

**LONG ISLAND COALITION FOR THE
HOMELESS, INC. AND SUBSIDIARY**

**Consolidated Financial Statements
for the Year Ended
December 31, 2016
(with Summarized Comparative
Information for the
Year Ended
December 31, 2015)**

Independent Auditor's Report

To the Board of Directors of
Long Island Coalition for the Homeless, Inc. and Subsidiary

We have audited the accompanying consolidated financial statements of Long Island Coalition for the Homeless, Inc. and Subsidiary (collectively, the "Organization") which comprise the consolidated statement of financial position as of December 31, 2016 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements. 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 consolidated financial statements referred in the first paragraph on the previous page present fairly, in all material respects, the consolidated financial position of the Long Island Coalition for the Homeless, Inc. and Subsidiary as of December 31, 2016, and the results of their activities and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

We have previously audited the Organization's 2015 consolidated financial statements, and in our report dated October 4, 2016, expressed an unmodified opinion on those consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Condon O'Meara McGinty + Donnelly LLP

LONG ISLAND COALITION FOR THE HOMELESS, INC. AND SUBSIDIARY

Consolidated Statement of Financial Position

Assets

	<u>December 31</u>	
	<u>2016</u>	<u>2015</u>
Current assets		
Cash	\$1,962,210	\$1,992,347
Accounts receivable	25,103	31,870
Prepaid expenses	21	21
Due from governmental agencies	<u>70,118</u>	<u>50,208</u>
Total current assets	2,057,452	2,074,446
Deposits	11,515	11,515
Property and equipment, net	<u>7,023,177</u>	<u>7,241,031</u>
Total assets	<u>\$9,092,144</u>	<u>\$9,326,992</u>

Liabilities and Net Assets

Liabilities		
Accounts payable and accrued expenses	\$ 103,401	\$ 83,236
Refundable advances	<u>1,702</u>	<u>1,702</u>
Total current liabilities	<u>105,103</u>	<u>84,938</u>
Net assets		
Unrestricted	3,353,709	3,364,001
Temporarily restricted	<u>5,633,332</u>	<u>5,878,053</u>
Total net assets	<u>8,987,041</u>	<u>9,242,054</u>
Total liabilities and net assets	<u>\$9,092,144</u>	<u>\$9,326,992</u>

See notes to consolidated financial statements.

LONG ISLAND COALITION FOR THE HOMELESS, INC. AND SUBSIDIARY

Consolidated Statement of Activities

	For the Year Ended December 31				
	2016		2015		
	Unrestricted	Temporarily Restricted	Total	Temporarily Restricted	Total
Support and revenue					
Contributions	\$ 161,443	-	\$ 161,443	\$ 2,085,951	\$ 2,085,951
Memberships	32,530	-	32,530	34,985	34,985
Fees from governmental agencies	493,993	-	493,993	355,274	355,274
Annual conference	56,000	-	56,000	53,605	53,605
Rental	231,631	-	231,631	164,630	164,630
In-kind contributions	66,267	-	66,267	14,800	14,800
Miscellaneous	63,548	-	63,548	75,868	75,868
Net assets released from restrictions	<u>244,721</u>	<u>(244,721)</u>	<u>-</u>	<u>223,239</u>	<u>(223,239)</u>
Total support and revenue	<u>1,350,133</u>	<u>(244,721)</u>	<u>1,105,412</u>	<u>3,008,352</u>	<u>2,785,113</u>
Expenses					
Program services	1,312,330	-	1,312,330	1,010,995	1,010,995
Supporting services	47,995	-	47,995	18,472	18,472
Administrative and general	100	-	100	-	-
Fund-raising	1,360,425	-	1,360,425	1,029,467	1,029,467
Total expenses	<u>(10,292)</u>	<u>(244,721)</u>	<u>(255,013)</u>	<u>1,978,885</u>	<u>(223,239)</u>
Increase (decrease) in net assets					
Net assets, beginning of year	<u>3,364,001</u>	<u>5,878,053</u>	<u>9,242,054</u>	<u>1,385,116</u>	<u>7,486,408</u>
Net assets, end of year	<u>\$3,353,709</u>	<u>\$5,633,332</u>	<u>\$8,987,041</u>	<u>\$ 3,364,001</u>	<u>\$5,878,053</u>

See notes to consolidated financial statements.

LONG ISLAND COALITION FOR THE HOMELESS, INC. AND SUBSIDIARY

Consolidated Statement of Functional Expenses
For Year Ended December 31, 2016
(with Summarized Comparative Information for the Year Ended December 31, 2015)

	Year Ended December 31						
	2016			2015			
	Program Services			Supporting Services			
	COC Planning and Coordination	Centralized Assessment	Other Program	Total Program Services	Administrative and General	Fund- Raising	Total
	HMIS						
Salaries and temporary employee services	\$ 106,899	\$ 46,915	\$ 114,094	\$ 424,552	\$ 26,438	\$ -	\$ 450,990
Payroll taxes and benefits	29,361	14,563	41,880	123,359	6,617	-	129,976
Professional fees	4,932	2,115	17,964	34,452	1,514	-	35,966
Program supplies	-	-	40,970	40,970	-	-	40,970
Computer	97,748	165	-	102,116	3,503	99	105,718
Facilities rental	12,500	-	5,220	29,719	-	-	29,719
Telephone	1,384	755	2,731	6,608	1,136	-	7,744
Office supplies	211	15	13,073	13,769	1,086	-	14,855
Postage	-	-	479	620	701	-	1,321
Printing	1,150	579	8,189	12,544	999	1	13,544
Depreciation	-	-	300,453	300,453	2,028	-	302,481
Scholarships	-	-	2,000	2,000	-	-	2,000
Insurance	724	442	28,578	30,820	323	-	31,143
Travel	2,198	-	2,974	9,583	475	-	10,058
Conferences and meetings	1,248	-	19,903	23,556	500	-	24,056
Bad debt	-	-	-	-	2,675	-	2,675
Utilities	-	-	70,671	70,671	-	-	70,671
Repairs and maintenance	-	-	51,736	51,736	-	-	51,736
Interest	-	-	-	-	-	-	-
Miscellaneous	1,504	-	33,079	34,802	-	-	34,802
Total	\$ 259,859	\$ 65,549	\$ 753,994	\$ 1,312,330	\$ 47,995	\$ 100	\$ 1,360,425
							\$ 1,029,467

See notes to consolidated financial statements.

LONG ISLAND COALITION FOR THE HOMELESS, INC. AND SUBSIDIARY

Consolidated Statement of Cash Flows

	Year Ended	
	December 31	
	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ (255,013)	\$1,755,646
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities	-	-
Depreciation	302,481	296,628
(Increase) decrease in current assets		
Accounts receivable	6,767	20,582
Prepaid expenses	-	5,219
Due from governmental agencies	(19,910)	922,020
Increase (decrease) in current liabilities		
Accounts payable and accrued expenses	20,165	2,286
Refundable advances	-	(4,904)
(Increase) in deposits	-	(11,515)
Net cash provided by operating activities	<u>54,490</u>	<u>2,985,962</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>(84,627)</u>	<u>(65,477)</u>
Cash flows from financing activities		
(Repayments) of term note payable	-	(1,200,000)
(Repayments) of business loan	<u>-</u>	<u>(16,771)</u>
Net cash (used in) financing activities	<u>-</u>	<u>(1,216,771)</u>
Net increase (decrease) in cash	(30,137)	1,703,714
Cash, beginning of year	<u>1,992,347</u>	<u>288,633</u>
Cash, end of year	<u>\$1,962,210</u>	<u>\$1,992,347</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ -</u>	<u>\$ 23,964</u>

See notes to consolidated financial statements.

LONG ISLAND COALITION FOR THE HOMELESS, INC. AND SUBSIDIARY**Notes to Consolidated Financial Statements
December 31, 2016****Note 1 – Nature of Organization**

The Long Island Coalition for the Homeless, Inc. (the “Coalition”) was founded in 1985 as an advocacy and information/referral organization to help homeless individuals and families throughout Long Island, New York. The Coalition’s mission is to reduce homelessness on Long Island, New York, by providing advocacy for homeless individuals and families, education to the public about the scope, causes and potential solutions to homelessness, and coordinating the services of homeless providers as well as offering technical assistance to member agencies in housing development.

LICH Amityville CRC, LLC (the “LLC”) was formed in 2012 pursuant to Section 203 of the Limited Liability Company Law of the State of New York. The purposes of the LLC are, including, but not limited to, holding approximately four acres of property which includes a building.

Note 2 – Summary of significant accounting policies**Principles of consolidation**

The consolidated financial statements include the accounts of the Coalition and its wholly owned subsidiary, the LLC (collectively, the “Organization”). All material intercompany accounts and transactions have been eliminated in consolidation.

Financial reporting

The Organization maintains two classes of net assets, which are as follows:

- **Unrestricted**

Unrestricted net assets are used to account for the general activities of the Organization.

- **Temporarily restricted**

Temporarily restricted net assets represent grants and contributions that are restricted by the donor for a specific purpose or pertain to future periods. Once that specific purpose has been met or the time restriction expires, the funds are released and reflected as net assets released from restrictions. During 2016, the Organization released \$244,721 of temporarily restricted net assets. At December 31, 2016, the balance in the temporarily restricted net assets consist of the non-cash contribution of property of \$5,633,332 (see note 4).

Functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

LONG ISLAND COALITION FOR THE HOMELESS, INC. AND SUBSIDIARY**Notes to Consolidated Financial Statements (continued)
December 31, 2016****Note 2 – Summary of significant accounting policies (continued)****Cash equivalents**

The Organization considers highly liquid investments with an original maturity of ninety days or less to be cash equivalents. The Organization does not have cash equivalents as of December 31, 2016 and 2015.

Allowance for doubtful accounts

As of December 31, 2016, and 2015 the Organization does not have an allowance for doubtful accounts for any potentially uncollectible receivables. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Property and equipment

Property and equipment with a useful life greater than one year and above a nominal amount are capitalized and recorded at cost. Depreciation of property and equipment is provided on a straight-line basis over its estimated useful life of 5 to 30 years.

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. Actual results could differ from these estimates.

Concentrations of credit risk

The Organization's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash and receivables. The Organization places its cash with what it believes to be quality financial institutions and has not incurred any losses in such accounts to date. The Organization monitors the collection of its receivables and deems the amounts collectible. Accordingly, the Organization believes no significant concentrations of credit risk exist with respect to its cash and receivables.

Comparative financial information

The consolidated statement of functional expenses in the accompanying consolidated financial statements includes certain prior-year summarized comparative information in total but not by functional classification. Therefore to compare 2016 to 2015 at the functional classification level, the December 31, 2015 financial statements should be read in conjunction with the 2016 consolidated statement of functional expenses.

LONG ISLAND COALITION FOR THE HOMELESS, INC. AND SUBSIDIARY

**Notes to Consolidated Financial Statements (continued)
December 31, 2016**

Note 2 – Summary of significant accounting policies (continued)

Donated goods and services

A number of volunteers, including board members, have donated significant amounts of their time in the Organization's program services and management and general services. These donated services have not been recorded in the accompanying consolidated statement of activities because they do not meet the criteria for recording such services.

The Organization receives other donated goods and services, which are an integral part of the activities of the Organization and would have had to be purchased by the Organization if they had not been donated. Other donated goods and services have been recorded at their estimated fair value based on what it would have cost if purchased independently and have been reflected as support and corresponding expenses in the accompanying statements of activities.

Subsequent events

The Organization has evaluated events and transactions for potential recognition or disclosure through May 16, 2017, which is the date the consolidated financial statements were available to be issued.

Reclassifications

Certain items in the 2015 financial statements have been reclassified for comparative purposes only.

Note 3 – Due from governmental agencies

At December 31, 2016 and December 31, 2015, amounts due from governmental agencies consist of:

	<u>2016</u>	<u>2015</u>
Due from Superstorm Sandy Social Services Block Grant	\$ -	\$ 11,516
Due from U.S. Department of Housing and Urban Development	<u>70,118</u>	<u>38,692</u>
Total	<u>\$ 70,118</u>	<u>\$ 50,208</u>

LONG ISLAND COALITION FOR THE HOMELESS, INC. AND SUBSIDIARY

**Notes to Consolidated Financial Statements (continued)
December 31, 2016**

Note 4 – Property and equipment

At December 31, 2016 and December 31, 2015, property and equipment consists of the following:

	<u>2016</u>	<u>2015</u>
Building	\$6,500,000	\$6,500,000
Building improvements	1,458,058	1,408,964
Furniture	102,367	82,777
Equipment	<u>43,685</u>	<u>27,742</u>
Total	8,104,110	8,019,483
Less accumulated depreciation	<u>1,080,933</u>	<u>778,452</u>
Net property and equipment	<u>\$7,023,177</u>	<u>\$7,241,031</u>

During January 2013, the Town of Babylon, through a quitclaim deed, transferred a building and certain real property (the “Property”) to the LLC. Under the terms of the agreement, the LLC for a period of 30 years is required to use all or substantially all of the Property to provide homeless support services and/or other activities that support the reduction of homelessness in Suffolk County, NY. If this does not occur, the Property will revert to the Town of Babylon.

In connection with this transfer, the LLC has recorded the Property at \$6,500,000 which is the estimated fair value of the building for insurance purposes. Due to the land portion of the contribution being a former military property and subject to certain restrictions, a value of the land was not reasonably determinable and therefore no value was recorded by the LLC.

The \$6,500,000 of contribution revenue, in accordance with accounting literature, has been recorded as temporarily restricted and will be released ratably over a 30-year period.

Note 5 – Commitment

The Organization receives funding from contracts with governmental agencies. Continuation of such funding is dependent on budgetary allocations from the governmental agencies. Further, reimbursements under these contracts are subject to audit by various agencies on a regular basis. Liabilities, if any, resulting from these audits, are not presently determinable.

Note 6 – Tax status

The Coalition is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, the Coalition has been determined by the Internal Revenue Service (“IRS”) to be a publicly supported organization and not a private foundation within the meaning of Section 509(a) of the Code. Accordingly, the Coalition qualifies for the maximum charitable contribution deduction for its donors. The LLC is a disregarded entity for tax purposes.