

**CHILDREN'S COALITION
FOR NORTHEAST LOUISIANA, INC.
MONROE, LOUISIANA
JUNE 30, 2015 AND 2014**

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

MONROE, LOUISIANA

JUNE 30, 2015 AND 2014

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November 18, 2015

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, 2015 and 2014, 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 from 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.

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

HMV

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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, 2015 and 2014, 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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2015 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 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

FINANCIAL STATEMENTS

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

| | JUNE 30 | |
|-----------------------------------------|-------------------|-------------------|
| | 2015 | 2014 |
| ASSETS | | |
| Cash | \$ 610,019 | \$ 385,045 |
| Accounts Receivable | 195,432 | 165,587 |
| Prepaid Expenses | 15,203 | 8,034 |
| Furniture and Equipment, net | 76,215 | 94,745 |
| TOTAL ASSETS | \$ 896,869 | \$ 653,411 |
| LIABILITIES AND NET ASSETS | | |
| Liabilities | | |
| Accounts Payable | \$ 11,611 | \$ 4,027 |
| Accrued Payroll Liabilities | 24,177 | 11,997 |
| Capital Leases Payable - Current | - | 5,896 |
| Notes Payable - Bank line-of-credit | 14,836 | 69,499 |
| Total Liabilities | 50,624 | 91,419 |
| Net Assets | | |
| Net Assets - Unrestricted/Undesignated | 359,134 | 235,703 |
| Net Assets - Unrestricted/Designated | 467,952 | 305,458 |
| | 827,086 | 541,161 |
| Net Assets - Temporarily Restricted | 19,159 | 20,831 |
| Total Net Assets | 846,245 | 561,992 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 896,869 | \$ 653,411 |

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

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.
STATEMENT 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 ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

| | Unrestricted | Temporarily Restricted | Total |
|------------------------------------------------------|---------------------|-----------------------------------|-------------------|
| Support and Revenues | | | |
| Donations and Sponsorships | \$ 637,867 | \$ - | \$ 637,867 |
| In-Kind Donations at Fair Value | 4,392 | - | 4,392 |
| Grants - Federal | 672,979 | - | 672,979 |
| Grants - Vendor Contracts | 223,955 | - | 223,955 |
| Grants - Other | 176,463 | 34,209 | 210,672 |
| Registration and Tuition Fees | 33,517 | - | 33,517 |
| Memberships | 24,520 | - | 24,520 |
| Interest | 699 | - | 699 |
| Contributions and Net Revenue from Special Events | | | |
| Special Event Revenue | 47,827 | - | 47,827 |
| Other Revenue | 4,732 | - | 4,732 |
| Total | <u>1,826,951</u> | <u>34,209</u> | <u>1,861,160</u> |
| Net Assets Released from Restrictions | <u>46,462</u> | <u>(46,462)</u> | <u>-</u> |
| Total Support and Revenue | 1,873,413 | (12,253) | 1,861,160 |
| Expenses | | | |
| Program Services | | | |
| Health Care | 36,397 | - | 36,397 |
| Early Childhood Education | 1,059,017 | - | 1,059,017 |
| Youth Development | 91,435 | - | 91,435 |
| Parenting Initiative | 21,536 | - | 21,536 |
| Total Program Services | <u>1,208,385</u> | <u>-</u> | <u>1,208,385</u> |
| Supporting Services | | | |
| Management & General | 229,955 | - | 229,955 |
| Fund Raising | 100,821 | - | 100,821 |
| Total Supporting Services | <u>330,776</u> | <u>-</u> | <u>330,776</u> |
| Total Expenses | <u>1,539,161</u> | <u>-</u> | <u>1,539,161</u> |
| Change in Net Assets | 334,252 | (12,253) | 321,999 |
| NET ASSETS AT BEGINNING OF YEAR | <u>206,909</u> | <u>33,084</u> | <u>239,993</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 541,161</u> | <u>\$ 20,831</u> | <u>\$ 561,992</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, 2015

| | Program Services | | | | | Supporting Services | | | |
|-------------------------------------------|-------------------|---------------------------------|---------------------|----------------------|-------------------------|------------------------------|-------------------------|-------------------|---------------------|
| | Health Care | Early Childhood Education | Early Head Start | Youth Development | Parenting Initiative | Total Program Services | Management & General | Fund Raising | Total 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 | <u>82,923</u> | <u>575,807</u> | <u>491,254</u> | <u>88,596</u> | <u>52,472</u> | <u>1,291,052</u> | <u>204,102</u> | <u>40,604</u> | <u>1,535,759</u> |
| 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 | <u>125,998</u> | <u>930,617</u> | <u>842,041</u> | <u>170,817</u> | <u>62,332</u> | <u>2,131,805</u> | <u>281,384</u> | <u>107,934</u> | <u>2,521,123</u> |
| Depreciation | 1,511 | 11,163 | 10,101 | 2,049 | 748 | 25,572 | 3,375 | 1,295 | 30,242 |
| Total Functional Expenses | <u>\$ 127,509</u> | <u>\$ 941,780</u> | <u>\$ 852,142</u> | <u>\$ 172,866</u> | <u>\$ 63,080</u> | <u>\$ 2,157,377</u> | <u>\$ 284,759</u> | <u>\$ 109,229</u> | <u>\$ 2,551,365</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, 2014

| | Program Services | | | | | Supporting Services | | Total Expenses |
|-------------------------------------|------------------|---------------------------|-------------------|----------------------|------------------------|----------------------|-------------------|---------------------|
| | Health Care | Early Childhood Education | Youth Development | Parenting Initiative | Total Program Services | Management & General | Fund Raising | |
| Salaries | \$ 22,047 | \$ 599,693 | \$ 59,705 | \$ 19,107 | \$ 700,552 | \$ 135,196 | \$ 43,254 | \$ 879,002 |
| Payroll Taxes | 1,757 | 47,798 | 4,759 | 1,523 | 55,837 | 10,776 | 3,448 | 70,061 |
| Related Benefits | 580 | 19,899 | 1,347 | 347 | 22,173 | 10,268 | 3,285 | 35,726 |
| Total Salaries and Related Expenses | 24,384 | 667,390 | 65,811 | 20,977 | 778,562 | 156,239 | 49,987 | 984,788 |
| Advertising | 1,630 | 63,186 | - | - | 64,816 | 11,576 | 3,643 | 80,035 |
| Bank Charges | - | - | - | - | - | 1,304 | - | 1,304 |
| Board Expenses | - | - | - | - | - | 2,846 | - | 2,846 |
| Computer Maintenance | - | 5,913 | - | - | 5,913 | 1,303 | - | 7,216 |
| Contract for Services | 500 | 21,910 | 6,732 | - | 29,142 | 5,711 | 28,213 | 63,066 |
| Dues and Subscriptions | - | 15,958 | - | - | 15,958 | 1,450 | - | 17,408 |
| Equipment Lease | - | 4,507 | - | - | 4,507 | 213 | - | 4,720 |
| Insurance | - | 1,569 | - | - | 1,569 | 474 | - | 2,043 |
| Interest | - | - | - | - | - | 7,316 | - | 7,316 |
| Internet | 290 | 1,151 | - | - | 1,441 | 1,449 | - | 2,890 |
| Janitorial | - | - | - | - | - | 500 | - | 500 |
| Maintenance & Repairs | - | 6,300 | - | - | 6,300 | 1,898 | - | 8,198 |
| Meetings | 2,826 | 6,696 | 2,510 | - | 12,032 | 3,037 | 9,493 | 24,562 |
| Miscellaneous | - | - | - | - | - | 2,866 | - | 2,866 |
| Postage and Delivery | - | 3,427 | - | - | 3,427 | 802 | 89 | 4,318 |
| Printing & Reproduction | 940 | 9,418 | - | - | 10,358 | 2,885 | 2,066 | 15,309 |
| Professional Development | - | 6,637 | - | - | 6,637 | - | 65 | 6,702 |
| Professional Fees | - | 8,434 | - | - | 8,434 | 5,622 | 1,550 | 15,606 |
| Property Taxes | - | - | - | - | - | 200 | - | 200 |
| Rent | 501 | 53,550 | - | - | 54,051 | 12,959 | 160 | 67,170 |
| Scholarships | - | 80,588 | - | - | 80,588 | - | - | 80,588 |
| Security | - | - | - | - | - | 257 | - | 257 |
| Supplies | 4,307 | 8,164 | 14,282 | - | 26,753 | 1,504 | 2,527 | 30,784 |
| Telephone | 7 | 7,585 | 60 | - | 7,652 | 1,290 | - | 8,942 |
| Training | - | 12,881 | - | - | 12,881 | 35 | - | 12,916 |
| Travel | 326 | 32,268 | 318 | 154 | 33,066 | 562 | 1,129 | 34,757 |
| Utilities | - | 21,537 | - | - | 21,537 | 1,325 | - | 22,862 |
| Total | 35,711 | 1,039,069 | 89,713 | 21,131 | 1,185,624 | 225,623 | 98,922 | 1,510,169 |
| Depreciation | 686 | 19,948 | 1,722 | 405 | 22,761 | 4,332 | 1,899 | 28,992 |
| Total Functional Expenses | <u>\$ 36,397</u> | <u>\$ 1,059,017</u> | <u>\$ 91,435</u> | <u>\$ 21,536</u> | <u>\$ 1,208,385</u> | <u>\$ 229,955</u> | <u>\$ 100,821</u> | <u>\$ 1,539,161</u> |

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 | |
|-----------------------------------------------------------------------------------------------|---------------------------|-------------------|
| | 2015 | 2014 |
| | <u> </u> | <u> </u> |
| Cash Flows From Operating Activities | | |
| Change in Net Assets | \$ 284,253 | \$ 321,999 |
| Adjustment to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 30,242 | 28,992 |
| Loss on Disposal of Equipment | 1,238 | - |
| Changes in assets and liabilities: | | |
| Accounts Receivable | (29,845) | (37,667) |
| Prepaid Expenses | (7,169) | (762) |
| Accounts Payable | 7,584 | 2,861 |
| Accrued Payroll Liabilities | 12,180 | 2,201 |
| Net cash provided by operating activities | <u>298,483</u> | <u>317,624</u> |
| Cash Flow From Investing Activities | | |
| Purchase of equipment | <u>(12,950)</u> | <u>(25,847)</u> |
| Net cash used in investing activities | <u>(12,950)</u> | <u>(25,847)</u> |
| Cash Flow From Financing Activities | | |
| Payments of capital lease obligations | (5,896) | (8,308) |
| Net proceeds from notes payable - LOC | 250 | - |
| Net payments of notes payable - LOC | <u>(54,913)</u> | <u>(78,671)</u> |
| Net cash used in financing activities | <u>(60,559)</u> | <u>(86,979)</u> |
| Increase in Cash | 224,974 | 205,498 |
| Cash at Beginning of Year | <u>385,045</u> | <u>179,547</u> |
| Cash at End of Year | <u>\$ 610,019</u> | <u>\$ 385,045</u> |

SUPPLEMENTAL DATA:

| | | |
|---------------|----------|----------|
| Interest Paid | \$ 2,332 | \$ 7,316 |
|---------------|----------|----------|

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

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 1 - DESCRIPTION OF ORGANIZATION

The 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 the 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, 2015 and 2014, 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 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, 2015 AND 2014**

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.

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 \$70,740.

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 generally are capitalized. For Early Head Start, furniture and equipment are capitalized beginning at \$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 2015 and 2014.

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 earn eight days of sick leave after six months. After one year, they earn sixteen days increasing to twenty days after five years. The financial statements do not include any accrual for vacation or sick pay. The Coalition's policy is that vacation days are

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Healthy Living:

Al's Pals: Kids Making Healthy Choices (NEDHSA): Al's Pals is a life skills program for 4 and 5 year olds. The bi-weekly program serves Pre-K and Kindergarten students in Monroe City Schools (10 schools), Ouachita Parish (15 schools) and Morehouse Parish (4 schools), as well as 4-year-olds in seven child care centers. 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 ten Family Child Care Homes.

Early Childhood Education:

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 systems 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 early care and education.

Ouachita Parish Early Head Start (ACF): 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

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 costs, 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 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 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 second 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 first 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).

Youth Development:

S.O.S.—Signs of Suicide (NEDHSA): 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. Additional funding from Union Parish School Board enabled the program to be delivered to middle school students in Union Parish.

Literacy Plus (MHA): 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

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Housing Authority supports a 75% staff member at the Coalition to coordinate services and provides pass-through funds for a Pre-K-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.

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.

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.

Parent Education:

The Parenting initiative is funded through the Sisters of Charity of the Incarnate Word, Louisiana Children's Trust Fund and School Readiness Tax Credits. The evidence-based program develops parent training opportunities in the community to enhance childhood literacy, quality care, success in school, increase healthy pregnancy outcomes and decrease child abuse. In particular, programs relating to fatherhood (Nurturing Fathers) and pregnant and parenting teens (Nurturing Teen Parents) were implemented in 2014-2015.

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. 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 2011 and beyond remain subject to examination by the Internal Revenue Service.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As of June 30, 2015, 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. Accounts Receivable - Grants

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

L. Reclassifications

Certain amounts in 2014 have been reclassified to conform to the 2015 presentation.

M. 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.

N. Advertising Costs

Advertising costs are expensed as incurred. Advertising costs totaled \$24,478 and \$80,035 for the years ended June 30, 2015 and 2014, respectively.

NOTE 3 - FURNITURE AND EQUIPMENT

Furniture and Equipment consisted of the following at June 30:

| | 2015 | 2014 |
|------------------------------------|-------------------------|-------------------------|
| Furniture and Equipment | \$ 214,019 | \$ 255,917 |
| Less: Accumulated Depreciation | <u>(137,804)</u> | <u>(161,172)</u> |
| NET FURNITURE AND EQUIPMENT | <u>\$ 76,215</u> | <u>\$ 94,745</u> |

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 3 - FURNITURE AND EQUIPMENT (Continued)

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>2015</u> | <u>2014</u> |
|---------------------------|------------------|------------------|
| Youth Development | \$ 13,621 | \$ - |
| Healthcare | - | 20,831 |
| Early Childhood Education | 3,563 | - |
| Parenting | <u>1,975</u> | <u>-</u> |
| Total | <u>\$ 19,159</u> | <u>\$ 20,831</u> |

NOTE 5 - LEASES

During the year ended June 30, 2014, 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>2015</u> | <u>2014</u> |
|--------------------------------|-----------------|------------------|
| Equipment Under Capital Lease | \$ 24,355 | \$ 24,355 |
| Less: Accumulated Depreciation | <u>(16,504)</u> | <u>(11,633)</u> |
| Total | <u>\$ 7,851</u> | <u>\$ 12,722</u> |

The Coalition leases its copy machine under an operating lease expiring in 2016.

The Coalition leases office space under four different leases. Three were added when Early Head Start became part of the Coalition in October, 2014.

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. The rent per month is \$5,250 with a lease term ending on March 31, 2016.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 5 – LEASES (Continued)

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, and there is no monthly rental.

The second lease is with the State of Louisiana/Board of Supervisors for University of Louisiana System., The lease term is from October 1, 2014 through June 30, 2015 and, if mutually agreeable to both parties, this lease agreement will automatically renew on July 1 for no more than four additional years. The monthly payment is \$610.

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. There is no monthly rental but there is a charge of \$150 per month to go toward utility or similar costs incurred at the facility.

Total lease and rent expense for the year ended June 30, 2015 and 2014, was \$ 140,313 and \$71,890 which includes In-Kind contributions of office space and meeting rooms of \$9,000 and \$4,392 for years ended June 30, 2015 and 2014 respectively for the Louisville office and In-Kind contributions for buildings for Early Head Start of \$43,604 for year ended June 30, 2015.

The minimum rental under all leases having an initial or remaining term in excess of one year from June 30, 2015, are as follows:

| <u>Year Ending</u> | <u>Amount</u> |
|--------------------|---------------|
| 2016 | \$88,050 |
| 2017 | 40,800 |
| 2018 | 11,700 |

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, 2015 there were deposits of approximately \$417,000 in deposit liabilities reported by the bank in excess of the amount that would have been covered by federal insurance.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 6 – FINANCIAL INSTRUMENTS (Continued)

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 year ending June 30, 2015 were \$17,642.

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. The principal balance outstanding June 30, 2015 and 2014 was \$14,836 and \$69,499 respectively.

The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the New York Prime. The index currently is 3.25% per annum. The Coalition will pay this loan in full immediately upon demand. If no demand is made, the Coalition will either renew or pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on July 23, 2016. The Coalition will pay regular monthly payments of all accrued unpaid interest due as of each payment date.

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, 2015 and 2014, the Coalition received \$652,500 and \$598,300 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.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 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 18, 2015, which is the date the financial statements were available to be issued, and noted no such subsequent events.

SUPPLEMENTARY INFORMATION

| TEMPORARILY 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 CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2014

| | UNRESTRICTED | | TEMPORARILY RESTRICTED | | | | | |
|-----------------------------|--------------|-----------------------------------|------------------------|-----------|-----------------------|---------------|------------------------|---------------------|
| | Undesignated | Designated | DHH | DCFS- | DHH-OBH | Children's | Sisters of | LDE |
| | General | School Readiness Tax Credit | Al's Pals | CCRR | Suicide Prevention | Trust Fund | Charity Teen Screen | OPENetwork Pilot |
| Net Assets July 1, 2013 | \$ 100,027 | \$ 106,882 | \$ - | \$ - | \$ - | \$ - | \$ 21,402 | \$ - |
| Income | 155,254 | 598,300 | 142,938 | 503,637 | 41,215 | 4,928 | - | 197,133 |
| Expenditures | (308,974) | (196,354) | (97,442) | (498,978) | (40,980) | (3,973) | (21,402) | (182,306) |
| Net Income (Loss) | (153,720) | 401,946 | 45,496 | 4,659 | 235 | 955 | (21,402) | 14,827 |
| Capital and Other Transfers | 289,396 | (203,370) | (45,496) | (4,659) | (235) | (955) | - | (14,827) |
| Net Assets June 30, 2014 | \$ 235,703 | \$ 305,458 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

| TEMPORARILY RESTRICTED | | | | | | | | | | | Total |
|------------------------|--------------------|---------------------------------|-----------------------------------|--------------------------------|----------------|------------------------------|---------------------------------|------------------------------|---------------------|--------------------|-------|
| Tulane - MH | Morehouse Pilot | Lincoln Health Foundation | Baton Rouge Area Foundation | Nurse Family Partnership | EDI | Living Well Foundation | Junior League Teen Screen | United Way Teen Screen | Total Restricted | Fund Balance | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,893 | \$ 4,789 | \$ 2,000 | \$ 33,084 | \$ 239,993 | |
| 81,017 | 23,666 | 34,209 | 20,363 | 30,570 | 8,758 | 19,172 | - | - | 1,107,606 | 1,861,160 | |
| <u>(72,165)</u> | <u>(23,710)</u> | <u>(12,883)</u> | <u>(18,900)</u> | <u>(27,791)</u> | <u>(7,687)</u> | <u>(19,875)</u> | <u>(3,741)</u> | <u>(2,000)</u> | <u>(1,033,833)</u> | <u>(1,539,161)</u> | |
| 8,852 | (44) | 21,326 | 1,463 | 2,779 | 1,071 | (703) | (3,741) | (2,000) | 73,773 | 321,999 | |
| <u>(8,852)</u> | <u>44</u> | <u>(495)</u> | <u>(1,463)</u> | <u>(2,779)</u> | <u>(1,071)</u> | <u>(4,190)</u> | <u>(1,048)</u> | <u>-</u> | <u>(86,026)</u> | <u>-</u> | |
| \$ - | \$ - | \$ 20,831 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 20,831 | \$ 561,992 | |

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

| 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 - Early Childhood Community Network Pilots | 93.575 | 40,507 | 40,507 |
| 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 - Cohort 2 | 93.575 | 22,277 | 22,277 |
| 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 - Cohort 3 | 93.575 | 1,386 | 1,386 |
| United States Department of Health and Human Services Administration for Children and Families | State of Louisiana Dept. of Children and Family Services | Community-Based Family Resources Grants | 93.590 | 11,504 | 11,504 |
| 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 | 47,921 | 47,958 |
| 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 | 41,310 | 41,310 |
| 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 | <u>14,479</u> | <u>12,095</u> |
| Total Pass Through Awards | | | | <u>179,384</u> | <u>177,037</u> |
| United States Department of Health and Human Services Administration for Children and Families | | Early Head Start Grant | 93.600 | <u>849,301</u> | <u>848,122</u> |
| Total Grants - Federal | | | | <u>\$1,028,685</u> | <u>\$1,025,159</u> |

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2015

1. **Basis of Presentation:**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Children's Coalition for Northeast Louisiana, Inc. under programs of the federal government for the year ended June 30, 2015. It is presented on the accrual basis of accounting, which is the same basis of accounting used for the presentation of the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. 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.

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, 2015

Agency Head: Lynn Clark, Executive Director

| | |
|----------------------|--------|
| Salary | 83,009 |
| Benefits – insurance | 4,979 |
| Dues | 235 |
| Registration fees | 3,181 |
| Conference travel | 2,654 |

OTHER REPORTS

HEARD, MCELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

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November 18, 2015

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, 2015, 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 18, 2015.

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 18, 2015

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 OMB Circular A-133

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 Circular A-133 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, 2015. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2015.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with OMB Circular A-133.

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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Heard, McCleary & Vestal, LLC

Monroe, Louisiana

CHILDREN’S COALITION FOR NORTHEAST LOUISIANA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2015

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 \$300,000.
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, 2015

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, 2015

No findings were reported for the current year.