

THE ARC OF ACADIANA, INC.

Financial Statements

Years Ended June 30, 2020 (Reviewed)
and 2019 (Audited)



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Independent Accountant's Review Report

To the Board of Directors
The Arc of Acadiana, Inc.
New Iberia, Louisiana

Report on the Financial Statements

We have reviewed the accompanying financial statements of The Arc of Acadiana, Inc. (the Arc) which comprise the statements of financial position as of June 30, 2020, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on 2019 Financial Statements

The 2019 financial statements of The Arc of Acadiana, Inc. were audited by us, and we expressed an unmodified opinion on them in our report, dated December 24, 2019. We have not performed any auditing procedures since that date.

Other Matter

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to the agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the representation of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA
December 9, 2020

THE ARC OF ACADIANA, INC.
Statements of Financial Position
June 30, 2020 and 2019

	2020	2019
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 17,421,078	\$ 16,021,692
Investments	8,132,194	8,792,345
Receivables	142,251	143,394
Due from Other Agencies, Net	2,717,414	2,239,553
Prepaid Expenses	234,999	175,939
Other Current Assets	27,085	28,135
Total Current Assets	28,675,021	27,401,058
Fixed Assets		
Property and Equipment, Net	15,668,983	13,895,009
Total Fixed Assets	15,668,983	13,895,009
Other Assets		
Deposits Held for Others	290,055	308,781
Other Assets	-	10,317
Total Other Assets	290,055	319,098
Total Assets	\$ 44,634,059	\$ 41,615,165

See accompanying notes and independent accountant's review report.

THE ARC OF ACADIANA, INC.
 Statements of Financial Position (Continued)
 June 30, 2020 and 2019

	2020	2019
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 520,275	\$ 617,771
Accrued Liabilities	736,363	673,916
Accrued Compensated Absences	454,036	402,967
	<hr/>	<hr/>
Total Current Liabilities	1,710,674	1,694,654
Other Liabilities		
Deposits Held for Others	290,055	308,781
Other Liabilities	2,233	-
	<hr/>	<hr/>
Total Other Liabilities	292,288	308,781
	<hr/>	<hr/>
Total Liabilities	2,002,962	2,003,435
Net Assets		
Without Donor Restrictions	42,105,829	39,028,140
With Donor Restrictions	525,268	583,590
	<hr/>	<hr/>
Total Net Assets	42,631,097	39,611,730
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Total Liabilities and Net Assets	\$ 44,634,059	\$ 41,615,165

See accompanying notes and independent accountant's review report.

THE ARC OF ACADIANA, INC.
Statement of Activities
For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Program Revenue	\$ 26,224,346	\$ -	\$ 26,224,346
Contributions	594,952	212,700	807,652
Investment Return, Net	384,571	-	384,571
Miscellaneous Revenue	133,663	-	133,663
Membership Revenue	11,427	-	11,427
	<u>27,348,959</u>	<u>212,700</u>	<u>27,561,659</u>
Net Assets Released from Restrictions			
Expiration of Time Restrictions	198,310	(198,310)	-
Restrictions Satisfied by Purchases	72,712	(72,712)	-
	<u>271,022</u>	<u>(271,022)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>27,619,981</u>	<u>(58,322)</u>	<u>27,561,659</u>
Expenses and Losses			
Program Expenses			
Community Services	9,072,028	-	9,072,028
Employment Services	4,781,283	-	4,781,283
Residential Services	8,060,372	-	8,060,372
Supporting Expenses			
General and Administrative	2,278,733	-	2,278,733
Total Expenses	<u>24,192,416</u>	<u>-</u>	<u>24,192,416</u>
Loss on Sale of Assets	349,876	-	349,876
Total Expenses and Losses	<u>24,542,292</u>	<u>-</u>	<u>24,542,292</u>
Change in Net Assets	3,077,689	(58,322)	3,019,367
Net Assets, Beginning of Year	<u>39,028,140</u>	<u>583,590</u>	<u>39,611,730</u>
Net Assets, End of Year	<u>\$ 42,105,829</u>	<u>\$ 525,268</u>	<u>\$ 42,631,097</u>

See accompanying notes and independent accountant's review report.

THE ARC OF ACADIANA, INC.
Statement of Activities
For the Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Program Revenue	\$ 26,425,336	\$ -	\$ 26,425,336
Contributions	656,841	434,858	1,091,699
Investment Return, Net	514,114	-	514,114
Miscellaneous Revenue	166,119	-	166,119
Membership Revenue	15,272	-	15,272
	<u>27,777,682</u>	<u>434,858</u>	<u>28,212,540</u>
Net Assets Released from Restrictions			
Expiration of Time Restrictions	359,900	(359,900)	-
Restrictions Satisfied by Purchases	27,683	(27,683)	-
	<u>387,583</u>	<u>(387,583)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>28,165,265</u>	<u>47,275</u>	<u>28,212,540</u>
Expenses and Losses			
Program Expenses			
Community Services	7,713,913	-	7,713,913
Employment Services	5,474,614	-	5,474,614
Residential Services	8,448,634	-	8,448,634
Supporting Expenses			
General and Administrative	2,136,158	-	2,136,158
Total Expenses	<u>23,773,319</u>	<u>-</u>	<u>23,773,319</u>
Loss on Sale of Assets	118,110	-	118,110
Total Expenses and Losses	<u>23,891,429</u>	<u>-</u>	<u>23,891,429</u>
Change in Net Assets	4,273,836	47,275	4,321,111
Net Assets, Beginning of Year	<u>34,754,304</u>	<u>536,315</u>	<u>35,290,619</u>
Net Assets, End of Year	<u>\$ 39,028,140</u>	<u>\$ 583,590</u>	<u>\$ 39,611,730</u>

See accompanying notes and independent accountant's review report.

THE ARC OF ACADIANA, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2020

	Program Services			Supporting Services	Total
	Community Services	Employment Services	Residential Services	General and Administrative	
Advertising	\$ -	\$ 9,524	\$ 152	\$ 6,957	\$ 16,633
Assistance Payments	1,186	-	-	-	1,186
Bed Fees	-	-	650,780	-	650,780
Clothing	-	-	12,759	-	12,759
Cost of Sales	-	589,895	16,170	-	606,065
Data Processing	71,042	19,598	40,239	10,989	141,868
Depreciation	2,218	492,133	169,047	107,664	771,062
Dietary	4,471	8,344	324,361	9,204	346,380
Drugs and Drug Screening	-	1,778	32,131	-	33,909
Dues and Subscriptions	1,022	1,489	10,916	44,482	57,909
Employee Benefits	287,924	102,792	301,624	101,877	794,217
Gifts and Remembrances	404	488	1,086	968	2,946
Insurance	29,671	397,813	203,012	74,099	704,595
Interest and Late Fees	180	140	891	127	1,338
Laundry and Linen	-	48	16,008	-	16,056
Licenses	700	2,454	7,409	318	10,881
Medical Services	3,419	564	20,929	-	24,912
Medical Supplies	8,978	5,160	143,604	399	158,141
Miscellaneous	16,302	9,883	16,749	32,146	75,080
Office Supplies	23,482	28,567	34,801	35,248	122,098
Payroll Taxes	605,059	172,513	348,076	90,464	1,216,112
Professional Fees	30,836	20,949	160,195	76,190	288,170
Purchase of Assets < \$5,000	5,494	28,850	54,333	7,853	96,530
Recruitment	-	-	137	49,078	49,215
Rent	-	94,925	-	-	94,925
Repairs and Maintenance	13,810	125,714	209,333	21,810	370,667
Salaries and Wages	7,911,657	2,161,588	4,680,978	1,497,614	16,251,837
Supplies	532	64,261	117,506	4,225	186,524
Taxes and Fees	-	-	12	2,672	2,684
Telephone	19,180	52,289	51,077	38,703	161,249
Training	920	320	525	34,653	36,418
Transportation	11,274	262,286	67,042	13,073	353,675
Travel	11,757	313	14,331	7,857	34,258
Utilities	10,510	126,605	354,159	10,063	501,337
Total	\$ 9,072,028	\$ 4,781,283	\$ 8,060,372	\$ 2,278,733	\$ 24,192,416

See accompanying notes and independent accountant's review report.

THE ARC OF ACADIANA, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2019

	Program Services			Supporting Services	Total
	Community Services	Employment Services	Residential Services	General and Administrative	
Advertising	\$ 126	\$ 24,540	\$ 368	\$ 4,351	\$ 29,385
Assistance Payments	9,891	-	-	49	9,940
Bed Fees	-	-	701,072	-	701,072
Clothing	-	-	25,469	-	25,469
Cost of Sales	-	667,892	-	-	667,892
Data Processing	57,732	22,271	38,818	9,980	128,801
Depreciation and Amortization	3,782	456,548	94,241	95,154	649,725
Dietary	4,768	11,875	403,644	10,457	430,744
Drugs and Drug Screening	48	232	18,574	-	18,854
Dues and Subscriptions	889	1,507	1,714	48,685	52,795
Employee Benefits	355,052	146,606	411,498	98,523	1,011,679
Gifts and Remembrances	622	1,127	2,903	(955)	3,697
Insurance	20,866	423,840	218,965	90,586	754,257
Interest and Late Fees	-	211	3,731	265	4,207
Laundry and Linen	-	40	15,817	-	15,857
Lease Equipment	-	-	11,297	-	11,297
Licenses	150	1,966	8,016	600	10,732
Medical Services	136	997	40,031	-	41,164
Medical Supplies	9,121	4,026	88,671	-	101,818
Miscellaneous	13,562	31,199	13,337	18,121	76,219
Office Supplies	11,967	8,959	32,121	30,396	83,443
Payroll Taxes	520,906	210,592	356,756	79,100	1,167,354
Professional Fees	32,681	18,391	162,797	90,685	304,554
Purchase of Assets < \$5,000	-	23,712	69,631	-	93,343
Recruitment	12,129	5,046	20,161	25,293	62,629
Rent	-	95,277	-	-	95,277
Repairs and Maintenance	13,881	122,709	228,386	27,379	392,355
Salaries and Wages	6,579,306	2,582,730	4,643,922	1,378,591	15,184,549
Supplies	432	81,027	148,660	5,933	236,052
Taxes and Fees	-	1,129	(994)	1,236	1,371
Telephone	27,277	47,968	87,148	50,905	213,298
Training	1,436	428	2,925	38,215	43,004
Transportation	14,010	313,859	68,392	14,132	410,393
Travel	18,493	435	19,749	8,603	47,280
Utilities	4,650	167,475	510,814	9,874	692,813
Total	\$ 7,713,913	\$ 5,474,614	\$ 8,448,634	\$ 2,136,158	\$ 23,773,319

See accompanying notes and independent accountant's review report.

THE ARC OF ACADIANA, 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	\$ 3,019,367	\$ 4,321,111
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	771,062	649,725
Realized and Unrealized Gain on Investments, Net	(219,666)	(285,674)
Loss on Sale of Fixed Assets	349,876	118,110
Donated Fixed Assets	(212,700)	(192,244)
(Increase) Decrease in Assets		
Receivables	1,143	(55,352)
Due from Other Agencies	(477,861)	(166,385)
Prepaid Expenses	(59,060)	4,753
Other Current Assets	1,050	(1,213)
Deposits Held for Others and Other Assets	29,043	745
Increase (Decrease) in Liabilities		
Accounts Payable	(97,496)	162,009
Accrued Liabilities	62,447	(186,854)
Accrued Compensated Absences	51,069	45,071
Deposits Held for Others and Other Liabilities	(16,493)	(4,726)
Deferred Revenue	-	(3,900)
Net Cash Provided by Operating Activities	3,201,781	4,405,176
Cash Flows from Investing Activities		
Purchase of Fixed Assets	(2,693,377)	(4,757,469)
Proceeds from Sale of Fixed Assets	11,165	39,658
Purchase of Investments	-	(3,500,000)
Proceeds from Sale of Investments	879,817	6,248,625
Net Cash Used in Investing Activities	(1,802,395)	(1,969,186)
Cash Flows from Financing Activities		
Principal Payments Under Capital Lease Obligations	-	(7,761)
Net Cash Used in Financing Activities	-	(7,761)
Net Increase in Cash and Cash Equivalents	1,399,386	2,428,229
Cash and Cash Equivalents, Beginning of Year	16,021,692	13,593,463
Cash and Cash Equivalents, End of Year	\$ 17,421,078	\$ 16,021,692
Supplemental Disclosure of Cash Flow Information		
Cash Paid for Interest	\$ 249	\$ 3,059

See accompanying notes and independent accountant's review report.

Note 1. Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

The accompanying basic financial statements include the accounts of The Arc of Acadiana, Inc. (the Arc), a Louisiana nonprofit corporation originally chartered in August 1954. Arc's purpose is to promote the general welfare of developmentally disabled physically handicapped and incapacitated citizens in the Acadiana area and to aid their parents and families. The following is a description of the various programs:

Community Services

The programs listed below are consolidated into one program. These programs operate in New Iberia, Lafayette, Rayne, and Opelousas, Louisiana.

Independent Living - Arc supervises adults who are developmentally disabled that live in their own home or apartment.

Personal Care Assistance (PCA) and Individual Family Support (IFS) - The PCA and IFS programs provide the services to the Independent Living program on more of a "one-on-one" basis. These programs are administered completely out of the clients' homes.

Employment Services

Employment Services is a day program for citizens of the community who are developmentally disabled. The day program operates in New Iberia, Lafayette, Iota, and Opelousas, Louisiana. Employment Services also operates several used clothing stores with locations in New Iberia, Lafayette, Eunice, Jeanerette, and Opelousas, Louisiana as well as provides various services such as janitorial and lawn care. Sales from these stores and services account for approximately 3% of program revenue for each of the years ended June 30, 2020 and 2019.

Residential Services

Residential Services provides homes in the Lafayette, New Iberia, Iota, Rayne, and Bossier City, Louisiana areas for adults who are developmentally disabled.

Operating Fund

The operating fund is used to account for all general and administrative expenses of the Arc.

Basis of Accounting

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

Cash and Cash Equivalents

For the purposes of the statements of cash flows, Arc considers all highly liquid investments (including restricted assets) with an original maturity of three months or less to be cash equivalents.

See independent accountant's review report.

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Investments

Investments in certificates of deposit are presented in the financial statements at cost which approximates fair market value. Investments in equity securities with readily determinable fair values and investments in debt securities are reported at their fair values in the statements of financial position. Unrealized and realized gains and losses, interest and dividends, and investment expenses are reported net in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Allowance for Doubtful Accounts

Arc considers amounts due from other agencies to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded.

Property and Equipment

Purchased property and equipment in excess of \$5,000 are capitalized and recorded at cost at the date of acquisition. Contributed property and equipment are recorded at fair value at the date of donation. In the absence of donor stipulations regarding how long the contributed assets must be used, Arc has adopted a policy of implying a time restriction on contributions of such assets which expire over the assets' useful lives. As a result, all contributions of property and equipment, and of assets contributed to acquire property and equipment, are recorded as restricted support.

Depreciation and amortization are computed by the straight-line method at rates based on the following estimated useful lives:

Furniture and Equipment	5 - 20 Years
Building and Improvements	8 - 30 Years
Transportation Equipment	3 - 5 Years

Impairment of Long-Lived Assets

Arc reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is present when the sum of undiscounted estimated future cash flows expected to result from use of the assets is less than carrying value. If impairment is present, the carrying value of the impaired asset is reduced to its fair value. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets. During the years ended June 30, 2020 and 2019, there were no impairment losses recognized for long-lived assets.

See independent accountant's review report.

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Contributions and Expenses

Contributions are recorded as net assets without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions in the statements of activities as net assets released from restrictions.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

In-Kind Contributions

In-kind contributions consist of donated materials which are recorded as contributions at fair value when an unconditional commitment is received from the donor.

Compensated Absences

Employees of the Arc earn annual leave per month depending on years of service at a minimum of twelve days per fiscal year. Annual leave is cumulative from one year to the next, up to a maximum of 240 hours.

Upon resignation or termination of employment for cause, an employee may be paid for the value of any accrued leave up to a maximum of 240 hours.

Non-Direct Response Advertising

Arc expenses advertising costs as incurred. Advertising expense charged to operations totaled \$16,633 and \$29,385 for the years ended June 30, 2020 and 2019, respectively.

Income Taxes

Arc qualifies for an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

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. Arc believes that they have 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.

See independent accountant's review report.

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of the 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 those estimates.

Fair Value of Financial Instruments

Investments in equity securities with readily determinable fair values and investments in debt securities are measured at fair value in the statements of financial position.

The Arc follows the *Fair Value Measurement* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under this Topic, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This Topic establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date.

Investments whose values are based on quoted market prices in active markets, and are therefore classified as Level 1, include but are not limited to actively traded equities and certain money market securities.

- Level 2 Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, as of the reporting date.

Investments classified as Level 2 trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These generally include certain U.S. government and sovereign obligations, most government agency securities, investment grade corporate bonds, less liquid listed equities, state, municipal and principal obligations, and most physical commodities. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

See independent accountant's review report.

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Fair Value of Financial Instruments (Continued)

Level 3 Valuations based on inputs that are unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement (see Note 4).

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated on a reasonable basis that is consistently applied. When possible, expenses are first allocated by direct identification and then allocation if an expenditure benefits more than one program or function. The expenses that are allocated include salaries and wages, employee benefits, and payroll taxes which are allocated on the basis of estimates of time and effort.

Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in generally accepted accounting principles in the United States of America (U.S. GAAP) when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. In June 2020, the FASB issued ASU 2020-05 which defers the effective date of ASU 2015-14 one year, making it effective for annual reporting periods beginning after December 15, 2019. Arc plans to adopt the new revenue guidance effective July 1, 2020 by recognizing the cumulative effect of initially applying the new standard as an increase to the opening balance of net assets. Based on the foregoing, at the current time Arc does not anticipate this standard will have a material impact on its financial statements.

See independent accountant's review report.

THE ARC OF ACADIANA, INC.

Notes to Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Arc is currently evaluating the impact of our pending adoption of the new standard on our financial statements.

Reclassification

Certain amounts have been reclassified with no effect on change in net assets to be consistent with the classifications for the year ended June 30, 2020.

Note 2. Due from Other Agencies, Net

Due from other agencies, net at June 30, 2020 and 2019, consisted of the following:

	2020	2019
Due from Medicaid, Net	\$ 2,676,649	\$ 2,143,678
Due from Louisiana Rehabilitation Services, Net	18,662	28,797
Due from O.C.D.D.	15,795	13,323
Due from Other Facilities, Net	6,308	53,755
Total	\$ 2,717,414	\$ 2,239,553

See independent accountant's review report.

THE ARC OF ACADIANA, INC.

Notes to Financial Statements

Note 3. Investments

As more fully described in Note 1, investments are presented in the financial statements at fair value and are composed of the following for the years ended June 30, 2020 and 2019:

	2020	2019
Cash - Money Market and Certificate of Deposit	\$ 1,491,944	\$ 2,221,387
Equity Securities	3,432,222	2,940,480
Debt Securities	3,208,028	3,630,478
Total	\$ 8,132,194	\$ 8,792,345

Note 4. Fair Value Measurements

The Arc's assets recorded at fair value have been categorized based upon a fair value hierarchy with the *Fair Value Measurement* Topic of the FASB ASC. See Note 1 for a description of the Arc's policies and valuation techniques.

The valuation of the Arc's assets measured at fair value on a recurring basis at June 30, 2020 and 2019 is as follows:

June 30, 2020	Level 1	Level 2	Level 3	Net Balance
Cash - Money Market and Certificate of Deposit	\$ 1,085,273	\$ 406,671	\$ -	\$ 1,491,944
Corporate Fixed Income	266,432	-	-	266,432
Corporate Stocks and ETFs	937,858	-	-	937,858
Corporate Trusts	48,635	-	-	48,635
Open End Mutual Funds	2,494,364	-	-	2,494,364
U.S. Government Obligations	2,892,961	-	-	2,892,961
Total	\$ 7,725,523	\$ 406,671	\$ -	\$ 8,132,194

June 30, 2019	Level 1	Level 2	Level 3	Net Balance
Cash - Money Market and Certificate of Deposit	\$ 1,943,461	\$ 277,926	\$ -	\$ 2,221,387
Corporate Fixed Income	174,567	-	-	174,567
Corporate Stocks and ETFs	562,546	-	-	562,546
Corporate Trusts	87,484	-	-	87,484
Open End Mutual Funds	2,377,934	-	-	2,377,934
U.S. Government Obligations	3,368,427	-	-	3,368,427
Total	\$ 8,514,419	\$ 277,926	\$ -	\$ 8,792,345

See independent accountant's review report.

THE ARC OF ACADIANA, INC.

Notes to Financial Statements

Note 5. Property and Equipment, Net

Property and equipment, net at June 30, 2020 and 2019, consisted of the following:

June 30, 2020	Purchased Assets		Total
	Historical Cost	Donated Value	
Land	\$ 1,548,778	\$ -	\$ 1,548,778
Building and Improvements	12,687,056	-	12,687,056
Furniture and Equipment	1,177,694	42,300	1,219,994
Vehicles	1,222,157	2,229,153	3,451,310
Construction in Progress	3,314,205	-	3,314,205
	<u>19,949,890</u>	<u>2,271,453</u>	<u>22,221,343</u>
Less: Accumulated Depreciation	(4,806,175)	(1,746,185)	(6,552,360)
Net Property and Equipment	\$ 15,143,715	\$ 525,268	\$ 15,668,983

June 30, 2019	Purchased Assets		Total
	Historical Cost	Donated Value	
Land	\$ 1,556,778	\$ -	\$ 1,556,778
Building and Improvements	12,685,517	-	12,685,517
Furniture and Equipment	1,131,718	42,300	1,174,018
Vehicles	1,173,700	2,281,465	3,455,165
Construction in Progress	1,612,484	-	1,612,484
	<u>18,160,197</u>	<u>2,323,765</u>	<u>20,483,962</u>
Less: Accumulated Depreciation	(4,776,067)	(1,812,886)	(6,588,953)
Net Property and Equipment	\$ 13,384,130	\$ 510,879	\$ 13,895,009

Total depreciation expense for the years ended June 30, 2020 and 2019 was \$771,062 and \$642,533, respectively, of which \$169,949 and \$168,499, respectively, was related to donated assets.

See independent accountant's review report.

THE ARC OF ACADIANA, INC.

Notes to Financial Statements

Note 6. Capital Leases

Arc leased certain equipment used in its operations under agreements that were classified as capital leases. The carrying amount of such equipment approximates the lesser of the present value of the associated minimum lease payments or the fair market value at the start of the lease. All of the equipment leases expired during the year ended June 30, 2019. The lease obligations were secured by the leased equipment. During the year ended June 30, 2019, the leased asset was returned, resulting in no capital lease assets as of June 30, 2019.

Amortization expense related to capital lease obligations was \$-0- and \$7,192 for years ended June 30, 2020 and 2019, respectively.

Interest expense under capital lease obligations was \$-0- and \$3,059 for years ended June 30, 2020 and 2019, respectively.

Note 7. Operating Leases

Arc leases facilities under operating leases, some of which include renewal options. Rental expenses under long-term operating leases for the years ended June 30, 2020 and 2019 were \$94,925 and \$106,574, respectively.

Future minimum lease commitments as of June 30, 2020 are payable as follows:

Years	Amount
2021	\$ 49,200
2022	49,200
2023	<u>29,100</u>
Total	<u>\$ 127,500</u>

See independent accountant's review report.

THE ARC OF ACADIANA, INC.

Notes to Financial Statements

Note 8. Detail of Program Revenue

Program revenue included the following for the years ended June 30, 2020 and 2019:

June 30, 2020	Total	Program		
		Employment Services	Community Services	Residential Services
Medicaid	\$ 24,084,221	\$ 3,254,861	\$ 10,991,377	\$ 9,837,983
Office of Citizens with Developmental Disabilities	131,863	127,014	4,849	-
Louisiana Rehab Services	26,750	26,750	-	-
Sales	732,986	731,236	-	1,750
Client Billings	1,040,365	17,823	164,948	857,594
Other Residential Facilities	208,161	208,161	-	-
Total Program Revenue	\$ 26,224,346	\$ 4,365,845	\$ 11,161,174	\$ 10,697,327

June 30, 2019	Total	Program		
		Employment Services	Community Services	Residential Services
Medicaid	\$ 23,977,615	\$ 3,338,944	\$ 9,654,519	\$ 10,984,152
Office of Citizens with Developmental Disabilities	148,758	93,982	54,776	-
Louisiana Rehab Services	15,000	15,000	-	-
Sales	894,039	892,403	-	1,636
Client Billings	1,077,912	32,761	151,237	893,914
Other Residential Facilities	312,012	312,012	-	-
Total Program Revenue	\$ 26,425,336	\$ 4,685,102	\$ 9,860,532	\$ 11,879,702

Note 9. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	2020	2019
Subject to the Passage of Time		
Donated Vehicles from LDOTD	\$ 525,268	\$ 510,878
Subject to Expenditures for Specified Purpose		
Purchase of Generators for Particular Homes	-	72,712
Total Net Assets with Donor Restrictions	\$ 525,268	\$ 583,590

See independent accountant's review report.

Note 10. Fiduciary Funds

Arc acts as a fiduciary agent for several of its resident clients. The balance of the reconciled checking accounts maintained by Arc totaled \$190,407 and \$130,654 for the years ended June 30, 2020 and 2019, respectively.

The Community Services Program, through its Independent Living Program, also acts as fiduciary agent for several of its clients. Checking accounts are maintained for each client, as applicable. Deposits include the client's social security benefits, the payroll checks, if employed, and miscellaneous gifts from family members. Disbursements consist of day-to-day living expenses and are based on the individual client's needs. The balance in these reconciled checking accounts at June 30, 2020 and 2019 was \$99,648 and \$178,127, respectively.

Note 11. Retirement Plan

Arc offers a 401(k) retirement plan to all employees who have met the eligibility requirement of 1 year of service. Participants may elect to contribute portions of their eligible compensation, up to the maximum allowed by law. Arc contributes a basic matching contribution equal to the sum of 100% of the amount of the participant's salary deferral (including catch-up contributions), up to 3% of the participant's eligible compensation, plus 50% of the amount of the participant's salary deferral between 3% and 5% of the participant's eligible compensation. Alternatively, Arc may choose to make an enhanced matching contribution equal to the sum of 100% of the participant's salary deferral (including catch-up contributions), up to 4% of the participant's eligible compensation, or a non-elective contribution equal to 3% of the participant's eligible compensation. Participants become fully vested in employer matching contributions after 6 years of service. Arc's matching contributions for the years ended June 30, 2020 and 2019 were \$199,248 and \$185,122, respectively.

Note 12. Concentration of Credit Risk

Arc periodically maintains cash and time deposit balances in excess of Federal Deposit Insurance Corporation (FDIC) coverage at its banks. A large majority of funds held on deposit by Arc is transferred each night to a repurchase account and collateralized with direct U.S. Government obligations, U.S. Government Agency obligations, or collateralized mortgage obligations. As of June 30, 2020 and 2019, amounts over FDIC coverage totaled \$16,621,167 and \$15,110,771, respectively.

Arc also receives a considerable amount of its total support and revenues from Medicaid for payments for services provided to clients. During the years ended June 30, 2020 and 2019, Arc received \$24,076,207 and \$23,977,615, respectively, from Medicaid, which was 87% and 85% of total revenues, respectively.

See independent accountant's review report.

Note 13. Pending Litigation

Arc is a part to various legal actions arising in the ordinary course of operations. In the opinion of management, all such matters are adequately covered by insurance and, if not so covered, are without merit or are of such kind, or involve such amounts as would not have a significant effect on the financial position or results of operations of the Arc if disposed of unfavorably.

Note 14. Related-Party Transactions

As of June 30, 2020 and 2019, Arc held investments with a company managed by a member of the Board of Directors.

Note 15. 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 10, 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 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 Arc operates. While it is unknown how long these conditions will last and what the complete financial effect will be to Arc, to date, Arc is not experiencing any significant financial impact.

Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions, including Arc's investments which are subject to potential loss arising from adverse changes in quoted market prices. Arc's management will continue to monitor its investment holdings as it has done in the past, but has no immediate plans to change its investment portfolio.

Note 16. Liquidity

Arc has \$20,280,743 of financial assets, consisting of cash and cash equivalents as well as accounts receivable and amounts due from other agencies, that are available within one year of the financial position dated June 30, 2020 for normal operating expenditures.

As part of its liquidity management plan, cash in excess of daily requirements is invested in certificates of deposit, equity securities, and debt securities, in the amount of \$8,132,194 that can be liquidated and made available.

See independent accountant's review report.

Note 16. Liquidity (Continued)

Arc regularly monitors liquidity required to meet its operating needs and other contractual commitments. Expenditures are generally met within 30 days, utilizing the financial resources Arc has available. In addition, Arc operates with a budget to monitor sources and uses of funds throughout the year.

Note 17. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, which was December 9, 2020, and determined that the following event occurred that requires disclosure:

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES) which established, through the Department of Health and Human Services (HHS), the Provider Relief Fund (the Fund). The Fund was created to assist hospitals and healthcare providers on the front lines of the coronavirus response. On June 9, 2020, HHS expanded participation in the Fund to Medicaid-funded providers of Home and Community Based Services (HCBS) for people with intellectual and developmental disabilities (I/DD). The Arc applied for amounts under this Fund and received approximately \$525,000 on September 29, 2020.

No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

THE ARC OF ACADIANA, INC.
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2020

2019-01 Misappropriation of Assets

Resolved. The employee referenced in the finding resigned upon being informed of the discovery, and is no longer employed with Arc. This former employee was ordered in court to pay restitution in the amount of the deductible for the theft loss claim that Arc filed.

THE ARC OF ACADIANA, INC.
Schedule of Compensation, Benefits, and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended June 30, 2020

Louisiana Revised Statute (R.S.) 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 statement of local government and quasi-public auditees. In 2016, Act 462 of the 2016 Regular Session of the Louisiana Legislature further amended R.S. 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
 Kenny Patton, Chief Executive Officer

Purpose	Compensation and Benefits Funded by Use of Public Funds
Salary	\$304,750
Benefits - Insurance	\$1,549
Benefits - Retirement	\$10,400
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Organization	\$828
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$400

AGREED-UPON PROCEDURES REPORT

The Arc of Acadiana, Inc.

Independent Accountant's Report
on Applying Agreed-Upon Procedures

For the Period of July 1, 2019 - June 30, 2020

To the Board of Directors
The Arc of Acadiana, Inc. and the
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by The Arc of Acadiana, Inc. and the Louisiana Legislative Auditor (the specified parties), on the Arc's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2020, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Arc's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and results are as follows:

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Arc's management.

Results: The Arc provided us with the following list of expenditures made for federal grant awards received during the fiscal year ended June 30, 2020:

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
Louisiana Department of Transportation and Development (DOTD) Vehicles Grant	7/1/19 - 6/30/20	n/a	\$ 212,670
Freedom Grant	7/1/19 - 6/30/20	n/a	\$ 8,090
Office for Citizens with Developmental Disabilities (OCDD) Grant	7/1/19 - 6/30/20	n/a	\$ 131,862
Total Expenditures			\$ 352,653

LOUISIANA • TEXAS

An Independently Owned Member, RSM US Alliance
RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each is separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

Results: No exceptions were found as a result of this procedure.

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

Results: No exceptions were found as a result of this procedure.

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

Results: No exceptions were found as a result of this procedure.

5. Report whether the selected disbursements were approved in accordance with the Arc's policies and procedures.

Results: No exceptions were found as a result of this procedure.

6. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

Results: No exceptions were found as a result of this procedure.

7. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Arc's financial records; and report whether the amounts in the close-out reports agree with the Arc's financial records.

Results: No exceptions were found as a result of this procedure.

Open Meetings

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions. Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meetings Law" available on the Legislative Auditor's website at [https://app.la.state.la.us/lala.nsf/BAADB2991272084786257AB8006EE827/\\$FILE/Open%20Meetings%20Law%20FAQ.pdf](https://app.la.state.la.us/lala.nsf/BAADB2991272084786257AB8006EE827/$FILE/Open%20Meetings%20Law%20FAQ.pdf), to determine whether a non-profit agency is subject to the open meetings law.

Results: Not subject to open meetings law.

Budget

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the Arc provided to the applicable federal, state, or local grantor agency. Report whether the budgets for federal, state, and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

Results: No exceptions were found as a result of this procedure.

State Audit Law

10. Report whether the Arc provided for a timely report in accordance with R.S. 24:513.

Results: No exceptions were found as a result of this procedure.

11. Inquire of management and report whether the Arc entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the Arc was not in compliance with R.S. 24:513 (the audit law).

Results: No exceptions were found as a result of this procedure.

Prior-Year Comments

12. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

Results: No exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. 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 the Arc's compliance with the foregoing matters. 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 the Arc's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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.



A Professional Accounting Corporation

Metairie, LA
December 9, 2020

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-Public Agencies)

Dear Chief Executive Officer:

Attached is the Louisiana Attestation Questionnaire that is to be completed by you or your staff. This questionnaire is a required part of the review/attestation engagement of Louisiana quasi-public agencies. The completed and signed questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting.

The completed and signed attestation questionnaire and a copy of the adoption instrument, if appropriate, **must be given to the independent certified public accountant at the beginning of the engagement.** The CPA will, during the course of his/her engagement, perform certain agreed-upon procedures to the responses in the questionnaire. It is not necessary to return the questionnaire to the Legislative Auditor's office.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the CPA during the course of his/her engagement. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

_____ (Date Transmitted)

_____ (CPA Firm Name)

_____ (CPA Firm Address)

_____ (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 31, 2020 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication “[Open Meeting FAQs](#),” available on the Legislative Auditor’s website to determine whether a non-profit agency is subject to the open meetings law.**

n/a not subject to Open Meetings Law

Yes No

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

No budget reporting was required

Yes No

Reporting

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No

]

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

NO noncompliance issues

Yes No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes No

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

NO noncompliance communications received by Organization

Yes No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes No

The previous responses have been made to the best of our belief and knowledge.

_____Secretary_____Date

_____Treasurer_____Date

_____President_____Date

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes No

The previous responses have been made to the best of our belief and knowledge.

Larry Hungen Secretary 10/28/2020 Date
Ralph Freund Treasurer 10/28/2020 Date
Joseph M. J. President 10-28-2020 Date