FAITH HOUSE, INC.

Financial Report

Years Ended June 30, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

To the Officers and Board of Directors
Faith House, Inc.
Lafayette, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Faith House, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from 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 Faith House, Inc. as of June 30, 2019, 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.

Emphasis of Matter

As described in Note 16 to the financial statements, Faith House, Inc., implemented the provisions of the Financial Accounting Standards Board's Accounting Standard Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* Our opinion is not modified with respect to this matter.

Other Matters

Other 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* (CFR) 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2019, on our consideration of Faith House, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Faith House, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Faith House, Inc.'s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 30, 2019

FINANCIAL STATEMENTS

FAITH HOUSE, INC.
Lafayette, Louisiana

Statements of Financial Position
June 30, 2019 and 2018

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 110,270	$ 138,404
Certificates of deposit	55,663	55,641
Investments	6,978	6,974
Endowment fund	12,276	11,827
Grants receivable	411,849	289,188
Accrued interest receivable	110	19
Other receivables	3,377	950
Prepaid expenses	12,468	12,473
Total current assets	612,991	515,476
Property and equipment, net	1,358,338	1,376,147
Total assets	$ 1,971,329	$ 1,891,623
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 9,955	$ 1,984
Payroll tax liabilities	-	3,193
Other current liabilities	42,114	28,507
Total current liabilities	52,069	33,684
Noncurrent liabilities:		
Long-term debt, less current portion	150,000	150,000
Total Liabilities	202,069	183,684
Net assets:		
Without donor restrictions:		
Designated by the Board	12,276	11,827
Undesignated	1,737,544	1,665,907
Total without donor restrictions	1,749,820	1,677,734
With donor restrictions	19,440	30,205
Total net assets	1,769,260	1,707,939
Total liabilities and net assets	$ 1,971,329	$ 1,891,623

The accompanying notes are an integral part of this statement.

FAITH HOUSE, INC.
Lafayette, Louisiana

Statement of Activities
Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues:			
Grants:			
Federal	$ 1,864,146	$ -	$ 1,864,146
State	58,738	-	58,738
Local	151,876	50,957	202,833
Total grants	2,074,760	50,957	2,125,717
Public support donations	276,181	-	276,181
Fundraising	82,339	-	82,339
In-kind donations	459,023	-	459,023
Other income	9,934	-	9,934
Investment income	1,044	-	1,044
Unrealized gain on investments	283	-	283
Net assets released from restrictions	61,722	(61,722)	-
Total support and revenues	2,965,286	(10,765)	2,954,521
Expenses:			
Program services-			
Shelter and services	2,633,611	-	2,633,611
Supporting services -			
Management and general	198,830	-	198,830
Fundraising	60,759	-	60,759
Total supporting services	259,589	-	259,589
Total expenses	2,893,200	-	2,893,200
Change in net assets	72,086	(10,765)	61,321
Net assets, beginning of year	1,677,734	30,205	1,707,939
Net assets, end of year	$ 1,749,820	$ 19,440	$ 1,769,260

The accompanying notes are an integral part of this statement.

FAITH HOUSE, INC.
Lafayette, Louisiana

Statement of Activities
Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues:			
Grants:			
Federal	$ 1,774,489	$ -	$ 1,774,489
State	58,328	-	58,328
Local	165,532	31,500	197,032
Total grants	1,998,349	31,500	2,029,849
Public support donations	173,384	28,050	201,434
Fundraising	116,128	-	116,128
In-kind donations	597,287	-	597,287
Other income	24,703	-	24,703
Investment income	896	-	896
Unrealized loss on investments	(207)	-	(207)
Net assets released from restrictions	68,897	(68,897)	-
Total support and revenues	2,979,437	(9,347)	2,970,090
Expenses:			
Program services-			
Shelter and services	2,720,920	-	2,720,920
Supporting services -			
Management and general	263,074	-	263,074
Fundraising	73,937	-	73,937
Total supporting services	337,011	-	337,011
Total expenses	3,057,931	-	3,057,931
Change in net assets	(78,494)	(9,347)	(87,841)
Net assets, beginning of year	1,756,228	39,552	1,795,780
Net assets, end of year	$ 1,677,734	$ 30,205	$ 1,707,939

The accompanying notes are an integral part of this statement.

FAITH HOUSE, INC.
Lafayette, Louisiana

Statement of Functional Expenses
For The Year Ended June 30, 2019

	Program Services	Supporting Services			
	Shelter and Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Advertising	$ 712	$ -	$ -	$ -	$ 712
Bank charges	46	1,339	-	1,339	1,385
Client expenses	158,769	-	-	-	158,769
Donation - equipment transfer	60,069	-	-	-	60,069
Dues and subscriptions	6,922	10,241	-	10,241	17,163
Equipment	19,311	-	-	-	19,311
Food supplies	22,736	1,134	2,588	3,722	26,458
In-kind donations	429,023	-	-	-	429,023
Insurance - group health	171,461	18,091	5,144	23,235	194,696
Insurance - shelter	48,483	-	-	-	48,483
Insurance - workers' compensation	19,686	2,077	592	2,669	22,355
Miscellaneous	286	538	-	538	824
Office expense	14,980	-	271	271	15,251
Outside services	42,330	-	180	180	42,510
Payroll taxes	90,874	9,588	2,726	12,314	103,188
Postage	1,540	70	-	70	1,610
Printing	7,144	495	454	949	8,093
Professional development	3,605	-	-	-	3,605
Legal and accounting	7,756	12,595	-	12,595	20,351
Rent	44,683	-	3,351	3,351	48,034
Repairs and maintenance	36,953	709	-	709	37,662
Retirement	20,617	2,175	618	2,793	23,410
Salaries and wages	1,214,409	128,131	36,431	164,562	1,378,971
Special projects	2,585	421	8,254	8,675	11,260
Supplies - other	8,579	122	126	248	8,827
Telephone	27,735	173	-	173	27,908
Travel	25,281	1,243	24	1,267	26,548
Utilities	65,373	614	-	614	65,987
Total expenses before depreciation	2,551,948	189,756	60,759	250,515	2,802,463
Depreciation	81,663	9,074	-	9,074	90,737
Total	$ 2,633,611	$ 198,830	$ 60,759	$ 259,589	$ 2,893,200

The accompanying notes are an integral part of this statement.

FAITH HOUSE, INC.
Lafayette, Louisiana

Statement of Functional Expenses
For The Year Ended June 30, 2018

	Program Services	Supporting Services			
	Shelter and Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Advertising	$ 501	$ 101	$ 75	$ 176	$ 677
Bank charges	-	1,408	-	1,408	1,408
Client expenses	174,267	-	-	-	174,267
Dues and subscriptions	4,686	9,301	-	9,301	13,987
Equipment	8,722	-	-	-	8,722
Food supplies	12,850	236	4,059	4,295	17,145
In-kind donations	587,201	-	10,086	10,086	597,287
Insurance - group health	205,232	30,181	6,036	36,217	241,449
Insurance - shelter	44,720	-	-	-	44,720
Insurance - workers' compensation	19,326	2,842	568	3,410	22,736
Library and videos	2,766	-	-	-	2,766
Miscellaneous	5,155	360	-	360	5,515
Office expense	12,326	558	514	1,072	13,398
Outside services	37,277	1,092	-	1,092	38,369
Payroll taxes	87,318	12,841	2,568	15,409	102,727
Postage	2,293	339	395	734	3,027
Printing	6,274	119	898	1,017	7,291
Professional development	4,166	169	-	169	4,335
Legal and accounting	12,417	9,096	598	9,694	22,111
Rent	44,608	284	7,281	7,565	52,173
Repairs and maintenance	40,561	6,286	1,400	7,686	48,247
Retirement	23,666	3,480	696	4,176	27,842
Salaries and wages	1,152,185	170,171	34,118	204,289	1,356,474
Special projects	293	419	3,998	4,417	4,710
Supplies - other	12,122	126	647	773	12,895
Telephone	28,401	45	-	45	28,446
Travel	16,189	961	-	961	17,150
Utilities	74,091	138	-	138	74,229
Total expenses before depreciation	2,619,613	250,553	73,937	324,490	2,944,103
Depreciation	101,307	12,521	-	12,521	113,828
Total	$ 2,720,920	$ 263,074	$ 73,937	$ 337,011	$ 3,057,931

The accompanying notes are an integral part of this statement.

FAITH HOUSE, INC.
Lafayette, Louisiana

Statements of Cash Flows
For The Year Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Increase (decrease) in net assets	$ 61,321	$ (87,841)
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Depreciation	90,737	113,828
Donation - equipment transfer	60,069	-
Unrealized (gain) loss on investments	(283)	207
Change in current assets and liabilities:		
Grants receivable	(122,661)	(12,289)
Accrued interest receivable	(91)	43
Other receivables	(2,427)	(950)
Prepaid expenses	5	24
Accounts and payroll withholdings payable	4,778	(3,727)
Other current liabilities	13,607	(3,144)
Net cash provided by investing activities	105,055	6,151
Cash flows from investing activities:		
Purchase of certificate of deposit	(22)	(71)
Purchase of investments	(170)	(118)
Purchase of property and equipment	(132,997)	(11,150)
Net cash used by investing activities	(133,189)	(11,339)
Net decrease in cash and cash equivalents	(28,134)	(5,188)
Cash and cash equivalents, beginning of year	138,404	143,592
Cash and cash equivalents, end of year	$ 110,270	$ 138,404

The accompanying notes are an integral part of this statement.

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Faith House, Inc. (Organization) is a non-profit corporation organized under the laws of the State of Louisiana. The Organization provides a temporary shelter and services for battered women and their children in crisis situations. Other services provided by the Organization include crisis counseling, after care to victims of domestic violence, and community education about domestic violence. The Organization's services are available to residents of Lafayette, Vermilion, Acadia, Evangeline, Rapides, Avoyelles, and St. Landry parishes.

B. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that will be met, either (1) expire by incurring expenses satisfying the restricted purpose (purpose restricted), and/or the passage of time or other events (time restricted), or (2) will never expire (perpetual in nature). When a restriction expires, 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.

C. Cash and Cash Equivalents

The organization considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents.

D. Certificates of Deposit

Certificates of deposit are presented in the financial statements at cost which approximates fair market value.

E. Investments and Related Income, Gains, and Losses

In accordance with FASB ASC subtopic 958-320, "*Not-for-Profit Entities-Investments-Debt and Equity Securities*", the Organization carries investments securities at their fair values based on quoted prices in active markets in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

F. Grants Receivable/Deferred Revenues

Grants receivable and deferred revenues from grants and other support are recognized only to the extent that related expenses have been incurred. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value using risk-free discount rates applicable to the years in which the promises are to be received.

G. Property and Equipment

Property and equipment are valued at cost, if purchased. Donations of property and equipment are recorded as contributions at their estimated fair value. Depreciation is computed using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings and improvements	7 - 39 years
Furniture, fixtures, and equipment	5 - 15 years
Vehicles	5 years

H. Revenue and Expense Recognition

Contributions are recognized when the donor makes a commitment to give to the Organization. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts designated for future periods or restricted by the donor for specific purposes are reported as increases to net assets with donor restrictions. Expenses are recognized in the period incurred in accordance with the accrual basis of accounting.

I. Functional Allocation of Expenses

Expenses are summarized and categorized based on their functional classification. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and occupancy, which are allocated on a square-footage basis, as well as salaries and related benefits, which are allocated on the basis of time and effort.

J. Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private foundation. Accounting principles generally accepted in the United States of American require the Organization's management to evaluate tax positions taken and recognize a tax liability (or asset) if the Organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of June 30, 2019 and 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclose in the financial statements. The Organization is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

K. Compensated Absences

Vacation and sick leave are recorded as expenses in the period earned. Sick leave is available for employees when needed; however, it does not vest and is not payable at termination of employment. Annual vacation is earned by employees based on the number of years of employment. Current unused vacation and up to 40 hours of prior year unused vacation is payable upon retirement. At June 30, 2019 and 2018, the accrued vacation leave amounted to \$34,063 and \$21,029, respectively.

L. Donated Facilities, Materials, and Services

The Organization receives a significant amount of donated services from unpaid volunteers who assist in program services during the year. These donated services are not reflected in the statement of activities because the criteria for recognition under professional standards have not been satisfied; however, these services are valuable to the Organization's programs. The value of donated services not reflected in the financial statements for the years ended June 30, 2019 and 2018 are estimated at \$40,915 and \$56,065, respectively. Donations meeting the criteria are recorded at estimated fair value as follows:

	2019	2018
Program services:		
Clothing and supplies	\$ 410,147	\$ 561,750
Facilities	18,876	25,451
Equipment	30,000	-
Fundraising:		
Materials and supplies	-	10,086
Total	\$ 459,023	\$ 597,287

M. Advertising Costs

Advertising costs are expensed as incurred. Total advertising expense was \$712 and \$677 for the years ended June 30, 2019 and 2018, respectively.

N. Use of Estimates

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

(2) Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of June 30, 2019, reduced by amounts not available for general use because of donor-imposed regulation and board designations.

Financial assets, at year-end	$ 600,523
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions-	
Restricted by donors with purpose restrictions	(19,440)
Board designations-	
Endowment fund	(12,276)
Financial assets available to meet cash needs for general expenditures within one year	$ 568,807

The Organization has $568,807 of financial assets available within 1 year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and cash equivalents of $90,830, certificates of deposit of $55,663, investments of $6,978, grants receivable of $411,849, interest receivable of $110, and other receivables of $3,377. As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligation become due.

(3) Investments

Investments are carried at fair value based on quoted market prices in active markets (all Level 1 Measurements) and consist of the following at June 30, 2019 and 2018:

	June 30, 2019		June 30, 2018	
Investment Type	Cost	Fair Value	Cost	Fair Value
Common stocks	$ 6,097	$ 7,142	$ 6,097	$ 6,974
Mutual funds	9,830	10,747	9,830	10,494
Money market	569	1,365	569	1,333
	$ 16,496	$ 19,254	$ 16,496	$ 18,801

(4) Endowment Fund

On October 7, 2009, Faith House, Inc. and the Community Foundation of Acadiana (Foundation) entered into an agreement to manage the investments for an endowment fund to support the mission of the Organization. The Board did not designate any amounts for endowment purposes for the years ended June 30, 2019 and 2018, respectively. The fund is invested in 50% equity funds, 45% in fixed income funds, and 5% in money market funds. The assets of the fund shall be held and invested by the Foundation. There were no distributions from the fund during the years ended June 30, 2019 and 2018. The changes in endowment net assets for the years ended June 30, 2019 and 2018 were as follows:

	2019	2018
Board-designated endowment net assets, beginning of year	$ 11,827	$ 11,392
Net unrealized/realized gain (loss)	229	317
Interest	281	251
Fees	(61)	(133)
Board-designated endowment net assets, end of year	$ 12,276	$ 11,827

(5) Property and Equipment

Property and equipment consist of the following as of June 30, 2019 and 2018:

	2019	2018
Land	$ 190,536	$ 190,536
Buildings and improvements	2,134,726	2,134,726
Furniture and fixtures	51,086	58,239
Machinery and equipment	240,497	224,174
Vehicles	63,577	71,171
Total property and equipment	2,680,422	2,678,846
Less: Accumulated depreciation	(1,322,084)	(1,302,699)
Property and equipment, net	$1,358,338	$1,376,147

Total depreciation expense for the years ended June 30, 2019 and 2018 was $90,737 and $113,828, respectively.

(6) Long-Term Debt

On November 1, 2016, the Organization entered into a non-interest-bearing conditional note agreement in the amount of $150,000 with Lafayette Public Trust Financing Authority. The note will require no payment until October 31, 2021 for property purchased to support Project Hope. The note will be forgiven after a period of 36 months if the Organization meets the fundraising benchmarks specified within the note agreement. At June 30, 2019 and 2018, the amount outstanding on the note payable was $150,000.

(7) Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at June 30:

	2019	2018
Unspent funds from the following:		
Cleco	$ -	$ 15,000
Camp Hope	10,000	-
Woman's Foundation Grant	2,704	7,966
Brown Foundation	3,693	-
Heavenly Foundation	392	-
Jock Scott Grant	-	598
LCADV Financial Empowerment Program	2,651	6,641
	$ 19,440	$ 30,205

(8) Net Assets Released from Restrictions

Detail of net assets released from restrictions for the years ended June 30, 2019 and 2018 follows:

	2019	2018
Purpose restrictions accomplished:		
Woman's Foundation Grant	$ 15,762	$ 8,534
Stuller Foundation	10,000	10,000
LCADV Financial Empowerment Program	11,947	43,961
Jock Scott Grant	598	6,402
Brown Foundation	6,307	-
Cleco	15,000	-
The Heavenly Foundation	2,108	-
	$ 61,722	$ 68,897

(9) Grants

Grants consist of the following for the years ended June 30:

	2019	2018
Federal grants:		
U.S. Department of Housing and Urban Development (HUD) -		
Transitional Development	$ 64,760	$ 64,760
Permanent Housing	130,122	131,109
Emergency Solutions	68,540	61,520
U.S. Department of Health and Human Services -		
Family Violence Prevention	807,940	797,874
U.S. Department of Justice -		
Crime Victims' Assistance	773,948	701,482
Violence Against Women	18,836	17,744
Total federal grants	1,864,146	1,774,489
State grants:		
State of Louisiana Department of Children and Family Services -		
Civil fees	10,600	11,400
Marriage license fees	48,138	46,928
Total state grants	58,738	58,328
Local grants:		
Brown Foundation	10,000	10,000
Cleco	-	15,000
Local Federal Coordinating Committee -		
Combined Federal Campaign	189	924
Interest on Lawyers' Trial Association (IOLTA) -	36,081	29,081
Interest on Lawyers' Trial Association (IOLTA) - Central LA	7,031	15,174
Jock Scott Community Partnership Panel Grant- LA Bar Foundation	4,608	-
Lafayette Consolidated Government	12,879	13,265
Lourdes Foundation	-	2,000
Mary Kay Foundation	20,000	-
Private grants and foundations	10,000	-
Stuller Foundation	10,000	10,000

(continued)

(9) Grants (continued)

United Way of Acadiana -		
Designated funds	5,422	7,396
Rural crisis outreach	-	3,127
Food safety	-	1,676
Shelter program	19,451	10,994
Reader Ready	8,616	5,750
Economic Empowerment	19,755	9,515
United Way of Central LA	27,710	44,323
United Way of St. Landry	-	2,307
United Way State Campaign	591	-
Woman's Foundation	10,500	16,500
Total local grants	202,833	197,032
Total grants	$2,125,717	$2,029,849

(10) Retirement Plan

The Organization adopted a 403(b) Thrift Plan that is maintained for its qualifying employees. The plan covers all full-time employees. To be eligible for employer matching contributions, employees must be at least 21 years of age and have a minimum of one year of service. The plan allows elective employee contributions of up to 100% of the respective employee's compensation. The Organization is required to make contributions to the plan based on a fixed percentage. The Organization made contributions of $23,410 and $27,842 for the years ended June 30, 2019 and 2018, respectively.

(11) Fair Value Measurements

Professional standards require the disclosure for fair value measurements of financial assets and liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. The standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of inputs used to measure fair value are as follows:

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
b. Level 2 inputs are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
c. Level 3 inputs are unobservable inputs for the asset or liability.

The following methods and assumptions were used by the Organization in estimating fair values of financial instruments:

a. The carrying amount reported in the statement of financial position for the following approximates fair value due to the short maturities of these instruments: cash, certificates of deposits, receivables, and accounts payable.
b. The fair value for investment securities are based on quoted market prices at the reporting date multiplied by the quantity held. The carrying value equals fair value.

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2019 and 2018:

	June 30, 2019			
Description	Total	(Level 1)	(Level 2)	(Level 3)
Common stocks	$ 7,142	$ 7,142	$ -	$ -
Mutual funds	10,747	10,747	-	-
Money market	1,365	1,365	-	-
	$ 19,254	$ 19,254	$ -	$ -

	June 30, 2018			
Description	Total	(Level 1)	(Level 2)	(Level 3)
Common stocks	$ 6,974	$ 6,974	$ -	$ -
Mutual funds	10,494	10,494	-	-
Money market	1,333	1,333	-	-
	$ 18,801	$ 18,801	$ -	$ -

(12) Concentration of Credit Risk

The Organization maintains cash balances at financial institutions, which at times may exceed federally insured limits. Accounts are insured by the Federal Deposit Insurance Corporation up to $250,000. At June 30, 2019 and 2018, the Organization's cash balances were fully secured.

(13) Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Faith House, Inc. expects such amounts, if any, to be immaterial. Also, a liability for findings and questioned costs is not established until final disposition of such matters by the funding agency.

(14) Risk Management

The Faith House, Inc. is exposed to risks of loss in the areas of health care, general liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year. Insurance settlements have not exceeded insurance coverage the past three years.

(15) Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits and other payments to Billi Lacombe, Executive Director, for the year ended June 30, 2019 follows:

Purpose	Amount
Salary	$ 81,116
Benefits - insurance	5,597
Benefits - retirement	2,433
Per diem	71
Travel	2,155

(16) Change in Accounting Pronouncement

The Financial Accounting Standards Board issued Accounting Standards Update No. 2016-14 Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14) in August 2016. The Organization has changed the presentation of its financial statements accordingly, applying the changes retrospectively to beginning net assets presented. The new standard changed the following aspects of the Organization's financial statements: temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class named net assets with donor restrictions; the unrestricted net asset class has been changed to net assets without donor restrictions; and the financial statements include a new disclosure relative to the liquidity and availability of resources. The adoption of ASU 2016-14 had the following effect on previously reported net assets.

Net Asset Class	As Originally Presented	After Adoption of ASU 2016-14
Unrestricted-		
Designated for specific purposes	$ 11,827	$ -
Undesignated	1,665,907	-
Temporarily restricted	30,205	-
Net assets without donor restrictions-		
Designated for specific purposes	-	11,827
Undesignated	-	1,665,907
Net assets with donor restrictions	-	30,205
	$ 1,707,939	$ 1,707,939

(17) New Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update No. 2014-9, Revenue from Contracts with Customers (Topic 606). This guidance is a comprehensive new revenue recognition standard that will supersede substantially all existing revenue recognition guidance. The new standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be more entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates than under existing guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. On July 9, 2015, the FASB agreed to delay the effective date of the standard by one year. Therefore, the new standard will be effective for annual periods beginning after December 31, 2018 and is not expected to have a significant impact on the Organization's financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) intended to improve financial reporting regarding leasing transactions. The new standard affects all companies and organizations that lease assets and liabilities for the rights and obligations created by those leases if the lease terms are more than 12 months. The guidance also will require qualitative quantitative disclosures providing additional information about the amounts recorded in the financial statements. The amendments in this update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Organization is evaluating the potential impact of the amendment on the Organization's financial statements.

The FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments, which made the following changes that may affect the Organization: Debt Prepayment or Debt Extinguishment Costs: Cash payments for debt prepayment or debt extinguishment costs should be classified as cash flows for financing activities. The amendments in this ASU will be effective for entities other than public business entities for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The Organization does not expect the guidance to have a material impact on its financial statements.

(18) Subsequent Event Review

The Organization's management has evaluated subsequent events through October 30, 2019, the date which the financial statements were available to be issued.

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

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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
Faith House, 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 the Faith House, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 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 30, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Faith House, Inc.'s (Organization) 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 the Faith House, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suited for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 30, 2019

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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
Faith House, Inc.
Lafayette, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Faith House, Inc.'s (Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal program for the year ended June 30, 2019. The Organization's major federal program is 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization'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 Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the Organization'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 the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with 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 the Organization's 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 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 over compliance that might be material weaknesses or significant deficiencies. 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.

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. However, this report is a matter of public record and its distribution is not limited.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 30, 2019

FAITH HOUSE, INC.
Lafayette, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal Assistance I.D. Number	Pass-Through Grantor's Number	Federal Expenditures
Direct Programs:				
U. S. Department of Housing and Urban Development -				
Supportive Housing Program	14.235	LA0170L6H001605	N/A	$ 19,180
Supportive Housing Program	14.235	LA0006L6H001710	N/A	64,760
Supportive Housing Program	14.235	LA0170L6H001706	N/A	110,942
Total direct programs				194,882
Pass-through Programs:				
U. S. Department of Health and Human Services -				
State of Louisiana Department of Children				
and Family Services:				
Family Violence Prevention and Services*	93.671	N/A	2000358577	807,940
U. S. Department of Housing and Urban Development -				
Louisiana Housing Corporation:				
Lafayette City-Parish Consolidated Government -				
Emergency Solutions Grant Program	14.231	N/A	ESGP2017-19	54,510
Acadiana Regional Coalition on Homelessness				
& Housing, Inc. -				
Emergency Solutions Grant Program	14.231	N/A	ESGP2017-19	14,030
				68,540
U. S. Department of Justice -				
Louisiana Commission on Law Enforcement:				
Crime Victim Assistance -				
Domestic Violence Program 3	16.575	2016-VA-GX-0074	2016-VA-02-3788	72,033
Domestic Violence Program 4	16.575	2016-VA-GX-0074	2016-VA-02-3850	169,850
Family Justice Center 3	16.575	2016-VA-GX-0074	2016-VA-02-3838	167,707
Domestic Violence Program 3	16.575	2017-VA-GX-0055	2017-VA-02-4341	215,838
Domestic Violence Program 4	16.575	2017-VA-GA-0055	2017-VA-02-4309	83,641
Domestic Violence Program 4	16.575	2016-VA-GX-0074	2016-VA-02-4793	64,879
				773,948
Violence Against Women Formula Grants -				
STOP Violence Against Women	16.588	2017-WF-AX-0046	2017-WF-03-4120	9,631
STOP Violence Against Women	16.588	2018-WF-AX-0005	2018-WF-03-4657	9,205
				18,836
Total pass-through programs				1,669,264
TOTAL FEDERAL AWARDS				$ 1,864,146

*Indicates major program.

FAITH HOUSE, INC.
Lafayette, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

(1) General

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of Faith House, Inc. (a nonprofit organization). Faith House, Inc.'s reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2019. All federal financial assistance received directly from federal agencies is included in the schedule as well as federal financial assistance passed through other government agencies.

(2) Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting, which is described in Note 1 to Faith House, Inc.'s financial statements for the year ended June 30, 2019.

(3) Indirect Cost Rate

The Organization has elected not to use the 10% de minimis indirect cost rate.

FAITH HOUSE, INC.
Lafayette, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Faith House, Inc. were prepared in accordance with GAAP.

2. There were no significant deficiencies in internal control over financial reporting that were disclosed during the audit of the financial statements. There were no material weaknesses reported.

3. No instances of noncompliance material to the financial statements of Faith House, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. There were no significant deficiencies in internal control over the major federal award program disclosed during the audit. No material weaknesses are reported.

5. The auditor's report on compliance for the major federal award program for Faith House, Inc. expresses an unmodified opinion on all major federal programs.

6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) in this schedule.

7. The program tested as a major program was: Family Violence Prevention and Services (93.671).

8. The threshold used to distinguish between Type A and Type B programs was $750,000.

9. Faith House, Inc. was determined to be a low-risk auditee.

Part II. Findings – Financial Statements Audit:

Internal Control Findings –

There were no internal control findings for the year ended June 30, 2019.

Compliance Findings –

There were no compliance findings for the year ended June 30, 2019.

FAITH HOUSE, INC.
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2019

Part III. Findings and questioned costs – Major Federal Award Programs Audit:

Internal Control Findings -

There are no findings that are required to be reported under the above guidance.

Compliance Findings -

There are no findings that are required to be reported under the above guidance.

FAITH HOUSE, INC.
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2019

Part I. Current Year Findings and Management's Corrective Action Plan

A. Compliance Findings-

There are no findings to report under this section.

B. Internal Control Findings-

There are no findings to report under this section.

Part II. Prior Year Findings

A. Compliance Findings-

There are no findings to report under this section.

B. Internal Control Findings-

There are no findings to report under this section.

FAITH HOUSE, INC.

Agreed-Upon Procedures Report

Year Ended June 30, 2019

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Officers and Board of Directors
of Faith House, Inc. and the
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Faith House, Inc. (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

(The following written policies and procedures were not reviewed except for the new policy added for Year 3, Disaster Recover/Business Continuity.)

1. We obtained and inspected the entity's written policies and procedures and observed 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

   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.

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

   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).

   e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

   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

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)

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

i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

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

k) ***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.

Board or Finance Committee

(The following procedures were not performed since there were no exceptions in the prior year.)

2. We obtained and inspected 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) We observed 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.

   b) We observed that the minutes referenced or included monthly budget-to-actual comparisons.

   c) We obtained the prior year audit report and observed the unrestricted net assets. If the entity had a negative ending unrestricted net assets in the prior year audit report, we observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted net assets.

Bank Reconciliations

(The following procedures were not performed since there were no exceptions in the prior year.)

3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the entity's main operating account. We selected the entity's main operating account and randomly selected 5 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:

   a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

b) Bank reconciliations included 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

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.

Collections

4. We obtained 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. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed 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.

   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.

   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.

   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 verifies the reconciliation.

6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). Obtained supporting documentation for each of the 10 deposits and:

   a) We observed that receipts are sequentially pre-numbered.

   b) We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

   c) We traced the deposit slip total to the actual deposit per the bank statement.

   d) We observed 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).

   e) We traced the actual deposit per the bank statement to the general ledger.

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

(The following procedures were not performed since there were no exceptions in the prior year.)

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained 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 observed 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.

   b) At least two employees are involved in processing and approving payments to vendors.

   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.

   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.

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

    a) We observed that the disbursement matched the related original invoice/billing statement.

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

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

(The following procedures were not performed since there were no exceptions in the prior year.)

11. We obtained 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. Obtained management's representation that the listing is complete.

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

    a) We observed 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, by someone other than the authorized card holder

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

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, we observed 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

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

(The following procedures were not performed since there were no exceptions in the prior year.)

14. We obtained 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. We randomly selected 5 reimbursements, obtained 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, we agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
    b) If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
    c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
    d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

(The following procedures were not performed since there were no exceptions in the prior year.)

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
    a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
    b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
    c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
    d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

(The following procedures were not performed since there were no exceptions in the prior year.)

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid

salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

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

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

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

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

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

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

(The following procedures were not applicable to nonprofit organizations.)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

    a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

    b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Debt Service

(The following procedures were not applicable to nonprofit organizations.)

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

22. 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 covenant

Other

(The following procedures were not performed since there were no exceptions in the prior year.)

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. We observed 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.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Collections:

1. On one deposit selected for testing, six of the eleven items were deposited within two days of collection and five of the eleven items did not have a date the collection was received. On the second deposit selected for testing, fifteen of the seventeen items did not have a date the collection was received; therefore, the number of days between collection and deposit could not be determined.

   Management's response: Management will revise their policies and procedures to include documenting the date that collections are received. Additionally, the Organization's policy is to secure all checks and money orders in their locked safe upon collection. The checks and money orders are deposited at least once a week. Actual cash collected by the Organization is deposited the same day or next business day if collected on a weekend or holiday.

We were not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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 Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 30, 2019