

**ACADIANA REGIONAL COALITION  
ON HOMELESSNESS & HOUSING, INC.**

Lafayette, Louisiana

Financial Report

Years Ended December 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Acadiana Regional Coalition on Homelessness & Housing, Inc.  
Lafayette, Louisiana

We have audited the accompanying financial statements of Acadiana Regional Coalition on Homelessness & Housing, Inc. (ARCH) (a nonprofit organization) which comprise the statements of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of ARCH as of December 31, 2021, and the changes in its net assets and its cash flows for the year 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 ARCH 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 opinions.

### ***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 ARCH's 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 ARCH'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 ARCH'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.

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ARCH as of December 31, 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2022 on our consideration of ARCH'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 ARCH'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 ARCH's internal control over financial reporting and compliance.

***Darnall, Sikes & Frederick***

A Corporation of Certified Public Accountants

Eunice, Louisiana

June 20, 2022

## **FINANCIAL STATEMENTS**

ACADIANA REGIONAL COALITION  
ON HOMELESSNESS & HOUSING, INC.

Statements of Financial Position  
December 31, 2021

**ASSETS**

CURRENT ASSETS

Cash	\$ 53,462
Contracts and grants receivable	858,761
Prepaid expenses	<u>3,722</u>
Total Current Assets	<u>915,945</u>

PROPERTY AND EQUIPMENT (NET) 25,085

TOTAL ASSETS \$ 941,030

**LIABILITIES AND NET ASSETS**

CURRENT LIABILITIES

Accounts payable	\$ 226,245
Payroll and related liabilities	54,710
Note payable	<u>342,381</u>
Total current liabilities	<u>623,336</u>

NET ASSETS

Net assests with donor restrictions	186,048
Net assets without donor restrictions	<u>131,646</u>
Total net assets	<u>317,694</u>

TOTAL LIABILITIES AND NET ASSETS \$ 941,030

The accompanying notes are an integral part of these statements.

ACADIANA REGIONAL COALITION  
ON HOMELESSNESS & HOUSING, INC.

Statement of Activities  
For The Year Ended December 31, 2021

NET ASSETS WITHOUT DONOR RESTRICTIONS	
PUBLIC SUPPORT	
Donations	\$ 136,630
Net assets released from restrictions	45,273
Total public support	<u>181,903</u>
REVENUES	
Governmental grants and contracts	2,186,085
Program income	25,744
Interest income	33
Other income	14,646
Total revenues	<u>2,226,508</u>
TOTAL PUBLIC SUPPORT AND REVENUES	<u>2,408,411</u>
EXPENSES	
Program services:	
Continuum of Care Operations	184,822
Sharehouse	55,381
Non-congregate shelter	807,156
Keystone	<u>1,179,924</u>
Total program services	2,227,283
Supporting services:	
Management and general	<u>90,582</u>
Total expenses	<u>2,317,865</u>
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 90,546</u>

The accompanying notes are an integral part of these statements.



ACADIANA REGIONAL COALITION  
ON HOMELESSNESS & HOUSING, INC.

Statement of Activities – (Continued)  
For The Year Ended December 31, 2021

NET ASSETS WITH DONOR RESTRICTIONS	
Donations	<u>\$ 231,321</u>
Total net assets with donor restrictions	231,321
Net assets released from restrictions	<u>(45,273)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	186,048
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>90,546</u>
INCREASE IN NET ASSETS	276,594
NET ASSETS AT BEGINNING OF YEAR	<u>41,100</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 317,694</u></u>

The accompanying notes are an integral part of these statements.

ACADIANA REGIONAL COALITION  
ON HOMELESSNESS & HOUSING, INC.

Statements of Functional Expenses  
Years Ended December 31, 2021

	Program Services				Supporting Services		
	Continuum of Care Operations	Sharehouse	Non- Congregate Shelter	Keystone	Total Program Expenses	Management and General	Total Expenses
Compensation and related expenses							
Salaries	\$ 96,338	\$ 37,823	\$ 35,073	\$ 541,791	\$ 711,025	\$ 48,923	\$ 759,948
Employee benefits							
Worker's compensation	12,012	-	-	-	12,012	-	12,012
Compensated absences	4,318	-	-	-	4,318	-	4,318
Payroll taxes	<u>7,707</u>	<u>3,026</u>	<u>2,806</u>	<u>42,901</u>	<u>56,440</u>	<u>3,914</u>	<u>60,354</u>
	120,375	40,849	37,879	584,692	783,795	52,837	836,632
Advertising	76	-	-	-	76	-	76
Bank charges	182	-	-	-	182	760	942
Credit card fees	-	-	-	-	-	323	323
Contract personnel	-	-	-	-	-	1,095	1,095
Depreciation	-	-	-	-	-	1,221	1,221
Direct client assistance	487	216	550,042	562,970	1,113,715	-	1,113,715
Equipment	-	100	-	-	100	30	130
Funds to subrecipients	-	-	219,235	-	219,235	-	219,235
Health insurance	7,527	2,357	-	6,072	15,956	727	16,683
Insurance	7,023	-	-	-	7,023	-	7,023
Interest charges	-	-	-	-	-	12,193	12,193
Accounting	8,930	-	-	-	8,930	2,415	11,345
Meals	68	36	-	-	104	-	104
Mileage reimbursement	-	151	-	25,128	25,279	43	25,322
Pest control	900	125	-	-	1,025	75	1,100
Postage	1,224	-	-	-	1,224	78	1,302
Printing	1,449	-	-	458	1,907	-	1,907
Professional fees	-	-	-	-	-	17,468	17,468
Rent	9,240	10,260	-	-	19,500	-	19,500
Repairs and maintenance	389	877	-	-	1,266	-	1,266
Security/building upgrades	44	-	-	-	44	-	44
Supplies and materials	3,978	-	-	247	4,225	588	4,813
Technology	14,774	-	-	357	15,131	-	15,131
Travel, training and seminars	999	-	-	-	999	729	1,728
Utilities and telephone	<u>7,157</u>	<u>410</u>	<u>-</u>	<u>-</u>	<u>7,567</u>	<u>-</u>	<u>7,567</u>
Total	<u>\$ 184,822</u>	<u>\$ 55,381</u>	<u>\$ 807,156</u>	<u>\$ 1,179,924</u>	<u>\$ 2,227,283</u>	<u>\$ 90,582</u>	<u>\$ 2,317,865</u>

The accompanying notes are an integral part of these statements.

ACADIANA REGIONAL COALITION  
ON HOMELESSNESS & HOUSING, INC.

Statements of Cash Flows  
Years Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 276,594
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	1,221
Noncash PPP loan forgiveness	(13,100)
Changes in current assets and liabilities:	
Contracts receivable	(506,998)
Prepaid expenses	(391)
Accounts payable	80,616
Accrued payroll related liabilities	23,709
Accrued expenses	<u>(394)</u>
Net cash used in operating activities	<u>(138,743)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>(22,661)</u>
Net cash used for investing activities	<u>(22,661)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Net proceeds (Repayments) on line of credit	<u>46,868</u>
Net cash provided by financing activities	<u>46,868</u>
NET DECREASE IN CASH AND EQUIVALENTS	(114,536)
CASH, BEGINNING OF YEAR	<u>167,998</u>
CASH, END OF YEAR	<u><u>\$ 53,462</u></u>

The accompanying notes are an integral part of these statements.

ACADIANA REGIONAL COALITION  
ON HOMELESSNESS & HOUSING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Acadiana Coalition on Homelessness and Housing, Inc. (ARCH) is a client-centered organization dedicated to ensuring that everyone in Acadiana has access to safe, affordable, stable housing and that all episodes of homelessness are rare, brief, and non-recurring. The entity has been serving Region IV, which consists of eight parishes, for over 29 years.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Basis of Accounting

The financial statements of ARCH, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Net Assets

Net Assets without Donor Restrictions Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

An allowance for doubtful accounts has not been established as it is ARCH's policy to use the direct write-off method for accounts that are deemed to be uncollectible.

Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles of the United States of America. The organization generally does not require collateral, and majority of its receivables are unsecured. The carrying amount for accounts receivable approximates fair value.

ACADIANA REGIONAL COALITION  
ON HOMELESSNESS & HOUSING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Federal Financial Awards

Revenues for direct and indirect federal contracts are recorded based on expenses incurred for contracts that are on a cost reimbursement basis. In the Statement of Activities, these revenues are referred to as 'governmental grants and contracts'. Related contract receivables are referred to as 'contracts and grants receivable' in the Statement of Financial Position.

Donated Services

ARCH receives volunteer services in areas such as receiving and distribution. No amounts have been reflected on the statements for donated services because no objective basis is available to measure the value of such services.

Property and Equipment

The Organization capitalizes all expenditures in excess of \$2,500 for property and equipment at historical cost. Donated property and equipment are valued at fair market value at the time of donation. If donors stipulate how the assets must be used, the contributions are recorded as with donor restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as without donor restricted support.

Depreciation is computed using the straight-line method over the assets' useful lives. Depreciation expense was \$1,221 for the year ended December 31, 2021.

Functional Allocation of Expenses

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

Compensated Absences

Employees accrue eighty (80) hours of vacation leave after a ninety-day (90) probationary period. Employees with over two (2) years of service accrue one hundred and twenty (120) hours of vacation leave annually. At the time of termination of employment, employees are entitled to receive payment for earned vacation leave not yet taken. Accordingly, an accrual has been made for accumulated vacation leave as of December 31, 2021.

ACADIANA REGIONAL COALITION  
ON HOMELESSNESS & HOUSING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising

The Organization uses advertising to promote its programs among the community it serves. The cost of this advertising is expensed as incurred. Advertising costs totaled \$76 for the year ended December 31, 2021.

Income Taxes

ARCH qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, ARCH has been determined by the Internal Revenue Service to be a public charity within the meaning of Section 509(a)(1) and 170(b)(1)(A)(vi) of the code.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to tax return examinations for the periods prior to 2018.

Revenue Recognition

Grants and Contributions

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

The Organization receives support in the form of grants from federal, state, and local governmental agencies, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Statement of Financial Position. No amounts were received in advance under the Organization's grants in 2021.

Grants and contributions are recorded depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as revenue without donor restrictions.

ACADIANA REGIONAL COALITION  
ON HOMELESSNESS & HOUSING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Membership Dues

Members transmit dues annually to the Organization for use as program income when applying for Continuum of Care and Emergency Shelter funding. Dues are collected in the year due. Membership dues are recognized as income when earned. Dues attributable to future periods are recorded as deferred income.

Fair Value Considerations

Fair value is used to measure financial and certain nonfinancial assets and liabilities measured or disclosed at fair value on a recurring basis (at least annually). Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs. The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs – Level 1) and the lowest priority to a reporting entity’s internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs – Level 3).

The fair value option allows entities to choose, at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value. If an entity elects the fair value option for an eligible item, changes in that item’s fair value in subsequent reporting periods must be recognized in current earnings. The fair value option was not elected for the measurements of any eligible assets or liabilities.

The estimated fair values of each entity’s short-term instruments (primarily cash and cash equivalents, receivables, accounts payables, accrued expenses, short-term debt and lines of credit) approximate their individual carrying amounts due to the relative short period between their origination and expected realization or payment. Based on market rates for similar loans, the fair value of long-term debt approximates their carrying value.

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Equipment	\$ 12,363
Vehicles	16,551
Less: accumulated depreciation	(3,829)
Net property and equipment	<u>\$ 25,085</u>

ACADIANA REGIONAL COALITION  
ON HOMELESSNESS & HOUSING, INC.

Notes to Financial Statements

NOTE 3 NOTES PAYABLE

The Organization has a \$500,000 line of credit secured by deposit accounts. The line bears interest at a rate of 4.25 percent per annum, with a maturity date of April 23, 2022. As of December 31, 2021, the balance on the line was \$342,416.

NOTE 4 LONG-TERM DEBT

Long-term debt consisted of the following as of December 31, 2021:

In May 2020, the Organization was granted a loan from Home Bank in the aggregate amount of \$13,100, pursuant to the Paycheck Protection Program (the “PPP”). The loan, which was in the form a note dated May 12, 2020, matures on May 12, 2022, and bears interest at a rate of 1.0% per annum, payable monthly in 18 payments of \$737 commencing on November 12, 2021. The note may be repaid at any time prior to maturing with no prepayment penalties.

On June 23, 2021, the PPP loan was forgiven by the lender and the U.S. Small Business Administration (SBA) in accordance with guidelines established by the lender, the SBA, and the C.A.R.E.S. Act, and is included as “Other Income” on the Statement of Activities.

NOTE 5 CONCENTRATION OF CREDIT RISK

The majority of ARCH’s revenues and accounts receivable are from contracts with the Louisiana Housing Corporation (LHC). The contracts are administered by LHC under programs which are funded primarily by federal government grants. If federal funding levels for the programs are reduced, or if the contracts are not renewed, the impact on ARCH could be severe.

NOTE 6 FINANCIAL INSTRUMENTS

Financial instruments that potentially subject ARCH to concentrations of credit risk consisted principally of temporary cash investments. The Organization places its temporary cash investments with two high quality financial institutions. At times, amounts may be in excess of the FDIC insurance limit of \$250,000. As of December 31, 2021, ARCH had no uninsured cash balances.

The fair values of ARCH’s financial instruments are as follows:

Cash and short-term investments – The carrying amount approximates fair value because of the short maturities of those investments.

Bank loans payable – Fair value approximates carrying value since stated rates are similar to rates currently available to the Organization for debt with similar terms and remaining maturities.



ACADIANA REGIONAL COALITION  
ON HOMELESSNESS & HOUSING, INC.

Notes to Financial Statements

NOTE 7 OPERATING LEASE

During November 2019, the Organization entered into a three-year lease for office space in Lafayette, Louisiana. The monthly payments are \$1,500.

The future minimum lease payments are as follows:

2022	\$ 13,500
Total Minimum Future Lease Payments	<u>\$ 13,500</u>

Rent expense totaled \$19,500 for the year ended December 31, 2021.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2021, net assets with donor restrictions are available for the following purposes:

COVID-19 and Natural Disaster Relief	<u>\$ 186,048</u>
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These donor restrictions relate to assistance provided to ARCH for the purpose of providing hotels to those experiencing homelessness in order to vacate shelters, housing to provide permanent placement, and financial assistance as a result of the coronavirus pandemic and natural disaster conditions. The restriction is a purpose restriction.

NOTE 9 GOVERNMENTAL GRANTS AND CONTRACTS

Governmental grants and contracts consisted of the following at December 31, 2021:

U.S. Department of Housing and Urban Development	\$ 84,626
United Way Worldwide	86,283
Louisiana Housing Corporation	<u>2,015,176</u>
Total	<u>\$ 2,186,085</u>

NOTE 10 NONCOMPLIANCE WITH GRANTOR RESTRICTIONS

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

ACADIANA REGIONAL COALITION  
ON HOMELESSNESS & HOUSING, INC.

Notes to Financial Statements

NOTE 11 NEW ACCOUNTING PRONOUNCEMENTS

Recent Pronouncement – In January 2016, the FASB issued ASU 2016-02, Leases (Topic 842). ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize on the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 is effective for financial statements issued for annual periods beginning after December 15, 2021. The Organization has not determined the impact ASU 2016-02 will have on its financial statements.

NOTE 12 REVENUE RECOGNITION

We have analyzed the provisions of the FASB’s ASC Topic 606, Revenue from Contracts with Customers, and have concluded that no changes are necessary to conform with the new standard. Program Income relates to membership dues. Membership dues are recognized when 1) grant funding has been awarded and 2) invoices have been sent to the participants.

The following table presents the Organization’s net revenue disaggregated based on the revenue source:

Program Income	\$ 25,744
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NOTE 13 COMPENSATION, BENEFITS AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR

A detail of compensation, benefits, and other payments paid to the Executive Director, Leigh Rachel, for the year ended December 31, 2021:

<u>Purpose</u>	
Salary and related expenses	\$ 74,800

NOTE 14 LIQUIDITY AND AVAILABILITY

The Organization has \$912,223 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$53,462 and receivables of \$858,761. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

ACADIANA REGIONAL COALITION  
ON HOMELESSNESS & HOUSING, INC.

Notes to Financial Statements

NOTE 15 SUBSEQUENT EVENTS

Subsequent events were evaluated through June 20, 2022, which is the date the financial statements were available to be issued.

On May 19, 2022, the Organization entered into a change in terms agreement to extend the maturity date of the \$500,000 line of credit to November 23, 2022.

SUPPLEMENTAL INFORMATION

INTERNAL CONTROL, COMPLIANCE  
AND OTHER GRANT INFORMATION

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*

The Board of Directors  
Acadiana Regional Coalition  
on Homelessness & Housing, Inc.  
Lafayette, Louisiana

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 Acadiana Regional Coalition on Homelessness & Housing, Inc. (ARCH) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 June 20, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered ARCH'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 ARCH's internal control. Accordingly, we do not express an opinion on the effectiveness of ARCH's internal control. Accordingly, we do not express an opinion on the effectiveness of the ARCH'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether ARCH'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **ARCH's Response to Findings**

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

### **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.

***Darnall, Sikes, & Frederick***

A Corporation of Certified Public Accountants

Eunice, Louisiana

June 20, 2022



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**DARNALL SIKES  
& FREDERICK**  
A CORPORATION OF CERTIFIED  
PUBLIC ACCOUNTANTS

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

The Board of Directors  
Acadiana Regional Coalition  
on Homelessness & Housing, Inc.  
Lafayette, Louisiana

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

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

We have audited Acadiana Regional Coalition on Homelessness and Housing, Inc.'s (ARCH) (a nonprofit 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 ARCH's major federal programs for the year ended December 31, 2021. ARCH'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, ARCH 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, 2021.

#### ***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 ARCH 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 ARCH'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 ARCH'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 ARCH'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 ARCH'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 ARCH'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 ARCH'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 ARCH'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**

*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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

***Darnall, Sikes, & Frederick***

A Corporation of Certified Public Accountants

Eunice, Louisiana

June 20, 2022

ACADIANA REGIONAL COALITION  
ON HOMELESSNESS & HOUSING, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2021

Section I Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been expressed on the financial statements of the Acadiana Regional Coalition on Homelessness and Housing, Inc. as of and for the year ended December 31, 2021.

Significant Deficiencies - Financial Reporting

There were no significant deficiencies in internal control over financial reporting disclosed during the audit of the financial statements.

Material Noncompliance - Financial Reporting

There was one instance of noncompliance material to the financial statements disclosed during the audit of the financial statements, which is shown as item 2021-001 in Section II.

FEDERAL AWARDS

Auditor's Report - Major Programs

In our opinion, the Acadiana Regional Coalition on Homelessness and Housing, Inc., complied, in all material respects, with the requirements that are applicable to each of its major federal programs for the year ended December 31, 2021.

Major Program - Identification

ARCH had the following programs, at December 31, 2021, tested as major programs:

<u>Program Name</u>	<u>Federal CFDA Number</u>
Emergency Solutions Grant Program	14.231
Emergency Solutions Grant Program – COVID-19	14.231

Major Program – Threshold

The dollar threshold to distinguish Type A and Type B programs is \$750,000 for the year ended December 31, 2021.

Low-Risk Auditee

ARCH is not considered a low-risk auditee for the year ended December 31, 2021.

ACADIANA REGIONAL COALITION  
ON HOMELESSNESS & HOUSING, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2021

Section I Summary of Auditor's Results (Continued)

Significant Deficiencies - Major Programs

There were no significant deficiencies or material weaknesses in internal control over compliance over the major program disclosed during the audit of the financial statements.

Finding Related to Federal Programs

There were no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance, and are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.

Section II Findings Relating to an Audit in Accordance With *Government Auditing Standards*

2021-001 Material Misstatements

Condition:

Management failed to take all steps necessary to ensure that an effective structure of internal control was in place and functioning as designed in order to prevent, or detect and correct material misstatements on a timely basis.

Criteria:

Government Auditing Standards require that an adequate system of internal control be in place in order to safeguard assets and assure proper recoding of transactions.

Effect of Condition:

The condition resulted in the auditors proposing numerous and material audit adjusting journal entries.

Cause of Condition:

Management did not establish an effective structure of internal control and did not maintain effective oversight to assure that the controls were in place and functioning as designed.

Recommendation:

Management should continue to implement procedures to insure that an adequate structure of internal control is in place and functioning as designed.

Section III Findings and Questioned Costs Relating to Federal Programs

This section is not applicable for the year ended December 31, 2021.

ACADIANA REGIONAL COALITION  
ON HOMELESSNESS & HOUSING, INC.

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2021

Section I Internal Control and Compliance Material to the Financial Statements

2020-001 Material Misstatements

See current year finding 2021-001

2020-002 Segregation of Duties

Finding resolved.

MANAGEMENT'S CORRECTIVE ACTION PLAN  
YEAR ENDED DECEMBER 31, 2021

**Louisiana Legislative Auditor**

Acadiana Regional Coalition on Homelessness & Housing, Inc. respectfully submits the following corrective action plan for the year ended December 31, 2021.

2020-001 Material Misstatements

Statement Condition:

Management failed to take all steps necessary to ensure that an effective structure of internal control was in place and functioning as designed in order to prevent, or detect and correct material misstatements on a timely basis.

Recommendation:

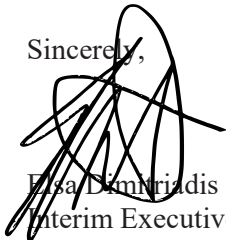
Management should continue to implement procedures to insure that an adequate structure of internal control is in place and functioning as designed.

Management's Response:

Due to significant growth, we have hired more employees and implemented more internal control procedures.

If the Louisiana Legislative Auditor has questions regarding this plan, please call Elsa Dimitriadis, Interim Executive Director, at 337-967-0995.

Sincerely,



Elsa Dimitriadis  
Interim Executive Director  
Acadiana Regional Coalition on Homelessness & Housing, Inc.

ACADIANA REGIONAL COALITION  
ON HOMELESSNESS & HOUSING, INC.

Schedule of Expenditures of Federal Awards  
For The Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number and/or Contract Number	Federal Expenditures
<u>U.S. Department of Homeland Security</u>			
<u>Pass through payments from Louisiana Housing Corporation</u>			
Disaster Grants - Public Assistance Presidentially Declared Disasters - COVID-19	97.036	None	\$ 297,376
			<u>297,376</u>
<u>Pass through payments from United Way Worldwide</u>			
Emergency Food and Shelter National Board Program	97.024	Contract Agreement	86,283
			<u>86,283</u>
Total U.S. Department of Homeland Security			<u>383,659</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Payments			
Continuum of Care	14.267	LA0338L6H001900	84,626
			<u>84,626</u>
<u>Pass through payments from Louisiana Housing Corporation</u>			
Emergency Solutions Grant Program	14.231	Contract Agreement	108,232
Emergency Solutions Grant Program - COVID-19	14.231	Contract Agreement	1,609,568
			<u>1,717,800</u>
Total U.S. Department of Housing and Urban Development			<u>1,802,426</u>
Total Expenditures of Federal Awards			<u>\$ 2,186,085</u>

ACADIANA REGIONAL COALITION  
ON HOMELESSNESS & HOUSING, INC.

Notes to the Schedule of Expenditures of Federal Awards  
For The Year Ended December 31, 2021

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Acadiana Regional Coalition on Homelessness & Housing, Inc. under programs of the federal government for the year ended December 31, 2021. The information presented in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule presents only a selected portion of the operations of the Acadiana Regional Coalition on Homelessness & Housing, Inc. and is not intended to and does not present the financial position, changes in net assets, or cash flows of the Acadiana Regional Coalition on Homelessness & Housing, Inc.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 INDIRECT COST RATE

The Acadiana Regional Coalition on Homelessness & Housing, Inc. elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 CFDA NUMBERS

The CFDA numbers included in this report were determined based on the program name, review of grant contract information, and the OMB's Catalog of Federal Domestic Assistance.

NOTE 5 PASSED THROUGH TO SUBRECIPIENTS

Program Name	Federal CFDA Number	Amount Provided
Emergency Solutions Grant Program	14.231	\$108,232
Emergency Solutions Grant Program – COVID-19	14.231	99,416
		\$207,648



## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of Acadiana Regional Coalition on Homelessness & Housing, Inc. (ARCH) and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The ARCH's management is responsible for those C/C areas identified in the SAUPs.

The ARCH has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

Written policies and procedures were obtained and do address the functions noted above.

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

Written policies and procedures were obtained and do address the functions noted above.

c) ***Disbursements***, including processing, reviewing, and approving.

Written policies and procedures were obtained and do address the functions noted above.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Written policies and procedures were obtained and do address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Written policies and procedures were obtained and do address the functions noted above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Written policies and procedures were obtained and do address the functions noted above.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Written policies and procedures were obtained and do address the functions noted above.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Written policies and procedures were obtained and do address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

This section is not applicable. The ARCH is a private non-profit entity.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Written policies and procedures were obtained and do address the functions noted above.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policies and procedures were obtained and do address the functions noted above.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

This section is not applicable. The ARCH is a private non-profit entity.

### ***Board or Finance Committee***

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.  
Obtained and inspected minutes of the board for the fiscal period noting that the board met at least monthly in accordance with the entity's policy.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*  
This section is not applicable. The ARCH is a private non-profit entity.
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.  
This section is not applicable. The ARCH is a private non-profit entity.

### ***Bank Reconciliations***

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3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);  
Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date.
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and  
Bank reconciliations do not include evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

There were no reconciling items noted that were outstanding for more than 12 months from the statement closing date.

### Collections (excluding electronic funds transfers)

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained a listing of deposit sites for the fiscal period, and management provided representation that the listing is complete. Selected all deposits sites as there were less than 5.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Employees responsible for cash collections do not share cash drawers/registers.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Employees responsible for collecting cash are responsible for preparing/making deposits.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Employees responsible for collecting cash are not responsible for posting collection entries to the general ledger.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Employees responsible for reconciling cash collections to the general ledger are not responsible for collecting cash.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

Employees who have access to cash are not covered by a bond or insurance policy for theft.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.  
Not applicable as all collections tested were noncash and are checks through the mail.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.  
Traced supporting documentation to the deposit slips noting no exceptions.
- c) Trace the deposit slip total to the actual deposit per the bank statement.  
Traced the deposit slip totals to the actual deposit per the bank statement noting no exceptions.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).  
Observed that the deposits were made within one business day of receipt at the collection location.
- e) Trace the actual deposit per the bank statement to the general ledger.  
Traced the actual deposits per the bank statement to the general ledger noting no exceptions.

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).  
Obtained a listing of locations that process payments for the fiscal period, and management provided representation that the listing is complete. Selected all locations that process payments as there were less than 5.
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.  
Observed written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.
  - b) At least two employees are involved in processing and approving payments to vendors.  
Observed written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.  
Observed written policies and procedures and observed that job duties are not properly segregated regarding the functions noted above.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Observed written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

Observed that the disbursements matched the related original itemized invoice and that supporting documentation indicates that deliverables on the invoice were received by the ARCH.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Observed that the disbursement documentation included evidence of segregation of duties tested.

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period and the numbers and names of persons who maintained possession of cards, and management provided representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

Observed that there was no evidence that the monthly statement and supporting documentation was reviewed and approved, in writing by someone other than the authorized card holder.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Observed that there were no finance charges or late fees assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management

had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Observed that 3 transactions tested were not supported by an original itemized receipt that identifies precisely what was purchased. Observed that 10 transactions tested were not supported by written documentation of the business/public purpose. There were no meal charges tested.

### ***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

Observed that approved reimbursement rates were no more than those established by the State of Louisiana or the U.S. General Services Administration.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

All reimbursements tested were transactions reimbursed using a per diem, and not actual costs.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Observed that each reimbursement is supported by documentation of the business/public purpose and other documentation required by written policy.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

### ***Contracts***

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This section is not applicable. Obtained representation from management that the ARCH did not initiate or renew any contracts during the fiscal period.

### ***Payroll and Personnel***

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15. Obtain a listing of employees and officials employed during the fiscal period and management’s representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Obtained a listing of employees and officials employed during the fiscal period, and management provided representation that the listing is complete. Randomly selected 5 employees, and 2 of the 5 paid salaries did not agree to the authorized salaries/pay rates in the personnel files. 1 of 5 employees tested did not have an authorized salary/pay rate in the personnel file.

16. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

Observed that all selected employees documented their daily attendance, and no leave was accrued or taken.

- b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

Observed that supervisors approved the attendance of the selected employees.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No leave was accrued or taken during the pay period tested.

- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Observed that the rate paid to 2 of the 5 employees tested did not agree to the authorized salary/pay rate found within the personnel file. 1 of 5 employees tested did not have an authorized salary/pay rate in the personnel file.

17. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Management provided representation that there were no employees or officials that received termination payments during the fiscal period.

18. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Management provided representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

### ***Ethics***

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This section is not applicable. The ARCH is a private non-profit entity.



### ***Debt Service***

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19. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.

Management provided representation that there were no bonds/notes and other debt instruments issued during the fiscal period.

20. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Obtained a listing of notes outstanding at the end of the fiscal period, and management provided representation that the listing is complete. Inspected debt covenants noting no reserve balance required. Agreed payments to those required by debt covenants.

### ***Fraud Notice***

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21. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the Government attorney of the parish in which the entity is domiciled.

Management provided representation that the ARCH did not have any misappropriations of public funds or assets during the reporting period.

22. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Observed that the entity has posted on its premises and website the required notice.

### ***Information Technology Disaster Recovery/Business Continuity***

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23. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

### ***Sexual Harassment***

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This section is not applicable. The ARCH is a private non-profit entity.

We were engaged by the ARCH to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the ARCH and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

### ***Darnall, Sikes & Frederick***

A Corporation of Certified Public Accountants

Eunice, Louisiana

June 20, 2022



June 20, 2022

Darnall, Sikes & Frederick  
A Corporation of Certified Public Accountants  
Eunice, Louisiana

The following is management's response to the 2021 AUP report submitted for the Acadiana Regional Coalition on Homelessness and Housing, Inc.

#### Bank Reconciliations

3. b) Bank reconciliations do not include evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

Response: A member of management who does not handle cash, post ledgers, or issue checks will begin to review each bank reconciliation.

#### Collections

5. b) Employees responsible for collecting cash are responsible for preparing/making deposits.

Response: As of 2/4/2022, written fiscal policies and procedures document that these duties are now segregated. The Executive Director is responsible for preparing deposit slips and making bank deposits, and the Manager is responsible for collecting cash.

6. Employees who have access to cash are not covered by a bond or insurance policy for theft.

Response: A bond or insurance policy to cover all employees who have access to cash will be obtained.

#### Disbursements

9. c) The employee responsible for processing payments is not prohibited from adding/modifying vendor files and there is not another employee responsible for periodically reviewing changes to vendor files.

Response: The employee responsible for processing payments will either be prohibited from adding/modifying vendor files or there will be another employee responsible for periodically reviewing changes to vendor files.

#### Credit Cards/Debit Cards/Fuel Cards/P-Cards

12. a) Observed that there was no evidence that the monthly statement and supporting documentation was reviewed and approved, in writing by someone other than the authorized cardholder.

Response: The monthly statement and supporting documentation will begin to be reviewed and approved, in writing by someone other than the authorized cardholder.





13. 1) Observed that three transactions tested were not supported by an original itemized receipt that identifies precisely what was purchased.

Response: Original itemized receipts will be maintained to show precisely what was purchased.

13. 2) Observed that ten transactions tested were not supported by written documentation of the business/public purpose.

Response: Written documentation will be maintained to provide support of the business/public purpose.

### Payroll

15. The paid salaries for two of five employees tested did not agree to the authorized salaries/pay rates in the personnel files. One of five employees tested did not have an authorized salary/pay rate in the personnel file.

Response: Authorized salary/pay rates will be maintained in the personnel files which will match to the salaries paid.

16. d) Observed that the rate paid to two of five employees tested did not agree to the authorized salary/pay rate found within the personnel file. One of five employees tested did not have an authorized salary/pay rate in the personal file.

Response: Authorized salary/pay rates will be maintained in the personnel files which will match to the salaries paid.

