



DONALDSONVILLE AREA ARC, INC.

(A NOT FOR PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020



DONALDSONVILLE AREA ARC, INC.
(A NOT FOR PROFIT ORGANIZATION)
FINANCIAL STATEMENTS
JUNE 30, 2021

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A Professional Accounting Corporation

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Donaldsonville Area ARC, Inc.
Donaldsonville, Louisiana

Management is responsible for the accompanying financial statements of Donaldsonville Area Association for Retarded Citizens, Inc. (a nonprofit corporation, "the Association"), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, statements of functional expenses and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The accompanying schedule of compensation, benefits, and other payments to the agency head on page 7 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. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information, do not express an opinion, a conclusion, nor provide any assurance on such information.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the users' conclusions about the Association's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Postlethwaite & Netterville

Donaldsonville, Louisiana
October 1, 2021

DONALDSONVILLE AREA ARC, INC.
(A NOT FOR PROFIT ORGANIZATION)
Donaldsonville, Louisiana

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	2021	2020
<u>ASSETS</u>		
Cash and cash equivalents	\$ 732,971	\$ 412,635
Accounts receivable	49,132	46,058
Investments	340,558	247,145
Certificates of deposit	128,956	297,801
Buildings and equipment (net of accumulated depreciation of \$632,540 and \$595,788, respectively)	182,047	212,421
TOTAL ASSETS	\$ 1,433,664	\$ 1,216,060
 <u>LIABILITIES</u>		
Accounts payable	\$ 1,842	\$ -
Salaries and payroll taxes payable	2,868	1,872
Paycheck Protection Program loan	129,815	119,021
Leases payable	9,593	-
Other liabilities	2,422	2,422
TOTAL LIABILITIES	146,540	123,315
 <u>NET ASSETS</u>		
Without donor restrictions	1,287,124	1,092,745
TOTAL NET ASSETS	1,287,124	1,092,745
TOTAL LIABILITIES AND NET ASSETS	\$ 1,433,664	\$ 1,216,060

See independent accountants' compilation report.

DONALDSONVILLE AREA ARC, INC.
(A NOT FOR PROFIT ORGANIZATION)
Donaldsonville, Louisiana

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2021 AND 2020

	Without Donor Restrictions	
	2021	2020
<u>REVENUES AND OTHER SUPPORT</u>		
Public Support:		
Public contributions	\$ 49,639	\$ 23,112
Grant income - DOTD	21,000	21,000
Fundraising	19,470	16,761
Allocated by Capital Area United Way	11,715	23,212
Paycheck Protection Program loan forgiveness	119,021	-
Program Service Fees - residential	626,236	621,066
Membership dues - individual	2,340	3,060
Sales to public (net of expenses of \$36,222 and \$87,139, respectively)	89,192	80,841
Investment earnings	10,080	21,797
Unrealized gain (loss) on investments	84,743	(4,535)
Miscellaneous	2,043	16,008
	1,035,479	822,322
<u>EXPENSES</u>		
Program Services - residential	272,629	256,114
Supporting Services		
Management and general	558,588	635,623
Fundraising	9,883	7,935
Total supporting services	568,471	643,558
	841,100	899,672
CHANGE IN NET ASSETS	194,379	(77,350)
NET ASSETS AT BEGINNING OF YEAR	1,092,745	1,170,095
NET ASSETS AT END OF YEAR	\$ 1,287,124	\$ 1,092,745

See independent accountants' compilation report.

DONALDSONVILLE AREA ARC, INC.
(A NOT FOR PROFIT ORGANIZATION)

Donaldsonville, Louisiana

STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2021 AND 2020

	2021			
	<u>Program Services</u>	<u>Support Services</u>		<u>Total</u>
	<u>Residential Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
<u>EXPENSES</u>				
Salaries and wages	\$ 167,425	\$ 375,636	\$ -	\$ 543,061
Repairs and maintenance	3,784	8,302	-	12,086
Supplies	5,456	6,217	-	11,673
Utilities	6,614	8,913	-	15,527
Telephone	4,092	6,060	-	10,152
Transportation expenses	116	1,169	-	1,285
Food for residential program	11,008	442	-	11,450
Payroll taxes	10,887	30,766	-	41,653
Insurance	7,367	56,328	-	63,695
Professional fees	2,125	12,140	-	14,265
Medical	3,927	673	-	4,600
Training	1,519	3,199	-	4,718
Day program	-	-	-	-
Client allowance	516	-	-	516
Bed fee	29,474	-	-	29,474
Contract labor	360	-	-	360
Gasoline	388	1,007	-	1,395
Vehicle repairs	1,330	2,579	-	3,909
Bad debt	-	-	-	-
Fundraising expenses	-	-	9,883	9,883
Other	2,224	14,820	-	17,044
Total Expenses Before Depreciation	<u>258,612</u>	<u>528,251</u>	<u>9,883</u>	<u>796,746</u>
Depreciation of buildings and equipment	<u>14,017</u>	<u>30,337</u>	<u>-</u>	<u>44,354</u>
TOTAL EXPENSES	<u><u>\$ 272,629</u></u>	<u><u>\$ 558,588</u></u>	<u><u>\$ 9,883</u></u>	<u><u>\$ 841,100</u></u>

See independent accountants' compilation report.

DONALDSONVILLE AREA ARC, INC.
(A NOT FOR PROFIT ORGANIZATION)

Donaldsonville, Louisiana

STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2021 AND 2020

	2020			
	<u>Program Services</u>	<u>Support Services</u>		<u>Total</u>
	<u>Residential Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
<u>EXPENSES</u>				
Salaries and wages	\$ 148,327	\$ 416,338	\$ -	\$ 564,665
Repairs and maintenance	6,451	10,455	-	16,906
Supplies	5,549	10,294	-	15,843
Utilities	3,920	12,312	-	16,232
Telephone	3,982	6,730	-	10,712
Transportation expenses	330	2,751	-	3,081
Food for residential program	6,462	13,732	-	20,194
Payroll taxes	9,846	36,215	-	46,061
Insurance	3,585	47,995	-	51,580
Professional fees	1,000	11,515	-	12,515
Medical	4,084	1,191	-	5,275
Training	1,538	3,623	-	5,161
Day program	9,114	-	-	9,114
Client allowance	670	40	-	710
Bed fee	29,554	-	-	29,554
Contract labor	4,241	-	-	4,241
Gasoline	1,135	4,615	-	5,750
Vehicle repairs	401	6,661	-	7,062
Bad debt	-	6,800	-	6,800
Fundraising expenses	-	-	7,935	7,935
Other	1,998	13,955	-	15,953
Total Expenses Before Depreciation	<u>242,187</u>	<u>605,222</u>	<u>7,935</u>	<u>855,344</u>
Depreciation of buildings and equipment	<u>13,927</u>	<u>30,401</u>	<u>-</u>	<u>44,328</u>
TOTAL EXPENSES	<u><u>\$ 256,114</u></u>	<u><u>\$ 635,623</u></u>	<u><u>\$ 7,935</u></u>	<u><u>\$ 899,672</u></u>

See independent accountants' compilation report.

DONALDSONVILLE AREA ARC, INC.
(A NOT FOR PROFIT ORGANIZATION)
Donaldsonville, Louisiana

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 194,379	\$ (77,350)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	44,354	44,328
Loss on disposal of assets	29	-
Bad debt	-	6,800
Unrealized (gain) loss on investments	(84,743)	4,535
Paycheck Protection Program loan forgiveness	(119,021)	-
Decrease in prepaid expenses	-	1,680
(Increase) decrease in accounts receivable	(3,074)	33,811
Increase (decrease) in accounts payable	1,842	(5,987)
Increase (decrease) in salaries and payroll taxes payable	996	(20,725)
Decrease in other liabilities	-	(4,593)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	34,762	(17,501)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Net redemptions of certificates of deposit	168,845	48,475
Purchases of investments	(8,670)	(13,228)
Purchases of equipment	(3,896)	(3,500)
NET CASH PROVIDED BY INVESTING ACTIVITIES	156,279	31,747
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Paycheck Protection Program loan proceeds	129,815	119,021
Payments on leases	(520)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	129,295	119,021
NET INCREASE IN CASH AND CASH EQUIVALENTS	320,336	133,267
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	412,635	279,368
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 732,971	\$ 412,635
Supplemental disclosure:		
<u>NON-CASH INVESTING AND FINANCING ACTIVITIES:</u>		
Property and equipment acquired through leases	\$ 10,113	\$ -

See independent accountants' compilation report.

SUPPLEMENTARY INFORMATION

DONALDSONVILLE AREA ARC, INC.
(A NOT FOR PROFIT ORGANIZATION)
Donaldsonville, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS
AND OTHER PAYMENTS TO THE AGENCY HEAD

YEAR ENDED JUNE 30, 2021

Agency Head Name/Title: Marlene Domingue, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 75,868
	<u>\$ 75,868</u>

See independent accountants' compilation report.



INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

Board of Directors
 Donaldsonville Area ARC, Inc.
 Donaldsonville, Louisiana

We have performed the procedures enumerated below, which were agreed to by Donaldsonville Area Arc, Inc. (the Arc) on the accounting records of the Arc as of June 30, 2021. The Arc's management is responsible for the Arc's accounting records.

The Arc has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the agreement with is to determine the accuracy of the Arc's accounting records. 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 are responsible for determining the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

A) Bank Reconciliations

We performed the procedures below on the following accounts:

Bank	Book Balance as of June 30, 2021
Capital One (GL Acct. 0500-C)	\$ 305,063
Whitney (GL Acct. 1051-C)	100,015
First American Savings (GL Acct. 1035-C)	3,016
First American (GL Acct. 1045-M)	1,175
Edward Jones Money Market (GL Acct. 1067-C)	323,203
	\$ 732,472

a) We agreed book balances to the bank reconciliations.

Results: We found no exceptions as a result of the procedures.

b) We agreed bank reconciliations to the 3rd party bank statements.

Results: We found no exceptions as a result of the procedures.

c) We mathematically checked the bank reconciliations.

Results: We found no exceptions as a result of the procedures.



- d) We inspected documentation that management has researched reconciling items that have been outstanding for more than 90 days.

Results: We identified one reconciling item that was outstanding for more than 90 days that was a result of an error that had not been corrected in the amount of \$168.55. There was no evidence of management researching this item prior to the performance of this procedure.

Whitney	Check Date	Check Number	Amount
Outstanding withdrawal	March 18, 2020	n/a	\$ 168.55

B) Certificates of Deposit (CDs)

- a) We agreed the listing of CDs provided by management to the general ledger book balance.

Results: The unadjusted book balance reported a balance of \$22,986. The client prepared list of CDs reported a balance of \$128,927.13, which agreed to the 3rd party statements. See table below.

- b) We agreed the CD balance and interest rate from the statements to the listing of CDs that was prepared by the client.

Results: The interest rates and balances on the United Community Bank and First American Bank CDs on the client prepared listing did not agree to the interest rates on the statement. See table below.

Certificate of Deposit	Per 3 rd Party Statement		Per Client Prepared Schedule	
	Interest Rate	Balance as of June 30, 2021	Interest Rate	Balance as of June 30, 2021
Discover Bk Greenwood Del	3.25%	20,000	3.25%	20,000
United Community Bank	0.45%	74,638	1.70%	74,609
First American Bank	0.20%	34,318	0.25%	34,190
		\$ 128,956		\$ 128,799



c) We recalculated interest receivable and agreed it to the general ledger book balance.

Results: A difference of \$2,292 exists between the unadjusted book balance and the calculated amount. This is a result of the client not reversing the prior year receivable and the current year receivable not being recorded. See results of calculation below.

	Unadjusted Book Balance June 30, 2021	Accrued Interest Calculated June 30, 2021
First American Bank	\$ 66	\$ 26
United Community Bank	-	3
Wells Fargo Bank	691	-
Discover BK Greenwood Del	878	52
American Express Centurion	438	-
Wells Fargo Bank NA Sioux Falls	208	-
Bank Hapoalim B M New York	92	-
	\$ 2,373	\$ 81

C) Investments as of June 30, 2021

a) We agreed book balances to brokerage statements.

Results: An adjustment in the amount of \$93,413 to increase the balance of investments for current year activity had not been recorded. This adjustment consisted of current year dividends of \$8,670 that had been reinvested had not been recorded and an unrealized gain of \$84,743 due to the fair market value of the investments at fiscal year end.

	Book Balance June 30, 2021	Brokerage Statement Balance June 30, 2021
Edward Jones	\$ 247,145	\$ 340,558

b) We agreed interest revenues to brokerage statements.

Results: As noted above, the dividends earned on the investments had not been recorded.

D) Accounts Receivable as of June 30, 2021

a) We obtained accounts receivable sub ledger and agreed it to the general ledger book balance.

Results: We found no exceptions as a result of the procedure.

b) We ensured that the sub ledger provided by client was mathematically accurate.

Results: The totals of the sub ledger were mathematically accurate.

- c) We obtained cash receipts greater than \$1,500 from the July 2021 bank statements and agreed those receipts to the respective invoice/reimbursement request/grant agreement.

Results: Three cash receipts totaling \$36,408.84 were tested. Each receipt agreed to the respective invoice/reimbursement request/grant agreement. However, one cash receipt in the amount of \$7,252 that was tested included \$196 that was recorded in the incorrect accounting period.

E) Accounts Payable as of June 30, 2021

- a) We obtained the accounts payable sub ledger and agreed it to the general ledger balance.

Results: We found no exceptions as a result of the procedure.

- b) We ensured that the sub ledger provided by client was mathematically accurate.

Results: The totals of the sub ledger were mathematically accurate.

- c) We selected all non-recurring cash disbursements greater than \$1,500 made between July 1, 2021 and July 31, 2021, and agreed to the invoice and copy of the check.

Results: Six disbursements totaling \$31,015.01 were tested. Each disbursement had an appropriate invoice and check copy. We noted one invoice in the amount of \$1,839 that was incorrectly excluded from accounts payable at year end.

F) Accrued Salaries as of June 30, 2021

- a) We traced the accrued salaries general ledger balance to the client payroll summary and recalculated the June 30, 2021 accrual.

Results: There was no accrual necessary for June 30, 2021.

G) Revenues and Expenses

- a) We extracted all cash disbursements greater than \$1,500 that were posted to the accounting records between July 1, 2020 and June 30, 2021. This resulted in:

- 11 transfers between bank accounts totaling \$664,113.73
- 28 payroll tax payments totaling \$122,741.61
- 47 paychecks totaling \$94,624.57
- 29 cash disbursements totaling \$137,379.75.



We performed the following:

- i. We agreed the disbursement to the invoice and check copy.

Results: Five payroll-related disbursements totaling \$8,257.02 were not paid correctly. See summary of exceptions below.

Disbursement Description	Date	Amount	Exception
Payroll check	11/5/20	\$1,570.45	Incorrect overtime hours paid. Employee was overpaid \$17.85.
Payroll check	10/22/20	\$1,580.09	Incorrect overtime hours paid. Employee was overpaid \$4.44.
Payroll check	7/16/20	\$1,702.38	Incorrect total hours paid. Employee was overpaid \$291.15.
Payroll check	9/10/20	\$1,829.01	Incorrect overtime hours paid. Employee was overpaid \$142.80.
Payroll check	4/8/21	\$1,575.09	Incorrect total hours paid. Employee was underpaid \$48.98.
Vacation usage	6/17/21	\$114.60	Vacation log not updated for usage of 12 hours by employee.
LA Workforce Commission	1/21/21	\$4,053.53	Support for disbursement totaled \$3,417.96.

- ii. We observed the invoice to verify documentation of review and approval by client personnel.

Results: Nine cash disbursements totaling \$26,684.98 and two transfers totaling \$70,000 did not include documentation of approval of client personnel. See summary of exceptions below.

Disbursement Description	Date	Amount	Exception
Transfer of funds	7/27/20	\$20,000.00	No evidence of approval by client personnel.
Transfer of funds	5/3/21	\$50,000.00	No evidence of approval by client personnel.
LA Worker's Compensation	3/31/21	\$1,550.21	No evidence of approval by client personnel.
LA Department of Revenue	1/5/21	\$1,817.00	No evidence of approval by client personnel.
LA Department of Revenue	7/1/20	\$1,872.00	No evidence of approval by client personnel.
Thomas, Farr, & Reeves	7/28/20	\$2,647.47	No evidence of approval by client personnel.
The Arc of the United States	1/12/21	\$2,808.00	No evidence of approval by client personnel.
LA Worker's Compensation	10/27/20	\$3,104.64	No evidence of approval by client personnel.
LA Worker's Compensation	6/2/21	\$3,150.45	No evidence of approval by client personnel.
LA Worker's Compensation	10/20/20	\$4,735.21	No evidence of approval by client personnel.
Postlethwaite & Netterville	12/2/20	\$5,000.00	No evidence of approval by client personnel.

- iii. We observed that the disbursement was recorded in the proper general ledger account.

Results: One cash disbursement in the amount of \$3,896 was not recorded in the proper general ledger account. See summary of exception below.

Disbursement Description	Date	Amount	Exception
Max Home	7/17/20	\$3,896.00	Disbursement was recorded as maintenance expense, but should have been capitalized per the Arc's policy.



b) We extracted all cash receipts greater than \$5,000 that were posted to the accounting records between July 1, 2020 and June 30, 2021. This resulted in:

- 44 cash receipts totaling \$703,699.20
- 11 transfers between bank accounts totaling \$664,113.73
- 5 CD maturities totaling \$195,092.31

We performed the following:

i. We agreed the receipt to the bank statement.

Results: We found no exceptions as a result of the procedures.

ii. We agreed the amount received to the invoice/reimbursement request/grant agreement.

Results: We found no exceptions as a result of the procedures.

iii. We observed that the receipt was recorded in the proper general ledger account.

Results: Of the 5 CD maturities, 1 CD maturity was incorrectly recorded. Of the 44 cash receipts, 2 receipts were incorrectly recorded. See summary of exceptions below.

Receipt Description	Date	Amount	Exception
CD Maturity	7/31/20	\$25,092.31	Interest earnings of \$92.31 was recorded in the proper revenue account; however, the initial CD balance of \$25,000 was incorrectly recorded as interest revenue rather than a reduction to the CD balance.
United Way Designations	3/10/21	\$5,489.21	Receipt was incorrectly recorded as shredding income rather than United Way Designations.
Paycheck Protection Program	5/3/21	\$129,815.07	Receipt was incorrectly recorded as a reduction of the CD balance and should have been recorded as a liability for the refundable advance.



We were engaged by the Arc to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on if the accounting records are accurate. 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 Arc and meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is to describe the procedures performed and the results of the procedures. Accordingly, this report is not suitable for any other purpose. This report is intended solely for the information and use of the Arc, and is not intended to be and should be used by anyone other than the specified party.

Postlethwaite & Netterville

Donaldsonville, Louisiana
October 1, 2021

Donaldsonville Area Arc, Inc.

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Postlethwaite & Netterville
215 Saint Patrick St.
Donaldsonville, LA 70346

MANAGEMENT'S RESPONSE

A) Bank Reconciliations

- d) We researched the reconciling item dated March 18, 2020 and determined that this disbursement should not have been recorded. This transaction was deleted from the general ledger and a new bank reconciliation was provided.

B) Certificates of Deposit

- a) Several adjustments to correct the certificates of deposit as of June 30, 2021 were made in the amount of \$105,941 to increase the general ledger balance.
- b) The CD spreadsheet has been updated to the correct interest rates and balances.
- c) An adjustment was made in the amount of \$2,373 to reverse the prior year accrual of interest earnings.

C) Investments

- a) An adjustment was made to record \$8,670 of dividends earned and the current year unrealized gain of \$84,743.
- b) As noted above, an adjustment of \$8,670 was made to record the dividends eared for the year.

D) Accounts Receivable

- c) An adjustment was made to increase the general ledger balance \$196 for the additional receivable identified.

E) Accounts Payable

- c) An adjustment was made to accrue an additional invoice in accounts payable at June 30, 2021 in the amount of \$1,839.

G) Revenues and Expenses

- a) Cash disbursements procedures
 - i) An addition \$48.98 to the employee's pay will be made in the payroll dated XXX for the underpayment that was noted.

Supporting documentation will be obtained and retained for all disbursements.



- ii) All disbursements and transfers will be supported by documental approvals.
 - iii) An adjustment was made in the amount of \$3,896 to properly reflect the transaction in the proper general ledger account.
- b) Cash receipts procedures
- iii) Adjustments were made to correct the issues identified and appropriately record the respective transactions at June 30, 2021.

Marlene Domingue
Executive Director