

**CHILDREN'S COALITION
FOR NORTHEAST LOUISIANA, INC.
MONROE, LOUISIANA
JUNE 30, 2016 AND 2015**

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

MONROE, LOUISIANA

JUNE 30, 2016 AND 2015

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November 30, 2016

The Board of Directors
Children's Coalition for Northeast Louisiana, Inc.
Monroe, Louisiana

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial Statements of Children's Coalition for Northeast Louisiana, Inc. (a nonprofit Louisiana corporation) which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Children's Coalition for Northeast Louisiana, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of changes in net assets and the schedule of compensation, benefits and other payments to agency head are presented for the purpose of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2016, on our consideration of Children's Coalition for Northeast Louisiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Children's Coalition for Northeast Louisiana, Inc.'s internal control over financial reporting and compliance.

Heard, McElroy & Vestal, LLC
Monroe, Louisiana

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.
STATEMENTS OF FINANCIAL POSITION

	JUNE 30	
	<u>2016</u>	<u>2015</u>
ASSETS		
Cash	\$ 511,383	\$ 610,019
Accounts Receivable	369,594	195,432
Furniture and Equipment	225,499	206,742
Accumulated Depreciation	(177,090)	(130,527)
Prepaid Expenses	<u>25,090</u>	<u>15,203</u>
TOTAL ASSETS	<u>\$ 954,476</u>	<u>\$ 896,869</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	\$ 47,304	\$ 11,611
Accrued Payroll Liabilities	25,614	24,177
Notes Payable - Bank line-of-credit	<u>-</u>	<u>14,836</u>
Total Liabilities	72,918	50,624
Net Assets		
Net Assets - Unrestricted/Undesignated	458,347	359,134
Net Assets - Unrestricted/Designated	<u>380,318</u>	<u>467,952</u>
	838,665	827,086
Net Assets - Temporarily Restricted	<u>42,893</u>	<u>19,159</u>
Total Net Assets	<u>881,558</u>	<u>846,245</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 954,476</u>	<u>\$ 896,869</u>

The accompanying notes are an integral part of the financial statements.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenues			
Donations and Sponsorships	\$ 842,150	\$ -	\$ 842,150
In-Kind Donations at Fair Value	18,555	-	18,555
Grants - Federal	1,450,628	216,293	1,666,921
Grants - Vendor Contracts	675,351	-	675,351
Grants - Other	3,000	163,024	166,024
Registration and Tuition Fees	15,202	-	15,202
Memberships	29,604	-	29,604
Interest	1,268	-	1,268
Contributions and Net Revenue from Special Events			
Special Event Revenue	108,676	-	108,676
Other Revenue	1,310	-	1,310
Total	<u>3,145,744</u>	<u>379,317</u>	<u>3,525,061</u>
Net Assets Released from Restrictions	<u>355,583</u>	<u>(355,583)</u>	<u>-</u>
Total Support and Revenue	3,501,327	23,734	3,525,061
Expenses			
Program Services			
Health Care	111,000	-	111,000
Early Childhood Education	1,276,840	-	1,276,840
Early Head Start	1,157,928	-	1,157,928
Youth Development	259,548	-	259,548
Parenting Initiative	130,288	-	130,288
Total Program Services	<u>2,935,604</u>	<u>-</u>	<u>2,935,604</u>
Supporting Services			
Management & General	432,588	-	432,588
Fund Raising	121,556	-	121,556
Total Supporting Services	<u>554,144</u>	<u>-</u>	<u>554,144</u>
Total Expenses	<u>3,489,748</u>	<u>-</u>	<u>3,489,748</u>
Change in Net Assets	11,579	23,734	35,313
NET ASSETS AT BEGINNING OF YEAR	<u>827,086</u>	<u>19,159</u>	<u>846,245</u>
NET ASSETS AT END OF YEAR	<u>\$ 838,665</u>	<u>\$ 42,893</u>	<u>\$ 881,558</u>

The accompanying notes are an integral part of the financial statements.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Donations and Sponsorships	\$ 705,809	\$ -	\$ 705,809
In-Kind Donations at Fair Value	83,825	-	83,825
Grants - Federal	164,905	863,780	1,028,685
Grants - Vendor Contracts	700,401	4,900	705,301
Grants - Other	114,742	88,333	203,075
Registration and Tuition Fees	8,004	-	8,004
Memberships	29,937	-	29,937
Interest	1,114	-	1,114
Contributions and Net Revenue from Special Events			
Special Event Revenue	65,440	-	65,440
Other Revenue	4,428	-	4,428
Total	<u>1,878,605</u>	<u>957,013</u>	<u>2,835,618</u>
Net Assets Released from Restrictions	<u>958,685</u>	<u>(958,685)</u>	<u>-</u>
Total Support and Revenue	2,837,290	(1,672)	2,835,618
Expenses			
Program Services			
Health Care	127,509	-	127,509
Early Childhood Education	941,780	-	941,780
Early Head Start	852,142	-	852,142
Youth Development	172,866	-	172,866
Parenting Initiative	63,080	-	63,080
Total Program Services	<u>2,157,377</u>	<u>-</u>	<u>2,157,377</u>
Supporting Services			
Management & General	284,759	-	284,759
Fund Raising	109,229	-	109,229
Total Supporting Services	<u>393,988</u>	<u>-</u>	<u>393,988</u>
Total Expenses	<u>2,551,365</u>	<u>-</u>	<u>2,551,365</u>
Change in Net Assets	285,925	(1,672)	284,253
NET ASSETS AT BEGINNING OF YEAR	<u>541,161</u>	<u>20,831</u>	<u>561,992</u>
NET ASSETS AT END OF YEAR	<u>\$ 827,086</u>	<u>\$ 19,159</u>	<u>\$ 846,245</u>

The accompanying notes are an integral part of the financial statements.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

	Program Services					Supporting Services			
	Early Childhood Education		Early Head Start	Youth Development	Parent Education	Total Program Services	Management & General	Fund Raising	Total Expenses
	Health Care								
Salaries	\$ 48,163	\$ 542,651	\$ 589,166	\$ 130,388	\$ 76,549	\$ 1,386,917	\$ 295,288	\$ 41,134	\$ 1,723,339
Payroll Taxes	3,819	43,029	46,718	10,339	6,070	109,975	23,415	3,262	136,652
Related Benefits	3,097	48,049	52,578	11,864	4,856	120,444	5,982	2,733	129,159
Total Salaries and Related Expenses	55,079	633,729	688,462	152,591	87,475	1,617,336	324,685	47,129	1,989,150
Advertising	-	633	1,370	4,002	-	6,005	9,294	5,271	20,570
Bank Charges	-	-	-	-	-	-	2,482	-	2,482
Board Expenses	-	-	-	-	-	-	2,169	-	2,169
Computer Maintenance	1,047	2,900	1,197	-	-	5,144	3,741	-	8,885
Contract for Services	2,438	220,326	5,381	45,673	2,750	276,568	14,733	45,090	336,391
Contributions	-	1,000	-	-	-	1,000	50	-	1,050
Dues and Subscriptions	-	16,765	3,031	-	14	19,810	1,754	-	21,564
Early Head Start Consultants & Volunteers	-	-	146,485	-	-	146,485	-	-	146,485
Equipment Lease	1,341	2,520	-	-	-	3,861	1,018	-	4,879
Fringe Benefits for Volunteers	-	-	16,892	-	-	16,892	-	-	16,892
Insurance	-	1,772	4,609	-	-	6,381	4,947	-	11,328
Interest	-	-	-	-	-	-	361	-	361
Internet	-	151	3,429	600	-	4,180	1,652	-	5,832
Janitorial	-	-	-	-	-	-	876	-	876
Maintenance & Repairs	3,256	5,280	30,716	-	2,000	41,252	4,357	-	45,609
Meetings	-	2,500	253	6,994	8	9,755	5,323	13,363	28,441
Miscellaneous	-	-	150	470	-	620	2,581	160	3,361
Postage and Delivery	322	1,169	433	42	-	1,966	393	-	2,359
Printing & Reproduction	2,781	15,100	1,522	3,689	1,136	24,228	1,465	3,282	28,975
Professional Development	841	4,554	-	2,865	-	8,260	6,462	-	14,722
Professional Fees	1,056	5,439	3,886	475	-	10,856	4,673	-	15,529
Property Taxes	11	51	-	-	-	62	36	-	98
Rent	6,141	51,888	71,484	665	12,500	142,678	8,569	-	151,247
Scholarships & Grants	-	164,673	-	-	300	164,973	-	-	164,973
Security	-	-	-	-	-	-	383	-	383
Sponsorships	-	-	-	500	-	500	-	1,000	1,500
Supplies	1,703	19,836	98,999	26,982	17,717	165,237	21,651	3,042	189,930
Taxes & Licenses	-	-	580	-	-	580	15	57	652
Telephone	1,317	3,676	8,836	600	-	14,429	1,050	-	15,479
Training	25,630	44,842	22,460	394	-	93,326	-	-	93,326
Travel	3,350	47,548	10,336	10,616	3,644	75,494	1,939	2,043	79,476
Utilities	3,665	18,728	26,753	-	1,675	50,821	1,944	-	52,765
Total	109,978	1,265,080	1,147,264	257,158	129,219	2,908,699	428,603	120,437	3,457,739
Depreciation	1,022	11,760	10,664	2,390	1,069	26,905	3,985	1,119	32,009
Total Functional Expenses	\$ 111,000	\$ 1,276,840	\$ 1,157,928	\$ 259,548	\$ 130,288	\$ 2,935,604	\$ 432,588	\$ 121,556	\$ 3,489,748

The accompanying notes are an integral part of the financial statements.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	Program Services						Supporting Services		
	Early Childhood		Early	Youth	Parenting	Total	Management	Fund	Total
	Health Care	Education	Head Start	Development	Initiative	Program Services	& General	Raising	Expenses
Salaries	\$ 73,414	\$ 493,119	\$ 417,972	\$ 76,267	\$ 48,002	\$ 1,108,774	\$ 180,045	\$ 36,000	\$ 1,324,819
Payroll Taxes	5,995	40,271	34,134	6,228	3,920	90,548	14,703	2,940	108,192
Related Benefits	3,514	42,417	39,148	6,101	550	91,730	9,354	1,664	102,748
Total Salaries and Related Expenses	82,923	575,807	491,254	88,596	52,472	1,291,052	204,102	40,604	1,535,758
Advertising	-	5,152	3,949	375	563	10,039	4,973	9,466	24,478
Bank Charges	-	-	-	-	-	-	2,976	-	2,976
Board Expenses	-	-	-	-	-	-	3,241	-	3,241
Computer Maintenance	689	4,326	2,047	127	-	7,189	1,482	-	8,671
Contract for Services	6,706	67,496	28,646	69,155	500	172,503	11,251	33,162	216,916
Dues and Subscriptions	-	15,588	2,285	50	-	17,923	2,224	-	20,147
Early Head Start Consultants & Volunteers	-	-	23,560	-	-	23,560	-	-	23,560
Equipment Lease	1,380	2,124	-	-	-	3,504	1,114	-	4,618
Fringe Benefits for Volunteers	-	-	2,735	-	-	2,735	-	-	2,735
Early Head Start Indirect Costs	-	-	22,433	-	-	22,433	-	-	22,433
Insurance	-	1,365	3,538	-	-	4,903	2,458	-	7,361
Interest	-	-	-	-	-	-	2,332	-	2,332
Internet	-	-	2,904	200	-	3,104	2,713	-	5,817
Janitorial	-	194	-	-	-	194	344	-	538
Maintenance & Repairs	1,600	4,612	39,088	-	-	45,300	2,240	-	47,540
Meetings	302	2,528	268	1,190	116	4,404	2,823	12,930	20,157
Miscellaneous	-	-	-	-	-	-	3,313	-	3,313
Parent Services & Activities	-	-	823	-	-	823	-	-	823
Postage and Delivery	770	2,484	-	75	-	3,329	191	-	3,520
Printing & Reproduction	3,132	13,912	1,192	50	248	18,534	1,990	1,845	22,369
Professional Development	260	5,251	-	150	8	5,669	3,416	170	9,255
Professional Fees	1,534	6,298	1,735	-	-	9,567	4,218	1,000	14,785
Property Taxes	47	47	-	-	-	94	46	-	140
Rent	6,154	57,370	55,427	537	-	119,488	12,134	4,073	135,695
Scholarships & Grants	4,990	75,759	-	-	550	81,299	-	-	81,299
Security	-	-	-	-	-	-	252	-	252
Supplies	2,773	10,370	95,503	6,369	7,335	122,350	5,746	2,113	130,209
Taxes & Licenses	-	-	785	-	-	785	157	-	942
Telephone	1,041	4,292	6,519	350	-	12,202	1,102	-	13,304
Training	7,656	13,256	28,676	-	215	49,803	-	-	49,803
Travel	1,475	42,827	7,464	3,593	325	55,684	2,056	2,571	60,311
Utilities	2,566	19,559	21,210	-	-	43,335	1,252	-	44,587
Loss on Disposal of Assets	-	-	-	-	-	-	1,238	-	1,238
Total	125,998	930,617	842,041	170,817	62,332	2,131,805	281,384	107,934	2,521,123
Depreciation	1,511	11,163	10,101	2,049	748	25,572	3,375	1,295	30,242
Total Functional Expenses	\$ 127,509	\$ 941,780	\$ 852,142	\$ 172,866	\$ 63,080	\$ 2,157,377	\$ 284,759	\$ 109,229	\$ 2,551,365

The accompanying notes are an integral part of the financial statements.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC
STATEMENTS OF CASH FLOWS

	YEAR ENDED JUNE 30	
	2016	2015
Cash Flows From Operating Activities		
Change in Net Assets	\$ 35,313	\$ 284,253
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	32,009	30,242
Loss on Disposal of Equipment	-	1,238
Changes in assets and liabilities:		
Accounts Receivable	(174,162)	(29,845)
Prepaid Expenses	(9,887)	(7,169)
Accounts Payable	35,693	7,584
Accrued Payroll Liabilities	1,437	12,180
Net cash provided by (used in) operating activities	<u>(79,597)</u>	<u>298,483</u>
Cash Flows From Investing Activities		
Purchase of equipment	<u>(4,203)</u>	<u>(12,950)</u>
Net cash used in investing activities	<u>(4,203)</u>	<u>(12,950)</u>
Cash Flows From Financing Activities		
Payments of capital lease obligations	-	(5,896)
Proceeds from notes payable - LOC	-	250
Payments of notes payable - LOC	<u>(14,836)</u>	<u>(54,913)</u>
Net cash used in financing activities	<u>(14,836)</u>	<u>(60,559)</u>
Increase (Decrease) in Cash	(98,636)	224,974
Cash at Beginning of Year	<u>610,019</u>	<u>385,045</u>
Cash at End of Year	<u>\$ 511,383</u>	<u>\$ 610,019</u>

SUPPLEMENTAL DATA:

Interest Paid	\$	361	\$	2,332
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The accompanying notes are an integral part of the financial statements.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 1 - DESCRIPTION OF ORGANIZATION

Children's Coalition for Northeast Louisiana, Inc. - a voluntary health and welfare organization (the Coalition) was established in 2000 to act as a coordinating agency to develop a comprehensive and integrated system of resources that support children and their families as they live and grow to their full potential.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Coalition conform to generally accepted accounting principles as applicable to voluntary health and welfare organizations. The more significant accounting policies of the Coalition are described below:

A. Basis of Presentation

The financial statements have been prepared on an accrual basis of accounting in accordance with generally accepted accounting principles.

The financial statements of the Coalition are presented as recommended by the Financial Accounting Standards Board in ASC 958-205 (formerly Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*). Under ASC 958-205, the Coalition is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At June 30, 2016 and 2015, the Coalition had no permanently restricted net assets.

B. Contributions

The Coalition has also adopted ASC 958-55 (formerly SFAS No. 116, *Accounting for Contributions Received and Contributions Made*). In accordance with ASC 958-55, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Under ASC 958-55, such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the related time restrictions or when the funds are expended in accordance with the donor's intention. The organization has elected to recognize temporarily restricted contributions which are released from the restriction in the same year as unrestricted contributions.

The School Readiness Tax Credits are not considered restricted net assets. The Board of Directors has designated these contributions for support of School Readiness programs.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Donated Services*

Members, agencies, business firms, volunteers and others contribute substantial services toward the fulfillment of projects initiated by the Coalition. No amounts have been recognized in the Statement of Activities because the criteria for recognition of such volunteer effort under ASC 958-55 have not been satisfied, except as discussed below.

In October, 2014, the Coalition was awarded an Early Head Start Grant from the Department of Health and Human Services, Administration for Children and Families. This grant requires a portion of the Federal funding be matched with non-federal funds including donated services. The donated services are given a value based on federal guidelines. Donated services included in income and expenses totaled \$239,741 and \$70,740 for years ended June 30, 2016 and 2015 respectively.

D. *Furniture and Equipment*

Furniture and equipment are stated at cost. All donated capital assets are recorded at fair market value on the date of the donation. Depreciation is computed on a straight-line basis over the useful lives of the assets using the following estimated lives:

	<u>Years</u>
Furniture and Equipment	3 – 10

Expenditures for major renewals or betterments which extend the useful lives of property, improvements, and equipment are capitalized. Expenditures for maintenance and repairs are expensed as incurred. All expenditures for furniture and equipment in excess of \$500 were generally capitalized until November, 2015. At that time the Coalition adopted the same beginning limit as Early Head Start which is \$5,000.

E. *Leased Equipment Capitalized*

The imputed cost of leased equipment is capitalized and charged to earnings using the straight-line method of amortization over estimated useful lives of five years for financial reporting purposes. Generally, when items of leased property are retired or otherwise disposed of, the cost and related accumulated amortization are removed from the accounts and any resulting gain or loss is reflected in income. Amortization of assets under capital leases is included in depreciation expense for 2016 and 2015.

F. *Compensated Absences*

Employees earn forty hours of vacation after completing six months of employment. After one year, they earn eighty hours and after five years, they earn one hundred twenty hours increasing to one hundred sixty hours after ten years. Employees hired prior to January 1, 2016 earn eight days of sick leave after six months. After one year, they earn sixteen days increasing to twenty days after five years. Employees hired on or after January 1, 2016 will continue earning the same number of sick

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

days based on the year(s) of employment, but it will be on an accrued basis per pay period. The financial statements do not include any accrual for vacation or sick pay. The Coalition's policy is that vacation days are taken in the year accrued or compensated prior to year-end, but they can be carried over if approved by the Executive Director. Sick days may be accumulated to a maximum of 60 days; however, employees are not paid for any unused sick days upon termination.

G. Functional Expenses

Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

H. Programs

Children's Coalition's principal programs and primary funding sources are:

Health Care:

AI's Pals: Kids Making Healthy Choices (NEDHSA, regional health contracts): AI's Pals is a life skills program for 4 and 5 year olds. The bi-weekly program serves PreK and Kindergarten students in 41 schools with 97 classrooms, as well as 4-year-olds in 9 childcare centers in Ouachita, Morehouse, and Union parishes. Funding for this program was initially through the Louisiana Department of Health and Hospitals—Office of Behavioral Health, but authority for contracting and funding was transferred to the Northeast Delta Human Services Authority in 2014. School Readiness Tax Credits also support the program in 12 Family Child Care Homes and 11 PreK classrooms in Caldwell Parish, and regional health contracts with the Union School Board for additional classroom in Union Parish.

Early Childhood Education and Early Head Start:

Northeast Louisiana Child Care Connections (LDOE): Currently funded through the Louisiana Department of Education through Child Development Block Grant funds, this initiative was originally funded through the Department of Children and Family Services (DCFS). Child Care Connections is the Child Care Resource and Referral agency for 11 parishes in northeast Louisiana and provides: consumer education and referral services; training for child care providers and staff, and technical assistance in child care centers and in family child care homes. A major focus in the past year has been assisting childcare centers and consumers to navigate the changes in the system as part of the implementation of Act 3 of 2012. As the Resource and Referral agency for northeast Louisiana, the Children's Coalition is eligible to receive Louisiana School Readiness Tax Credit funds from businesses and corporations. These funds are used to support quality in and awareness of early care and education.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Ouachita Parish Early Head Start (ACF, CACFP, UW): Funding from the Office of Head Start—Administration for Children and Families (ACF) provided sixty slots for infants and toddlers in three centers and home-based care in Ouachita Parish. Early Head Start (EHS) targets low-income pregnant women and families with children from birth through age 3, most of whom are at or below the federal poverty level or who are eligible for Part C services under the Individuals with Disabilities Education Act in their state. The program provides early, continuous, intensive, and comprehensive child development and family support services. Funding from the CACFP Feeding Program is used as a supplement for food cost and a grant from United Way for formula and diapers is part of the non-federal match.

Mental Health Consultation (Tulane): Funding from the Tulane Institute for Infant and Early Childhood Mental Health provides a mental health consultant to child care centers for up to six months. The program is made possible by a grant from the Louisiana Department of Education (formally from the Louisiana Department of Children and Family Services).

Ouachita Parish Early Childhood Network (LDOE): In its fourth year with funding from the Louisiana Department of Education, the Children's Coalition shifts from a "pilot" to Lead Agency for all publicly funded early childhood programs in Ouachita Parish: Type III child care centers, public school PreK, NSECD, Head Start and Early Head Start. The Lead Agency is charged to coordinate enrollment and assessment as part of the full implementation of the Louisiana Early Childhood Act (Act 3 of 2012).

Morehouse Parish Early Childhood Network (LDOE): In its third year with funding from the Louisiana Department of Education, the Children's Coalition shifts from a "pilot" to Lead Agency for all publicly funded early childhood programs in Morehouse Parish: Type III child care centers, public and charter school PreK, and Head Start. The Lead Agency is charged to coordinate enrollment and assessment as part of the full implementation of the Louisiana Early Childhood Act (Act 3 of 2012).

Richland Parish Early Childhood Network (LDOE): In its second year with funding from the Louisiana Department of Education, the Children's Coalition is the Lead Agency for all publicly funded early childhood programs in Richland Parish: Type III child care centers, public school PreK, Head Start and Early Head Start. The Lead Agency is charged to coordinate enrollment and assessment as part of the full implementation of the Louisiana Early Childhood Act (Act 3 of 2012).

PreK-Expansion Classrooms (LDOE): Louisiana was one of 13 states awarded by the Department of Education (DoE) to expand high-quality preschool programs in targeted communities that would serve as models for expanding preschool to all 4-year-olds from low- and moderate-income families. Ouachita Parish was one of six community networks chosen by the Louisiana Department of Education to implement the PreK-Expansion grant in Monroe City Schools. The grant is a four-year award that provides 50 PreK slots to families with at-risk children in a quality early learning center with a credentialed teacher who receives coaching and professional development. The grant is in its first year of implementation.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Ancillary Teaching Certificate/Believe and Prepare (LDOE): This is a pilot program to develop and implement curricula in support of early childhood educators who are pursuing their ancillary teaching certificate and national CDA certification. The Ancillary Teaching Certificate implementation is funded by Pathways scholarships for a cohort of 20 early educators which will begin in FY 2016-2017; however, start up and curriculum development funding from a one-time Believe and Prepare grant began in Spring of FY 2015-2016.

Diaper and Wipes (United Way Flood Recovery Fund): In March 2016 Ouachita, Morehouse, Union and Caldwell parishes were flooded after a heavy rainstorm. United Way established a Flood Recovery Fund and awarded CCNELA a grant to provide diapers and wipes to families in areas affected by flooding. CCNELA worked with partners in Ouachita, Morehouse, Union and Caldwell parishes to distribute diapers and wipes via community centers, food banks and child care centers.

Youth Development:

S.O.S.—Signs of Suicide (Living Well, regional youth contract): An evidence-based program, Signs of Suicide provides the education and screening for students in Monroe City and Ouachita Parish middle schools to identify signs of depression, self-injury and suicide in themselves and others and respond effectively. Funding for this program was initially through the Louisiana Department of Health and Hospitals—Office of Behavioral Health, but authority for contracting and funding was transferred to the Northeast Delta Human Services Authority in 2014. Funding was cut suddenly at the beginning of FY 2015-2016 and a small grant from Living Well with matching funds from schools participating in the project allowed the program to continue. Matching funding from Union Parish School Board, Bastrop High School, Lee Middle School, and Ouachita Jr. High enabled the program to be delivered to middle school students in Union, Morehouse, and Ouachita parishes.

Literacy Plus (MHA, LEH, Capital One): An early literacy program that provides out-of-school activities for children and families who reside within the Monroe Housing Authority, Literacy Plus is funded in part by the Monroe Housing Authority. As part of a Housing and Urban Development (HUD) grant, the Housing Authority supports a 75% staff member at the Coalition to coordinate services and provides pass-through funds for a PreK-2nd grade after-school and summer program at Berg Jones Elementary School, which borders on a housing authority community. Additional funding from the Louisiana Endowment for the Humanities provides support for Primetime Family Literacy Nights at Berg Jones Elementary School and funds from Capital One provide support for a Middle School Robotics program for students at Carroll Jr. High School. These programs require 50% participation by Monroe Housing Authority residents in adjacent communities.

U-ACT (LaPFS): Funded by the Louisiana Partnership for Success as part of a Substance Abuse and Mental Health Services Administration (SAMSHA) grant, and administered by the Northeast Delta Human Services Authority, U-ACT is a community coalition based in Union Parish that works together to develop a 5-year plan that will address underage drinking and prescription drug abuse.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Mapping Adolescent Health (LPHI): Funded by Louisiana Public Health as part of a larger capacity-building initiative to address adolescent reproductive health, this initiative collected and analyzed local data from three sectors (Medical, Educational and Community-Based Organizations) to examine gaps and redundancies in adolescent reproductive health care and education in Ouachita Parish. LPHI is funded in part by a grant from the Packard Foundation that supports this work.

Ouachita Youth Leadership Summit (Jr. League of Monroe): This was a one-day summit in October 2015 for middle and high school youth from 34 public and private schools in Ouachita Parish. Students were selected by school counselors to attend. Ten schools also participated in a parish-wide volunteer project that collected 1800 pairs of pajamas for area charities.

Parent Education:

Jus4Me Teen Parenting (UHC, LCTF): Funded by a one-time grant from United Healthcare with matching funds from Louisiana Children's Trust Fund, the Jus4Me Teen Parenting program served 52 pregnant and parenting teens in five schools in Ouachita, Morehouse, Madison, and Union parishes. The program uses an evidence-based parenting curriculum in weekly sessions held on the school site to provide support for healthy pregnancy outcomes, connection to community services, including quality child care and high school graduation for teen mothers.

Family Resource Center for Northeast Louisiana (DCFS): Beginning February 1, 2016, CCNELA was awarded a 20-month contract for a Family Resource Center for the Monroe area service by the Department of Children and Family Services. After that time an ongoing contract will be awarded if the CCNELA is in compliance. The Family Resource Center works closely with DCFS to support families in their system who are in the reunification process. The center provides parenting classes, case management, visit coaching and supportive services such as life skills and peer-parenting.

Fatherhood (SOC): The Fatherhood initiative was funded through the Sisters of Charity of the Incarnate Word in FY 2014-2015 and there are some rollover funds for additional kits. The evidence-based program Nurturing Fathers develops training opportunities in the community specifically for men who lead groups in support of fathers.

I. Income Taxes

The Coalition is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code but must file an annual return with the Internal Revenue Service that contains information on its financial operations. The Coalition is required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it continues to qualify as a tax exempt entity. It must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax exempt entity, the Coalition must assess whether it has any tax positions associated with unrelated business income subject to income tax.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Coalition does not expect any of these tax positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Coalition's accounting records.

The Coalition is required to file U.S. federal Form 990 for informational purposes. Its federal income tax returns for the tax years 2012 and beyond remain subject to examination by the Internal Revenue Service.

As of June 30, 2016, the Coalition had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Contributions to the Coalition are tax deductible within the limitations prescribed by the Code.

J. Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Coalition considers demand deposits, time deposits and certificates of deposit with an original maturity of three months or less to be cash equivalents.

K. Grants and Accounts Receivable

Accounts receivable - Grants are stated at the amount management expects to collect from outstanding balances.

L. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

M. Advertising Costs

Advertising costs are expensed as incurred. Advertising costs totaled \$20,570 and \$24,478 for the years ended June 30, 2016 and 2015, respectively.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 3 - FURNITURE AND EQUIPMENT

Furniture and Equipment consisted of the following at June 30:

	<u>2016</u>	<u>2015</u>
Furniture and Equipment	\$ 225,499	\$ 206,742
Less: Accumulated Depreciation	<u>(177,090)</u>	<u>(130,527)</u>
NET FURNITURE AND EQUIPMENT	<u><u>\$ 48,409</u></u>	<u><u>\$ 76,215</u></u>

The furniture and equipment serves as collateral for the notes payable – bank line of credit as discussed in Note 8.

NOTE 4 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30 consist of the following:

	<u>2016</u>	<u>2015</u>
Youth Development	\$ 22,026	\$ 13,621
Early Childhood Education	9,537	3,563
Parenting	<u>11,330</u>	<u>1,975</u>
Total	<u><u>\$ 42,893</u></u>	<u><u>\$ 19,159</u></u>

NOTE 5 - LEASES

During the year ended June 30, 2016, the Coalition had one capital lease for a network server. The economic substance of this lease is that the Coalition was financing the acquisition of the network server through the lease. The network server is recorded as an asset and the lease is recorded as a liability. The lease was paid off in February, 2015.

The following is an analysis of the leased assets included in furniture and equipment at June 30:

	<u>2016</u>	<u>2015</u>
Equipment Under Capital Lease	\$ 24,355	\$ 24,355
Less: Accumulated Depreciation	<u>(21,375)</u>	<u>(16,504)</u>
Total	<u><u>\$ 2,980</u></u>	<u><u>\$ 7,851</u></u>

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 5 – LEASES (Continued)

The Coalition leases two copy machines under operating leases expiring in 2018. One leased copier is located at the Louisville Avenue location; the second copier is located at the Winnsboro Road location.

The Coalition leases office space under five different leases. Three were added when Early Head Start became part of the Coalition in October, 2014 and another was added when Family Resource Center became part of the Coalition in February 2016.

The lease for office space on Louisville Avenue was signed and commenced on July 12, 2007. Beginning in March, 2011, the Coalition took over another suite of rooms resulting in an increase of the monthly rental payment. Due to the termination of the FSO contract, the additional space was no longer needed and the lease for the additional space was terminated as of September 1, 2012. The lease returned to the original terms of the contract which ended March 31, 2016. The option to renew the lease was exercised in March 2015 for sixty months with a lease term ending March 31, 2021. The new monthly lease amount is \$5,079.

Early Head Start leases three properties. One lease is with the Housing Authority of the City of Monroe. The term of the lease is from October 1, 2014 through October 31, 2017. The fair rental of \$1,900 per month is currently being donated so there is no monthly rental paid.

The second lease is with the State of Louisiana/Board of Supervisors for University of Louisiana System. The lease term was from October 1, 2014 through June 30, 2015. On July 1, 2015 the lease was automatically renewed by mutual agreement of both parties. The fair rental is \$2,400 with a current monthly payment of \$610. The balance of the rental is currently being donated.

The Coalition has a Cooperative Endeavor Agreement with the City of West Monroe, Louisiana, the term of which is October 1, 2014 until September 30, 2017. The Agreement will automatically renew for successive terms of one year. The fair rental of \$1,550 per month is currently being donated so there is no monthly rental paid. There is a charge of \$150 per month to go toward utility or similar costs incurred at the facility.

Family Resource Center leases one property with the Housing Authority of the City of Monroe. The term of the lease is from February 1, 2016 through September 30, 2017. The fair rental of \$2,500 per month is currently being donated so there is no monthly rental. Starting March 1, 2017 through September 30, 2017 there will be a charge of \$335 per month to go towards utilities or similar costs incurred at the facility.

Total lease and rent expense for the year ended June 30, 2016 and 2015, was \$ 151,247 and \$135,695 which includes In-Kind contributions of office space and meeting rooms of \$4,380 and \$9,000 for years ended June 30, 2016 and 2015 respectively for the Louisville office. In-Kind contributions for buildings for Early Head Start and Family Resource Center of \$75,380 and \$43,604 for year ended June 30, 2016 and 2015 respectively were also included.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 5 – LEASES (Continued)

The minimum rental under all leases having an initial or remaining term in excess of one year from June 30, 2016, are as follows:

<u>Year Ending</u>	<u>Amount</u>
2017	\$136,452
2018	87,776
2019	67,140
2020	63,000
2021	<u>47,250</u>
	<u>401,618</u>

NOTE 6 – FINANCIAL INSTRUMENTS

FAIR VALUES

The Coalition's financial instruments consist of cash (restricted and unrestricted), receivables, accounts payable, other current liabilities, and the line of credit. The carrying values of these instruments approximate their fair values.

CONCENTRATIONS OF CREDIT RISK

The Coalition has concentrated credit risk for cash by maintaining deposits in one bank. At June 30, 2016 there were deposits of approximately \$363,598 in deposit liabilities reported by the bank in excess of the amount that would have been covered by federal insurance.

COLLATERALIZATION POLICY

The Coalition does not require collateral to support financial instruments subject to credit risk unless otherwise disclosed.

NOTE 7 – SIMPLE-IRA PLAN

Effective June 5, 2014, the Coalition adopted a SIMPLE-IRA Plan for eligible employees, with employee contributions beginning with July, 2014 payrolls. Currently eligible employees are those who are expected to receive at least \$5,000 in compensation in the current year. The Coalition matches employee contributions up to 3% of employee compensation. Employer contributions for the years ending June 30, 2016 and 2015 were \$22,444, and \$17,642 respectively.

NOTE 8 – NOTES PAYABLE

The Coalition has an agreement with a financial institution for a \$200,650 line of credit collateralized by equipment, accounts receivable and grant income which had a maturity date of July 27, 2016. The

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

NOTE 8 – NOTES PAYABLE (Continued)

principal balance outstanding at June 30, 2015 was \$14,836. There was no principal balance outstanding at June 30, 2016. The line of credit was renewed effective September 7, 2016 for a two year term.

The interest rate on this Note was subject to change from time to time based on changes in an independent index which was the New York Prime. The index was 3.5% per annum and the current interest rate is 5% .

NOTE 9 - DISCLOSURES ABOUT CONCENTRATIONS

The Coalition receives the majority of its revenue in the form of grants from various Federal and State agencies. These grants are subject to review by the grantor agencies, which could result in disallowed costs, and there are no guarantees as to future funding.

During the fiscal years ended June 30, 2016 and 2015, the Coalition received \$589,293 and \$652,500 respectively from School Readiness Tax Credits, a tax credit from the state of Louisiana. This tax credit depends on a number of factors including businesses being willing to give the Coalition donations and the Louisiana State Legislature continuing the credit in future years. As with the above mentioned grants, there are no guarantees of future income.

The Children's Coalition was awarded a grant from the Department of Health and Human Services, Administration for Children and Families for \$4,776,486 for Early Head Start for the period August 1, 2014 through July 31, 2019 effective beginning October 1, 2014.

NOTE 10 – RISK OF LOSS

The Coalition is exposed to a variety of risks that may result in losses. These risks may include possible loss from acts of God, injury to employees, property damage, or breach of contract. The Coalition finances these potential losses through purchasing insurance. The level of coverage has remained constant.

NOTE 11 – SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through November 30, 2016, which is the date the financial statements were available to be issued, and noted no such subsequent events.

SUPPLEMENTARY INFORMATION

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.
SCHEDULE OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2016

	UNRESTRICTED														
	Undesignated	Designated	NE Delta		Children's		LDOE-		Lead	R&M	Ouachita	Pre-K	Regional	Regional	DCFS-
	General	School Readiness Tax Credit	HSA -Al's Pals	Tulane MH	Trust Fund	LDOE- CCRR	Agencies	Start-Up	Expansion	Expansion	Youth Contract	Health Contract	FRC		
Fund Balance July 1, 2015	\$ 359,134	\$ 467,952	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,779	\$ -	\$ -
Income	173,555	589,293	115,049	85,215	11,642	468,277	117,500	52,634	6,314	231,861	3,000	6,810	76,440		
Expenditures	(420,961)	(450,300)	(101,107)	(78,007)	(11,057)	(446,945)	(117,272)	(51,263)	(6,314)	(256,336)	(16,116)	(6,810)	(76,996)		
Net Income (Loss)	(247,406)	138,993	13,942	7,208	585	21,332	228	1,371	-	(24,475)	(13,116)	-	(556)		
Capital and Other Transfers	346,619	(226,627)	(13,942)	(7,208)	(585)	(21,332)	(228)	(1,371)	-	24,475	10,337	-	556		
Fund Balance June 30, 2016	\$ 458,347	\$ 380,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

RESTRICTED													Total
US HHS CACFP Program	US HHS ACF Early Head Start	NFS/ United Way	United Way/Flood Recovery	Believe & Prepare ATC	Literacy Plus Program	SOC Fatherhood Initiative	H.S.A. LaPFS	L.A Public Health Institute	UIIC Jus4Me	Junior League/ Youth Summit	Living Well Foundation	Total Restricted	Fund Balance
\$ 2,384	\$ 1,179	\$ -	\$ -	\$ -	\$ 125	\$ 1,975	\$ -	\$ 6,217	\$ -	\$ 4,500	\$ -	\$ 19,159	\$ 846,245
39,971	1,194,837	38,000	20,000	13,317	49,017	-	137,305	31,999	50,000	7,525	5,500	2,762,213	3,525,061
<u>(39,924)</u>	<u>(1,085,322)</u>	<u>(35,423)</u>	<u>(15,471)</u>	<u>(13,317)</u>	<u>(47,338)</u>	<u>(300)</u>	<u>(137,265)</u>	<u>(23,564)</u>	<u>(40,345)</u>	<u>(11,395)</u>	<u>(600)</u>	<u>(2,618,487)</u>	<u>(3,489,748)</u>
47	109,515	2,577	4,529	-	1,679	(300)	40	8,435	9,655	(3,870)	4,900	143,726	35,313
-	<u>(110,694)</u>	-	-	-	-	-	-	-	-	-	-	<u>(119,992)</u>	-
\$ 2,431	\$ -	\$ 2,577	\$ 4,529	\$ -	\$ 1,804	\$ 1,675	\$ 40	\$ 14,652	\$ 9,655	\$ 630	\$ 4,900	\$ 42,893	\$ 881,558

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.
SCHEDULE OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2015

	UNRESTRICTED								
	Undesignated	Designated							
	General	School Readiness Tax Credit	NE Delta HSA -Al's Pais	NE Delta HSA -Signs of Suicide	Tulane MH	Children's Trust Fund	LDOE- CCR	LDOE OPENetwork Pilot	LDOE Morehouse Pilot
Fund Balance July 1, 2014	\$ 235,703	\$ 305,458	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	175,317	652,500	143,761	47,921	84,454	11,504	472,186	96,948	63,204
Expenditures	(428,210)	(289,926)	(116,037)	(47,957)	(76,249)	(11,504)	(439,629)	(99,281)	(62,853)
Net Income (Loss)	(252,893)	362,574	27,724	(36)	8,205	-	32,557	(2,333)	351
Capital and Other Transfers	376,324	(200,080)	(27,724)	36	(8,205)	-	(32,557)	2,333	(351)
Fund Balance June 30, 2015	\$ 359,134	\$ 467,952	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

RESTRICTED											Total
LDOE Richland Pilot	US HHS CACFP Program	US HHS ACF Early Head Start	Lincoln Health Foundation	Literacy Plus Program	SOC Fatherhood Initiative	H.S.A. LaPFS	LA Public Health Institute	Junior League	Regional Youth Contracts	Total Restricted	Fund Balance
\$ -	\$ -	\$ -	\$ 20,831	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,831	\$ 561,992
18,760	14,479	941,530	-	9,344	40,000	41,310	12,500	5,000	4,900	2,007,801	2,835,618
<u>(18,760)</u>	<u>(12,095)</u>	<u>(852,623)</u>	<u>(16,551)</u>	<u>(9,219)</u>	<u>(21,525)</u>	<u>(40,042)</u>	<u>(6,283)</u>	<u>(500)</u>	<u>(2,121)</u>	<u>(1,833,229)</u>	<u>(2,551,365)</u>
-	2,384	88,907	(16,551)	125	18,475	1,268	6,217	4,500	2,779	174,572	284,253
-	-	(87,728)	(4,280)	-	(16,500)	(1,268)	-	-	-	(176,244)	-
\$ -	\$ 2,384	\$ 1,179	\$ -	\$ 125	\$ 1,975	\$ -	\$ 6,217	\$ 4,500	\$ 2,779	\$ 19,159	\$ 846,245

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

Federal Agency Name	Pass Through Agency	Federal Program Title	CFDA Number	Revenue Recognized	Federal Expenditures
United States Department of Health and Human Services Administration for Children and Families	State of Louisiana Dept. of Children and Family Services	Child Care and Development Block Grant - CCDF Believe and Prepare - Early Childhood	93.575	13,317	13,317
United States Department of Health and Human Services Administration for Children and Families	State of Louisiana Dept. of Children and Family Services	Child Care and Development Block Grant - Early Childhood Community Network Pilots Remaining Start-Up Funding	93.575	52,634	51,263
United States Department of Health and Human Services Administration for Children and Families	State of Louisiana Dept. of Children and Family Services	Child Care and Development Block Grant - Early Childhood Community Network Child Care Classroom Expansion	93.575	123,814	123,586
	Total CCDF Cluster			<u>189,765</u>	<u>188,166</u>
United States Department of Health and Human Services Administration for Children and Families	State of Louisiana Dept. of Children and Family Services	Community-Based Child Abuse Prevention Grants	93.590	11,642	11,057
United States Department of Health and Human Services Administration for Children and Families	Northeast Delta Human Services Authority	Substance Abuse Prevention and Treatment Block Grant	93.959	137,305	137,305
United States Department of Health and Human Services Administration for Children and Families	State of Louisiana Dept. of Children and Family Services	Promoting Safe and Stable Families	93.566	62,265	62,821
United States Department of Education	State of Louisiana Dept. of Education	Preschool Development Grant - Expansion and Preschool Expansion Improvement	84.419B	231,861	256,336
United States Department of Health and Human Services United States Department of Agriculture	State of Louisiana Dept. of Education Office of School and Community Support	Child and Adult Care Food Program	10.558	39,971	40,174
Total Pass Through Awards				<u>672,809</u>	<u>695,859</u>
United States Department of Health and Human Services Administration for Children and Families		Early Head Start Grant	93.600	994,112	884,597
Total Grants - Federal				<u>\$ 1,666,921</u>	<u>\$ 1,580,456</u>

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2016

1. **Basis of Presentation:**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Children's Coalition for Northeast Louisiana, Inc. under programs of the federal government for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Children's Coalition for Northeast Louisiana, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Children's Coalition for Northeast Louisiana, Inc.

2. **Summary of Significant Accounting Policies**

a) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

b) Children's Coalition for Northeast Louisiana, Inc. has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Children's Coalition for Northeast Louisiana, Inc. did not expend any federal awards in the form of noncash assistance during the fiscal year. No federal awards were passed through to subrecipients.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

FOR THE YEAR ENDED JUNE 30, 2016

Agency Head: Lynn Clark, Executive Director

Salary	83,009
Benefits – insurance	4,981
Dues	199
Registration fees	620
Conference travel	1,523

OTHER REPORTS

HEARD, McELROY, & VESTAL

LLC

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November 30, 2016

The Board of Directors
Children's Coalition for Northeast Louisiana, Inc.
Monroe, Louisiana

Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Children's Coalition for Northeast Louisiana, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 30, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Children's Coalition for Northeast Louisiana, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Children's Coalition for Northeast Louisiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Children's Coalition for Northeast Louisiana, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Children's Coalition for Northeast Louisiana, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heard, McElroy & Vestal, LLC
Monroe, Louisiana

HEARD, McELROY, & VESTAL

LLC

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November 30, 2016

The Board of Directors
Children's Coalition for Northeast Louisiana, Inc.
Monroe, Louisiana

Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by The Uniform Guidance

Report on Compliance for Each Major Federal Program

We have audited the Children's Coalition for Northeast Louisiana, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Children's Coalition for Northeast Louisiana, Inc.'s major federal programs for the year ended June 30, 2016. Children's Coalition for Northeast Louisiana, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Children's Coalition for Northeast Louisiana, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Children's Coalition for Northeast Louisiana, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Children's Coalition for Northeast Louisiana, Inc.'s compliance.

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Opinion on Each Major Federal Program

In our opinion, Children's Coalition for Northeast Louisiana, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control Over Compliance

Management of Children's Coalition for Northeast Louisiana, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Children's Coalition for Northeast Louisiana, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Children's Coalition for Northeast Louisiana, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Monroe, Louisiana

CHILDREN’S COALITION FOR NORTHEAST LOUISIANA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2016

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Children’s Coalition for Northeast Louisiana, Inc.
2. No instances of noncompliance material to the basic financial statements of Children’s Coalition for Northeast Louisiana, Inc. were disclosed during the audit.
3. No material weaknesses or significant deficiencies in internal control, relating to the audit of the financial statements are reported.
4. No material weaknesses in internal control over compliance, relating to the audit of a major federal award program, are reported.
5. The auditor's report on compliance for the major federal award programs for Children’s Coalition for Northeast Louisiana, Inc. expresses an unmodified opinion.
6. There were no audit findings relative to major federal award programs for Children’s Coalition for Northeast Louisiana, Inc.
7. The programs tested as major programs included:

<u>Program</u>	<u>CFDA No.</u>
DHHS – Early Head Start Grant	93.600

8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Children’s Coalition for Northeast Louisiana, Inc. was determined to be a low-risk auditee.

B. Findings - Financial Statement Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs

None

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2016

No findings were reported as a result of the prior year's audit.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

MANAGEMENT'S CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2016

No findings were reported for the current year.