

Financial Report

Lafourche ARC
Thibodaux, Louisiana

June 30, 2024



Financial Report

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Thibodaux, Louisiana

June 30, 2024

TABLE OF CONTENTS

Lafourche ARC
Thibodaux, Louisiana

June 30, 2024 and 2023

Page Numbers

Financial Section

Independent Auditor's Report	1 - 4
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Exhibits

A - Statements of Financial Position	5
B - Statements of Activities	6 - 7
C-1 - Statement of Functional Expenses For the year ended June 30, 2024	8 - 9
C-2 - Statement of Functional Expenses For the year ended June 30, 2023	10 - 11
D - Statements of Cash Flows	12
E - Notes to Financial Statements	13 - 24

Supplementary Information Section

Schedules

1 - Schedule of Program Financial Position	25 - 26
2 - Schedule of Program Activities	27 - 28
3 - Schedule of Program Services Expenses	29 - 30
4 - Schedule of Support Services Expenses	31 - 32
5 - Schedule of Revenues and Expenses For the Years Ended June 30, 2024, 2023, and 2022	33
6 - Graph of Revenues For the Years Ended June 30, 2024, 2023, and 2022	34
7 - Graph of Expenses For the Years Ended June 30, 2024, 2023, and 2022	35
8 - Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	36

TABLE OF CONTENTS
(Continued)

Page
Numbers

Special Reports of Certified Public Accountants

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	37 - 38
Schedule of Findings and Responses	39

Reports by Management

Schedule of Prior Year Findings and Responses	40
Management's Corrective Action Plan	41

Statewide Agreed-Upon Procedures

Independent Accountant's Report on Applying Agreed-Upon Procedures	42 - 43
Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures	44 - 61

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Lafourche ARC,
Thibodaux, Louisiana.

Opinion

We have audited the accompanying financial statements of Lafourche ARC (the "Association"), a nonprofit organization, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Association as of June 30, 2024 and 2023, and the changes in net assets, functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently know information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in the Schedules 1 through 8 for the years ended June 30, 2024 and 2023 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements and the basic financial statements themselves, and other additional procedures in accordance with auditing procedures generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements for the years ended June 30, 2024 and 2023, taken as a whole.

We also have previously audited, 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, the Statement of Financial Position of Lafourche ARC as of June 30, 2022, and the related Statement of Activities for the year ended June 30, 2022 (none of which are presented herein), and we expressed an unmodified opinion on those financial statements. That audit was conducted for purposes of forming an opinion on the basic financial statements as a whole. The information contained in Schedules 5 through 7 for the year ended June 30, 2022 is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements as of and for the year ended June 30, 2022. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 presented in Schedules 5 through 7 for the year ended June 30, 2022 is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2024 on our consideration of Lafourche ARC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association'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 Association's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Bourgeois Bennett, L.L.C." in a cursive script.

Certified Public Accountants.

Houma, Louisiana,
December 12, 2024.

STATEMENTS OF FINANCIAL POSITION**Lafourche ARC**
Thibodaux, Louisiana

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash	\$ 962,630	\$ 1,176,347
Investments	8,421,144	8,401,656
Due from State of Louisiana	842,947	1,090,898
Accounts receivable	497,801	75,061
Deposits and other assets	94,669	217,348
Buildings, furniture, and equipment, net	<u>3,601,862</u>	<u>3,310,340</u>
Totals	<u><u>\$ 14,421,053</u></u>	<u><u>\$ 14,271,650</u></u>
Liabilities		
Accounts payable and accrued liabilities	\$ 605,992	\$ 546,271
Net Assets		
Without donor restrictions	<u>13,815,061</u>	<u>13,725,379</u>
Totals	<u><u>\$ 14,421,053</u></u>	<u><u>\$ 14,271,650</u></u>

See notes to financial statements.

STATEMENTS OF ACTIVITIES**Lafourche ARC**
Thibodaux, Louisiana

For the years ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Changes in Net Assets Without Donor Restrictions		
Support and Revenues		
Support:		
Group services:		
Habilitation services	\$ 6,480,277	\$ 6,433,448
Residential services	3,646,669	3,752,139
Governmental grants:		
Office for Citizens with Developmental Disabilities	75,375	42,529
State of Louisiana - hotel/motel tax	344,734	344,734
Department of Transportation and Development	431,646	-
Federal Emergency Management Agency	40,638	244,390
Lafourche Parish Government	350,000	-
South Central Human Services Authority	200,000	-
Client income	435,878	373,422
Sheltered workshop, net of \$163,559 (\$164,165 in 2023) of direct costs	11,950	49,448
Fundraising	108,644	20,990
Contributions	49,728	88,477
	<u>12,175,539</u>	<u>11,349,577</u>
Total support without donor restrictions		
Revenues:		
Investment income, net	604,790	156,100
Gain (loss) on sales of capital assets	(10,132)	8,154
Insurance proceeds	2,305	156,173
Miscellaneous	4,203	20,638
	<u>601,166</u>	<u>341,065</u>
Total revenues		
Total support, revenues, and net assets released from restrictions	<u>12,776,705</u>	<u>11,690,642</u>

**Exhibit B
(Continued)**

	<u>2024</u>	<u>2023</u>
Expenses		
Program services:		
Medical and nursing	90,410	72,796
Therapeutic and training	8,500,890	8,507,701
Recreational	4,946	4,173
Consultants	<u>332,066</u>	<u>329,552</u>
Total program services	<u>8,928,312</u>	<u>8,914,222</u>
Support services:		
Administrative and general	2,913,226	2,584,851
Plant operations and maintenance	265,334	309,030
Costs related to capital assets	392,606	328,276
Dietary	136,541	112,241
Laundry and linen	10,589	5,566
Housekeeping supplies	28,892	22,267
Personal client needs	<u>11,523</u>	<u>11,784</u>
Total support services	<u>3,758,711</u>	<u>3,374,015</u>
Total expenses	<u>12,687,023</u>	<u>12,288,237</u>
Increase (decrease) in net assets without donor restrictions	89,682	(597,595)
Net Assets		
Beginning of year	<u>13,725,379</u>	<u>14,322,974</u>
End of year	<u><u>\$ 13,815,061</u></u>	<u><u>\$ 13,725,379</u></u>
See notes to financial statements.		

STATEMENT OF FUNCTIONAL EXPENSES**Lafourche ARC**
Thibodaux, Louisiana

For the year ended June 30, 2024

	Program Services				
	Medical and Nursing	Therapeutic and Training	Recreational	Consultants	Totals
Bed fees	\$ -	\$ -	\$ -	\$ -	\$ -
Clothing	-	-	-	-	-
Contracts - outside services	-	-	-	332,066	332,066
Depreciation	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Food	-	-	-	-	-
Insurance	-	-	-	-	-
Licenses	-	-	-	-	-
Linen and bedding	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Medical services	23,567	-	-	-	23,567
Other	10,513	-	-	-	10,513
Postage	-	-	-	-	-
Prescriptions	5,154	-	-	-	5,154
Professional fees	-	-	-	-	-
Rent	-	-	-	-	-
Salaries, payroll taxes, and benefits	-	8,497,272	-	-	8,497,272
Supplies	51,176	3,618	4,946	-	59,740
Telephone	-	-	-	-	-
Training-in-service	-	-	-	-	-
Travel and seminars	-	-	-	-	-
Utilities	-	-	-	-	-
Vehicles - gas, oil, and repairs	-	-	-	-	-
Total expenses	<u>\$ 90,410</u>	<u>\$ 8,500,890</u>	<u>\$ 4,946</u>	<u>\$ 332,066</u>	<u>\$ 8,928,312</u>

See notes to financial statements.

Supporting Services								
Administrative and General	Plant Operations and Maintenance	Costs Related to Capital Assets	Dietary	Laundry and Linen	Housekeeping Supplies	Personal Client Needs	Totals	Grand Totals
\$ 206,461	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206,461	\$ 206,461
-	-	-	-	-	-	4,809	4,809	4,809
-	-	-	9,580	-	-	-	9,580	341,646
-	-	392,606	-	-	-	-	392,606	392,606
12,000	-	-	-	-	-	-	12,000	12,000
-	-	-	116,679	-	-	-	116,679	116,679
628,533	-	-	-	-	-	-	628,533	628,533
11,470	-	-	-	-	-	-	11,470	11,470
-	-	-	-	4,659	-	-	4,659	4,659
-	134,083	-	-	-	-	-	134,083	134,083
-	-	-	-	-	-	-	-	23,567
189,341	-	-	-	-	-	6,714	196,055	206,568
3,961	-	-	-	-	-	-	3,961	3,961
-	-	-	-	-	-	-	-	5,154
267,621	-	-	-	-	-	-	267,621	267,621
40,447	-	-	-	-	-	-	40,447	40,447
1,015,011	-	-	-	-	-	-	1,015,011	9,512,283
110,380	-	-	10,282	5,930	28,892	-	155,484	215,224
126,752	-	-	-	-	-	-	126,752	126,752
7,015	-	-	-	-	-	-	7,015	7,015
58,006	-	-	-	-	-	-	58,006	58,006
-	131,251	-	-	-	-	-	131,251	131,251
236,228	-	-	-	-	-	-	236,228	236,228
<u>\$ 2,913,226</u>	<u>\$ 265,334</u>	<u>\$ 392,606</u>	<u>\$ 136,541</u>	<u>\$ 10,589</u>	<u>\$ 28,892</u>	<u>\$ 11,523</u>	<u>\$ 3,758,711</u>	<u>\$ 12,687,023</u>

STATEMENT OF FUNCTIONAL EXPENSES

Lafourche ARC Thibodaux, Louisiana

For the year ended June 30, 2023

	Program Services				
	Medical and Nursing	Therapeutic and Training	Recreational	Consultants	Totals
Bed fees	\$ -	\$ -	\$ -	\$ -	\$ -
Clothing	-	-	-	-	-
Contracts - outside services	-	-	-	329,552	329,552
Depreciation	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Food	-	-	-	-	-
Insurance	-	-	-	-	-
Licenses	-	-	-	-	-
Linen and bedding	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Medical services	14,053	-	-	-	14,053
Other	13,261	-	-	-	13,261
Postage	-	-	-	-	-
Prescriptions	15,710	-	-	-	15,710
Professional fees	-	-	-	-	-
Salaries, payroll taxes, and benefits	-	8,498,333	-	-	8,498,333
Supplies	29,772	9,368	4,173	-	43,313
Telephone	-	-	-	-	-
Training-in-service	-	-	-	-	-
Travel and seminars	-	-	-	-	-
Utilities	-	-	-	-	-
Vehicles - gas, oil, and repairs	-	-	-	-	-
Total expenses	<u>\$ 72,796</u>	<u>\$ 8,507,701</u>	<u>\$ 4,173</u>	<u>\$ 329,552</u>	<u>\$ 8,914,222</u>

See notes to financial statements.

Administrative and General	Supporting Services						Totals	Grand Totals
	Plant Operations and Maintenance	Costs Related to Capital Assets	Dietary	Laundry and Linen	Housekeeping Supplies	Personal Client Needs		
\$ 204,945	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,945	\$ 204,945
-	-	-	-	-	-	3,774	3,774	3,774
-	-	-	8,000	-	-	-	8,000	337,552
-	-	328,276	-	-	-	-	328,276	328,276
12,000	-	-	-	-	-	-	12,000	12,000
-	-	-	93,749	-	-	-	93,749	93,749
572,017	-	-	-	-	-	-	572,017	572,017
6,581	-	-	-	-	-	-	6,581	6,581
-	-	-	-	1,924	-	-	1,924	1,924
-	195,455	-	-	-	-	-	195,455	195,455
-	-	-	-	-	-	-	-	14,053
73,153	-	-	-	-	-	8,010	81,163	94,424
1,812	-	-	-	-	-	-	1,812	1,812
-	-	-	-	-	-	-	-	15,710
293,713	-	-	-	-	-	-	293,713	293,713
953,819	-	-	-	-	-	-	953,819	9,452,152
121,471	-	-	10,492	3,642	22,267	-	157,872	201,185
128,426	-	-	-	-	-	-	128,426	128,426
1,914	-	-	-	-	-	-	1,914	1,914
60,377	-	-	-	-	-	-	60,377	60,377
-	113,575	-	-	-	-	-	113,575	113,575
154,623	-	-	-	-	-	-	154,623	154,623
<u>\$ 2,584,851</u>	<u>\$ 309,030</u>	<u>\$ 328,276</u>	<u>\$ 112,241</u>	<u>\$ 5,566</u>	<u>\$ 22,267</u>	<u>\$ 11,784</u>	<u>\$ 3,374,015</u>	<u>\$ 12,288,237</u>

STATEMENTS OF CASH FLOWS**Lafourche ARC**
Thibodaux, Louisiana

For the years ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 89,682	\$ (597,595)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	392,606	328,276
Net realized and unrealized gain on investments	(405,199)	(268)
Gain (loss) on sales of capital assets	10,132	(8,154)
Decrease (increase) in operating assets:		
Receivables	(174,789)	1,078,014
Deposits and other assets	122,679	(115,028)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	59,721	(201,987)
 Total adjustments	<u>5,150</u>	<u>1,080,853</u>
 Net cash provided by operating activities	<u>94,832</u>	<u>483,258</u>
Cash Flows from Investing Activities		
Purchases of investments	(1,878,494)	(3,259,908)
Proceeds from maturity and sales of investments	2,264,205	3,722,781
Proceeds from sale of capital assets	43,400	40,277
Purchase of capital assets	(737,660)	(668,195)
 Net cash used in investing activities	<u>(308,549)</u>	<u>(165,045)</u>
 Net increase (decrease) in cash	(213,717)	318,213
Cash		
Beginning of year	<u>1,176,347</u>	<u>858,134</u>
End of year	<u>\$ 962,630</u>	<u>\$ 1,176,347</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Lafourche ARC
Thibodaux, Louisiana

June 30, 2024 and 2023

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a) Nature of Organization**

Lafourche ARC (the “Association”) operates six residential community homes (Country Club, Stevens, Chackbay, Richland, Narrow Street, and Peltier) and three day care facilities to provide intermediate care and habilitation for the mentally handicapped. All of the six residential community homes are owned by the Association. The Association also provides respite services to families of mentally handicapped individuals.

b) Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. The Association 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 Association had no net assets with donor restrictions as of June 30, 2024 and 2023.

c) Basis of Accounting

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

d) 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 and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Fair Value of Financial Instruments

The carrying values of the Association's financial instruments, including cash, investments, receivables, accounts payable, and certain accrued liabilities, are estimated to approximate fair value due to their short-term nature.

f) Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Association considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Association had no cash equivalents as of June 30, 2024 and 2023.

g) Investments

Investments are comprised of certificates of deposit, equity securities, private label securities, U.S. government debt securities, U.S. government agency securities, corporate bonds, municipal bonds, mutual funds and money market funds held in investment brokerage accounts.

Certificates of deposit with initial maturity longer than three months are stated at cost, which approximates fair market value. All other investments have readily determinable fair values in active markets.

h) Allowance for Credit Losses

The Association provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances which are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of June 30, 2024 and 2023, management considers accounts receivable to be fully collectible; accordingly, no allowance for credit losses of accounts receivable has been established.

As of June 30, 2024, 2023, and 2022 accounts receivable was \$497,801, \$75,061, and \$461,502, respectively.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Buildings, Furniture, and Equipment

Buildings, furniture, and equipment are stated at cost. Additions and betterments \$5,000 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Depreciation is computed on a straight-line basis over the following estimated useful lives:

Buildings and improvements	20 - 30 years
Vehicles	5 - 6 years
Furniture and equipment	5 - 8 years

j) Contributions and Revenue Recognition

In May 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, “*Revenue from Contracts with Customers*” (Topic 606). This ASU implements a single framework for revenue recognition, ensuring that revenue is recognized in a manner which reflects the consideration to which the entity expects to be entitled in exchange for goods and services.

Revenues from contracted services for Habilitation and Residential Services are presented at transaction prices in the form of per diem rates as set by the State of Louisiana, Department of Social Services.

Contributions received are recorded as increases in net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Contributions that are restricted by the donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increase in net assets with donor restrictions, depending on the nature of the restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying Statements of Activities as net assets released from restrictions.

k) Donated Services

No amounts have been reflected in the financial statements for donated services since no objective basis is available to measure such services. The Association pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Association with specific assistance programs, and various committee assignments.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Compensated Absences

On July 1st, all full-time employees receive from 12 to 21 days of leave depending on years of service. These days are to cover both vacation and sick leave. Leave must be taken by September 1st of the next fiscal year, or the leave is lost. The Association has \$89,121 and \$99,231 of accumulated leave included in accounts payable and accrued liabilities as of June 30, 2024 and 2023, respectively.

m) Functional Expenses

The costs of providing various services and other activities have been summarized on a functional basis in the Statements of Activities and the Statements of Functional Expenses in accordance with cost reporting regulations of the Louisiana Department of Health and Hospitals. Most of the expenses can be directly allocated to one of the programs or supporting functions. The financial statements also report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Personnel costs and related expenses are allocated based on time and level of effort. Building and occupancy related costs and other expenses are allocated on an estimate of percentage of usage.

Transactions and resulting balances of charges for services between the Association's programs have been eliminated from the financial statements.

n) Income Taxes

The Association is a non-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provisions for income taxes have been made.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosures of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. Tax years ended June 30, 2021 and later remain subject to examination by the taxing authorities. As of June 30, 2024, management of the Association believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Recently Issued Accounting Standards

Current Expected Credit Losses

In June 2016, the FASB issued ASU No. 2016-13, “*Financial Instruments - Credit Losses*” (Topic 326) and has since modified the standard with several ASUs (collectively, the “new credit loss standard”). The new credit loss standard requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount. This Statement did not have a material affect on the financial statements.

p) Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 12, 2024, which is the date the financial statements were available to be issued.

Note 2 - INVESTMENTS

Investments as of June 30, 2024 and 2023 are as follows:

	2024		2023	
	Cost	Market	Cost	Market
U.S. Treasury Bonds	\$ 342,308	\$ 287,726	\$ 405,026	\$ 348,109
Federal Home Loan Mortgage Corporation Notes	275,142	239,845	287,880	250,289
Federal National Mortgage Association Notes	409,883	351,313	449,558	385,947
Equity securities/mutual funds	3,093,766	4,029,587	2,812,137	3,430,506
Private label securities	53,937	53,762	-	-
Fixed income mutual funds	848,492	825,235	937,061	889,047
Certificates of deposit and savings accounts	1,627,142	1,627,111	2,151,245	2,151,244
Municipal bonds	85,969	79,210	110,439	102,783
Corporate bonds	771,335	732,660	735,359	675,151
Money market funds	194,695	194,695	168,580	168,580
Totals	<u>\$ 7,702,669</u>	<u>\$ 8,421,144</u>	<u>\$ 8,057,285</u>	<u>\$ 8,401,656</u>

Note 2 - INVESTMENTS (Continued)

The following schedule summarizes the investment return and its classification in the Statements of Activities for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Excess of market over cost:		
End of year	\$ 718,475	\$ 344,371
Beginning of year	<u>344,371</u>	<u>230,578</u>
Unrealized gain	374,104	113,793
Net realized gain (loss)	31,095	(113,525)
Interest and dividends	274,829	226,623
Fees and expenses	<u>(75,238)</u>	<u>(70,791)</u>
Investment income, net	<u><u>\$ 604,790</u></u>	<u><u>\$ 156,100</u></u>

Note 3 - FAIR VALUE MEASUREMENTS

Fair value concepts are applied in recording investments. A fair value hierarchy which has three levels based on the reliability of the inputs is used to determine fair value. These levels includes 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 any 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 3 - FAIR VALUE MEASUREMENTS (Continued)

Assets measured at fair value on a recurring basis as of June 30, 2024 and 2023 are comprised of and determined as follows:

	June 30, 2024			
	Total Assets Measured at Fair Value	Quoted Prices in Active Market for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual Funds:				
Emerging market	\$ 52,730	\$ 52,730	\$ -	\$ -
Foreign large blend	40,969	40,969	-	-
International markets	39,585	39,585	-	-
Large blend	513,477	513,477	-	-
Large cap value	24,989	24,989	-	-
Mid-cap blend	47,409	47,409	-	-
Multisector bonds	106,590	106,590	-	-
Short term bond	139,723	139,723	-	-
Small blend	68,546	68,546	-	-
Preferred stock	73,955	73,955	-	-
Fixed income mutual funds:				
Commodities broad basket	46,423	46,423	-	-
Emerging market	82,286	82,286	-	-
Global bond	101,587	101,587	-	-
High yield bonds	108,163	108,163	-	-
Intermediate term bonds	168,683	168,683	-	-
Multisector bonds	245,858	245,858	-	-
Short term bonds	50,266	50,266	-	-
Ultrashort bond	21,969	21,969	-	-
Total mutual funds	<u>1,933,208</u>	<u>1,933,208</u>	<u>-</u>	<u>-</u>
Equity Shares:				
Chemicals	38,037	38,037	-	-
Consumer cyclical	188,294	188,294	-	-
Consumer defensive	201,073	201,073	-	-
Consumer services	73,259	73,259	-	-
Energy	163,823	163,823	-	-
Financials	675,475	675,475	-	-
Health care	317,631	317,631	-	-
Industrials	509,680	509,680	-	-
Information technology	166,800	166,800	-	-
Materials	15,176	15,176	-	-
Real estate	155,235	155,235	-	-
Technology	207,481	207,481	-	-
Telecommunication services	104,278	104,278	-	-
Utilities	105,372	105,372	-	-
Total equity shares	<u>2,921,614</u>	<u>2,921,614</u>	<u>-</u>	<u>-</u>
Government bonds and notes	878,884	878,884	-	-
Corporate bonds	732,660	732,660	-	-
Municipal bonds	79,210	79,210	-	-
Certificates of deposit	1,627,111	1,627,111	-	-
Private label	53,762	53,762	-	-
Money market funds	194,695	194,695	-	-
Totals	<u>\$ 8,421,144</u>	<u>\$ 8,421,144</u>	<u>\$ -</u>	<u>\$ -</u>

Note 3 - FAIR VALUE MEASUREMENTS (Continued)

	June 30, 2023			
	Total Assets Measured at Fair Value	Quoted Prices in Active Market for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual Funds:				
Emerging market	\$ 54,023	\$ 54,023	\$ -	\$ -
Foreign large blend	118,637	118,637	-	-
International markets	22,045	22,045	-	-
Large blend	465,240	465,240	-	-
Mid-cap blend	20,657	20,657	-	-
Short term bond	96,555	96,555	-	-
Small blend	65,462	65,462	-	-
Preferred stock	65,943	65,943	-	-
Fixed income mutual funds:				
Commodities broad basket	21,918	21,918	-	-
Corporate bonds	43,148	43,148	-	-
High yield bonds	110,662	110,662	-	-
Intermediate term bonds	344,110	344,110	-	-
Multisector bonds	217,430	217,430	-	-
Short term bonds	60,161	60,161	-	-
US Treasury bond	31,956	31,956	-	-
Ultrashort bond	59,663	59,663	-	-
Total mutual funds	<u>1,797,610</u>	<u>1,797,610</u>	<u>-</u>	<u>-</u>
Equity Shares:				
Chemicals	38,187	38,187	-	-
Consumer cyclical	217,886	217,886	-	-
Consumer defensive	214,272	214,272	-	-
Consumer services	82,296	82,296	-	-
Energy	191,961	191,961	-	-
Financials	481,487	481,487	-	-
Health care	411,881	411,881	-	-
Industrials	336,326	336,326	-	-
Information technology	174,239	174,239	-	-
Real estate	164,386	164,386	-	-
Technology	39,034	39,034	-	-
Telecommunication services	96,226	96,226	-	-
Utilities	73,762	73,762	-	-
Total equity shares	<u>2,521,943</u>	<u>2,521,943</u>	<u>-</u>	<u>-</u>
Government bonds and notes	984,345	984,345	-	-
Corporate bonds	675,151	675,151	-	-
Municipal bonds	102,783	102,783	-	-
Certificates of deposit	2,151,244	2,151,244	-	-
Money market funds	168,580	168,580	-	-
Totals	<u>\$ 8,401,656</u>	<u>\$ 8,401,656</u>	<u>\$ -</u>	<u>\$ -</u>

Note 4 - DUE FROM STATE OF LOUISIANA

Due from the State as of June 30, 2024, 2023, and 2022 consists of the following.

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Department of Health and Hospitals - residential and habilitation services	\$ 842,947	\$ 1,090,898	\$ 1,187,737
Department of Revenue - hotel/motel tax	-	-	344,734
Department of the Treasury - Act 119 of 2021 State Aid to Local Government Entities	<u>-</u>	<u>-</u>	<u>250,000</u>
Totals	<u><u>\$ 842,947</u></u>	<u><u>\$ 1,090,898</u></u>	<u><u>\$ 1,782,471</u></u>

Note 5 - BUILDINGS, FURNITURE, AND EQUIPMENT

Buildings, furniture, and equipment as of June 30, 2024 and 2023 consists of the following:

	<u>2024</u>	<u>2023</u>
Land	\$ 226,200	\$ 226,200
Buildings and improvements	4,515,759	4,454,208
Vehicles	2,194,615	1,767,751
Furniture and equipment	<u>658,854</u>	<u>591,226</u>
	7,595,428	7,039,385
Less: accumulated depreciation	<u>(3,993,566)</u>	<u>(3,729,045)</u>
Net buildings, furniture, and equipment	<u><u>\$3,601,862</u></u>	<u><u>\$3,310,340</u></u>

Depreciation expense for the years ended June 30, 2024 and 2023 was \$392,606 and \$328,276, respectively.

Note 6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued expenses as of June 30, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Vendors	\$ 82,866	\$ 77,104
Salaries and benefits	480,684	426,871
Other	<u>42,442</u>	<u>42,296</u>
Totals	<u>\$605,992</u>	<u>\$546,271</u>

Note 7 - AVAILABILITY OF FINANCIAL ASSETS

The Association is substantially supported by Medicaid funding, governmental grants, and client income. The Association is also supported by contributions with and without donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Association must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Association's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Association has established guidelines for making decisions related to managing short-term cash reserves and other investments in a prudent manner.

Occasionally, the Association designates a portion of any operating surplus for a particular purpose. The designated reserves can be changed and made available for immediate use in the event of an urgent liquidity need. The Association did not have any designated reserves as of June 30, 2024.

The following reflects the Association's financial assets available for use as of June 30, 2024.

Financial assets:	
Cash	\$ 962,630
Investments	8,421,144
Due from State of Louisiana	842,947
Accounts receivable	<u>497,801</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$10,724,522</u>

Note 8 - CENTRAL OFFICE OVERHEAD

The central office was established to account for supporting expenses common to the programs. Each program reimburses the central office for its share. The amount allocated to each program, as supporting service-administrative and general is based upon time and level of efforts expended as measured by expenses per program compared to total expenses. The allocations are eliminated for presentation of the Statements of Activities and Statements of Functional Expenses. For the years ended June 30, 2024 and 2023, personal service and occupancy costs incurred at the central office amounting to \$1,056,411 and \$1,261,563, respectively, were allocated to the programs as follows:

	<u>2024</u>	<u>2023</u>
Community support services	\$ 547,682	\$ 655,870
Daycare services	231,923	272,327
Stevens Community Home	60,368	70,951
Chackbay Community Home	40,957	49,572
Country Club Community Home	39,360	47,311
Richland Community Home	45,162	55,347
Narrow Street Community Home	43,514	50,626
Peltier Community Home	47,445	59,559
	<u> </u>	<u> </u>
Totals	<u>\$1,056,411</u>	<u>\$1,261,563</u>

Note 9 - ECONOMIC DEPENDENCY

The Association receives federal and state funding on a per diem per client/unit basis. Federal and state matching funds from the Department of Health and Human Services, passed through the Louisiana State Department of Health and Hospitals Office of Family Security, Medical Assistance Program - Medicaid/Title XIX are on a per diem basis. These payments, reported as residential and habilitation services, are considered a payment for a service as opposed to a grant award.

If significant budget cuts are made at the federal, state and local government levels, the amount of funds the Association will receive could be reduced significantly and have an adverse impact on its operations. As of the report date, management is not able to estimate the amount of funds that the Association will require to avoid a material impact on the Association's future operations.

Note 10 - RETIREMENT PLAN

The Association adopted a 401(k) retirement plan effective July 1, 1997. The plan covers all employees who have completed one or more years of service. The Association makes contributions to the plan at its discretion. Contributions amounted to \$7,239 and \$8,168 for the years ended June 30, 2024 and 2023, respectively.

Note 11 - CONCENTRATION OF RISK

During the year ended June 30, 2024, the Association maintained its cash deposits and certificates of deposit with local banks. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash, certificates of deposit and money market funds at these institutions exceeded federally insured limits by approximately \$1,390,000 as of June 30, 2024.

Note 12 - RISK MANAGEMENT

The Association 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 year ended June 30, 2024.

SUPPLEMENTARY INFORMATION SECTION

SCHEDULE OF PROGRAM FINANCIAL POSITION

Lafourche ARC Thibodaux, Louisiana

June 30, 2024

	Community Homes				
	Chackbay	Country Club	Peltier	Stevens	Narrow Street
Assets					
Cash	\$ 200	\$ 200	\$ 100	\$ 200	\$ 100
Investments	708,505	359,697	747,175	73,414	630,503
Due from State of Louisiana	32,318	32,610	34,749	45,621	34,099
Accounts receivable	357	71	1,136	1,477	815
Due from other programs	49,123	368,831	420,980	-	445,479
Deposits and other assets	8,241	1,539	4,027	4,648	405
Buildings, furniture, and equipment, net	140,110	73,753	312,521	81,263	118,837
Totals	<u>\$ 938,854</u>	<u>\$ 836,701</u>	<u>\$ 1,520,688</u>	<u>\$ 206,623</u>	<u>\$ 1,230,238</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 23,454	\$ 15,915	\$ 21,436	\$ 24,307	\$ 19,694
Due to other programs	<u>1,221,879</u>	<u>111,553</u>	<u>1,631,818</u>	<u>549,149</u>	<u>75,231</u>
Total liabilities	<u>1,245,333</u>	<u>127,468</u>	<u>1,653,254</u>	<u>573,456</u>	<u>94,925</u>
Net Assets					
Unrestricted	<u>(306,479)</u>	<u>709,233</u>	<u>(132,566)</u>	<u>(366,833)</u>	<u>1,135,313</u>
Totals	<u>\$ 938,854</u>	<u>\$ 836,701</u>	<u>\$ 1,520,688</u>	<u>\$ 206,623</u>	<u>\$ 1,230,238</u>

Community Homes					
Richland	Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
\$ 100	\$ -	\$ 860	\$ 960,870	\$ -	\$ 962,630
314,579	4,080,091	1,507,180	-	-	8,421,144
43,420	516,582	103,548	-	-	842,947
2,965	124,500	8,159	358,321	-	497,801
252,958	5,905,764	104,022	2,688,108	(10,235,265)	-
440	-	940	74,429	-	94,669
57,505	1,190,030	1,000,307	627,536	-	3,601,862
<u>\$ 671,967</u>	<u>\$ 11,816,967</u>	<u>\$ 2,725,016</u>	<u>\$ 4,709,264</u>	<u>\$ (10,235,265)</u>	<u>\$ 14,421,053</u>
\$ 18,413	\$ 307,481	\$ 92,651	\$ 82,641	\$ -	\$ 605,992
274,414	508,194	1,236,404	4,626,623	(10,235,265)	-
292,827	815,675	1,329,055	4,709,264	(10,235,265)	605,992
379,140	11,001,292	1,395,961	-	-	13,815,061
<u>\$ 671,967</u>	<u>\$ 11,816,967</u>	<u>\$ 2,725,016</u>	<u>\$ 4,709,264</u>	<u>\$ (10,235,265)</u>	<u>\$ 14,421,053</u>

SCHEDULE OF PROGRAM ACTIVITIES

Lafourche ARC Thibodaux, Louisiana

For the year ended June 30, 2024

	Community Homes			
	Chackbay	Country Club	Peltier	Stevens
Changes in Net Assets Without Donor Restrictions				
Support and Revenues				
Support:				
Group services:				
Habilitation services	\$ -	\$ -	\$ -	\$ -
Residential services	392,499	357,138	451,840	526,376
Governmental Grants:				
Office for Citizens with Developmental Disabilities	-	-	-	-
State of Louisiana-hotel/motel tax	-	-	-	-
Department of Transportation and Development	-	-	-	-
Federal Emergency Management Agency	-	-	-	-
Lafourche Parish Government	-	-	-	-
South Central Human Services Authority	-	-	-	-
Client income	104,293	74,022	45,151	81,228
Sheltered workshop, net of \$163,559 of direct costs	-	-	-	-
Fundraising	-	-	-	-
Contributions	-	-	-	-
Total support without donor restrictions	496,792	431,160	496,991	607,604
Revenues:				
Investment income, net	56,534	28,702	59,632	5,871
Gain on sales of capital assets	600	-	-	-
Insurance proceeds	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	57,134	28,702	59,632	5,871
Allocations	-	-	-	-
Total unrestricted support, revenues and net assets released from restrictions	553,926	459,862	556,623	613,475
Expenses				
Program services:				
Medical and nursing	9,961	7,557	34,658	8,312
Therapeutic and training	300,395	303,701	349,181	514,221
Recreational	386	496	800	671
Consultants	21,641	22,641	22,243	23,664
Total program services	332,383	334,395	406,882	546,868
Support services:				
Administrative and general	127,586	113,655	123,140	156,606
Plant operations and maintenance	20,091	21,152	15,134	19,551
Costs related to capital assets	7,379	4,800	13,589	11,849
Dietary	19,447	16,451	26,599	21,628
Laundry and linen	1,525	320	2,317	1,637
Housekeeping	1,423	1,468	2,133	1,302
Personal client needs	2,042	274	3,236	1,496
Total support services	179,493	158,120	186,148	214,069
Total expenses	511,876	492,515	593,030	760,937
Increase (Decrease) in Assets Without Donor Restrictions	42,050	(32,653)	(36,407)	(147,462)
Net Assets (Accumulated Deficit)				
Beginning of year	(348,529)	741,886	(96,159)	(219,371)
End of year	<u>\$ (306,479)</u>	<u>\$ 709,233</u>	<u>\$ (132,566)</u>	<u>\$ (366,833)</u>

Homes		Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
Narrow Street	Richland					
\$ -	\$ -	\$ 6,396,310	\$ 83,967	\$ -	\$ -	\$ 6,480,277
415,933	458,063	182,261	1,558,543	-	(695,984)	3,646,669
-	-	-	75,375	-	-	75,375
-	-	-	344,734	-	-	344,734
-	-	-	431,646	-	-	431,646
-	-	-	-	40,638	-	40,638
-	-	-	-	350,000	-	350,000
-	-	-	-	200,000	-	200,000
68,074	63,110	-	-	-	-	435,878
-	-	-	11,950	-	-	11,950
-	-	-	-	108,644	-	108,644
-	-	-	49,728	-	-	49,728
484,007	521,173	6,578,571	2,555,943	699,282	(695,984)	12,175,539
50,337	25,114	258,073	120,527	-	-	604,790
-	800	(7,194)	(4,338)	-	-	(10,132)
-	-	2,305	-	-	-	2,305
-	-	3,000	901	302	-	4,203
50,337	25,914	256,184	117,090	302	-	601,166
-	-	-	-	1,056,411	(1,056,411)	-
534,344	547,087	6,834,755	2,673,033	1,755,995	(1,752,395)	12,776,705
8,515	11,272	8,841	1,294	-	-	90,410
337,284	347,861	5,676,890	1,367,341	-	(695,984)	8,500,890
1,057	1,192	-	344	-	-	4,946
22,565	24,264	195,048	-	-	-	332,066
369,421	384,589	5,880,779	1,368,979	-	(695,984)	8,928,312
118,986	124,311	785,664	796,515	1,623,174	(1,056,411)	2,913,226
20,482	17,065	450	83,372	68,037	-	265,334
7,286	5,126	63,527	216,667	62,383	-	392,606
21,816	26,288	175	3,215	922	-	136,541
1,617	3,101	-	72	-	-	10,589
2,077	2,761	24	16,225	1,479	-	28,892
1,996	2,468	-	11	-	-	11,523
174,260	181,120	849,840	1,116,077	1,755,995	(1,056,411)	3,758,711
543,681	565,709	6,730,619	2,485,056	1,755,995	(1,752,395)	12,687,023
(9,337)	(18,622)	104,136	187,977	-	-	89,682
1,144,650	397,762	10,897,156	1,207,984	-	-	13,725,379
\$ 1,135,313	\$ 379,140	\$ 11,001,292	\$ 1,395,961	\$ -	\$ -	\$ 13,815,061

SCHEDULE OF PROGRAM SERVICES EXPENSES

Lafourche ARC Thibodaux, Louisiana

For the year ended June 30, 2024

	Community Homes			
	Chackbay	Country Club	Peltier	Stevens
Medical and Nursing				
Medical services	\$ 2,982	\$ 1,912	\$ 5,100	\$ 4,131
Other	1,237	2,842	2,210	852
Prescriptions	448	426	1,403	943
Supplies	5,294	2,377	25,945	2,386
Total medical and nursing	9,961	7,557	34,658	8,312
Therapeutic and Training				
Habilitation	85,616	89,741	76,332	72,506
Salaries, payroll taxes, and benefits	214,779	213,960	272,849	441,715
Supplies	-	-	-	-
Total therapeutic and training	300,395	303,701	349,181	514,221
Recreational				
Supplies	386	496	800	671
Consultants				
Other	2,083	2,083	2,083	2,208
Pharmacist	1,502	1,831	1,985	2,292
Psychiatrist	1,074	1,745	1,193	2,182
Registered nurse	16,982	16,982	16,982	16,982
Total consultants	21,641	22,641	22,243	23,664
Total program services	<u>\$ 332,383</u>	<u>\$ 334,395</u>	<u>\$ 406,882</u>	<u>\$ 546,868</u>

Homes		Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
Narrow Street	Richland					
\$ 4,046	\$ 4,151	\$ 852	\$ 393	\$ -	\$ -	\$ 23,567
639	2,733	-	-	-	-	10,513
1,223	711	-	-	-	-	5,154
2,607	3,677	7,989	901	-	-	51,176
8,515	11,272	8,841	1,294	-	-	90,410
102,729	85,624	-	-	-	(512,548)	-
234,555	262,237	5,676,672	1,363,941	-	(183,436)	8,497,272
-	-	218	3,400	-	-	3,618
337,284	347,861	5,676,890	1,367,341	-	(695,984)	8,500,890
1,057	1,192	-	344	-	-	4,946
2,083	2,083	34,721	-	-	-	47,344
2,040	2,329	50	-	-	-	12,029
1,460	2,870	135	-	-	-	10,659
16,982	16,982	160,142	-	-	-	262,034
22,565	24,264	195,048	-	-	-	332,066
<u>\$ 369,421</u>	<u>\$ 384,589</u>	<u>\$ 5,880,779</u>	<u>\$ 1,368,979</u>	<u>\$ -</u>	<u>\$ (695,984)</u>	<u>\$ 8,928,312</u>

SCHEDULE OF SUPPORT SERVICES EXPENSES

Lafourche ARC Thibodaux, Louisiana

For the year ended June 30, 2024

	Community Homes			
	Chackbay	Country Club	Peltier	Stevens
Administrative and General				
Bed fees	\$ 35,207	\$ 32,978	\$ 32,462	\$ 34,884
Central office	40,957	39,360	47,445	60,368
Dues and subscriptions	-	-	-	-
Insurance	35,423	28,989	32,223	38,421
Licenses	615	636	640	793
Other	2,604	43	163	2,885
Postage	-	29	-	-
Professional fees	1,338	1,175	1,010	1,082
Rent	-	-	-	-
Salaries, payroll taxes, and benefits	-	-	-	-
Supplies	850	741	2,217	1,808
Telephone	5,082	5,963	2,869	6,893
Training-in-service	100	100	50	50
Travel and seminars	182	98	497	927
Vehicles - gas, oil, and repairs	5,228	3,543	3,564	8,495
Total administrative and general	127,586	113,655	123,140	156,606
Plant Operations and Maintenance				
Maintenance and repairs	11,605	7,787	7,513	8,306
Utilities	8,486	13,365	7,621	11,245
Total plant operations and maintenance	20,091	21,152	15,134	19,551
Costs Related to Capital Assets				
Depreciation	7,379	4,800	13,589	11,849
Total costs related to capital assets	7,379	4,800	13,589	11,849
Dietary				
Contracts - dietician	2,320	2,220	2,570	2,470
Food	16,377	13,528	22,439	17,859
Supplies	750	703	1,590	1,299
Total dietary expenses	19,447	16,451	26,599	21,628
Laundry and Linen				
Linen and bedding	637	-	188	1,077
Supplies	888	320	2,129	560
Total laundry and linen	1,525	320	2,317	1,637
Housekeeping				
Supplies	1,423	1,468	2,133	1,302
Personal Client Needs				
Clothing	928	17	1,315	382
Other	1,114	257	1,921	1,114
Total personal client needs	2,042	274	3,236	1,496
Total support services	\$ 179,493	\$ 158,120	\$ 186,148	\$ 214,069

Homes		Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
Narrow Street	Richland					
\$ 35,465	\$ 35,465	\$ -	\$ -	\$ -	\$ -	\$ 206,461
43,514	45,162	547,682	231,923	-	(1,056,411)	-
-	-	-	-	12,000	-	12,000
33,514	32,725	127,140	245,547	54,551	-	628,533
630	696	80	1,370	6,010	-	11,470
165	115	9,638	15,594	158,134	-	189,341
-	-	21	706	3,205	-	3,961
940	955	528	1,382	259,211	-	267,621
-	-	9,211	26,145	5,091	-	40,447
-	-	-	-	1,015,011	-	1,015,011
1,970	885	5,305	48,824	47,780	-	110,380
1,103	6,037	14,559	25,406	58,840	-	126,752
-	50	5,404	-	1,261	-	7,015
334	349	43,978	9,856	1,785	-	58,006
1,351	1,872	22,118	189,762	295	-	236,228
118,986	124,311	785,664	796,515	1,623,174	(1,056,411)	2,913,226
9,748	6,323	450	48,777	33,574	-	134,083
10,734	10,742	-	34,595	34,463	-	131,251
20,482	17,065	450	83,372	68,037	-	265,334
7,286	5,126	63,527	216,667	62,383	-	392,606
7,286	5,126	63,527	216,667	62,383	-	392,606
-	-	-	-	-	-	9,580
19,032	23,994	122	2,406	922	-	116,679
2,784	2,294	53	809	-	-	10,282
21,816	26,288	175	3,215	922	-	136,541
723	1,985	-	49	-	-	4,659
894	1,116	-	23	-	-	5,930
1,617	3,101	-	72	-	-	10,589
2,077	2,761	24	16,225	1,479	-	28,892
896	1,271	-	-	-	-	4,809
1,100	1,197	-	11	-	-	6,714
1,996	2,468	-	11	-	-	11,523
<u>\$ 174,260</u>	<u>\$ 181,120</u>	<u>\$ 849,840</u>	<u>\$ 1,116,077</u>	<u>\$ 1,755,995</u>	<u>\$ (1,056,411)</u>	<u>\$ 3,758,711</u>

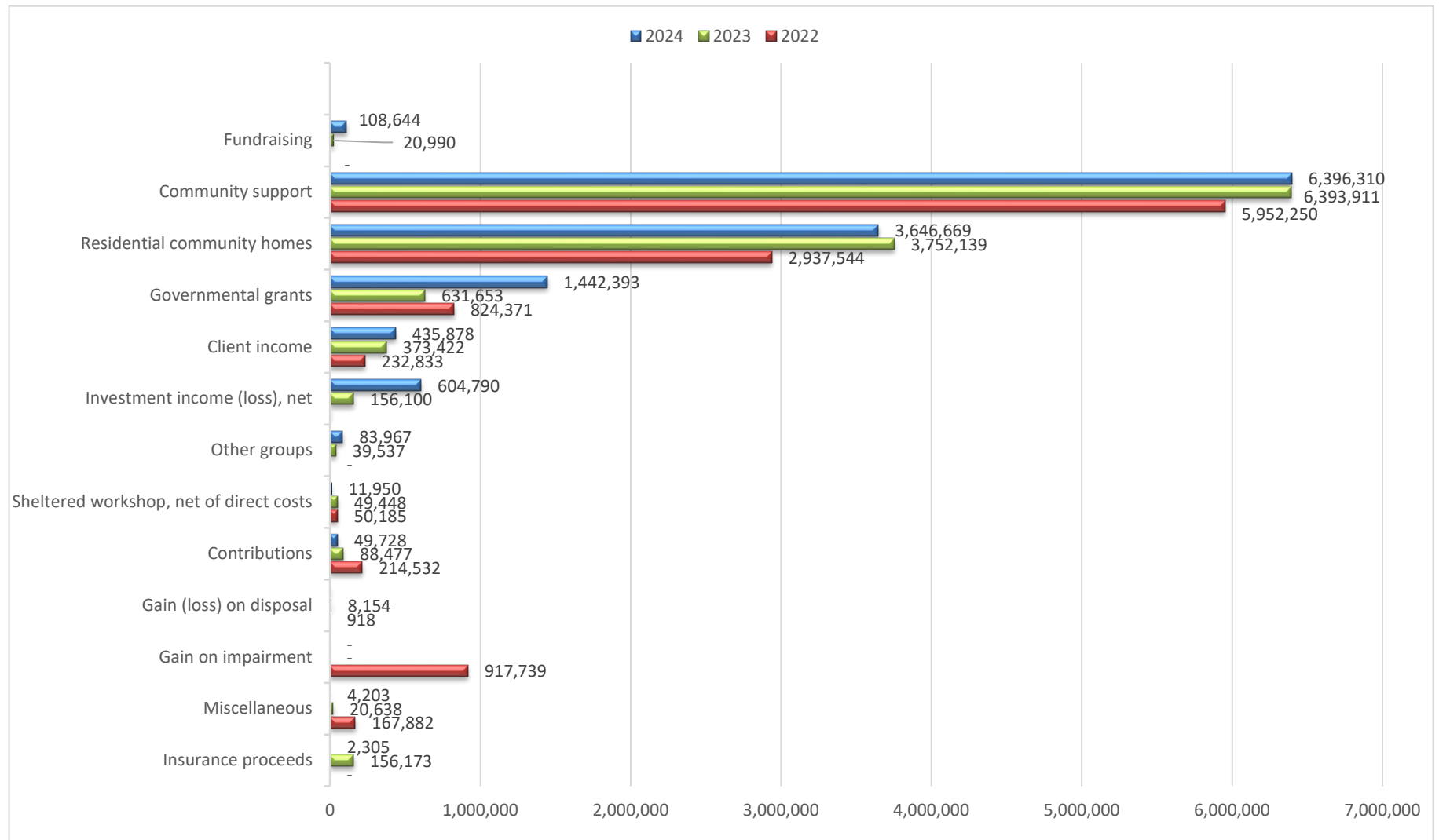
SCHEDULE OF REVENUES AND EXPENSES**Lafourche ARC**
Thibodaux, Louisiana

For the years ended June 30, 2024, 2023, and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenues			
Community support	\$ 6,396,310	\$ 6,393,911	\$ 5,952,250
Residential community homes	3,646,669	3,752,139	2,937,544
Governmental grants	1,442,393	631,653	824,371
Other:			
Client income	435,878	373,422	232,833
Investment income (loss), net	604,790	156,100	(447,159)
Other groups	83,967	39,537	-
Sheltered workshop, net of direct costs	11,950	49,448	50,185
Contributions	49,728	88,477	214,532
Gain on impairment	-	-	917,739
Gain (loss) on sale of capital assets	(10,132)	8,154	918
Fundraising	108,644	20,990	-
Insurance proceeds	2,305	156,173	-
Miscellaneous	4,203	20,638	167,882
Total revenues	<u>\$ 12,776,705</u>	<u>\$ 11,690,642</u>	<u>\$ 10,851,095</u>
Expenses			
Bed fees	\$ 206,461	\$ 204,945	\$ 195,432
Contracts - outside services	341,646	337,552	333,672
Depreciation	392,606	328,276	307,893
Food	116,679	93,749	72,138
Insurance	628,533	572,017	508,363
Lease	-	-	8,000
Maintenance and repairs	134,083	195,455	273,369
Other expenses	714,023	574,331	517,334
Salaries, payroll taxes, and benefits	9,512,283	9,452,152	9,378,429
Supplies	215,224	201,185	176,199
Travel and seminars	58,006	60,377	58,132
Utilities	131,251	113,575	129,497
Vehicles - gas, oil and repairs	236,228	154,623	103,421
Total expenses	<u>\$ 12,687,023</u>	<u>\$ 12,288,237</u>	<u>\$ 12,061,879</u>

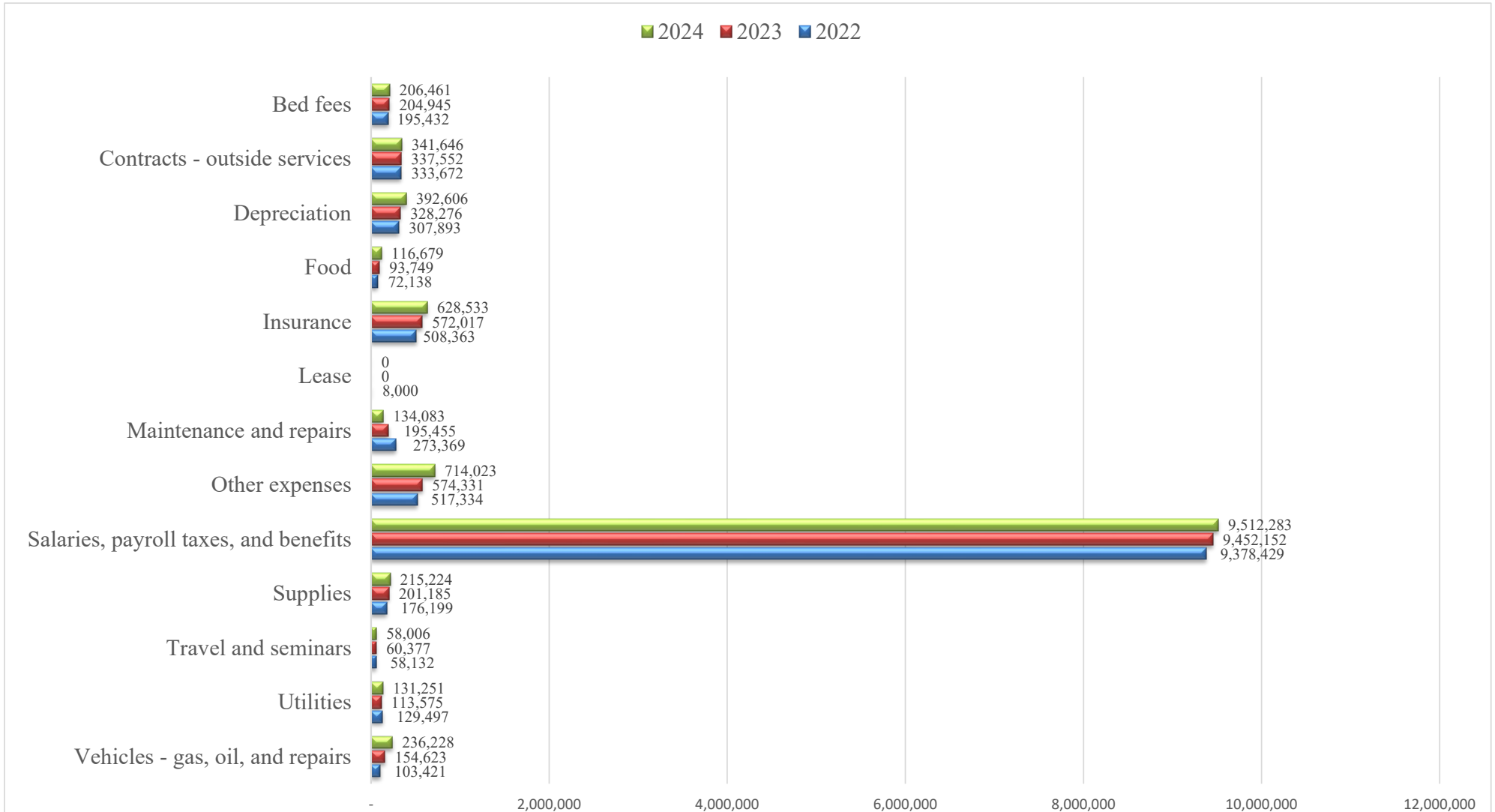
REVENUES**Lafourche ARC**
Thibodaux, Louisiana

For the years ended June 30, 2024, 2023, and 2022



EXPENSES**Lafourche ARC**
Thibodaux, Louisiana

For the years ended June 30, 2024, 2023, and 2022



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

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2024

Agency Head Name: Wendy Eschete, Executive Director

Purpose

Salary	\$ 96,813
Benefits - insurance	8,840
Benefits - retirement	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/>
	\$ 105,653

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors,
Lafourche ARC,
Thibodaux, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Lafourche ARC (the “Association”), which comprise the Statement of Financial Position as of June 30, 2024, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated December 12, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Association’s internal control over financial reporting (internal control) as a basis for designing 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 Association’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Association’s internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 intended 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 Association's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering the Association's internal control and compliance. Accordingly, this communication is not suitable for any other purposes.

A handwritten signature in black ink that reads "Bourgeois Bennett, L.L.C." in a cursive script.

Certified Public Accountants.

Houma, Louisiana,
December 12, 2024.

SCHEDULE OF FINDINGS AND RESPONSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2024

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are
not considered to be a material weakness? ___ Yes X None reported

Noncompliance material to financial
statements noted? ___ Yes X No

b) Federal Awards

Lafourche ARC did not expend any federal awards during the year ended June 30, 2024.

Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended June 30, 2024.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2024

Section I Internal Control and Compliance Material to the Statements of Financial Position

Internal Control

No material weaknesses were reported during the audit for the year ended June 30, 2023.

No significant deficiencies were reported during the audit for the year ended June 30, 2023.

Compliance

No compliance findings material to the Statement of Financial Position were noted during the year ended June 30, 2023.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche ARC did not expend any federal awards during the year ended June 30, 2023.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2023.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2024

Section I Internal Control and Compliance Material to the Statements of Financial Position

Internal Control

No material weaknesses were reported during the audit for the year ended June 30, 2024.

No significant deficiencies were reported during the audit for the year ended June 30, 2024.

Compliance

No compliance findings material to the Statement of Financial Position were noted during the year ended June 30, 2024.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche ARC did not expend any federal awards during the year ended June 30, 2024.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2024.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Directors,
Lafourche ARC,
Thibodaux, Louisiana.

We have performed the procedures described in Schedule 9 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2023 through June 30, 2024. Lafourche ARC (the “Association”) management is responsible for those C/C areas identified in the SAUPs.

The Association has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA’s SAUPs for the fiscal period July 1, 2023 through June 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 9.

We were engaged by the Association to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on these C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Houma, Louisiana,
December 12, 2024.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

Lafourche ARC
 Thibodaux, Louisiana

For the year ended June 30, 2024

The required procedures and our findings are as follows:

1) Procedures Performed on the Association's Written Policies and Procedures:

A. Obtain and inspect the Association's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the Association's operations:

i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Performance: Obtained and read the written policy for budgeting.

Exceptions: There was an exception noted due to the policy lacking a provision on amending the budget.

ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

Performance: Obtained and read the written policy for purchasing and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

iii. **Disbursements**, including processing, reviewing, and approving.

Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of each type of revenue or Association fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Performance: Obtained and read the written policy for receipts and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

1) Procedures Performed on the Association's Written Policies and Procedures: (Continued)

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Performance: Obtained and read the contracting policy.
Exceptions: There were exceptions noted due to the policy lacking provisions for legal review and the monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- viii. **Credit Cards** (and debit cards, fuel cards, purchase cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the Association's ethics policy.
Performance: Not applicable for nonprofit organizations.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Performance: Not applicable for nonprofit organizations.

1) Procedures Performed on the Association's Written Policies and Procedures: (Continued)

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups; (2) storage of backups in a separate physical location isolated from the network; (3) periodic testing/verification that backups can be restored; (4) use of antivirus software on all systems; (5) timely application of all available system and software patches/updates; and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Performance: Inquired of management regarding the Association's information technology disaster recovery/business continuity policy.

Exceptions: There were exceptions noted due to the policy lacking a provision for the timely application of all available system and software patches /updates.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Performance: Not applicable for nonprofit organizations.

2) Procedures Performed on the Association's Board or Finance Committee:

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period and:

- i. Observe that the board met with a quorum at least monthly, or on a frequency in accordance with the board/finance committee's enabling legislation, charter, bylaws, or other equivalent document.

Performance: Obtained and read the written minutes of the Board meetings. All meetings were held with a quorum.

Exceptions: There were no exceptions noted.

- ii. For those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the Association's collections during the fiscal period.

Performance: Inspected meeting minutes and determined that the minutes referenced or included financial activity relating to public funds.

Exceptions: There were no exceptions noted.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Performance: Not applicable for nonprofit organizations.

2) Procedures Performed on the Association's Board or Finance Committee: (Continued)

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Performance: Obtained and read the written minutes of the Board meetings. There were no audit findings in the prior year.

Exceptions: There were no exceptions noted.

3) Procedures Performed on the Association's Bank Reconciliations:

- A. Obtain a listing of the Association's bank accounts from management and management's representation that the listing is complete. Ask management to identify the Association's main operating account. Select the Association's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain, and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter. The Association has 3 bank accounts.

Exceptions: There were no exceptions noted.

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

Performance: Obtained monthly bank reconciliation for the month of June for the main operating bank account and 2 additional accounts. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

Performance: Inspected the Association's documentation for the June bank reconciliation for the 3 bank accounts.

Exceptions: There were no exceptions noted.

- iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Performance: Inquired about documents for items outstanding for more than 12 months. There were no items outstanding more than 12 months.

Exceptions: There were no exceptions noted.

4) Procedures Performed on the Association's Collections (excluding electronic funds transfers):

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Performance: Obtained the listing of deposit sites from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter. The Association only has one deposit site.

Exceptions: There were no exceptions noted.

- i. Employees responsible for cash collections do not share cash drawers/registers.

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless other employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

4) Procedures Performed on the Association's Collections (excluding electronic funds transfers): (Continued)

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

Performance: Obtained a listing of all employees who have access to cash and obtained a copy of the insurance policy for theft that covers all employees who have access to cash.

Exceptions: There were no exceptions noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly select and randomly select a deposit if multiple deposits are made on the same day). Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and

- i. Observe that receipts are sequentially pre-numbered.

Performance: Observed supporting documentation for the selected deposits and observed that receipts were kept chronologically.

Exceptions: There were no exceptions noted.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Performance: Observed that all collections were electronic funds transfers, tracing the collection documentation to the deposit slip is not applicable.

Exceptions: There were no exceptions noted.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

4) Procedures Performed on the Association's Collections (excluding electronic funds transfers): (Continued)

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Performance: Observed if the deposits tested were made within one business day of receipt.

Exceptions: There were no exceptions noted.

- v. Trace the actual deposit per the bank statement to the general ledger.

Performance: Traced the actual deposits per the bank statement to the general ledger.

Exceptions: There were no exceptions noted.

5) Procedures Performed on the Association's Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases):

- A. Obtain a listing of locations that process payments for the fiscal period, and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Performance: Obtained a listing of locations that process payments for the fiscal period from management and received management's representation in a separate letter. The Association only has one location that processes payments.

Exceptions: There were no exceptions noted.

- B. For each location selected under procedure #5A, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the Association has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions and reviewed written policies and procedures related to employee job duties. Observed if the job duties were properly segregated.

Exceptions: There were no exceptions noted.

- i. At least 2 employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

Performance: Obtained a listing of employees involved in initiating a purchase request, approving a purchasing, and placing an order/making a purchase.

Observed that at least 2 employees are involved.

Exceptions: There were no exceptions noted.

5) Procedures Performed on the Association's Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases): (Continued)

- ii. At least 2 employees are involved in processing and approving payments to vendors.
Performance: Obtained a listing of employees involved in processing and approving payments to vendors. Observed at least 2 employees are involved.
Exceptions: There were no exceptions noted.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
Performance: Obtained a listing of employees involved in processing payments to vendors. Observed if any employees involved are adding/modifying vendor files.
Exceptions: There were no exceptions noted.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
Performance: Obtained a listing of employees involved with signing and mailing checks.
Exceptions: There were no exceptions noted.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
Performance: Obtained a listing of employees authorized to sign checks and inquired of management if these individuals are involved with approving electronic disbursements.
Exceptions: There were no exceptions noted.
- C. For each location selected under procedure #5A, obtain the Association's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
Performance: Obtained the Association's non-payroll disbursement transaction population, selected 5 items for testing, and obtained management's representation that the population is complete.
Exceptions: There were no exceptions noted.
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the Association.
Performance: Observed that the disbursements and the related original invoices agreed and evidence that the deliverables were received.
Exceptions: There were no exceptions noted.

5) Procedures Performed on the Association's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

- ii. Observe whether that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

- D. Using the Association's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the Association's policy, and (b) approved by the required number of authorized signers per the Association's policy.

Performance: Randomly selected 5 disbursements and observed that selected disbursements were approved by authorized persons and required number of signers.

Exceptions: There were exceptions noted due to the lack of approval by the required number of authorized signers.

6) Procedures Performed on the Association's Credit Cards, Debit Cards, Fuel Cards, Purchase Cards (Cards):

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards from management and management's representation that the listing is complete.

Exceptions: There were no exceptions noted.

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

6) Procedures Performed on the Association's Credit Cards, Debit Cards, Fuel Cards, Purchase Cards (Cards): (Continued)

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There were no exceptions noted.

- ii. Observe that finance charges and/or late fees were not assessed on the selected statements.

Performance: Observed that finance charges and/or late fees were not assessed on the selected statements.

Exceptions: There were no exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #6B, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, report whether the transaction is supported by:

- i. An original itemized receipt that identifies precisely what was purchased.

Performance: Observed whether the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.

Exceptions: There were exceptions noted as backup documentation could not be provided for 3 of the transactions selected.

- ii. Written documentation of the business/public purpose.

Performance: Observed whether the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There were exceptions noted as backup documentation could not be provided for 3 of the transactions selected.

- iii. Documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Performance: Analyzed the transactions and observed proper documentation of meal charges.

Exceptions: There were no exceptions noted.

7) Procedures Performed on the Association's Travel and Travel-Related Expense Reimbursements (excluding card transactions):

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Performance: Randomly selected 5 reimbursements, obtained general ledger for travel and travel-related expense reimbursements and management's representation in a separate letter

Exceptions: There were no exceptions noted.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

Performance: Observed that reimbursement rates used were no more than the rates established by the State of Louisiana or the GSA.

Exceptions: There were no exceptions noted.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Performance: Observed reimbursement supported by an original itemized receipt.

Exceptions: There were no exceptions noted.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii).

Performance: Observed each reimbursement was supported by documentation of the business/public purpose and other documentation required by written policy.

Exceptions: There were no exceptions noted.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Performance: Observed each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Exceptions: There were no exceptions noted.

8) Procedures Performed on the Association's Contracts:

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Performance: Obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period, randomly selected 5 contracts, and obtained management's representation that the listing is complete.

Exceptions: There were no exceptions noted.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Performance: Observed that the contracts selected did not require the bids to be in accordance with Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Performance: One of the contracts selected required Board approval as required in the Association's policy and we noted the Board approval.

Exceptions: There were no exceptions noted.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval).

Performance: Observed the contracts selected and noted no amendments.

Exceptions: There were no exceptions noted.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Inspected payments for each of the 5 contracts, obtained supporting invoices, agreed invoiced to the contract terms, and observed invoices related to the payment agreed to terms and conditions of the contract.

Exceptions: There were no exceptions noted.

9) Procedures Performed on the Association's Payroll and Personnel:

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries, and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Obtained the listing of employees and their related salaries from management, selected 5 employees and obtained management's representations that the listing is complete.

Exceptions: There were no exceptions noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Performance: Inspected all daily attendance and leave record for proper documentation.

Exceptions: There were no exceptions noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.

Performance: Inspected the approval of attendance and leave by the supervisors for the selected employee/officials.

Exceptions: There were no exceptions noted.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the Association's cumulative leave records.

Performance: Inspected any leave accrued or taken during the pay period was reflected in the cumulative leave records.

Exceptions: There were no exceptions noted.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Performance: Inspected and agreed the rate paid to employees to the authorized pay rate in the personnel files.

Exceptions: There were no exceptions noted.

9) Procedures Performed on the District's Payroll and Personnel: (Continued)

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

Performance: Inquired of management of those employees/officials that terminated during the fiscal period and management's representation that the list is complete and randomly selected 2 employees. Agreed the hours to the employees' cumulative leave records, agreed the pay rates to the employees' authorized rates in the employees' personnel file and agreed the termination payment to the Association's policy for the 2 employees selected.

Exceptions: There were no exceptions noted.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Performance: Obtained management's representation of the timely filing of payroll forms and timely payments and inspected payroll reporting forms to confirm that all payments were submitted to the applicable agencies by the required deadlines.

Exceptions: There were no exceptions noted.

10) Procedures Performed on the Association's Ethics:

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.

Performance: Not applicable for nonprofit organizations.

- ii. Observe whether the Association maintains documentation which demonstrates that each employee and official were notified of any changes to the Association's ethics policy during the fiscal period, as applicable.

Performance: Not applicable for nonprofit organizations.

- B. Inquire and/or observe whether the Association has appointed an ethics designee as required by R.S. 42:1170.

Performance: Not applicable for nonprofit organizations.

11) Procedures Performed on the Association's Debt Service:

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Performance: Not applicable for nonprofit organizations.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Performance: Not applicable for nonprofit organizations.

12) Procedures Performed on the Association's Fraud Notice:

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Association reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Association is domiciled as required by R.S. 24:523.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period and management's representation in a separate letter that there were none.

Exceptions: There were no exceptions noted.

- B. Observe that the Association has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Observed fraud notice posted on the premises concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. The Association does not have a website.

Exceptions: There were no exceptions noted.

13) Procedures Performed on the Association's Information Technology Disaster Recovery/ Business Continuity:

A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management".

- i. Obtain and inspect the Association's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of person responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the Association's local server or network, and (c) was encrypted.

Performance: We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the Association's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Performance: We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the Association's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Performance: We performed the procedure and discussed the results with management.

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using a list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Performance: Randomly selected 5 terminated employees and discussed the results with management.

C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Performance: Not applicable for nonprofit organizations.

14) Procedures Performed on the Association's Prevention of Sexual Harassment:

- A. Using the 5 randomly selected employees/officials from "Procedures Performed on the Association's Payroll and Personnel procedure" #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Performance: Examined sexual harassment training documentation for the 5 employees tested.

Exceptions: There were exceptions noted due to one of the employees selected not having the sexual harassment training.

- B. Observe that the Association has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the Association's premises if the Association does not have a website).

Performance: Inspected the sexual harassment policy and complaint procedure posted on its premises. The Association does not have a website.

Exceptions: There were no exceptions noted.

- C. Obtain the Association's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

Performance: Obtained the Association's annual sexual harassment report.

Exceptions: There were no exceptions noted.

- i. Number and percentage of public servants in the Association who have completed the training requirements.

Performance: Not applicable for nonprofit organizations.

- ii. Number of sexual harassment complaints received by the Association.

Performance: Not applicable for nonprofit organizations.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred.

Performance: Not applicable for nonprofit organizations.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.

Performance: Not applicable for nonprofit organizations.

- v. Amount of time it took to resolve each complaint.

Performance: Not applicable for nonprofit organizations.

Management's Overall Response to Exceptions:

- 1)A(i) Management will consider adding the required provision to the existing budgeting policy.
- 1)A(vi) Management will consider adding the required provision to the existing contracting policy.
- 1)A(xi) Management will consider adding the required provision to the existing information technology disaster recovery/business continuity policy.
- 5)D Management will ensure segregation of duties are documented on electronic disbursements.
- 6)C(i,ii) Management will ensure there is supporting documentation for all credit card charges.
- 14A Management will ensure that all employees complete sexual harassment training annually.