 2021

John McKowen

2178 Myrtle Avenue

Baton Rouge, LA 70806

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2020 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 Not subject to Open Meetings Law

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.



Treasurer

April 30, 2021 Date

John L. McKowen
Certified Public Accountant

2178 Myrtle Avenue
Baton Rouge, Louisiana 70806

Office (225) 615-7844
jlmckowen@cox.net

Capital Area Alliance for the Homeless
Independent Accountant's Report
on Applying Agreed-Upon Procedures
For the Year Ended 12/31/2020

To the Capital Area Alliance for the Homeless
and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Capital Area Alliance for the Homeless and the Louisiana Legislative Auditor (the specified parties), on the Capital Area Alliance for the Homeless' compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2020, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The organization'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, I 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 organization's management.

The organization provided me with the following list of expenditures made for federal, state and local government grant awards received during the year ended December 31, 2020:

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
Homeless Management Information Systems Technical Assistance	12/31/2020	14.261	\$351,309
Office of Community Development	12/31/2020	N/A	\$45,126
Total Expenditures			\$396,435

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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.
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.

Each of the selected disbursements agreed to the amount and payee in the supporting documentation.

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

All of the disbursements were coded to the correct fund and general ledger account.

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

The selected disbursements were approved in accordance with the organization's policies and procedures

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.

Activities allowed or unallowed

I compared documentation for each of the selected disbursements with program compliance requirements related to services allowed or not allowed. No exceptions were noted.

Eligibility

I compared documentation for each of the selected disbursements with program compliance requirements related to eligibility. No exceptions were noted.

Reporting

I compared documentation for each of the selected disbursements with program compliance requirements related to reporting. No other exceptions were 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 organization's financial records; and report whether the amounts in the close-out reports agree with the organization's financial records.

Management represents that close-out reports are not required for these reimbursement grants.

Open Meetings

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.

Management represented that the organization is not subject to the open meeting law.

Budget

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the organization 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.

The organization provided documentation that comprehensive budgets were submitted to the applicable federal grantor agency for the grants exceeding five thousand dollars. These budgets included the purpose and duration of the grant program.

State Audit Law

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

The organization's report was submitted to the Legislative Auditor before the statutory due date of June 30, 2021.

11. Inquire of management and report whether the organization 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 organization was not in compliance with R.S. 24:513 (the audit law).

Management represented that the organization did not enter into any contracts during the fiscal year that were subject to the public bid law.

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.

There were 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. I was 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 organization's compliance with the foregoing matters. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the organization'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 Governmental

Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. 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 handwritten signature in blue ink that reads "John L. McKowen, CPA". The signature is written in a cursive style.

John L. McKowen, CPA
Baton Rouge, Louisiana
April 30, 2021