

RESPONSIBILITY HOUSE

**FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

June 30, 2021

**CASCIO & SCHMIDT, LLC
Certified Public Accountants**

RESPONSIBILITY HOUSE

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CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Responsibility House

Report on the Financial Statements

We have audited the accompanying financial statements of Responsibility House (a nonprofit corporation), which comprise the statement of financial position as of June 30, 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.

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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 auditor's judgment, including the assessment of the risks of material misstatement 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 Responsibility House as of June 30, 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.

Report on summarized Comparative Information

We have previously audited Responsibility House's financial statements, and our report dated December 18, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information which includes the combined statement of activities and schedule of compensation, benefits and other payments to agency head or chief executive officer, is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit 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 information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021, on our consideration of Responsibility House's internal control over financial reporting and 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 Responsibility House's internal control over financial reporting and compliance.

Cascio & Schmidt, LLC

Metairie, Louisiana
December 22, 2021

RESPONSIBILITY HOUSE
STATEMENT OF FINANCIAL POSITION

June 30, 2021

	<u>ASSETS</u>	<u>Summarized Comparative Information June 30, 2020</u>
CURRENT ASSETS		
Cash	\$ 183,314	\$ 316,731
Grants and Medicaid fees receivable (Note C)	355,964	255,862
Other receivable	<u> -</u>	<u> 5,313</u>
Total current assets	539,278	577,906
PROPERTY AND EQUIPMENT (Notes A-5)		
Automotive equipment	216,730	216,730
Office equipment	19,719	10,381
Furniture and appliances	<u> 5,717</u>	<u> 5,717</u>
	242,166	232,828
Less accumulated depreciation	<u>197,486</u>	<u>166,854</u>
	44,680	65,974
OTHER ASSETS		
Deposits	<u> 10,613</u>	<u> 10,613</u>
Total assets	<u>\$ 594,571</u>	<u>\$ 654,493</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 73,686	\$ 59,526
Note payable (Note E)	<u> 50,000</u>	<u> -</u>
Total current liabilities	123,686	59,526
LONG-TERM LIABILITIES		
Note payable	<u> -</u>	<u> 178,510</u>
Total long-term liabilities	<u> -</u>	<u> 178,510</u>
Total liabilities	123,686	238,036
COMMITMENTS (Note F)		
	-	-
NET ASSETS (Note A-2 and D)		
Without donor restrictions	463,635	400,507
With donor restrictions	<u> 7,250</u>	<u> 15,950</u>
Total Net Assets	<u>470,885</u>	<u>416,457</u>
Total liabilities and net assets	<u>\$ 594,571</u>	<u>\$ 654,493</u>

The accompanying notes are an integral part of this statement.

RESPONSIBILITY HOUSE

STATEMENT OF ACTIVITIES

Year Ended June 30, 2021

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>	<u>Summarized Comparative Information June 30, 2020</u>
REVENUES				
Grants and Medicaid charges (Note C)	\$ 3,061,245	\$ -	\$ 3,061,245	\$ 2,552,275
Food Stamp income	9,705	-	9,705	11,385
In-kind services (Note H)	171,300	-	171,300	85,095
Occupancy fees	32,733	-	32,733	39,052
PPP Loan Forgiven	178,510	-	178,510	-
Contributions	47,044	-	47,044	-
Other	1,738	-	1,738	24,131
Net assets released from restrictions	<u>8,700</u>	<u>(8,700)</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>3,510,975</u>	<u>(8,700)</u>	<u>3,502,275</u>	<u>2,711,938</u>
EXPENSES				
Personnel services	969,112	-	969,112	845,764
Related benefits	96,040	-	96,040	82,716
Operating services	169,359	-	169,359	172,819
Supplies	206,391	-	206,391	122,862
Professional services	260,299	-	260,299	157,782
Occupancy (Note F)	1,661,913	-	1,661,913	1,301,560
Transportation	36,779	-	36,779	22,758
Depreciation	30,632	-	30,632	36,854
Equipment	<u>17,323</u>	<u>-</u>	<u>17,323</u>	<u>6,038</u>
Total Expenses	<u>3,447,848</u>	<u>-</u>	<u>3,447,848</u>	<u>2,749,153</u>
INCREASE (DECREASE) IN NET ASSETS	63,127	(8,700)	54,427	(37,215)
NET ASSETS, BEGINNING OF YEAR	<u>400,508</u>	<u>15,950</u>	<u>416,458</u>	<u>453,673</u>
NET ASSETS, END OF YEAR	<u>\$ 463,635</u>	<u>\$ 7,250</u>	<u>\$ 470,885</u>	<u>\$ 416,458</u>

The accompanying notes are an integral part of this statement.

RESPONSIBILITY HOUSE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021

	Program Services	Management And General	<u>Total</u>
Personnel service	\$ 964,227	\$ 4,885	\$ 969,112
Related benefits	92,813	3,227	96,040
Operating services	147,360	21,999	169,359
Supplies	198,610	7,781	206,391
Professional services	258,971	1,328	260,299
Occupancy	1,661,913	-	1,661,913
Transportation	36,749	30	36,779
Depreciation	-	30,632	30,632
Equipment	<u>6,591</u>	<u>10,732</u>	<u>17,323</u>
	<u>\$ 3,367,234</u>	<u>\$ 80,614</u>	<u>\$ 3,447,848</u>

The accompanying notes are an integral part of this statement.

RESPONSIBILITY HOUSE

STATEMENT OF CASH FLOWS

Year Ended June 30, 2021

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		Summarized Comparative Information June 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Grant revenue and Medicaid charges	\$ 2,961,143	\$ 2,548,686
Occupancy fees	32,733	39,052
Other	63,800	30,203
	<u>3,057,676</u>	<u>2,617,941</u>
Payments to employees and suppliers	(3,231,755)	(2,612,603)
Interest expense	<u>-</u>	<u>(133)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(174,079)	5,205
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(9,338)	(26,174)
NET CASH (USED) BY INVESTING ACTIVITIES	(9,338)	(26,174)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note	-	(12,404)
Proceeds from note	<u>50,000</u>	<u>178,510</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	50,000	166,106
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(133,417)	145,137
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>316,731</u>	<u>171,594</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u>183,314</u>	\$ <u>316,731</u>

The accompanying notes are an integral part of this statement.

RESPONSIBILITY HOUSE

STATEMENT OF CASH FLOWS

Year Ended June 30, 2021

RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		Summarized Comparative Information <u>June 30, 2020</u>
Increase (decrease) in net assets	\$ <u>54,427</u>	\$ <u>(37,215)</u>
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	30,632	36,854
(Increase) Decrease in operating assets:		
Grants and Medicaid fees receivable, and other	(273,298)	(8,901)
Increase (decrease) in accounts payable and accrued expenses	<u>14,160</u>	<u>14,467</u>
Total adjustments	<u>(228,506)</u>	<u>42,420</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>(174,079)</u>	\$ <u>5,205</u>

The accompanying notes are an integral part of this statement.

RESPONSIBILITY HOUSE

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the Corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follow.

1. Nature of Activities

Responsibility House is a private, non-profit corporation. Responsibility House operates a residential treatment program, outpatient treatment program, and a supportive housing program. The accompanying financial statements present all programs operated by Responsibility House during the year ended June 30, 2021.

2. Presentation of Financial Statements

The Center's statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide").

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors are considered donor restricted. 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, where by the donor has stipulated the funds be maintained in perpetuity.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. Donations of property and equipment are recorded at their estimated fair value at the date of donation.

3. Measure of Operations

The statement of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Corporation's ongoing activities. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

RESPONSIBILITY HOUSE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

4. Revenue Recognition

Grant revenue is recognized as it is earned in accordance with approved contracts. Contributions are recognized as income in the period received and is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, also when grant services are performed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions."

5. Property and Equipment

Property and equipment acquired by Responsibility House are considered to be owned by Responsibility House. However, State and Federal funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Responsibility House follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$5,000. Leasehold improvements are capitalized and amortized over the life of the lease. Depreciation is computed using the straight-line basis over the useful lives of the assets, generally as follows:

Automotive equipment	4 years
Furniture, equipment and appliances	5 - 7 years

Depreciation and amortization amounted to \$30,632 for the year ended June 30, 2021.

6. Income Taxes

The Corporation is a not-for-profit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code.

7. Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

8. Fair Values of Financial Instruments

The carrying amounts of cash and cash equivalents reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

9. Cash Equivalents

For the purpose of the statement of cash flows, the Corporation considers all investments with original maturities of three months or less to be cash equivalents.

RESPONSIBILITY HOUSE
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

10. Grants and Medicaid Receivable

The corporation considers accounts receivable to be fully collectible since the balance consists of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

11. Functional Allocation of Expense

The expenses of providing program and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Certain of those expenses have been allocated among the program and supporting services benefitted based on estimates by management of the costs involved.

12. Subsequent Events

Management has evaluated subsequent events through December 22, 2021, which is the date the financial statements were available to be issued.

13. Summarized Comparative Information

Summarized comparative information is presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

14. Recent Accounting Pronouncements:

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958)-Presentation of Financial Statements of Not-for Profit Entities*, which significantly amends the standards for the presentation and accompanying disclosures of the financial statements issued for fiscal years beginning after December 15, 2018. The update addresses the complexity and understandability of the net asset classifications, deficiencies in information about liquidity, availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The ASU has been applied by the Corporation for the year ended June 30, 2020.

The FASB issued Statement No. 87, *Leases*, in June 2017. The provisions of this Statement are effective for fiscal years beginning after June 15, 2021.

NOTE B - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Corporation's financial assets available within one year of the balance sheet date for general expenditures are as follows:

Cash	\$ 183,314
Grants and Medicaid fees receivable	<u>355,964</u>
	<u>\$ 539,278</u>

The Corporation's liquidity management policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

RESPONSIBILITY HOUSE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE C - GRANTS AND MEDICAID RECEIVABLES AND REVENUE

Grants and Medicaid receivable and grant revenue at June 30, 2021, are as follows:

	<u>Receivables</u>	<u>Revenue</u>
Bayou Health Companies - Medicaid	\$ 57,319	\$ 607,426
Jefferson Parish Human Services Authority		
Men's Residential Program	12,091	249,466
PATH	15,122	84,257
Transitional Supportive Housing	35,050	227,786
Community Development Block Grant		
Supportive Housing	5,000	5,000
Family Services	1,375	1,375
Unity of Greater New Orleans		
Keys Project	116,221	1,407,705
Pathways	105,330	362,473
Street Outreach	7,190	78,564
U.S. Probation	1,266	37,193
	<u>\$ 355,964</u>	<u>\$ 3,061,245</u>

NOTE D - NET ASSETS WITH DONOR RESTRICTIONS

Donor restricted net assets consists of the following:

Subject to expenditure for a specified purpose:	
Vehicle	\$ <u>7,250</u>

NOTE E - LINE OF CREDIT

The Corporation has a \$50,000 line of credit with a financial institution on which it may draw upon to provide necessary working capital. Interest at a rate of 5.75% accrues on the outstanding balance. At June 30, 2021, the balance in the line of credit account was \$50,000.

RESPONSIBILITY HOUSE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE F - OPERATING LEASE COMMITMENTS

The Corporation has operating leases for the residential treatment program, supportive housing program and the administrative offices. Responsibility House also makes rental payments for client occupied apartments, which are leased to Responsibility House which in turn subleases the apartments to the supportive housing clients. The client occupied apartments are leased for one year periods beginning at various dates. Rental expense for the year is as follows:

	Client occupied apartments	Office	Total
Jefferson Parish Human Services Authority	\$ 14,800	\$ 13,476	\$ 28,276
PATH	8,234	2,589	10,823
Transitional Supportive Housing	204,212	4,200	208,412
Bayou Health Companies	14,800	13,476	28,276
Unity of Greater New Orleans Keys Project	1,061,746	23,903	1,085,649
Pathway	262,877	6,688	269,565
Other	-	30,912	30,912
	\$ <u>1,566,669</u>	\$ <u>95,244</u>	\$ <u>1,661,913</u>

NOTE G - INCOME TAXES

Responsibility House is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

FASB ASC 740, Income Taxes, requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. Management does not believe its financial statements include any uncertain tax positions.

NOTE H - IN-KIND SERVICES

In-kind services amounting to \$171,300 consist of professional services provided to our supportive housing clients, and is presented as revenue and as an expense included in professional services in the statement of activities.

NOTE I - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member.

RESPONSIBILITY HOUSE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE J- ECONOMIC DEPENDENCY

The Corporation received the majority of its revenue from funds provided through grants administered by the federal government and the State of Louisiana. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operations. At the time of completion of the examination of the corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the corporation will receive in the next fiscal year.

The corporation is supported primarily through government grants. Approximately 89% of the corporation's support for the year ended June 30, 2021 came from government grants.

SUPPLEMENTAL INFORMATION

RESPONSIBILITY HOUSE
COMBINED STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

	<u>Bayou Health Co.</u>	<u>U. S. Probation</u>	<u>JPHSA Men's Residential</u>	<u>Transitional Supportive Housing</u>
REVENUE				
Grant appropriations	\$ -	\$ 37,193	\$ 249,466	\$ 227,786
Medicaid charges	607,426	-	-	-
Food Stamp income	-	-	9,705	-
In-kind services	-	-	-	-
Occupancy fees	-	-	-	-
Other	<u>547</u>	<u>-</u>	<u>550</u>	<u>-</u>
Total Revenue	<u>607,973</u>	<u>37,193</u>	<u>259,721</u>	<u>227,786</u>
EXPENSES				
Personnel services	283,352	18,771	230,041	11,054
Related benefits	29,489	1,495	21,418	900
Operating services	60,678	1,000	37,519	1,250
Supplies	33,589	16	22,147	1,070
Professional services	36,779	1,500	39,942	1,500
Occupancy	37,252	8,976	37,252	208,412
Transportation	2,194	-	822	580
Depreciation	-	-	-	-
Equipment	<u>3,385</u>	<u>-</u>	<u>327</u>	<u>-</u>
Total expenses	<u>486,718</u>	<u>31,758</u>	<u>389,468</u>	<u>224,766</u>
INCREASE (DECREASE) IN NET ASSETS	121,255	5,435	(129,747)	3,020
Transfers to (from) management and general	(121,255)	(5,435)	129,747	(3,020)
Net assets, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

RESPONSIBILITY HOUSE

COMBINED STATEMENT OF ACTIVITIES - Continued

Year Ended June 30, 2021

	<u>Community Development Block Grant</u>	<u>PATH</u>	<u>Pathways</u>	<u>Street Outreach</u>	<u>Keys Project</u>
REVENUE					
Grant appropriations	\$ 6,375	\$ 84,257	\$ 362,473	\$ 78,564	\$ 1,407,705
Medicaid charges	-	-	-	-	-
Food Stamp income	-	-	-	-	-
In-kind services	-	-	13,292	-	158,008
Occupancy fees	-	-	2,456	-	30,277
Other	<u>-</u>	<u>11,200</u>	<u>4,800</u>	<u>-</u>	<u>16,000</u>
Total Revenue	<u>6,375</u>	<u>95,457</u>	<u>383,021</u>	<u>78,564</u>	<u>1,611,990</u>
EXPENSES					
Personnel services	18,978	57,321	72,473	58,706	213,531
Related benefits	1,451	5,611	6,675	5,054	20,720
Operating services	1,744	5,373	9,109	1,111	29,576
Supplies	-	18,365	20,267	7,915	95,241
Professional services	1,020	500	15,042	-	162,688
Occupancy	-	10,823	269,566	3,984	1,085,648
Transportation	-	1,714	6,024	4,858	20,557
Depreciation	-	-	-	-	-
Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,879</u>	<u>-</u>
Total expenses	<u>23,193</u>	<u>99,707</u>	<u>399,156</u>	<u>84,507</u>	<u>1,627,961</u>
INCREASE (DECREASE) IN NET ASSETS	(16,818)	(4,250)	(16,135)	(5,943)	(15,971)
Transfers to (from) management and general	16,818	4,250	16,135	5,943	15,971
Net assets, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

RESPONSIBILITY HOUSE

COMBINED STATEMENT OF ACTIVITIES - Continued

Year Ended June 30, 2021

	<u>Total Grants</u>	<u>Property and Equipment</u>	<u>Management and General</u>	<u>Total</u>
REVENUE				
Grant appropriations	\$ 2,453,819	\$ -	\$ -	\$ 2,453,819
Medicaid charges	607,426	-	-	607,426
Food Stamp income	9,705	-	-	9,705
In-kind services	171,300	-	-	171,300
Occupancy fee	32,733	-	-	32,733
Other	<u>33,097</u>	<u>-</u>	<u>194,195</u>	<u>227,292</u>
Total Revenue	<u>3,308,080</u>	<u>-</u>	<u>194,195</u>	<u>3,502,275</u>
EXPENSES				
Personnel services	964,227	-	4,885	969,112
Related benefits	92,813	-	3,227	96,040
Operating services	147,360	-	21,999	169,359
Supplies	198,610	-	7,781	206,391
Professional services	258,971	-	1,328	260,299
Occupancy	1,661,913	-	-	1,661,913
Transportation	36,749	-	30	36,779
Depreciation	-	30,632	-	30,632
Equipment	<u>6,591</u>	<u>-</u>	<u>10,732</u>	<u>17,323</u>
Total expenses	<u>3,367,234</u>	<u>30,632</u>	<u>49,982</u>	<u>3,447,848</u>
INCREASE (DECREASE) IN NET ASSETS	(59,154)	(30,632)	144,213	54,427
Equipment capitalized	-	9,338	(9,338)	-
Transfers to (from) management and general	59,154	-	(59,154)	-
Net assets, beginning of year	<u>-</u>	<u>65,974</u>	<u>350,484</u>	<u>416,458</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ 44,680</u>	<u>\$ 426,205</u>	<u>\$ 470,885</u>

RESPONSIBILITY HOUSE

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

For the year ended June 30, 2021

Agency Head Name: Wm. Michael Martyn

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 132,400
Benefits	10,548
Use of Company Car	6,258

RESPONSIBILITY HOUSE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

<u>Federal Grantor/Pass Through Grantors/Program Title</u>	<u>GRANTOR PASS THROUGH CONTRACT #</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT YEAR ENDED</u>	<u>FEDERAL EXPENDITURES</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Pass through Jefferson Parish Human Service Authority				
PATH		93.150	6/30/21	84,257
Transitional Supportive Housing		93.958	12/31/20	131,894
Transitional Supportive Housing		93.958	6/30/21	<u>95,892</u>
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>312,043</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through Jefferson Parish Department of Community Development				
CDBG	21280-1174-139-7331-82012-001	14.218	6/30/21	6,375
Passed through Unity of Greater New Orleans				
Keys Project	LA0172L6H031908	14.267	10/31/21	911,644
Keys Project	LA0172L6H031807	14.267	10/31/20	496,061
Pathways	LA0070L6H031811	14.267	3/31/20	105,330
Pathways	LA0070L6H031912	14.267	3/31/21	257,142
Street Outreach for Coordinated Entry	LA0277L6H031903	14.267	6/30/21	<u>78,564</u>
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				<u>1,855,116</u>

RESPONSIBILITY HOUSE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued

Year Ended June 30, 2021

U.S. DEPARTMENT OF JUSTICE

Passed through United States District Court, Eastern
District of Louisiana, Probation Office
Adult Drug Court Discretionary Grant

053L - 2021 - 003 16.585 9/30/21 37,193

TOTAL DEPARTMENT OF JUSTICE 37,193

TOTAL FEDERAL AWARDS \$ 2,204,352

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Responsibility House under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Par 200., Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Responsibility House it is not intended to and does not present the financial position, changes in net assets or cash flow of Responsibility House.

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 reimbursements.

3. Indirect Cost Rate

Responsibility House has not elected to use the 10% de minimis indirect cost rate.

4. The matching contributions for the Supportive Housing Program for the year ended June 30, 2021 are as follows:

In-kind contributions	\$ 104,936
CDBG funds	5,000
Responsibility House funds	<u>21,296</u>
	\$ <u><u>131,232</u></u>

CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

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

To the Board of Directors
Responsibility House

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 Responsibility House (a nonprofit corporation) which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, and cash flows and for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements we considered Responsibility House's internal control over financial reporting (internal control) to determine the 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 Responsibility House's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Responsibility House'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Responsibility House's financial statements are free of 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*.

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 Standards Auditing* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for an other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Cascio & Schmidt, L.L.C.

Metairie, Louisiana
December 22, 2021

CASCIO & SCHMIDT, LLC

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STEVEN A. SCHMIDT, CPA

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

To the Board of Directors
Responsibility House

Report on Compliance for Each Major Federal Program

We have audited Responsibility House's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Responsibility House's major federal programs for the year ended June 30, 2021. Responsibility House's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Responsibility House's major federal programs based on our audit of the types of compliance requirements referred to above. 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance). Those standards and the Uniform Standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Responsibility House's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Responsibility House's compliance.

Opinion on Each Major Federal Program

In our opinion Responsibility House 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 June 30, 2021.

Report on Internal Control Over Compliance

Management of Responsibility House is responsible for establishing and maintaining effective internal control over compliance with the types of compliance of requirements referred to above. In planning and performing our audit of compliance, we considered Responsibility House's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate to the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Responsibility House's internal control over compliance.

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

Our consideration of internal control over compliance 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Metairie, Louisiana
December 22, 2021

RESPONSIBILITY HOUSE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2021

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A. SUMMARY OF THE AUDIT RESULTS

Financial Statements

Type of auditor's report issued

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516 (a)?

yes no

Identification of major programs:

CFDA Number(s)

Name of Federal Program

14.267

U.S. Department of Housing and Urban Development and passed through Unity of Greater New Orleans Continuum of Care Program

Dollar threshold used to distinguish between type A and B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

yes no

B. FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statements for the year ended June 30, 2021.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no items identified in the course of our testing during the current year required to be reported.

D. STATUS OF PRIOR YEAR AUDIT FINDINGS

There were no prior year audit findings.