

6/18/2018

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

**Consolidated Financial Statements
for the Year Ended
December 31, 2017
(with Summarized Comparative
Information for the
Year Ended
December 31, 2016)**

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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, 2017 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**DRAFT**

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, 2017, 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 2016 consolidated financial statements, and in our report dated May 16, 2017, 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, 2016, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

June 7, 2018

LONG ISLAND COALITION FOR THE HOMELESS, INC. AND

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Consolidated Statement of Financial Position

Assets

	<u>December 31</u>	
	<u>2017</u>	<u>2016</u>
Current assets		
Cash	\$2,037,516	\$1,962,210
Accounts receivable	-	25,103
Prepaid expenses	21	21
Due from governmental agencies	<u>164,209</u>	<u>70,118</u>
Total current assets	2,201,746	2,057,452
Deposits	12,140	11,515
Property and equipment, net	<u>6,736,795</u>	<u>7,023,177</u>
Total assets	<u>\$8,950,681</u>	<u>\$9,092,144</u>

Liabilities and Net Assets

Liabilities		
Accounts payable and accrued expenses	\$ 177,368	\$ 103,401
Refundable advances	<u>1,702</u>	<u>1,702</u>
Total current liabilities	<u>179,070</u>	<u>105,103</u>
Net assets		
Unrestricted	3,383,000	3,353,709
Temporarily restricted	<u>5,388,611</u>	<u>5,633,332</u>
Total net assets	<u>8,771,611</u>	<u>8,987,041</u>
Total liabilities and net assets	<u>\$8,950,681</u>	<u>\$9,092,144</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				
	2017		2016		
	Unrestricted	Temporarily Restricted	Total	Temporarily Restricted	Total
Support and revenue					
Contributions	\$ 115,079	-	\$ 115,079	\$ 161,443	\$ 161,443
Memberships	27,735	-	27,735	32,530	32,530
Fees from governmental agencies	769,947	-	769,947	493,993	493,993
Annual conference	60,380	-	60,380	56,000	56,000
Rental	278,424	-	278,424	231,631	231,631
In-kind contributions	93,252	-	93,252	66,267	66,267
Miscellaneous	67,652	-	67,652	63,548	63,548
Net assets released from restrictions	244,721	(244,721)	-	244,721	(244,721)
Total support and revenue	<u>1,657,190</u>	<u>(244,721)</u>	<u>1,412,469</u>	<u>1,350,133</u>	<u>1,105,412</u>
Expenses					
Program services	1,587,205	-	1,587,205	1,312,330	1,312,330
Supporting services	40,667	-	40,667	47,995	47,995
Administrative and general	27	-	27	100	100
Fund-raising	1,627,899	-	1,627,899	1,360,425	1,360,425
Total expenses	<u>29,291</u>	<u>(244,721)</u>	<u>(215,430)</u>	<u>(10,292)</u>	<u>(255,013)</u>
Increase (decrease) in net assets	<u>3,353,709</u>	<u>5,633,332</u>	<u>8,987,041</u>	<u>3,364,001</u>	<u>9,242,054</u>
Net assets, beginning of year	<u>\$3,383,000</u>	<u>\$5,388,611</u>	<u>\$8,771,611</u>	<u>\$3,353,709</u>	<u>\$8,987,041</u>

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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, 2017
(with Summarized Comparative Information for the Year Ended December 31, 2016)

	Year Ended December 31									
	2017					2016				
	Program Services					Supporting Services				
	HMIS	COC Planning and Coordination	Centralized Assessment	Other Program	Total Program Services	Administrative General	Fund-Raising	Total		Total
Salaries and temporary employee services	\$ 117,605	\$ 265,616	\$ 77,535	\$ 102,028	\$ 562,784	\$ 22,297	\$ 7	\$ 585,088		\$ 450,990
Payroll taxes and benefits	32,446	66,059	15,378	34,758	148,641	7,353	1	155,995		129,976
Professional fees	3,938	50,326	23,088	39,454	116,806	773	-	117,579		35,966
Program supplies	-	60	-	5,294	5,354	44	-	5,398		40,970
Computer	130,637	2,159	1,973	651	135,420	3,159	-	138,579		105,718
Facilities rental	17,750	22,950	-	8,040	48,740	-	-	48,740		29,719
Telephone	1,468	3,155	4,814	5,666	15,103	1,969	-	17,072		7,744
Office supplies	163	2,224	211	1,918	4,516	821	-	5,337		14,855
Postage	-	875	29	154	1,058	200	-	1,258		1,321
Printing	360	6,150	733	3,299	10,542	666	19	11,227		13,544
Depreciation	-	-	201	307,198	307,399	2,028	-	309,427		302,481
Scholarships	-	-	-	4,000	4,000	-	-	4,000		2,000
Insurance	694	1,171	2,431	31,103	35,399	476	-	35,875		31,143
Travel	2,976	8,873	1,669	4,098	17,616	556	-	18,172		10,058
Conferences and meetings	1,673	3,549	125	4,844	10,191	325	-	10,516		24,056
Bad debt	-	-	-	-	-	-	-	-		2,675
Utilities	-	-	-	80,848	80,848	-	-	80,848		70,671
Repairs and maintenance	-	-	-	80,014	80,014	-	-	80,014		51,736
Miscellaneous	322	581	621	1,250	2,774	-	-	2,774		34,802
Total	\$ 310,032	\$ 433,748	\$ 128,808	\$ 714,617	\$1,587,205	\$ 40,667	\$ 27	\$1,627,899		\$1,360,425

See notes to consolidated financial statements.

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LONG ISLAND COALITION FOR THE HOMELESS, INC. AND **SUBSIDIARY
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Consolidated Statement of Cash Flows

	Year Ended	
	December 31	
	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
(Decrease) in net assets	\$ (215,430)	\$ (255,013)
Adjustments to reconcile (decrease) in net assets to net cash provided by operating activities		
Depreciation	309,427	302,481
(Increase) decrease in current assets		
Accounts receivable	25,103	6,767
Due from governmental agencies	(94,091)	(19,910)
Increase in accounts payable and accrued expenses	73,967	20,165
(Increase) in deposits	<u>(625)</u>	<u>-</u>
Net cash provided by operating activities	98,351	54,490
Cash flows (used in) investing activities		
Purchase of property and equipment	<u>(23,045)</u>	<u>(84,627)</u>
Net increase (decrease) in cash	75,306	(30,137)
Cash, beginning of year	<u>1,962,210</u>	<u>1,992,347</u>
Cash, end of year	<u>\$2,037,516</u>	<u>\$1,962,210</u>

See notes to consolidated financial statements.

LONG ISLAND COALITION FOR THE HOMELESS, INC. AND**SUBSIDIARY
DRAFT****Notes to Consolidated Financial Statements
December 31, 2017****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 2017, the Organization released \$244,721 of temporarily restricted net assets. At December 31, 2017, the balance in the temporarily restricted net assets consist of the non-cash contribution of property of \$5,388,611 (see note 3).

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, 2017

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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, 2017 and 2016.

Allowance for doubtful accounts

As of December 31, 2017, and 2016 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. During 2017, fully depreciated assets totaling \$2,029 were removed from the accounts of the Organization.

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. 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. Accordingly, the Organization believes no significant concentrations of credit risk exist with respect to its cash.

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 2017 to 2016 at the functional classification level, the December 31, 2016 financial statements should be read in conjunction with the 2017 consolidated statement of functional expenses.

LONG ISLAND COALITION FOR THE HOMELESS, INC. AND

SUBSIDIARY DRAFT

Notes to Consolidated Financial Statements (continued)

December 31, 2017

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 June 7, 2018, which is the date the consolidated financial statements were available to be issued.

Note 3 – Property and equipment

At December 31, 2017 and December 31, 2016, property and equipment consists of the following:

	<u>2017</u>	<u>2016</u>
Building	\$6,500,000	\$6,500,000
Building improvements	1,467,258	1,458,058
Furniture	106,382	102,367
Equipment	<u>51,486</u>	<u>43,685</u>
Total	8,125,126	8,104,110
Less accumulated depreciation	<u>1,388,331</u>	<u>1,080,933</u>
Net property and equipment	<u>\$6,736,795</u>	<u>\$7,023,177</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.

LONG ISLAND COALITION FOR THE HOMELESS, INC. AND SUBSIDIARY**DRAFT****Notes to Consolidated Financial Statements (continued)****December 31, 2017****Note 3 – Property and equipment (continued)**

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 4 – 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 5 – 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.