



# Financial Statements

## NorthPoint Health & Wellness Center Inc.

Minneapolis, Minnesota

For the years ended December 31, 2022 and 2021



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NorthPoint Health & Wellness Center Inc.

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
NorthPoint Health & Wellness Center Inc.  
Minneapolis, Minnesota

### Opinion

We have audited the accompanying financial statements of NorthPoint Health & Wellness Center Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NorthPoint Health & Wellness Center Inc. as of December 31, 2022 and 2021, 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.

### Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NorthPoint Health & Wellness Center Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NorthPoint Health & Wellness Center Inc. ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 NorthPoint Health & Wellness Center Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NorthPoint Health & Wellness Center Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit 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 schedule of expenditures of federal awards 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 October 5, 2023, on our consideration of NorthPoint Health & Wellness Center 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NorthPoint Health & Wellness Center Inc.'s 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 NorthPoint Health & Wellness Center Inc.'s internal control over financial reporting and compliance. <sup>p</sup>



**Abdo**  
Minneapolis, Minnesota  
October 5, 2023



## FINANCIAL STATEMENTS

NorthPoint Health & Wellness Center Inc.  
 Statements of Financial Position  
 December 31, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,906,845	\$ 1,717,199
Investments	199,498	209,238
Accounts receivable	1,559,468	1,885,686
Grants and pledges receivable	100,156	205,373
Employee receivable	-	351
Prepaid expenses	63,536	71,139
Inventory	67,339	56,378
Total Current Assets	5,896,842	4,145,364
Fixed Assets		
Building	1,565,491	1,565,491
Building improvements	309,000	-
Vehicles	165,940	150,178
Computer and related equipment	157,404	8,464
Total Fixed Assets	2,197,835	1,724,133
Less: Accumulated Depreciation	(342,206)	(259,319)
Fixed Assets, Net	1,855,629	1,464,814
Total Assets	\$ 7,752,471	\$ 5,610,178
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 318,839	\$ 102,926
Accrued expenses	179,370	212,951
Deferred revenue	10,000	34,892
Total Current Liabilities	508,209	350,769
Net Assets		
Without donor restrictions	4,179,823	3,847,918
With donor restrictions	3,064,439	1,411,491
Total Net Assets	7,244,262	5,259,409
Total Liabilities and Net Assets	\$ 7,752,471	\$ 5,610,178

See Independent Auditor's Report and Notes to the Financial Statements.

NorthPoint Health & Wellness Center Inc.  
 Statements of Activities  
 For the Year Ended December 31, 2022  
 (With Comparative Totals for the Year Ended December 31, 2021)

	Without Donor Restriction	With Donor Restriction	2022 Total	2021 Total
Support and Revenue				
Support				
Hennepin County	\$ 4,338,001	\$ -	\$ 4,338,001	\$ 3,362,788
Other government grants	2,603,986	-	2,603,986	3,158,957
Foundations and corporations	109,645	2,510,550	2,620,195	1,981,424
United Way donations	112,983	-	112,983	106,589
Individual contributions	213,457	-	213,457	250,191
In-kind donations	1,789,287	-	1,789,287	2,202,260
Total Support	<u>9,167,359</u>	<u>2,510,550</u>	<u>11,677,909</u>	<u>11,062,209</u>
Revenue				
Chemical dependency	2,505	-	2,505	2,807
Investment income (loss)	(5,683)	-	(5,683)	28,164
Rents and reimbursements	4,224	-	4,224	3,456
Other	-	-	-	2,700
Total Revenue	<u>1,046</u>	<u>-</u>	<u>1,046</u>	<u>37,127</u>
Net Assets Released from Restrictions	<u>857,602</u>	<u>(857,602)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>10,026,007</u>	<u>1,652,948</u>	<u>11,678,955</u>	<u>11,099,336</u>
Expenses				
Program Services				
Family and community services	7,913,735	-	7,913,735	5,670,484
Community outreach	630,170	-	630,170	3,257,903
Total Program Services	<u>8,543,905</u>	<u>-</u>	<u>8,543,905</u>	<u>8,928,387</u>
Supporting Activities				
Management and general	837,841	-	837,841	619,503
Fundraising	312,356	-	312,356	538,913
Total Supporting Activities	<u>1,150,197</u>	<u>-</u>	<u>1,150,197</u>	<u>1,158,416</u>
Total Expenses	<u>9,694,102</u>	<u>-</u>	<u>9,694,102</u>	<u>10,086,803</u>
Change in Net Assets	331,905	1,652,948	1,984,853	1,012,533
Net Assets, Beginning of Year	<u>3,847,918</u>	<u>1,411,491</u>	<u>5,259,409</u>	<u>4,246,876</u>
Net Assets, End of Year	<u>\$ 4,179,823</u>	<u>\$ 3,064,439</u>	<u>\$ 7,244,262</u>	<u>\$ 5,259,409</u>

See Independent Auditor's Report and Notes to the Financial Statements.

NorthPoint Health & Wellness Center Inc.  
 Statements of Activities (Continued)  
 For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Support			
Hennepin County	\$ 3,362,788	\$ -	\$ 3,362,788
Other government grants	3,158,957	-	3,158,957
Foundations and corporations	628,012	1,353,412	1,981,424
United Way donations	106,589	-	106,589
Individual contributions	203,146	47,045	250,191
In-kind donations	2,202,260	-	2,202,260
Total Support	9,661,752	1,400,457	11,062,209
Revenue			
Chemical dependency	2,807	-	2,807
Investment income	28,164	-	28,164
Rents and reimbursements	3,456	-	3,456
Other Revenue	2,700	-	2,700
Total Revenue	37,127	-	37,127
Net Assets Released from Restrictions	546,347	(546,347)	-
Total Support and Revenue	10,245,226	854,110	11,099,336
Expenses			
Program Services			
Family and community services	5,670,484	-	5,670,484
Community outreach	3,257,903	-	3,257,903
Total Program Services	8,928,387	-	8,928,387
Supporting Activities			
Management and general	619,503	-	619,503
Fundraising	538,913	-	538,913
Total Supporting Activities	1,158,416	-	1,158,416
Total Expenses	10,086,803	-	10,086,803
Change in Net Assets	158,423	854,110	1,012,533
Net Assets, Beginning of Year	3,689,495	557,381	4,246,876
Net Assets, End of Year	\$ 3,847,918	\$ 1,411,491	\$ 5,259,409

See Independent Auditor's Report and Notes to the Financial Statements.

NorthPoint Health & Wellness Center Inc.  
 Statements of Functional Expenses  
 For the Year Ended December 31, 2022  
 (With Comparative Totals for the Year Ended December 31, 2021)

	Program Services			Supporting Services			2022 Total	2021 Total
	Family & Community Services	Community Outreach	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Salaries and Related Expenses	\$ 3,186,233	\$ 271,267	\$ 3,457,500	\$ 536,106	\$ 219,278	\$ 755,384	\$ 4,212,884	\$ 4,531,595
Professional Fees	-	-	-	30,231	-	30,231	30,231	47,504
Food Shelf	2,028,727	82	2,028,809	-	-	-	2,028,809	2,389,826
Contracted Services	614,118	280,274	894,392	110,399	78,847	189,246	1,083,638	706,476
Insurance	21,169	10,768	31,937	45,691	373	46,064	78,001	71,537
Occupancy	87,698	11,717	99,415	3,479	105	3,584	102,999	87,451
Telephone and Communications	13,354	3,387	16,741	4,604	756	5,360	22,101	24,689
Vehicle Expenses	21,279	64	21,343	2,188	-	2,188	23,531	19,358
Program Supplies and Client Support	1,787,917	14,072	1,801,989	42,309	5,289	47,598	1,849,587	1,982,566
Depreciation	54,293	20,377	74,670	7,265	952	8,217	82,887	75,178
Advertising	44,756	233	44,989	2,193	235	2,428	47,417	40,698
Other Operating Expenses	46,596	15,629	62,225	25,277	6,136	31,413	93,638	60,111
Community Involvement & Support	-	-	-	1,000	-	1,000	1,000	-
Employee Training	7,595	2,300	9,895	27,099	382	27,481	37,376	48,864
Other	-	-	-	-	-	-	-	949
<b>Total Expenses</b>	<b>\$ 7,913,735</b>	<b>\$ 630,170</b>	<b>\$ 8,543,905</b>	<b>\$ 837,841</b>	<b>\$ 312,356</b>	<b>\$ 1,150,197</b>	<b>\$ 9,694,102</b>	<b>\$ 10,086,802</b>

See Independent Auditor's Report and Notes to the Financial Statements.

NorthPoint Health & Wellness Center Inc.  
 Statements of Functional Expenses (Continued)  
 For the Year Ended December 31, 2021

	Program Services			Supporting Services			Total
	Family & Community Services	Community Outreach	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and Related Expenses	\$ 3,259,913	\$ 617,475	\$ 3,877,388	\$ 350,353	\$ 303,854	\$ 654,207	\$ 4,531,595
Professional Fees	-	-	-	47,504	-	47,504	47,504
Food Shelf	48,829	2,340,997	2,389,826	-	-	-	2,389,826
Contracted Services	378,246	35,729	413,975	95,445	197,056	292,501	706,476
Insurance	21,853	16,980	38,833	32,367	337	32,704	71,537
Occupancy	2,684	82,164	84,848	2,522	81	2,603	87,451
Telephone and Communications	18,404	4,042	22,446	1,398	845	2,243	24,689
Vehicle Expenses	6,376	9,561	15,937	3,419	3	3,422	19,358
Program Supplies and Client Support	1,838,682	100,473	1,939,155	31,355	12,056	43,411	1,982,566
Depreciation	31,234	35,021	66,255	7,972	951	8,923	75,178
Advertising	16,752	3,440	20,192	2,502	18,004	20,506	40,698
Other Operating Expenses	34,775	8,237	43,012	11,945	5,154	17,099	60,111
Employee Training	12,736	3,784	16,520	31,772	572	32,344	48,864
Miscellaneous	-	-	-	949	-	949	949
<b>Total Expenses</b>	<b><u>\$ 5,670,484</u></b>	<b><u>\$ 3,257,903</u></b>	<b><u>\$ 8,928,387</u></b>	<b><u>\$ 619,503</u></b>	<b><u>\$ 538,913</u></b>	<b><u>\$ 1,158,416</u></b>	<b><u>\$ 10,086,802</u></b>

See Independent Auditor's Report and Notes to the Financial Statements.

NorthPoint Health & Wellness Center Inc.  
Statements of Cash Flows  
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Change in net assets	\$ 1,984,853	\$ 1,012,533
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	82,887	75,178
Unrealized (gain) loss on investments	14,866	(14,218)
Changes in current assets and liabilities		
Accounts receivable	326,218	(1,034,150)
Grants receivable	105,217	(133,650)
Employee receivable	351	(220)
Prepaid expenses	7,603	19,431
Inventory	(10,961)	11,013
Accounts payable	215,913	(45,350)
Accrued expenses	(33,581)	(22,712)
Deferred revenue	(24,892)	13,132
Net Cash Provided (Used) by Operating Activities	2,668,474	(119,013)
Cash Flows from Investing Activities		
Purchase of furniture and equipment	(473,702)	(6,995)
Purchase of investments	(5,126)	(12,551)
Net Cash Used by Investing Activities	(478,828)	(19,546)
Cash Flows from Financing Activities		
Payments made on Paycheck Protection Program note payable	-	(500,311)
Net Increase (Decrease) in Cash and Cash Equivalents	2,189,646	(638,870)
Cash and Cash Equivalents, Beginning of Year	1,717,199	2,356,069
Cash and Cash Equivalents, End of Year	\$ 3,906,845	\$ 1,717,199
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for:		
Interest paid	\$ -	\$ 946
Sublemental Disclosure of Non-Cash Investing Activity		

See Independent Auditor's Report and Notes to the Financial Statements.

## NorthPoint Health & Wellness Center Inc.

Notes to the Financial Statements

December 31, 2022 and 2021

### Note 1: Summary of Significant Accounting Policies

#### A. Nature of Activities

NorthPoint Health & Wellness Center Inc. (the Organization) is a 501(c)(3) nonprofit incorporated in 2003 with the establishment of a Community Board comprised of 51% consumers and other community stakeholders. The Board entered into a co-applicant agreement with Hennepin County to oversee the operations and health outcomes of the clinic. Subsequently, the board merged with Pilot City Neighborhood Services Center in July 2004 and the net assets and operations transferred to the Community Board of Directors. The Community Board has the responsibility of providing leadership for strategic, operational and programmatic direction of both the clinic (Hennepin County) and human services (NPI). This unique partnership between Hennepin County and the Community Board allows for co-ownership of resources and assets within the community.

The Organization's mission is "partnering to create a healthier community". The Organization is focused on communal wholeness, health and wellness, strengths, possibilities, and hope for the North Minneapolis community. The Organization's vision is to set a standard of excellence in providing culturally responsive, integrated, holistic primary health and social services that strengthens our community and the lives of the people we serve. The Organization accomplishes this through an integrated health and human services model. From addressing basic needs like food and housing, to fostering self-reliance through job readiness and youth development programs, our approach to working with clients is culturally appropriate, trauma-informed, and respectful. In 2022, NorthPoint Inc. served individuals and families through the following programs:

- **Community Food Shelf:** Over 1,100 families per month receive nutritious food from our Food Shelf. Families are eligible to receive approximately a week's worth of food each month. The Food Shelf also serves as a point of referral and access to all of the health and wellness services available on the NorthPoint campus.
- **Mobile Food Program:** Northpoint's Mobile Food Marketplace Program brings healthy nutritious foods, directly to more than 90 low-income senior households per month who live in various public housing sites in Minneapolis.
- **Intake & Advocacy:** Client advocacy support, provides information and liaison assistance to individuals and families facing an immediate crisis. In-take Navigators also provide resources and help leverage other community resources to assist in the prevention of future crises.
- **Youth Programs:** NorthPoint operates three unique programs designed to empower youth and help them to reach their full potential. The BE@School Program provides education and support service to school age youth and their families to increase school attendance; the Nia Program provides trauma-based service for black male youth, primarily 12-17 who have been involved with the Juvenile Probation system; and our newest program Community Resource Navigation serves youth/young adults (17-24) who have also been involved with the Juvenile Probation system.
- **Housing Eviction Prevention Services:** NorthPoint's Housing Support and Eviction Prevention Programs are designed to assist residents of Hennepin County facing housing challenges avoid eviction through a variety of services that help residents maintained safe and stable housing.
- **Community Health Outreach:** High-risk populations benefit from health outreach provided by NorthPoint's Community Health Workers. Activities include preventative and oral health screenings for children, breast and cervical cancer screening for women of color, prostate and colorectal cancer education and screenings, along with SNAP and Health Insurance enrollment.
- **Pregnancy and Family Health:** NorthPoint's pregnancy and family health program consists of two programs: Hennepin County Maternal Health and Healthy Black Pregnancies, formerly Integrated Care for High-Risk Pregnancies (ICHRP). Both programs are designed to increase and improve access to high-quality, culturally responsive care for pregnant and postpartum women and their partners; and deliver culturally responsive perinatal health education.

## NorthPoint Health & Wellness Center Inc.

### Notes to the Financial Statements

December 31, 2022 and 2021

#### Note 1: Summary of Significant Accounting Policies (Continued)

- **Community Engagement:** NorthPoint staff and volunteers' partner with local businesses and nonprofits to distribute back to school supplies, volunteer as a Toys for Tots site, host winter gear giveaways, and participate in other community-based events on the Northside.
- **Family Empowerment Programs** work to eliminate barriers to family stability via workforce development and economic development programming. Programs equip individuals and families with the tools to shift from short-term, crisis-driven behaviors and attitudes to those that embrace and plan for long-term stable futures. Programs include:
  - **The African American Men Project**, which supports adult men facing multiple barriers to becoming healthier and self-reliant through education, housing, employment, training, physical and mental health services.
  - **Project Launch** leverages NorthPoint's existing relationships with justice-involved youth and adults to provide hard-to-employ individuals with work experience and soft skills training through paid internships at NorthPoint.
  - **Career Pathways**, which provides job search, employment, training support career readiness and coaching support to adults seeking to complete a certified training, obtain employment or complete their GED/high school requirements.
  - **Benefits Cliff**, which provides support to families with children assisting adult head of household with support services, job search and access to training to promote self-sufficiency and increase family wages.<sup>23</sup>
  - **Northside Partners for Home Delivery**, in a collaborative partnership with Northside agencies providing food supports to families who had difficulty accessing food due to the care of their children
  - **Project L.I.F.E.**, a proven approach to help reduce violence in vulnerable communities by joining together community members, with law enforcement and social service providers to deliver an anti-violence message.
  - **Domestic Violence and Prevention** is two distinct programs; one that provide support for current criminal court involved domestic perpetrators, and a second program that provides community-based resources for families to assist with domestic issues before they rise to the level of justice system intervention.
  - **Preschool Development** is an early childhood development program that focuses on creating early childhood resource hubs for families located in Hennepin County that are pregnant or parenting infants or toddlers.

**Systems Change:** To change the systems that perpetuate the status quo of racial disparities, NorthPoint addresses policy, systems, and environmental change on the local and state level. NorthPoint's current coalitions and partnerships to promote systems change include:

- **Breathe Free North**, a project that seeks to reduce the influence of tobacco products in the community. Coalition members are working to increase the number of smoke-free multi-family housing units in North Minneapolis and reduce the number of stores that target youth with single cigarettes and other tobacco products.
- **The Penn-Plymouth Partnership**, a new partnership involving landowners at the Penn & Plymouth intersection including businesses, government, and nonprofits. The partnership exists to maximize community benefit from planned public and private investments in the area over the next 2-3 years.
- **Whole Family Systems**, a community and governmental coalition of organizations, advocates and community members focused on increasing protective factors for parents and children.

## NorthPoint Health & Wellness Center Inc.

### Notes to the Financial Statements

December 31, 2022 and 2021

#### **Note 1: Summary of Significant Accounting Policies (Continued)**

##### **B. Basis of Accounting and Presentation**

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor restrictions. Accordingly, net assets of NorthPoint Health & Wellness Center Inc. and related changes are classified and reported as follows:

Net Assets Without Donor Restrictions (Unrestricted) - Those resources over which the Board of Directors has discretionary control.

Net Assets With Donor Restrictions (Restricted) - Those resources subject to donor imposed restrictions which will be satisfied by actions of the Organization or passage of time or that are to be maintained permanently by the Organization. There are no net assets to be maintained permanently.

##### **C. Use of Estimates**

The preparation of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

##### **D. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers short-term, highly liquid investments and investments purchased with a maturity of three months or less to be cash equivalents.

##### **E. Investments**

Investments are measured at fair value in the statements of financial position. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in revenue and support without donor restrictions unless the income or loss is restricted by donor or law.

##### **F. Accounts and Employee Receivable**

Accounts receivable consist primarily of amounts billed for earned income projects, are unsecured, and are stated at the amount management expects to collect from outstanding balances. Employee receivable consists of advances made to employees. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on the assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management believes all accounts receivable are collectible at December 31, 2022 and 2021, and accordingly, no allowance is necessary.

##### **G. Grants and Pledges Receivable**

Grants receivable consist primarily of amounts the Organization has been notified they'll receive but have not yet been received. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on the assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to grants receivable. Management believes all grants receivable are collectible at December 31, 2022 and 2021, and accordingly, no allowance is necessary.

NorthPoint Health & Wellness Center Inc.  
Notes to the Financial Statements  
December 31, 2022 and 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

**H. Inventory**

Inventory consists of donated and purchased food and non-food items, including canned goods, frozen foods, and packaged items. Cost is determined by using an estimated value per pound of inventory on hand, which approximates market value.

**I. Fixed Assets**

Furniture and equipment are recorded at cost, or in the case of contributed property, at the fair market value at the date of contribution. Items that cost \$5,000 or greater are capitalized. Depreciation is computed using the straight-line method over the following estimated useful lives:

Computers	3 years
Furniture and Equipment	3 - 5 years
Vehicles	5 years
Roof	7 years
Buildings	26 years

Depreciation expense for the years ended December 31, 2022 and 2021 were \$82,887 and \$75,178, respectively.

**J. Deferred Revenue**

Deferred revenue consists of revenue received prior to year-end for the subsequent year. These amounts will be reflected as revenue in the period in which the revenue is earned.

**K. Revenue Recognition**

The Organization follows the provisions of Accounting Standards Codification 606, *Contracts with Customers* on revenues derived from its cost-reimbursable contracts and other program service fees.

In the case of cost-reimbursable contracts and other program service fees, revenue is recognized when the related services are performed, or expenditures are incurred. Which is at a point in time. Reimbursement requests are billed monthly, and funds received in advance of the services performed or expenditures incurred are reported as deferred revenue.

The Organization's other revenues are explicitly excluded from the scope of ASC Topic 606 and are not recorded in accordance with that standard.

**L. Performance Obligations**

The performance obligation related to cost-reimbursable contracts and other program services fees are satisfied when the services are performed or expenditures are incurred; therefore, the Organization recognizes revenue at a point in time on a monthly basis.

**M. Donated Services, Materials and Equipment**

Donated materials and equipment are reflected as contributions in the accompanying financial statements at their estimated values at the date of receipt. Food donations are donated for program services. Subscriptions are received and used by the Organization in day-to-day operations. In-kinds are reported at fair value.

The Organizations has a large amount of labor provided through volunteers throughout the year. The value of these contributed services is not reflected in the financial statements since it does not meet the standard for general accepted accounting standards.

NorthPoint Health & Wellness Center Inc.  
Notes to the Financial Statements  
December 31, 2022 and 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

**N. Promotion and Advertising**

Promotion and advertising costs are expensed as incurred and total \$47,417 and \$40,698 for the years ended December 31, 2022 and 2021, respectively.

**O. Retirement Plan**

The Association has a 401(k) retirement and savings plan provides for a discretionary matching contribution. NorthPoint will begin matching up to 5% of the employee's contribution beginning the first day of the month following twelve months of consecutive employment. NorthPoint's matching contribution amount is determined annually as part of the budget process. The Association's contributions were \$61,256 and \$73,344 for the years ended December 31, 2022 and 2021, respectively.

**P. Functional Expense Allocation**

The Organization allocates its expenses on a functional basis among its various programs and support services. Salaries and related costs are allocated between program and supporting service categories based upon the estimated time expended by the employee on the expenditure classification. Non-salary costs are directly allocated according to the actual expense and are reviewed annually by the Finance Committee.

**Q. Income Taxes**

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute 290.05. Accordingly, no provision for income taxes is included in these financial statements. Because the Organization is a public charity, contributions may qualify for tax deductions by the contributors.

**R. New Accounting Pronouncements**

In March 2016, the FASB issued ASU No. 2016-02, Leases, as a new topic, Accounting Standards Codification 842. The objective of ASU No. 2016-02 is to increase transparency and comparability among organizations by reorganizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU No. 2016-02 is effective for annual reporting periods beginning after December 15, 2021, and shall be applied using either a full retrospective or modified retrospective approach. Early adoption is permitted. The new guidance is effective for the Organization for the year ended December 2022. The Organization has implemented this standard in the year ended December 31, 2022.

In September 2020, the FASB issued ASU No. 2020-07 Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which is intended to improve the transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. This ASU requires not-for-profit organizations to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. In addition to separate presentation on the statement of activities, this amendment requires enhanced disclosures around each category of contributed nonfinancial assets for donor-imposed restrictions, valuation techniques, description of programs or activities in which the assets were used, and if monetized, a policy about monetizing rather than utilizing the asset(s). The amendments in this ASU have been applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. Early adoption is permitted. The new guidance is effective for NorthPoint Health & Wellness Center Inc. in 2022. The Organization has evaluated the impact this standard will have on its financial statements.

**S. Related Party**

The Organization's CEO is also the CEO of NorthPoint Health and Wellness Center (the Clinic). The Clinic provides primarily community and medical services and is overseen by the Community Board of Directors. The Organizations had no receivables from the Clinic at December 31, 2022 and 2021.

NorthPoint Health & Wellness Center Inc.  
Notes to the Financial Statements  
December 31, 2022 and 2021

## Note 1: Summary of Significant Accounting Policies (Continued)

### T. Subsequent Events

Subsequent events have been evaluated through October 5, 2023, the date of the financial statements were available for issuance.

## Note 2: Concentrations

### A. Credit Risk Concentration

The Organization maintains cash balances at three financial institutions and manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of our mission. Investments are monitored by the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis; the Organization believes that the investment policies and guidelines are prudent for the long-term welfare of the organization.

### B. Revenue Concentration

The Organization received 41% and 30% of total support from Hennepin County for the years ending December 31, 2022 and 2021, respectively.

## Note 3: Fair Value Measurements

Fair value measurement accounting literature establishes a fair value hierarchy based on the priority of the inputs to the valuation methodologies used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

**Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Organization has the ability to access.

**Level 2** - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

**Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

NorthPoint Health & Wellness Center Inc.  
Notes to the Financial Statements  
December 31, 2022 and 2021

**Note 3: Fair Value Measurements (Continued)**

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022.

*Mutual Funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held are deemed to be actively traded.

*Cash Equivalents:* Valued at \$1 per share.

*Stocks:* Valued at the daily closing price of the underlying stocks. The stocks and securities held by the Organization are deemed to be actively traded.

The Organization's investments as reported at fair value in the accompanying statement of financial position consist of the following at December 31, 2022 and 2021:

	Level 1	Level 2	Level 3	Total
December 31, 2022				
Investments - Mutual Funds	\$ 194,298	\$ -	\$ -	\$ 194,298
Investments - Stocks	5,197	-	-	5,197
Investments - Cash equivalents	3	-	-	3
Total	<u>\$ 199,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 199,498</u>
December 31, 2021				
Investments - Mutual Funds	\$ 209,235	\$ -	\$ -	\$ 209,235
Investments - Cash equivalents	3	-	-	3
Total	<u>\$ 209,238</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,238</u>

The income associated with the Organizations investments consists of the following for the years ended December 31:

	2022	2021
Interest/Dividend Income	\$ 9,183	\$ 8,707
Capital Gains	-	5,239
Unrealized Gain on Investments	(14,866)	14,218
Total Investment Income	<u>\$ (5,683)</u>	<u>\$ 28,164</u>

**Note 4: Paycheck Protection Program**

In April 2020, the Organization entered into a promissory note agreement with Bremer Bank in the amount of \$797,100 pursuant to the Paycheck Protection Program (PPP) created by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and governed by the Small Business Administration (SBA). The note accrues interest at 1 percent per annum and is scheduled to mature April 2022. Up to 100 percent of the loan is forgivable when used to pay specified payroll and other costs within the qualified period (generally 24 weeks after receiving the funds). In December 2020, \$296,789 was considered forgiven and the remaining amount was recorded as a notes payable. In March of 2021, the remaining note was paid by the Organization, as noted on the statement of cash flows.

NorthPoint Health & Wellness Center Inc.  
Notes to the Financial Statements  
December 31, 2022 and 2021

**Note 5: Net Assets with Donor Restriction**

Net assets with donor restrictions were restricted for the following purposes for the years ending December 31:

	2022	2021
Homelessness	\$ 1,274,806	\$ 353,618
Capital campaign	550,000	677,545
Child wellness center	568,500	-
Health power	361,133	287,808
Home delivery	310,000	30,000
Time restricted	-	62,520
	\$ 3,064,439	\$ 1,411,491

**Note 6: Operating Lease Agreements**

In January 2020, the Organization entered into a 12-month lease for a van with monthly payments of \$575. In February 2021, the Organization entered into another lease for the van with monthly payments of \$497 which will expire in February 2022. In May 2019, the Organization entered into a 39-month lease for a postage machine with monthly payments of \$105 that is set to expire in August 2023. During 2018, the Organization entered into a 60-month lease for copier with monthly payments of \$266 that is set to expire in June 2023.

Total paid for leases was \$4,956 and \$10,680 for the years ended December 31, 2022 and 2021, respectively.

Future minimum payments under the two existing leases are as follows for the years ending December 31:

Years Ending December 31,	Amount
2023	\$ 2,400

**Note 7: Line of Credit**

In December 2019, the Organization renewed a \$150,000 revolving line of credit. The line has a two-year term that matures in October 2023, provisions for annual extensions, and includes a due on demand feature. Interest at a rate of 1% over the Index as provided by Bremer Bank, National Association which was 4.75% at December 31, 2020, and is payable monthly. The line of credit was renewed until October 2023, with an interest rate of 0.5% over the Index as provided by Bremer Bank, National Association which was 3.25% at February 22, 2022. Interest expense incurred on the line of credit was \$0 in 2022 and 2021. There was no outstanding balance as of December 31, 2022 and 2021.

NorthPoint Health & Wellness Center Inc.  
Notes to the Financial Statements  
December 31, 2022 and 2021

**Note 8: In-kind Contributions**

The Organization has the following in-kind contributions at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>	Usage in Programs / Activities	Donor restriction	<u>Fair value techniques</u>
Food	\$ 1,744,027	\$ 2,155,502	Community food shelf and mobile food program	None	Estimated wholesale prices of identical or similar products if purchased in the region
Subscriptions	<u>45,260</u>	<u>46,758</u>	Management and general	None	Estimated wholesale prices of identical or similar products if purchased in the region
Total	<u>\$ 1,789,287</u>	<u>\$ 2,202,260</u>			

**Note 9: Liquidity and Availability of Resources**

The Organization has the following assets available to meet financial needs for one year:

	<u>2022</u>	<u>2021</u>
Financial assets available for general expenditures within one year:		
Cash and cash equivalents	\$ 3,906,845	\$ 1,717,199
Investments	199,498	209,238
Accounts receivable	1,559,468	1,885,686
Grants and pledges receivable	100,156	205,373
Employee receivable	-	351
Total Financial Assets	<u>5,765,967</u>	<u>4,017,847</u>
Less those unavailable for general expenditure within one year, due to:		
Net Assets With Donor Restrictions	<u>(3,064,439)</u>	<u>(1,348,971)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 2,701,528</u>	<u>\$ 2,668,876</u>

The Organization regularly monitors liquidity required to meet its operating needs and other commitments. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. The Organization also has a line of credit that they can draw on.

## OTHER REPORTS

**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**

Board of Directors  
NorthPoint Health & Wellness Center Inc.  
Minneapolis, Minnesota

We have audited, in accordance with the 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 NorthPoint Health & Wellness Center Inc. (the Organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 5, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

Our consideration of internal control 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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from 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 financial statements. 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*.

## Organization's Response to Findings

The Organization's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Organization's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## 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.



**Abdo**  
Minneapolis, Minnesota  
October 5, 2023



## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
NorthPoint Health & Wellness Center Inc.  
Minneapolis, Minnesota

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited NorthPoint Health & Wellness Center Inc. (the Organization), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2022. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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 December 31, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. We did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency. Material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of finding and questioned costs as item 2022-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.



*Government Auditing Standards* requires the auditor to perform limited procedures on The Organization's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

A handwritten signature in black ink that reads "Abdo". The signature is written in a cursive, slightly slanted style.

**Abdo**  
Minneapolis, Minnesota  
October 5, 2023

NorthPoint Health & Wellness Center Inc.  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2022

Federal Grantor/Program Title Pass-Through Grantor/Pass-Through Entity Identifying Number	Assistance Listing Number	Pass-Through Identification Number	Federal Expenditures
<b>U.S. Department of Agriculture:</b>			
Passed-Through MN Department of Human Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	163800	\$ 37,139
<b>U.S. Department of the Treasury:</b>			
Passed-Through the City of Minneapolis Community Planning and Economic Development:			
Emergency Rental Assistance Program (COVID Grant)	21.023	COM0003554	190,126
Emergency Rental Assistance Program (COVID Grant)	21.023	COM0004815	681,354
<i>Total U.S. Department of the Treasury</i>			<u>871,480</u>
<b>U.S. Department of Housing and Urban Development</b>			
Passed-Through the City of Minneapolis Community Planning and Economic Development:			
Community Development Block Grants/Entitlement Grants (CDBG - Entitlement Grants Cluster)	14.218	COM0003554	12,478
<i>Total Department of Health and Human Services</i>			<u>12,478</u>
<b>U.S. Department of Health and Human Services</b>			
Passed-Through the MN Department of Human Services:			
Every Student Succeeds Act/Preschool Development Grants	93.434	189383	255,637
Temporary Assistance for Needy Families (477 Cluster)	93.558	167501	154,501
<i>Total Department of Health and Human Services</i>			<u>410,138</u>
Total Federal Expenditures			<u>\$ 1,331,235</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards.

NorthPoint Health & Wellness Center Inc.  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2022

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of NorthPoint Health & Wellness Center Inc. (the Organization) under programs of the federal government for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirement of the Uniform Guidance, and *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

**Note 2: Summary of Significant Accounting Policies for Expenditures**

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

**Note 3: Pass-Through Entity Identifying Numbers**

Pass-through entity identifying numbers are presented where available.

**Note 4: Subrecipients**

No federal expenditures presented in this schedule were provided to subrecipients.

**Note 5: Indirect Cost Rate**

During the year ended December 31, 2022, the Organization did not elect to use the 10% de minimis indirect cost rate.

NorthPoint Health & Wellness Center Inc.  
 Schedule of Findings and Questioned Costs  
 For the Year Ended December 31, 2022

**Section I - Summary of Auditor's Results**

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance?	Yes

Identification of Major Federal Programs:

	<b>Assistance Listing Number</b>
Emergency Rental Assistance Program	21.023
Dollar threshold used to distinguish between Type A and Type B Programs:	\$ 750,000
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance	No

**Section II - Findings - Financial Statement Audit**

There are no significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

**Section III - Findings and Questioned Costs - Major Federal Award Programs Audit**

Significant deficiencies relating to the Organization's compliance with the Uniform Guidance are reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and Reporting on Internal Control over Compliance Required by the Uniform Guidance. Finding 2022-001 is reported as a significant deficiency.

NorthPoint Health & Wellness Center Inc.  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended December 31, 2022

**2022-001 Emergency Rental Assistance Program - Significant Deficiency in Internal Controls over Compliance and noncompliance**

Condition:

Certain Federal expenditures were reported under the incorrect Assistance Listing Number. For one grant, the expenditures were listed under ALN 14.218. Based on the grant agreement and reimbursement reports, the expenditures should have been listed under ALN 21.023 with only a portion listed under ALN 14.218.

Criteria:

Northpoint Health and Wellness is responsible to report federal expenditures on the Schedule of Expenditures of Federal Awards according to 2 CFR § 200.510. It requires that the Organization report expenditures according to their Assistance Listing Number.

Cause:

The SEFA was not properly reconciled with Federal expenditures for one grant.

Effect:

The effect would be incorrect reporting of Federal expenditures.

Context:

This appears to be an isolated instance because of the grant's specific complexities.

Recommendation:

We recommend that all grants are examined to determine the correct Assistance Listing Numbers. Each grant's Assistance Listing Number(s) may be reconciled to grantor provided reports, or by direct confirmation with the grantor.

Views of Responsible Officials:

Management agrees with the finding.

**Other Issues**

The Summary Schedule of Prior Audit Findings is not required because there were no prior year audit findings required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance.

See the following page for the Corrective Action Plan.



**NORTHPOINT**

Health & Wellness Center Inc.

1256 Penn Ave N. Suite 5300  
Minneapolis, MN 55411  
612-767-9500 | northpointhealth.org

## **CORRECTIVE ACTION PLAN**

Department of the Treasury  
Passed-through the City of Minneapolis Community Planning and Economic Development

respectfully submits the following corrective action plan for the year ended .

Name and address of independent public accounting firm:

Abdo, LLP  
5201 Eden Avenue, Suite 250  
Edina, MN 55436

Audit period: January 01, 2022 - December 31, 2022

The findings from the December 31, 2022 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### **Findings – Major Federal Award Programs Audit**

#### ***2022-001 Emergency Rental Assistance Program - Significant Deficiency in Internal Controls over Compliance and Noncompliance***

##### Recommendation:

We recommend that all grants are examined to determine the correct Assistance Listing Numbers. Each grant's Assistance Listing Number(s) may be reconciled to grantor provided reports, or by direct confirmation with the grantor.

##### Planned Action:

The finance department of NorthPoint Wellness Center Inc. is incorporating as part of the annual financial closing process a reconciliation directly with the grantors to confirm the financial expenditures, contract agreements and to determine the correct Assistance Listing Numbers (ALN). The reconciliation must be completed by January 20th following the close of the fiscal year, as well as at the end of the contract period. A Government Contract Reconciliation template has been created as part of the verification process and supporting documentation for the grantee organization.

The Organization strives to remain compliant with Uniform Guidance in all respects to present both accurate and transparent records. If the City of Minneapolis, the State of Minnesota, or the U.S. Department of the Treasury have questions regarding this plan, please call Dienner Lazo, Director of Finance & Operations, at (612) 767-9194.

Sincerely,

*Dienner Lazo*

Dienner Lazo  
Director of Finance & Operation