

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

Lafayette, Louisiana

Financial Report

Year Ended December 31, 2020

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying 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, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **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, 2020, 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2021, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ARCH's internal control over financial reporting and compliance.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, LLC  
Certified Public Accountants

Lafayette, Louisiana  
October 25, 2021

**FINANCIAL STATEMENTS**

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

**STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2020**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 167,997
Contracts and Grants Receivable	351,763
Prepaid Expenses	<u>3,330</u>
Total Current Assets	<u>523,090</u>

**PROPERTY AND EQUIPMENT (NET)**

3,645

**TOTAL ASSETS**

\$ 526,735

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable	\$ 145,629
Accrued Payroll and Related Liabilities	31,000
Accrued Expenses	394
Note Payable	295,512
Current Maturities of Long-Term Debt	<u>1,475</u>
Total Current Liabilities	<u>474,010</u>

**LONG-TERM LIABILITIES**

Long-Term Debt (Less Current Maturities)	<u>11,625</u>
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**TOTAL LIABILITIES**

485,635

**NET ASSETS**

Net Assets With Donor Restrictions	66,001
Net Assets Without Donor Restrictions	<u>(24,901)</u>
Total Net Assets	<u>41,100</u>

**TOTAL LIABILITIES AND NET ASSETS**

\$ 526,735

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, 2020**

**NET ASSETS WITHOUT DONOR RESTRICTIONS**

**PUBLIC SUPPORT**

Donations	\$ 40,833
Net Assets Released from Restrictions	41,049
Total Public Support	<u>81,882</u>

**REVENUES**

Governmental Grants and Contracts	622,277
Private Grants	7,500
Program Income	26,983
Interest Income	51
Total Revenues	<u>656,811</u>

TOTAL PUBLIC SUPPORT AND REVENUES 738,693

**EXPENSES**

Program Services:	
Continuum of Care Operations	155,196
Sharehouse	14,472
Non-Congregate Shelter	744,550
Keystone	240,859
Total Program Services	<u>1,155,077</u>
Supporting Services:	
Management and General	7,095
Total Expenses	<u>1,162,172</u>

**DECREASE IN NET ASSETS WITHOUT  
DONOR RESTRICTIONS** \$ (423,479)

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, 2020**

<b>NET ASSETS WITH DONOR RESTRICTIONS</b>	
Donations	\$ 57,050
Private Grants	<u>50,000</u>
Total Net Assets with Donor Restrictions	107,050
Net Assets Released from Restrictions	<u>(41,049)</u>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	66,001
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>(423,479)</u>
<b>DECREASE IN NET ASSETS</b>	(357,478)
NET ASSETS AT BEGINNING OF YEAR	<u>398,578</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 41,100</u></u>

The accompanying notes are an integral part of these statements.



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

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	PROGRAM SERVICES				SUPPORTING SERVICES		TOTAL EXPENSES
	CONTINUUM OF CARE OPERATIONS	SHAREHOUSE	NON- CONGREGATE SHELTER	KEYSTONE	TOTAL PROGRAM EXPENSES	MANAGEMENT AND GENERAL	
Compensation and Related Expenses							
Salaries	\$ 97,282	\$ -	\$ 38,406	\$ 119,040	\$ 254,728	\$ -	\$ 254,728
Employee Benefits							
Worker's Compensation	788	-	-	-	788	-	788
Compensated Absences	4,890	-	-	-	4,890	-	4,890
Payroll Taxes	6,958	-	2,924	9,093	18,975	-	18,975
	<u>109,918</u>	<u>-</u>	<u>41,330</u>	<u>128,133</u>	<u>279,381</u>	<u>-</u>	<u>279,381</u>
Advertising	-	400	-	400	800	58	858
Bank Charges	-	-	-	-	-	35	35
Credit Card Fees	-	-	-	-	-	44	44
Contract Personnel	-	-	28,350	1,043	29,393	-	29,393
Depreciation	-	-	-	-	-	698	698
Direct Client Assistance	-	4,076	341,809	108,929	454,814	-	454,814
Equipment	56	-	-	-	56	-	56
Funds to Subrecipients	-	-	333,061	-	333,061	-	333,061
Insurance	3,646	-	-	-	3,646	-	3,646
Accounting	-	-	-	-	-	6,001	6,001
Meals	1,161	35	-	-	1,196	-	1,196
Mileage Reimbursement	-	-	-	2,142	2,142	-	2,142
Miscellaneous	-	-	-	-	-	109	109
Pest Control	470	-	-	-	470	-	470
Postage	257	-	-	187	444	-	444
Printing	121	-	-	-	121	150	271
Professional Dues	265	-	-	-	265	-	265
Professional Fees	-	-	-	25	25	-	25
Rent	8,760	9,240	-	-	18,000	-	18,000
Repairs and Maintenance	150	-	-	-	150	-	150
Security/Building Upgrades	4,171	156	-	-	4,327	-	4,327
Supplies and Materials	4,929	-	-	-	4,929	-	4,929
Technology	12,085	-	-	-	12,085	-	12,085
Travel, Training and Seminars	2,579	-	-	-	2,579	-	2,579
Utilities and Telephone	6,628	565	-	-	7,193	-	7,193
<b>TOTAL</b>	<u>\$ 155,196</u>	<u>\$ 14,472</u>	<u>\$ 744,550</u>	<u>\$ 240,859</u>	<u>\$ 1,155,077</u>	<u>\$ 7,095</u>	<u>\$ 1,162,172</u>

The accompanying notes are an integral part of these statements.

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

**STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES**

(Decrease) in Net Assets	\$ (357,478)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows (Used In) Operating Activities:	
Depreciation	698
Changes in Current Assets and Liabilities:	
Contracts Receivable	(90,039)
Prepaid Expenses	(3,330)
Accounts Payable	145,629
Accrued Payroll and Related Liabilities	29,272
Accrued Expenses	<u>394</u>
Net Cash (Used In) Operating Activities	<u>(274,854)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Fixed Assets	<u>(3,707)</u>
Net Cash (Used In) Investing Activities	<u>(3,707)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Net Proceeds (Repayments) on Line of Credit	295,512
Proceeds of Long-Term Debt	<u>13,100</u>
Net Cash Provided By Financing Activities	<u>308,612</u>

NET INCREASE IN CASH AND EQUIVALENTS	30,051
CASH, BEGINNING OF YEAR	<u>137,946</u>
CASH, END OF YEAR	<u>\$ 167,997</u>

The accompanying notes are an integral part of these statements.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Acadiana Regional Coalition on Homelessness & 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 28 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, revenue, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*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 purpose of the statement 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.

**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.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

**Allowance for Doubtful Accounts - (continued)**

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 the majority of its receivables are unsecured. The carrying amount for accounts receivable approximates fair value.

**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 \$698 for the year ended December 31, 2020.

**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.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

**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, 2020.

**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 2017.

**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 2020.

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  
DECEMBER 31, 2020**

**(A) 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 financial 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 relatively 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.

**(B) PROPERTY AND EQUIPMENT**

Property and Equipment consist of the following:

Equipment	\$ 6,253
Less: Accumulated Depreciation	<u>(2,608)</u>
Net Property and Equipment	<u>\$ 3,645</u>

**(C) 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 \$858 for the year ended December 31, 2020.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**(D) NOTE 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, 2020, the balance on the line was \$295,512.

**(E) LONG-TERM DEBT**

Long-term debt consisted of the following as of December 31, 2020:

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 of 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 prepaid at any time prior to maturing with no prepayment penalties.

Total Long-Term Debt	\$ 13,100
Less: Current Portion	<u>(1,475)</u>
Total Long-Term Portion	<u>\$ 11,625</u>

Maturities of Long-Term Debt are as follows:

2021	\$ 1,475	
2022	<u>11,625</u>	
Total	<u>\$ 13,100</u>	

The Organization may be eligible for loan forgiveness of up to the full principle amount and any accrued interest owing under this Note pursuant to Section 1106 of the CARES Act and the PPP Rules.

The Organization intends to use the proceeds for purposes consistent with the PPP. While the Organization currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, it cannot be assured that certain actions that could cause the Organization to be ineligible for forgiveness of the loan, in whole or in part will not occur. In June 2021, the loan was forgiven.

**(F) 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.

**(G) FINANCIAL INSTRUMENTS**

Financial instruments that potentially subject ARCH to concentrations of credit risk consist 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, 2020, ARCH had no uninsured cash balances.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**(G) FINANCIAL INSTRUMENTS - (continued)**

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.

**(H) 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:

2021	\$ 18,000
2022	<u>15,000</u>
Total Minimum Future Lease Payments	<u>\$ 33,000</u>

Rent expense totaled \$18,000 for the year ended December 31, 2020.

**(I) NET ASSETS WITH DONOR RESTRICTIONS**

As of December 31, 2020, net assets with donor restrictions are available for the following purpose:

COVID-19 Relief	<u>\$ 66,001</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. The restriction is a purpose restriction.

**(J) GOVERNMENTAL GRANTS AND CONTRACTS**

Governmental grants and contracts consisted of the following at December 30, 2020:

U.S. Department of Housing and Urban Development	\$ 76,211
Louisiana Housing Corporation	<u>546,066</u>
Total	<u>\$ 622,277</u>

**(K) 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 REGINAL COALITION  
ON HOMELESSNESS & HOUSING, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**(L) NEW ACCOUNTING PRONOUNCEMENTS**

*Revenue Recognition*

In May 2014, the Financial Accounting Standards Board (“FASB”) issued ASU 2014-09, *Revenue from Contracts with Customers*, or Accounting Standards Codification Topic 606 (“ASC 606”), which supersedes the revenue recognition requirements in ASC 605, *Revenue Recognition* (“ASC 605”).

This literature is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The accounting guidance also requires additional disclosure regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts including significant judgments and changes in judgments, as well as assets recognized from costs incurred to obtain or fulfill a contract. On January 1, 2020, the Organization adopted ASC 606.

**(M) 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	\$ 26,983
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**(N) 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, 2020:

<u>Purpose</u>	
Salary and Related Expenses	\$ 91,010

**(O) LIQUIDITY AND AVAILABILITY**

The Organization has \$519,760 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$167,997 and receivables of \$351,763. 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.

**(P) SUBSEQUENT EVENTS**

Subsequent events were evaluated through October 25, 2021, which is the date the financial statements were available to be issued.

- During June 2021, the Long-Term Debt listed as (Note E - Long-Term Debt) was forgiven for the total principal amount due plus interest by the Small Business Administration (SBA).

**SUPPLEMENTAL INFORMATION**

**INTERNAL CONTROL, COMPLIANCE  
AND OTHER GRANT INFORMATION**

# WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

Certified Public Accountants  
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## INDEPENDENT AUDITORS' 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

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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, 2020, 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 25, 2021.

### 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 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 identify deficiencies in internal control that we consider to be material weaknesses, which is described in the accompanying schedule of current audit findings and management's corrective action plan as items 2020-001 and 2020-002.

### **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*.

### **Response to Findings**

The Organization's response to the findings identified in our audit is described in the accompanying schedule of current audit findings and management's corrective action plan. The Organization's response was not subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, LLC  
Certified Public Accountants

Lafayette, Louisiana  
October 25, 2021

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2020**

We have audited the financial statements of Acadiana Regional Coalition on Homelessness & Housing, Inc. as of and for the year ended December 31, 2020, and have issued our report thereon dated October 25, 2021. 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 audit of the financial statements as of December 31, 2020, resulted in an unmodified opinion.

***Section I - Summary of Auditors' Reports***

a. *Report on Internal Control and Compliance Material to the Financial Statements*

Internal Control

Significant Deficiencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Material Weaknesses	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Compliance

Noncompliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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b. *Federal Awards*

Not applicable

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

2020-001 Material Misstatements

*Statement of 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 recording 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.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2020**

***Section II - Financial Statement Findings - (continued)***

2020-002 Segregation of Duties

*Statement of Condition:*

Accounting and financial functions are not adequately segregated.

*Criteria:*

Internal control is a process effected by those charged with governance, management, and other personnel designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Organization's internal control over financial reporting includes those policies and procedures that pertain to the Organization's ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements.

*Effect of Condition:*

Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

*Cause of Condition:*

The cause of the condition is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

Recommendation: Design a system of internal control which separates the responsibilities of authorization, physical custody of assets, and record keeping related to those assets.

***Section III - Federal Awards Findings and Questioned Costs***

Not applicable

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2020**

This summary is not applicable. This is a first-year audit.



**MANAGEMENT'S CORRECTIVE ACTION PLAN  
YEAR ENDED DECEMBER 31, 2020**

**Louisiana Legislative Auditor**

Acadiana Regional Coalition on Homelessness & Housing, Inc. respectfully submits the following corrective action plan for the year ended December 31, 2020.

2020-001 Material Misstatements

*Statement of 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.

2020-002 Segregation of Duties

*Statement of Condition:*

Accounting and financial functions are not adequately segregated.

*Recommendation:*

Design a system of internal control which separates the responsibilities of authorization, physical custody of assets, and record keeping related to those assets.

*Management's Response:*

Due to significant growth, we have hired more employees and segregated these responsibilities.

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

Sincerely,



Leigh Rachal  
Executive Director  
Acadiana Regional Coalition on Homelessness & Housing, Inc.