EASTER SEALS LOUISIANA, INC.

Audits of Financial Statements

June 30, 2020 and 2019

LAPORTE
CPAs & BUSINESS ADVISORS

Contents

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LAPORTE
CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Board of Directors
Easter Seals Louisiana, Inc.

Report on the Financial Statements
We have audited the accompanying financial statements of Easter Seals Louisiana, Inc. (the Organization) which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, 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 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 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 Easter Seals Louisiana, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters
Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for the purpose of additional analysis and are 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 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 September 23, 2020, on our consideration of Easter Seals Louisiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 the Organization's internal control over financial reporting and compliance.

LaPorte

A Professional Accounting Corporation

Covington, LA
September 23, 2020

EASTER SEALS LOUISIANA, INC.
Statements of Financial Position
June 30, 2020 and 2019

		2020		2019
Assets				
Cash Used for Operations	$	2,261,868	$	855,089
Cash Designated for Capital Projects		784,302		466,732
Cash Equivalents Designated for Endowment		146,111		59,771
Accounts Receivable, Net		1,178,699		1,223,235
Prepaid Expenses and Deposits		78,548		43,557
Investments - Board-Designated		1,673,291		1,723,727
Unemployment Trust		122,347		112,392
Beneficial Interest in Asset Held by Others		8,296		8,296
Furniture and Equipment, Net		8,655		1,559
Total Assets	$	6,262,117	$	4,494,358
Liabilities				
Accounts Payable	$	23,153	$	28,322
Accrued Expenses		36,775		70,435
Note Payable		1,477,300		-
Total Liabilities		1,537,228		98,757
Net Assets				
Net Assets Without Donor Restrictions				
Undesignated		2,121,185		2,145,371
Board-Designated		2,603,704		2,250,230
Total Net Assets		4,724,889		4,395,601
Total Liabilities and Net Assets	$	6,262,117	$	4,494,358

The accompanying notes are an integral part of these financial statements.

EASTER SEALS LOUISIANA, INC.
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2020 and 2019

	2020	2019
Support and Revenue		
Program Revenue		
Case Management	$ 6,318,572	$ 6,196,673
Mental Health Services	1,775,027	1,691,735
System Point of Entry (SPOE)	1,592,793	1,521,978
Integrated Community Engagement	512,513	431,878
Autism Services	58,060	2,500
Contributions and Other Revenue		
Bingo Income	1,261,003	1,614,292
Net Investment Return	50,405	129,323
Special Events	80,251	100,703
Contributions	46,573	86,027
Miscellaneous	26,505	10,297
Total Support and Revenue	11,721,702	11,785,406
Expenses		
Program Services		
Case Management	5,319,818	5,415,349
Mental Health Services	1,640,035	1,679,537
System Point of Entry	1,375,071	1,371,198
Integrated Community Engagement	637,172	400,129
Direct Services	1,500	5,507
Supporting Services		
Management and General	1,103,296	945,610
Fundraising	1,315,522	1,663,637
Total Expenses	11,392,414	11,480,967
Change in Net Assets	329,288	304,439
Net Assets, Beginning of Year	4,395,601	4,091,162
Net Assets, End of Year	$ 4,724,889	$ 4,395,601

The accompanying notes are an integral part of these financial statements.

EASTER SEALS LOUISIANA, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2020

	Program Services						
			Mental Health Services				
	Case Management (All Regions)	Integrated Community Engagement (I & II)	Shreveport Crisis Services	Shreveport Community Psychiatric Support Treatment	Shreveport Residential	Monroe Transitional Housing	Monroe Intensive Case Management
Salaries and Employee Benefits	$ 4,503,535	$ 232,308	$ 205,661	$ 164,160	$ 311,233	$ 159,670	$ 188,847
Professional Fees and Contracted Services	68,213	34,776	6,433	10,943	9,535	5,222	49,992
Cost of Sales	-	-	-	-	-	-	-
Supplies	78,707	8,458	18,931	5,275	44,277	53,788	6,248
Telecommunications	54,074	3,053	5,142	4,172	10,043	4,099	7,796
Postage and Shipping	11,056	108	1,100	254	-	129	298
Occupancy	243,934	76,184	13,860	7,411	78,163	156,849	21,177
Equipment Rent and Maintenance	95,035	5,929	5,924	4,128	10,102	3,523	6,424
Printing, Publications, and Media	2,864	293	189	652	-	-	934
Travel and Transportation	167,618	5,344	2,526	5,077	2,929	765	8,186
Conferences and Meetings	1,947	600	-	222	35	59	65
Specific Assistance	-	260,025	66	-	-	-	-
Insurance	25,712	1,570	1,026	1,036	2,584	997	883
Bad Debt Expense	30,293	3,141	-	6,442	-	-	10,497
Miscellaneous	29,144	5,070	3,226	422	1,544	1,033	947
Taxes	-	-	-	-	-	-	-
Auditing Fees	-	-	4,780	-	-	-	-
Directors and Officers Insurance	6,478	168	335	223	726	-	447
Depreciation	1,208	145	61	48	107	88	69
Total Functional Expenses	5,319,818	637,172	269,260	210,465	471,278	386,222	302,810
National Membership Dues	-	-	-	-	-	-	-
Total Functional Expenses with National Membership Dues	$ 5,319,818	$ 637,172	$ 269,260	$ 210,465	$ 471,278	$ 386,222	$ 302,810

The accompanying notes are an integral part of these financial statements.

EASTER SEALS LOUISIANA, INC.
Statement of Functional Expenses (Continued)
For the Year Ended June 30, 2020

	Program Services			Supporting Services			
	System Point of Entry (All Regions)	Direct Services	Program Services Totals	Management and General	Development, Marketing & Fundraising	Supporting Services Totals	Total
Salaries and Employee Benefits	$ 1,057,167	$ -	$ 6,822,581	$ 850,151	$ 133,801	$ 983,952	$ 7,806,533
Professional Fees and Contracted Services	12,100	-	197,214	47,743	9,198	56,941	254,155
Cost of Sales	-	-	-	-	984,114	984,114	984,114
Supplies	40,945	-	256,629	28,266	72,086	100,352	356,981
Telecommunications	31,273	-	119,652	6,847	887	7,734	127,386
Postage and Shipping	12,861	-	25,806	157	214	371	26,177
Occupancy	118,280	-	715,858	31,265	73,200	104,465	820,323
Equipment Rent and Maintenance	32,232	-	163,297	12,358	436	12,794	176,091
Printing, Publications, and Media	2,922	-	7,854	467	648	1,115	8,969
Travel and Transportation	37,389	-	229,834	25,856	2,206	28,062	257,896
Conferences and Meetings	1,668	-	4,596	7,660	12,105	19,765	24,361
Specific Assistance	-	1,500	261,591	19	-	19	261,610
Insurance	4,739	-	38,547	5,636	-	5,636	44,183
Bad Debt Expense	-	-	50,373	-	-	-	50,373
Miscellaneous	6,734	-	48,120	9,334	26,276	35,610	83,730
Taxes	-	-	-	6,614	-	6,614	6,614
Auditing Fees	15,220	-	20,000	17,938	-	17,938	37,938
Directors and Officers Insurance	1,229	-	9,606	558	112	670	10,276
Depreciation	312	-	2,038	299	239	538	2,576
Total Functional Expenses	1,375,071	1,500	8,973,596	1,051,168	1,315,522	2,366,690	11,340,286
National Membership Dues	-	-	-	52,128	-	52,128	52,128
Total Functional Expenses with National Membership Dues	$ 1,375,071	$ 1,500	$ 8,973,596	$ 1,103,296	$ 1,315,522	$ 2,418,818	$ 11,392,414

The accompanying notes are an integral part of these financial statements.

EASTER SEALS LOUISIANA, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2019

	Program Services							
			Mental Health Services					
	Case Management (All Regions)	Integrated Community Engagement (I & II)	Shreveport Crisis Services	Shreveport Community Psychiatric Support Treatment	Shreveport Residential	Monroe Transitional Housing	Monroe Intensive Case Management	Disaster Case Management
Salaries and Employee Benefits	$ 4,514,670	$ 110,406	$ 205,274	$ 190,040	$ 325,107	$ 25,573	$ 294,713	$ 94,382
Professional Fees and Contracted Services	79,411	13,628	11,892	14,415	7,942	206	47,938	14,281
Cost of Sales	-	-	-	-	-	-	-	-
Supplies	87,375	12,215	15,923	2,569	44,123	13,316	7,065	3,263
Telecommunications	59,233	1,873	7,760	4,397	10,395	904	9,915	3,180
Postage and Shipping	13,831	225	661	69	25	-	233	190
Occupancy	240,473	62,970	21,262	3,727	79,108	29,657	11,501	10,576
Equipment Rent and Maintenance	117,973	2,642	4,327	2,455	4,900	910	8,874	2,837
Printing, Publications, and Media	797	1,344	77	77	77	-	499	77
Travel and Transportation	226,939	4,956	5,325	6,157	4,281	-	22,835	2,303
Conferences and Meetings	4,329	1,259	534	174	28	23	330	519
Specific Assistance	-	183,111	-	-	-	-	-	-
Insurance	23,240	4,510	1,398	669	6,430	-	1,679	671
Bad Debt Expense	14,070	-	-	36,527	-	-	36,608	1,123
Miscellaneous	26,386	501	1,074	876	3,063	741	1,838	734
Taxes	-	-	-	-	-	-	-	-
Auditing Fees	-	-	4,835	-	-	-	-	-
Directors and Officers Insurance	2,527	187	131	122	227	33	207	70
Depreciation	4,095	302	212	198	367	54	336	113
Total Functional Expenses	5,415,349	400,129	280,685	262,472	486,073	71,417	444,571	134,319
National Membership Dues	-	-	-	-	-	-	-	-
Total Functional Expenses with National Membership Dues	$ 5,415,349	$ 400,129	$ 280,685	$ 262,472	$ 486,073	$ 71,417	$ 444,571	$ 134,319

The accompanying notes are an integral part of these financial statements.

EASTER SEALS LOUISIANA, INC.
Statement of Functional Expenses (Continued)
For the Year Ended June 30, 2019

	Program Services			Supporting Services			
	System Point of Entry (All Regions)	Direct Services	Program Services Totals	Management and General	Development, Marketing & Fundraising	Supporting Services Totals	Total
Salaries and Employee Benefits	$ 987,990	$ -	$ 6,748,155	$ 694,931	$ 163,905	$ 858,836	$ 7,606,991
Professional Fees and Contracted Services	10,919	-	200,632	49,419	16,749	66,168	266,800
Cost of Sales	-	-	-	-	1,255,006	1,255,006	1,255,006
Supplies	47,650	-	233,499	16,908	94,291	111,199	344,698
Telecommunications	22,576	-	120,233	9,195	3,435	12,630	132,863
Postage and Shipping	14,945	-	30,179	237	55	292	30,471
Occupancy	116,621	-	575,895	33,999	90,734	124,733	700,628
Equipment Rent and Maintenance	43,393	-	188,311	5,848	5,316	11,164	199,475
Printing, Publications, and Media	1,308	-	4,256	77	4,703	4,780	9,036
Travel and Transportation	58,664	-	331,460	27,735	4,332	32,067	363,527
Conferences and Meetings	3,954	-	11,150	11,211	11,817	23,028	34,178
Specific Assistance	-	5,500	188,611	-	-	-	188,611
Insurance	4,482	-	43,079	11,001	488	11,489	54,568
Bad Debt Expense	-	-	88,328	-	-	-	88,328
Miscellaneous	41,855	-	77,068	20,691	10,773	31,464	108,532
Taxes	-	-	-	5,434	-	5,434	5,434
Auditing Fees	15,165	-	20,000	9,331	-	9,331	29,331
Directors and Officers Insurance	640	3	4,147	426	776	1,202	5,349
Depreciation	1,036	4	6,717	689	1,257	1,946	8,663
Total Functional Expenses	1,371,198	5,507	8,871,720	897,132	1,663,637	2,560,769	11,432,489
National Membership Dues	-	-	-	48,478	-	48,478	48,478
Total Functional Expenses with National Membership Dues	$ 1,371,198	$ 5,507	$ 8,871,720	$ 945,610	$ 1,663,637	$ 2,609,247	$ 11,480,967

The accompanying notes are an integral part of these financial statements.

EASTER SEALS LOUISIANA, INC.
Statements of Cash Flows
For the Years Ended June 30, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Change in Net Assets	$ 329,288	$ 304,439
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	2,575	8,663
Bad Debt Expense	50,373	88,328
Net Realized and Unrealized Gain on Investments	(6,072)	(84,689)
(Increase) Decrease in Operating Assets		
Accounts Receivable	(5,837)	(252,015)
Prepaid Expenses and Deposits	(34,991)	66,792
Unemployment Trust	(9,955)	(1,976)
Increase (Decrease) in Operating Liabilities		
Accounts Payable	(5,169)	(9,046)
Accrued Expenses	(33,660)	12,454
Net Cash Provided by Operating Activities	286,552	132,950
Cash Flows from Investing Activities		
Purchases of Fixed Assets	(9,671)	-
Purchases of Investments	(522,216)	(595,191)
Proceeds from Sales of Investments	578,724	437,564
Net Cash Provided by (Used in) Investing Activities	46,837	(157,627)
Cash Flows from Financing Activities		
Proceeds from Note Payable	1,477,300	-
Net Cash Provided by Financing Activities	1,477,300	-
Net Increase (Decrease) in Cash and Cash Equivalents	1,810,689	(24,677)
Cash and Cash Equivalents, Beginning of Year	1,381,592	1,406,269
Cash and Cash Equivalents, End of Year	$ 3,192,281	$ 1,381,592

The following table provides a reconciliation of cash and board-designated cash and cash equivalents reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows:

	2020	2019
Cash Used for Operations	$ 2,261,868	$ 855,089
Cash Designated for Capital Projects	784,302	466,732
Cash Equivalents Designated for Endowment	146,111	59,771
Total Cash and Cash Equivalents, and Designated Cash Shown in the Statements of Cash Flows	$ 3,192,281	$ 1,381,592

The accompanying notes are an integral part of these financial statements.

Note 1. Nature of Activities

Easter Seals Louisiana, Inc. (the Organization), is a nonprofit, community-based healthcare agency organized under the laws of the state of Louisiana. The mission of the Organization is to help children and adults with disabilities, and their families, obtain, and effectively utilize resources necessary to lead more independent and purposeful lives. The Organization maintains services that create an acceptance toward people with disabilities through the following programs:

Case Management - Assists individuals with disabilities across the lifespan and adults with behavioral health issues to access needed services and become as independent as possible.

Mental Health Services - Teaches and reinforces skills for participants to remain in the community living independently. Mental Health Services includes case management and skills training focused on addressing functional deficits related to chronic, severe behavioral health issues. These services are provided primarily in the community including the participant's home, community resources, and other community locations by utilizing an advanced practice registered nurse for psychiatric evaluations and medication management and licensed counselors for assessments and counseling services.

System Point of Entry - Identifies, evaluates, and supports infants and toddlers ages birth to three who have a developmental delay or developmental disability.

Integrated Community Engagement - Provides support from a network of volunteers, advocates, donors, and vendors who assist the Organization in sustaining its mission.

Direct Services - Provides an opportunity for disabled children to experience the joys and challenges of camp in a fully accessible setting.

Note 2. Summary of Significant Accounting Policies

Organization and Income Taxes

The Organization is a nonprofit corporation organized under the laws of the state of Louisiana in 1951. It is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the code. It is also exempt from Louisiana income tax under the authority of Louisiana Revised Statute (LRS) 47:121(5).

Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, involving the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-For-Profit Entities.* Accordingly, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The Organization has no net assets with donor restrictions.

Cash Flow Information

The Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents. The Organization did not make any cash payments for income taxes or interest during the years ended June 30, 2020 and 2019.

Use of Estimates

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

Contributions

Contributions are recorded as without donor restrictions or with donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. 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 statements of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions.

Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Revenue Recognition

The Organization accounts for a contract with a client when it has written approval, the contract is committed, the rights of the parties, including payment terms, are identified, the contract has commercial substance and consideration is probable of collection.

Revenue is recognized when, or as, control of a promised service transfers to a client, in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for transferring those services.

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

If the consideration promised in a contract includes a variable amount, the Organization estimates the amount to which it expects to be entitled using the most likely amount method. The Organization only includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

The company's standard billing terms are that payment is due upon receipt of invoice, payable within 30-60 days. Invoices are generally issued monthly for services are rendered.

The Organization maintains programs and services that create an acceptance toward people with disabilities through the following: Camperships, Equipment Loans and Specific Assistance, Support Coordination (Case Management), Mental Health Services, and Early Intervention Services. The Organization also hosts bingo events as part of its fundraising activity.

For support coordination, contracts typically require the completion of a defined service per month and billing for completed services are based on actual amounts. The Organization typically satisfies the performance obligation and recognizes revenue at a point in time. Revenues obtained through such arrangements are typically billed and recognized monthly, after the service has been delivered. This results in revenue recognition that corresponds with the value to the client of the services transferred to date.

Under Case Management contracts, the Organization is contracted by the State of Louisiana through its designee for the initial coordination of the early steps program, an early intervention program. The Organization is reimbursed for allowable costs incurred as services are incurred and costs are submitted. While Management determined that performance obligations related to this service are satisfied over time, the services are typically billed as incurred, which is within four weeks of the service being provided. Management therefore elected to utilize the right to invoice practical expedient, where an entity is allowed to recognize revenue as invoiced, if the entity's right to payment is for an amount that corresponds directly with the value to the customer.

Revenues from Bingo fundraiser events are recognized at a point in time, which is the date at which the event took place. This results in revenue recognition that corresponds with the value to the client of the services transferred to date.

Accounts Receivable

The Organization provides services under contracts entered into with various state and federal agencies. Accounts receivable include amounts billed under these contracts and amounts due from patients for services provided.

Note 2. Summary of Significant Accounting Policies (Continued)

Accounts Receivable (Continued)

A major portion of the accounts receivable balances as of June 30, 2020 and 2019 is from the Louisiana Department of Health and Hospitals. Management closely monitors outstanding accounts receivable and estimates an allowance for uncollectible receivables based on prior experience. Balances that are determined to be uncollectible are written off. As of June 30, 2020 and 2019, the allowance for uncollectible receivables was $38,006 and $128,111, respectively.

Furniture and Equipment

Furniture and equipment are recorded at cost. Repairs and maintenance are charged to expense as incurred; major renewals and replacements and betterments of $1,000 or greater are capitalized. Depreciation is computed on the straight-line method over the estimated useful life of each asset which ranges from three to seven years. Donated property is recorded at its fair market value at the date of donation.

Allocated Expenses

The costs of providing the various programs and supporting services are summarized in the statements of functional expenses, which present the natural classification detail of expenses by function. Certain expenses have been allocated among the programs and supporting services benefitted based on management's estimates of the costs involved. See Note 16.

Recent Accounting Pronouncements

In January 2016, the FASB Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. In June 2020, the FASB issued ASU 2020-05 which defers the effective date of ASU 2016-02 one year, making it effective for financial statements issued for annual periods beginning after December 15, 2021. Management is currently evaluating the impact of the pending adoption of this standard on the Organization’s financial statements.

Implementation of Accounting Pronouncements

Effective July 1, 2019, the Organization adopted the FASB ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* (ASU 2014-09) using a modified retrospective method of application to contracts that were not complete as of the date of initial application. The core principle of the guidance in ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization assesses the impact of ASU 2014-09 on a contract by contract basis, unless the results of a portfolio approach has been determined to not significantly differ from that of a contract by contract basis.

Note 2. Summary of Significant Accounting Policies (Continued)

Implementation of Accounting Pronouncements (Continued)

Under ASU 2014-09, the estimated uncollectable amounts due are generally considered implicit price concessions that are a direct reduction to net operating revenues, with a corresponding material reduction in the amounts presented separately as provision for doubtful accounts. For the year ended June 30, 2020, an immaterial amount of implicit price concessions were recorded as a direct reduction of net operating revenues that would have been recorded as provision for doubtful accounts prior to the adoption of ASU 2014-09. The adoption of ASU 2014-09 did not have a material impact on the Organization's results.

In November 2016, the FASB issued Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, which provides guidance on the presentation of the restricted cash and cash equivalents in the statement of cash flows. The Organization implemented ASU 2016-18, effective July 1, 2019. There was no impact on the Organization's financial statements as a result of the implementation of ASU 2016-18.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides analysis and guidance on how the entity should identify between the two types of transactions which would then determine which standard to follow (ASU 2014-09 or FASB Subtopic 958-605) in recognizing the revenue or expense of the transaction. The Organization has adopted ASU 2018-08 and has applied the ASU retrospectively to all periods presented. There was no impact on the Organization's financial statements as a result of the implementation of ASU 2018-08.

Note 3. Liquidity and Availability

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization manages its cash available to meet general expenditures by:

- Operating within a prudent range of financial soundness and stability
- Maintaining adequate liquid assets
- Maintaining sufficient reserves to provide reasonable assurance of sustainability
- Having a line of credit available for times of unforeseen events or delays in payment of receivables by resource providers

Note 3. Liquidity and Availability (Continued)

Assets not available to meet general expenditures within one year of the statements of financial position date include amounts in nonspendable form and assets subject to internal board designations. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution.

The following table reflects the Organization's financial assets available to meet general expenditures within one year of the statements of financial position as of June 30, 2020 and 2019.

	2020	2019
Cash Used for Operations	**$ 2,261,868**	$ 855,089
Accounts Receivable, Net	**1,178,699**	1,223,235
Total Financial Assets	**$ 3,440,567**	$ 2,078,324

Note 4. Investments

Investments are summarized as follows at June 30, 2020 and 2019:

2020	**Cost**	**Fair Market Value**
Common Stocks	**$ 770,860**	**$ 799,459**
Equity Mutual Funds	**218,837**	**295,265**
Corporate Bonds	**285,332**	**302,406**
Bond Mutual Funds	**264,648**	**276,161**
Total	**$ 1,539,677**	**$ 1,673,291**

2019	Cost	Fair Market Value
Common Stocks	$ 754,430	$ 866,417
Equity Mutual Funds	292,199	322,725
Corporate Bonds	309,875	317,504
Bond Mutual Funds	214,906	217,081
Total	$ 1,571,410	$ 1,723,727

Note 5. Unemployment Services Trust

The Organization self-insures for unemployment expenses via the Unemployment Services Trust (the Trust). The Trust balance per contract would be fully refunded to the Organization upon payment of all outstanding unemployment claims. The balance of the Trust is based on the gross balance of the account less an estimate of actual claims. The net recorded balance as of June 30, 2020 and 2019, was $122,347 and $112,392, respectively.

Note 6. Beneficial Interest in Asset Held by Others

During the year ended June 30, 2015, the Organization was made aware of a gift annuity contract entered into by a donor wherein the Organization is to receive 75% of the remainder. As of June 30, 2020 and 2019, the balance estimated to be received by the Organization was $8,296.

Note 7. Furniture and Equipment

The following is a summary of furniture and equipment at June 30, 2020 and 2019:

	2020	2019
Office Equipment	**$ 237,215**	$ 237,215
Furniture and Fixtures	**54,396**	54,396
Leasehold Improvements	**9,671**	-
Total Furniture and Equipment	**301,282**	291,611
Less: Accumulated Depreciation	**(292,627)**	(290,052)
Total Furniture and Equipment, Net	**$ 8,655**	$ 1,559

Depreciation expense was $2,575 and $8,663 for the years ended June 30, 2020 and 2019, respectively.

Note 8. Note Payable

In April 2020, the Organization received a Paycheck Protection Program (PPP) loan in the amount of $1,477,300. The loan accrues interest at 1% per annum and matures two years from the date of origination. This loan is potentially forgivable under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) if the Organization meets certain criteria. In the absence of forgiveness, eighteen monthly payments of $83,153 would commence in November 2020. There are no collateral or personal guarantees associate with this loan.

Note 9. Line of Credit

The Organization has a $500,000 revolving bank line of credit. Interest is payable at the prime rate, plus 1.25% points, with a floor of 5.25%. The interest rate was 5.25% and 6.75% as of June 30, 2020 and 2019, respectively. All unpaid interest and principal are due on April 10, 2021. The loan is secured with receivables and property, furniture, and equipment. There was no outstanding balance on the line of credit as of June 30, 2020 and 2019.

Note 10. Net Assets

As further explained in Note 11, a portion of the unrestricted net assets has been designated by the Board of Directors to be used for specific purposes. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes and are used as an aid in planning future expenditures and investing. Information regarding the components of unrestricted net assets at June 30, 2020 and 2019, is as follows:

	2020	2019
Undesignated Net Assets	**$ 2,121,185**	$ 2,145,371
Designated Net Assets		
Designated for Endowment	**1,819,402**	1,783,498
Designated for Capital Projects	**784,302**	466,732
Total Designated Net Assets	**2,603,704**	2,250,230
Total Net Assets	**$ 4,724,889**	$ 4,395,601

Note 11. Board-Designated Endowment

In May 2013, an endowment fund was established by the Board of Directors in the form of investments with the purpose of providing perpetual financial support to the Organization. As required by FASB ASC 958, *Not-For-Profit Entities*, net assets associated with endowment funds are classified and reported based on the existence or absence of restrictions imposed by a donor. The funds in the investment portfolio are not anticipated to be utilized for the daily operations of the Organization, and as such, are invested over a long-term investment horizon. The endowment fund uses a total-return based spending policy, which means that it will fund distributions from net investment return, net realized capital gains, and proceeds from the sale of investments. A distribution of fund assets is permitted to the extent that such distributions do not exceed a level that would erode the portfolio's real assets over time. As of June 30, 2020 and 2019, no appropriations have been made from the endowment.

Note 11. Board-Designated Endowment (Continued)

The investment strategy of the portfolio is to provide for capital appreciation over the long-term, deploying a moderate growth investment objective. The portfolio is managed in a way that reflects an above average risk tolerance and the ability to accept higher levels of volatility while seeking to achieve annual returns of 5% to 8% above the rate of inflation. In order to accomplish this, the investment advisor is instructed to invest the portfolio using an allocation of both equities and fixed income securities. With regards to equity securities held in the portfolio, the investment manager is not restricted in its selection of securities. However, the Organization retains the right to request the divestiture of any security it may find objectionable. With regards to fixed income securities, securities which are deemed suitable for the portfolio will be of investment grade and represent obligations of the U.S. Government or its agencies and/or domestic corporations.

To implement the investment strategy outlined above, the investment manager will invest the portfolio as follows:

Asset Class	Strategic %	Minimum	Maximum
Cash and Cash Equivalents	5%	0%	5%
Fixed Income	30%	20%	50%
Equities	65%	50%	80%

Endowment fund net asset composition by type of fund as of June 30, 2020 and 2019 are as follows:

2020	**Without Donor Restrictions**	**With Donor Restrictions**	**Total Endowment Fund Net Assets**
Board-Designated Endowment Fund	**$ 1,819,402**	**$ -**	**$ 1,819,402**
Total	**$ 1,819,402**	**$ -**	**$ 1,819,402**

2019	Without Donor Restrictions	With Donor Restrictions	Total Endowment Fund Net Assets
Board-Designated Endowment Fund	$ 1,783,498	$ -	$ 1,783,498
Total	$ 1,783,498	$ -	$ 1,783,498

Note 11. Board-Designated Endowment (Continued)

Changes in endowment fund net assets for the years ended June 30, 2020 and 2019, were as follows:

2020	**Without Donor Restrictions**	**With Donor Restrictions**	**Total Endowment Fund Net Assets**
Net Assets, Beginning of Year	**$ 1,783,498**	**$ -**	**$ 1,783,498**
Net Investment Return	**35,904**	**-**	**35,904**
Net Assets, End of Year	**$ 1,819,402**	**$ -**	**$ 1,819,402**

2019	Without Donor Restrictions	With Donor Restrictions	Total Endowment Fund Net Assets
Net Assets, Beginning of Year	$ 1,672,586	$ -	$ 1,672,586
Net Investment Return	110,912	-	110,912
Net Assets, End of Year	$ 1,783,498	$ -	$ 1,783,498

Note 12. Fair Value Measurements

FASB ASC Topic 820 defines fair value, establishes a framework for measuring fair value, and expands disclosure about fair value. Fair value concepts are applied in recording investments. FASB ASC Topic 820 establishes a fair value hierarchy which prioritizes inputs to the valuation techniques used to measure fair value. The term "inputs" refers broadly to the assumptions that market participants would use in pricing an asset or liability. Inputs may be based on independent market data (observable inputs) or they may be internally developed (unobservable inputs). The fair value hierarchy prioritizes the inputs to the valuation techniques used to measure fair value into three broad categories. These categories include: Level 1, unadjusted quoted prices in active markets for identical assets or liabilities; Level 2, directly or indirectly observable inputs other than quoted prices for the asset or liability, such as quoted market prices for similar assets or liabilities; and Level 3, unobservable inputs for use when little or no market data exists, therefore, requiring an entity to develop its own assumptions.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Note 12. Fair Value Measurements (Continued)

The market approach is used for valuing common stocks, equity mutual funds, and bond mutual funds, which are all classified within Level 1 of the fair value hierarchy. The remainder of the Organization's investment portfolio consists of corporate bonds, which may not trade on a daily basis. Corporate bonds are generally valued based upon quoted market prices from brokers and dealers, which represent fair value, and are classified within Level 2, or Level 1 if a more active market exists for the bonds.

These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Assets measured at fair value are comprised of the following as of June 30, 2020 and 2019:

2020	**Total Assets Measured at Fair Value**	**Quoted Prices in Active Markets (Level 1)**	**Based on Other Observable Inputs (Level 2)**	**Unobservable Inputs (Level 3)**
Common Stocks	**$ 799,459**	**$ 799,459**	**$ -**	**$ -**
Equity Mutual Funds	**295,265**	**295,265**	**-**	**-**
Corporate Bonds	**302,406**	**302,406**	**-**	**-**
Bond Mutual Funds	**276,161**	**276,161**	**-**	**-**
Total	**$ 1,673,291**	**$ 1,673,291**	**$ -**	**$ -**

2019	Total Assets Measured at Fair Value	Quoted Prices in Active Markets (Level 1)	Based on Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Common Stocks	$ 866,417	$ 866,417	$ -	$ -
Equity Mutual Funds	322,725	322,725	-	-
Corporate Bonds	317,504	317,504	-	-
Bond Mutual Funds	217,081	217,081	-	-
Total	$ 1,723,727	$ 1,723,727	$ -	$ -

Note 13. Significant Contracts and Grants

For the years ended June 30, 2020 and 2019, approximately $6,328,000 and $6,066,000, respectively, of contract revenue was from the State of Louisiana Department of Health and Hospitals acting as a Medicaid fiscal intermediary, and approximately $1,592,000 and $1,558,000, respectively, of contract revenue was from the State of Louisiana Department of Health and Hospitals acting as a pass-through entity for federal grants. The State of Louisiana (the State) provides annual contracts to the Organization which grant the State the right to audit program accounts and activities. The State, acting as the Medicaid intermediary for Medicaid patients, reimburses services rendered to Medicaid program beneficiaries under an allowable cost reimbursement formula that is subject to audit and retroactive adjustments. Management believes that the Organization is in compliance with the provisions of these contracts and grants and that the findings of an audit, if any, would not have a material impact on the financial statements.

Note 14. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The expense accounts that are allocated are insurance and depreciation. Allocation for these accounts is pro-rata based on functional expense totals before insurance and depreciation.

Note 15. Operating Leases

The Organization leases certain office facilities in New Orleans, Shreveport, Covington, Monroe, Alexandria, and Thibodaux. The payments on the leases range from $445 to $11,480 per month. Rent expense related to operating leases was approximately $837,199 and $689,000 for the years ended June 30, 2020 and 2019, respectively.

The future minimum lease payments under the above described non-cancelable leases are as follows:

Year Ending June 30,	Amount
2021	$ 442,763
2022	236,429
2023	180,119
2024	162,239
2025	33,848
Total	$ 1,055,398

Note 16. Pension Plan

The Organization sponsors a defined contribution profit sharing plan covering substantially all employees of the Organization who have one year of eligible service. The plan provided for contributions by the Organization equal to 2% of eligible compensation for each eligible employee for the years ended June 30, 2020 and 2019. The Organization incurred contribution expense of $117,472 and $92,860 for the years ended June 30, 2020 and 2019, respectively.

Note 17. Concentrations of Credit Risk

The Organization periodically maintains cash in bank accounts in excess of the insured limit of $250,000 provided for by the U.S. Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses and does not believe that significant credit risk exists as a result of this practice. At June 30, 2020 and 2019, the Organization held approximately $2,812,000 and $724,000, respectively, in excess of FDIC limits.

Investments are exposed to various risks such as interest rate risk, market risk, and credit risks. Future changes in financial markets could affect the value of the investment securities and future earnings of the Organization.

Note 18. Related Party Transactions

The Organization is affiliated with Easter Seals, Inc. (Easter Seals) and pays an annual membership fee. For the years ended June 30, 2020 and 2019, the fee was $44,494 and $47,199, respectively. Easter Seals provides supplies for certain campaigns and charges the Organization for those supplies. Easter Seals also remits to the Organization contributions collected on behalf of the Organization. There was $-0- due to the Organization as of June 30, 2020 and 2019.

Note 19. Risk Management

The Organization is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage during the years ended June 30, 2020 and 2019.

Note 20. Uncertain Tax Positions

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Organization believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

Note 21. Risks and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic. As discussed in Note 8, the Organization's PPP loan may qualify for forgiveness. However, the Organization may be required to repay its PPP loan to the extent any balance remains unforgiven.

During the year ended June 30, 2020, the Organization experienced lower than expected Bingo income. It is unknown how long these and any other adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the Organization.

Note 22. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 23, 2020, and determined that no events occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

EASTER SEALS LOUISIANA, INC.
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2020

Louisiana Revised Statute (LRS) 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees, be reported as a supplemental report within the financial statements of local governmental and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended LRS 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that receive public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

Agency Head
Tracy Garner, Chief Executive Officer

Purpose	Compensation and Benefits Funded by Use of Public Funds
Salary	$0
Benefits - Insurance	$0
Benefits - Retirement	$0
Benefits - Cell and Data Plan	$0
Car Allowance	$0
Vehicle Provided by Government	$0
Per Diem	$0
Reimbursements	$0
Mileage	$0
Registration Fees	$0
Conference Travel	$0
Professional Dues/ Memberships	$0
Continuing Professional Education Fees	$0
Housing	$0
Unvouchered Expenses	$0
Special Meals	$0

See independent auditor's report.

UNIFORM GUIDANCE SECTION

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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*

Independent Auditor's Report

To the Board of Directors
Easter Seals Louisiana, Inc.

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 Easter Seals Louisiana, Inc. (the Organization) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, 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 September 23, 2020.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, the report is distributed by the Legislative Auditor as a public document.

LaPorte

A Professional Accounting Corporation

Covington, LA
September 23, 2020

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the Board of Directors
Easter Seals Louisiana, Inc.

Report on Compliance for Each Major Federal Program
We have audited Easter Seals Louisiana, Inc.'s (the 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 programs for the year ended June 30, 2020. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 Regulations* 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 each of its major federal programs for the year ended June 30, 2020.

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 types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in 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 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

This report is intended for the information and use of the Board of Directors, management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana, and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, the report is distributed by the Legislative Auditor as a public document.

LaPorte

A Professional Accounting Corporation

Covington, LA
September 23, 2020

EASTER SEALS LOUISIANA, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Federal Grantor/ Pass-Through Entity/ Program Title	Federal CFDA Number	Pass-Through Award Number	Federal Expenditures
United States Department of Housing and Urban Development			
Direct			
Continuum of Care - Pathways	14.267	N/A	$ 175,551
Continuum of Care - ICE	14.267	N/A	302,938
Total United States Department of Housing and Urban Development			478,489
United States Department of Education			
Passed through the Louisiana Department of Health and Hospitals			
Special Education - Grants for Infants and Families with Disabilities	84.181	2000122759	614,455
	84.181	2000126731	484,574
	84.181	2000126711	418,407
Total United States Department of Education			1,517,436
Total Expenditures of Federal Awards			$ 1,995,925

See notes to Schedule of Expenditures of Federal Awards.

See notes to schedule of expenditures of federal awards.

Note 1. Summary of Significant Accounting Policies

Basis of Presentation
The accompanying schedule of expenditures of federal awards includes the federal grant activity of Easter Seals Louisiana, Inc. (the Organization) and is prepared in accordance with the accrual method of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Payments to Subrecipients
There were no payments to subrecipients for the year ended June 30, 2020.

Note 2. De Minimis Cost Rate

The Organization uses the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Section I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No Reported
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	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 200.516(a)?	No

Identification of major programs:

CFDA Numbers	Name of Federal Program
14.267	Continuum of Care

Dollar threshold used to determine Type A Programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II. FINANCIAL STATEMENT FINDINGS

None

Section III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None