

**LOUISIANA ASSOCIATION FOR
CHALLENGED ADULTS, INC.**

WALKER, LOUISIANA

JUNE 30, 2021



L.A. CHAMPAGNE & CO.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Directors of
Louisiana Association for Challenged Adults, Inc.

We have reviewed the accompanying financial statements of Louisiana Association for Challenged Adults, Inc. (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2021, and the related statement of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

Accountant's Conclusion

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

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to the agency head 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 financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Report on Agreed-Upon Procedures

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated December 31, 2021, on the results of our agreed-upon procedures.

S. A. Champagne & Co, LLP

*Baton Rouge, Louisiana
December 31, 2021*

LOUISIANA ASSOCIATION FOR CHALLENGED ADULTS, INC.
STATEMENT OF FINANCIAL POSITION

June 30, 2021

(See Independent Accountant's Review Report)

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 412,437
Investments	49,601
Accounts receivable	14,660
Interest receivable	2,075
Prepaid and other	16,536
Total current assets	<u>495,309</u>

PROPERTY AND EQUIPMENT

Land	70,525
Property and equipment, net	1,122,271
Total property and equipment, net of depreciation	<u>1,192,796</u>

NONCURRENT ASSETS

Investments	53,345
Total noncurrent assets	<u>53,345</u>

Total assets	\$ <u>1,741,450</u>
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LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 4,519
Other accrued liabilities	18,201
Notes payable - Paycheck Protection Program	66,585
Total liabilities	<u>89,305</u>

NET ASSETS

Without donor restrictions	1,528,145
With donor restrictions	124,000
Total Net Assets	<u>1,652,145</u>

Total liabilities and net assets	\$ <u>1,741,450</u>
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See accompanying notes to financial statements.

LOUISIANA ASSOCIATION FOR CHALLENGED ADULTS, INC.
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021
(See Independent Accountant's Review Report)

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Public support			
Contributions	\$ 8,611	\$ -	\$ 8,611
Group home contracts	6,600	-	6,600
Medicaid	240,849	-	240,849
Grant income	81,000	150,000	231,000
Investment income	3,251	-	3,251
Program revenue	98,126	-	98,126
Other	89,564	-	89,564
Gain on sale/disposal of assets	4,900	-	4,900
Net assets released to restrictions	26,000	(26,000)	-
Total support and revenue	<u>558,901</u>	<u>124,000</u>	<u>682,901</u>
EXPENSES			
Program expenses	423,715	-	423,715
Management and general expenses	75,129	-	75,129
Fundraising expenses	1,104	-	1,104
Total expenses	<u>499,948</u>	<u>-</u>	<u>499,948</u>
INCREASE IN NET ASSETS	58,953	124,000	182,953
Net assets - beginning of year	<u>1,469,192</u>	<u>-</u>	<u>1,469,192</u>
Net assets - end of year	<u>\$ 1,528,145</u>	<u>\$ 124,000</u>	<u>\$ 1,652,145</u>

See accompanying notes to financial statements.

LOUISIANA ASSOCIATION FOR CHALLENGED ADULTS, INC.
STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2021
(See Independent Accountant's Review Report)

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 182,953
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	48,128
Paycheck Protection Program loan forgiveness	(74,305)
Increase in receivables	(14,660)
Decrease in other assets	10,132
Increase in accounts payable	664
Increase in accrued liabilities	5,026
Net cash provided by operating activities	<u>157,938</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets	<u>(109,967)</u>
Net cash used in investing activities	<u>(109,967)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Paycheck Protection Program loan	66,585
Proceeds from sales of investments	<u>100,279</u>
Net cash provided by financing activities	<u>166,864</u>

NET INCREASE IN CASH

Cash - beginning of year	<u>197,601</u>
Cash - end of year	<u>\$ 412,437</u>

See accompanying notes to financial statements.

LOUISIANA ASSOCIATION FOR CHALLENGED ADULTS, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2021
(See Independent Accountant's Review Report)

	Program Services	Supporting Services		Total
	Activity Center Services	Management and General	Fundraising	
Salaries and wages	\$ 163,401	\$ 28,836	\$ -	\$ 192,237
Payroll taxes	14,253	2,515	-	16,768
Client payroll	29,769	-	-	29,769
Employee benefits	2,020	-	-	2,020
Advertising	2,229	-	-	2,229
Bad debt	26,278	-	-	26,278
Bank charges	194	-	-	194
Cost of sales - programs	1,087	-	-	1,087
Depreciation	48,128	-	-	48,128
Insurance	70,402	-	-	70,402
Licenses and fees	3,347	-	-	3,347
Miscellaneous	15,880	-	-	15,880
Fundraiser	-	-	1,104	1,104
Professional fees	-	20,136	-	20,136
Repairs and maintenance	10,393	-	-	10,393
Supplies	-	23,642	-	23,642
Utilities	17,904	-	-	17,904
Training	1,128	-	-	1,128
Transportation	17,112	-	-	17,112
Volunteer meals	190	-	-	190
Total expenses	<u>\$ 423,715</u>	<u>\$ 75,129</u>	<u>\$ 1,104</u>	<u>\$ 499,948</u>

See accompanying notes to financial statements.

LOUISIANA ASSOCIATION FOR CHALLENGED ADULTS, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2021

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

Louisiana Association for Challenged Adults, Inc., (the Organization) is a non-profit corporation organized for the purpose of providing work programs for adult developmentally disabled citizens aged 22 and older. The mission of the Organization is to help provide vocational, recreational and educational/rehabilitation opportunities for mentally challenged adults. The Organization was established in 1960.

Basis of accounting

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

Basis of presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The Organization reports information regarding its financial position and activities according to the two classes of net assets as follows:

Net assets without donor restrictions - resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions - resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets with donor restrictions to net assets without donor restrictions.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Contributions and grants

Contributions received, government support, and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Contributed services are reported at fair value in the financial statements for voluntary donations of services when those services (1) create or enhance non-financial assets or (2) require specialized skills provided by individuals possessing those skills and are services which would be typically purchased if not provided by donation. During the year ending June 30, 2021, there were no material contributed services.

Donated materials are recorded at their fair value at the date of the gift. The Organization does not imply time restrictions for gifts of long-lived assets. As a result, in the absence of donor-imposed restrictions, gifts of long-lived assets are reported as unrestricted revenue. There were no such donations for the year ending June 30, 2021.

Revenue from contracts with customers

The Organization recognizes revenue from contracts with customers when it transfers promised goods or services to its members in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods and services. To accomplish this, the Organization applies the following five-step process to achieve this core principle:

- Identification of the contract with the member;
- Identification of the performance obligations under the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the identified performance obligations; and
- Recognition of revenue when (or as) an entity satisfies the identified performance obligations.

Medicaid revenue in the form of supportive services is earned through four forms of Medicaid billings: the new opportunities waiver (N.O.W.), the supports waiver, residential options waiver, and the elderly disabled adult waiver. The most significant supportive services revenue is earned through new opportunities waiver and the supports waiver. The new opportunities waiver is billed based on fifteen-minute units of service and can apply to both the activity center and the supported independent living programs. The supports waiver is billed in day units and can only be applied to the work programs at the activity center. The supports waiver provided fewer services than the N.O.W. waiver and is utilized as a bridge to partially meet the needs of clients due to the lengthy waiting list for the other waiver forms on a state-wide basis.

The Group Home contract revenue is from Howell House and Summer House. Clients under both utilize the services at the activity center for a per diem rate, and each are directly billed based on attendance.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Activity Center maintains several sources of self-generated revenue primarily through multiple work programs conducted by the clients where revenue earned is put back into the program to fund ongoing supplies and equipment required to continue the program. These work programs include lawn care, producing wood stakes used by surveyors, recycling, and janitorial services. The Activity Center utilizes these forms of self-generated revenue to carry out the mission of the Activity Center while becoming less dependent on external supportive services.

In most cases, consideration paid for services is nonrefundable. As such, at the time the revenue is recognized, the Organization does not estimate expected refunds for services nor does the Organization exclude any such amounts from revenue.

Revenue Disaggregation

The Organization disaggregates revenue from contracts with customers into major revenue streams and based on the timing of recognized revenue. The Organization's revenue disaggregated based on timing of the transfer of goods or services as follows as of June 30, 2021:

Recognized at a point in time:		
Program revenue	\$	98,126
Medicaid		240,849
Group home contracts		6,600

Contract balances

Contract assets represent the Organization's right to consideration in exchange for goods or services that have been transferred to the customer before payment is due. Contract liabilities include consideration due or paid by a customer prior to when the Organization transfers goods or services and represents the Organization's obligation to the customers. Contract assets are included in the statement of financial position as accrued billings. There were no contract liabilities as of June 30, 2021.

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 in the financial statements. Estimates and assumptions may also affect disclosure of contingent assets and liabilities at the date of the financial statement, and the reported amounts of revenues and expenses. Actual results could differ from management's estimates.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash and cash equivalents are valued at their carrying amount due to their short maturities.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments and investment income

Investments consist of certificates of deposit and are reported at cost, which approximates fair value. Investments with maturities in excess of twelve months are reported as long-term on the statement of financial position.

Investment income consists of interest earned on investments and is reported as increases in net assets without restrictions, unless their use is restricted by explicit donor stipulations or by law.

Promises to give and other receivables

Contributions, which include unconditional promises to give, are recognized as revenues in the period received or promised. Conditional contributions are recorded when the conditions have been met. Contributions are reported as without donor restrictions unless specifically restricted by the donor.

The Organization reports contributions as increases in net assets with donor restrictions if they are received with donor stipulations as to their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are released and reclassified to net assets without donor restrictions in the statement of activities. Donor-restricted contributions are initially reported as increases in net assets with donor restrictions, even if it is anticipated such restrictions will be met in the current reporting period.

Product or service revenue is generally recognized upon the delivery of the product or services to the customer.

Prepaid expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Property and equipment

Purchases of land, buildings, and other property having a unit cost per established guidelines and a useful life of three year or more years are capitalized when they occur. Donated assets are capitalized at the estimated fair value at the date of receipt. Property under capital leases is amortized over the lease term. Any gain or loss on sale of land, buildings, and other property is reported on the statement of activities when they occur. The Organization maintains a threshold of \$500 or more for capitalization of property and equipment. All capital assets, other than land, are depreciated using the straight-line method over their estimated useful lives.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest expense incurred during a period of construction, less related interest income earned on tax exempt borrowings, is capitalized.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All capital assets, other than land, are depreciated using the straight-line method over their estimated useful lives as follows:

<u>Description</u>	<u>Estimate of Useful Lives</u>
Buildings & Renovations	5-40 Years
Equipment – Work Account Assets	5-10 Years
Furniture, Fixtures, and Equipment	5-10 Years
Vehicles	5-10 Years

Income tax status

The Louisiana Association for Challenged Adults, Inc. is a not-for-profit organization. The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities.

The Organization accounts for income taxes in accordance with the income tax accounting guidance included in the FASB ASC. Under this guidance, the Organization may recognize the tax effects from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by tax authorities. The Organization has evaluated its position regarding the accounting for uncertain income tax positions and does not believe that it has any material uncertain tax position.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress.

Functional allocation of expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs are charged specifically to a program or function and the remaining costs are allocated among programs, management, and fund raising based upon estimates of time devoted to these functions.

New Account Pronouncement

In May 2014, the FASB issued ASU No. 2014-09, (Topic 606) *Revenue from Contracts with Customers*. This ASU is a comprehensive new revenue recognition model that requires an organization to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods and services. Additional disclosure is required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. This standard was adopted by the Organization effective July 1, 2020 using the full retrospective method. The adoption of this standard did not have a material impact on the Organization's financial statements.

B: CASH AND CASH EQUIVALENTS

At June 30, 2021, the Organization had cash and cash equivalents (book balances) as follows:

Demand deposits	\$ 265,532
Money market account	<u>146,905</u>
Total Cash and Cash Equivalents	<u><u>\$ 412,437</u></u>

The Organization maintains its cash in bank deposit accounts, the balances of which at times may exceed federally insured limits. Management has placed these funds in high quality institutions in order to minimize the risk. At June 30, 2021, the Organization's cash balances exceeded federally insured limits by \$15,579.

At June 30, 2021, \$146,905 of cash deposits were in a money market account with Edward Jones. The deposits at Edward Jones also provide the Organization with a line of credit. As part of regulatory contract requirements through the Health Standards Bureau licensing for the State of Louisiana, access to a line of credit is a requirement for similar organizations that work through Medicaid with NOW waivers.

C: INVESTMENTS

Investment balances as of June 30, 2021 consisted of the following:

	<u>2021</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
Certificates of deposit with original maturities greater than three months:			
Current:			
Capital One Bank, USA	<u>\$ 49,601</u>	8/3/21	1.60%
Subtotal - Current certificates of deposit	<u>49,601</u>		
Noncurrent:			
Investar Bank	<u>\$ 53,345</u>	7/23/22	1.24%
Subtotal - Noncurrent certificates of deposit	<u>53,345</u>		
Total Investments	<u><u>\$ 102,946</u></u>		

At June 30, 2021, \$102,946 of the certificates of deposit were on account with Edward Jones. The investments at Edward Jones also provide the Organization with a line of credit. As part of regulatory contract requirements through the Health Standards Bureau licensing for the State of Louisiana, access to a line of credit is a requirement for similar organizations that work through Medicaid with NOW waivers.

D: REVENUE AND RECEIVABLES

Total receivables at June 30, 2021 were as follows:

Other - accrued interest receivable \$ 2,075

Accounts Receivables at June 30, 2021 were as follows:

Accrued Billings \$ 14,660

Sources of revenue for the year ending June 30, 2021 were as follows:

Self generated:

Investment earnings	\$ 3,251	0%
Gain on sale/disposal of assets	4,900	1%
Vending machines	1,530	0%
Car rental	8,603	1%
Other	89,564	13%
Customer program revenues:		
Janitorial contracts	79,373	12%
Wood stakes	342	0%
Yards	<u>8,279</u>	1%
Total self-generated funds	<u>195,841</u>	29%

Public support

Contributions	8,611	1%
Medicaid	240,849	35%
Grants	231,000	34%
Group home contracts	<u>6,600</u>	1%
Total Public support	<u>487,060</u>	71%

Total sources of revenue \$ 682,901 100%

* In the above table all percentages less than one are shown as zero and rounded.

E: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of \$124,000 restricted for the purpose of constructing a new vocational building.

Net assets of \$26,000 were released from donor restrictions by incurring expenses related to the project described above.

F: PROPERTY AND EQUIPMENT

The cost and accumulated depreciation of land, buildings, and other property at June 30, 2021 were as follows:

Land	\$ 70,525
Buildings and Improvements	1,371,348
Furniture and Equipment	27,614
Vehicles	165,125
Total cost of assets placed in service	<u>1,634,612</u>
Less accumulated depreciation	<u>(441,816)</u>
Property and equipment, net	<u>\$ 1,192,796</u>

Depreciation expense was \$48,128 for the year ended June 30, 2021. All construction in progress was completed as of June 30, 2021 and capitalized to buildings and improvements.

G: ACCRUED VACATION

Vacation days are earned at the rate of one day per contract month not to exceed twelve days per contract year for employees with up to 14 years of service, 18 days per year for employees with service of 15 to 20 years, and 21 days of leave for employees with over 20 years of service. Each employee can carry over any unused leave days, not to exceed a maximum of twenty days. Accrued vacation payable was \$3,482 at June 30, 2021.

H: ACCRUED LIABILITIES

Accrued liabilities as of June 30, 2021 were as follows:

Accrued Payroll	\$ 5,872
Accrued Vacation	3,482
Other Payroll Liabilities	8,522
401(k) Plan Payable	325
Total Accrued Liabilities	<u>\$ 18,201</u>

I: RETIREMENT SYSTEM

The Louisiana Association for Challenged Adults, Inc. offers a 401(k) plan to employees after one year of service, which includes at least 1,000 hours of work. The Organization offers a four percent employer contribution, which is not contingent on employee contributions. Employer contributions totaled \$0 for the year ended June 30, 2021.

J: COMMITMENTS AND CONTINGENCIES

The Louisiana Association for Challenged Adults, Inc. was not involved in any outstanding litigation or claims as of June 30, 2021.

K: LEASE COMMITMENTS

The Organization entered into an operating lease agreement with the CIT Bank, N.A. for a telephone system in April 2016. The life of the lease is five years (sixty months) and the minimum lease payment is \$105 per month. Rental expenses under the lease were \$1,525 for the year ended June 30, 2021 and is recorded within telephone expenses. The lease will be renewed next year.

The Organization entered into an operating lease for a copier in April 2017. The life of the lease is sixty-three months and the minimum lease payment is \$147 per month. Rental expense under the lease was \$1,961 for the year ended June 30, 2021 and is recorded with supplies. Future minimum lease payments under this lease are \$1,767 for the next year.

The Organization had an operating lease with Rubicon and entered into an operating lease with Waste Pro for the use and regular pickup of a waste container in May 2021. The life of the lease is thirty-six months and the minimum lease payment is \$99 per month. Rental expense under the lease was \$402 for the year ended June 30, 2021 and is recorded within utilities. Future minimum lease payments under this lease are \$1,188 for the next two years.

L: NOTES PAYABLE

During the year ended June 30, 2020, the Organization received a Paycheck Protection Program (PPP) loan for \$74,305 from the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Organization follows FASB ASC 470, which states the liability will remain on the statement of financial position until the loan forgiveness application is officially approved. The Organization's original loan amount was fully forgiven at the end of the 2021 fiscal year. The Organization received a second Paycheck Protection Program (PPP) loan for \$66,585 from the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Organization follows FASB ASC 470, which states the liability will remain on the statement of financial position until the loan forgiveness application is officially approved. The Organization's original loan amount was fully forgiven on August 2, 2021.

M: LIQUIDITY

The following represents the Organization's financial assets as of June 30, 2021, reduced by amounts not available for general use because of contractual restrictions within one year of the statement of financial position date:

Financial assets	\$ 478,773
Donor imposed restrictions	<u>(124,000)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 354,773</u>

As part of the Organization's liquidity management, the Organization invests cash in excess of daily requirements in short-term investments, typically cash, money market funds, and certificates of deposit.

N: SUBSEQUENT EVENTS

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen that could negatively impact contributions and operating results. At this point, the extent to which COVID-19 may impact the financial condition or results of operations is uncertain.

Subsequent events were evaluated by management through December 31, 2021, which is the date the financial statements were available to be issued. No events were noted that require recording or disclosure in the financial statements for the fiscal year ending June 30, 2021.

SUPPLEMENTARY INFORMATION

**LOUISIANA ASSOCIATION FOR CHALLENGED ADULTS, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD**

*For the Year Ended June 30, 2021
(See Independent Accountant's Review Report)*

Agency Head

Jerry Morgan, Executive Director

Purpose

Salary

Amount

\$49,594

Kimberly G. Sanders, CPA, MBA
Neal Fortenberry, CPA
Wayne Dussel, CPA, CFE
Jonathan Clark, CPA



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Directors of
Louisiana Association for Challenged Adults, Inc.

We have performed the procedures enumerated below, which were agreed to by the management of Louisiana Association for Challenged Adults, Inc. and the Legislative Auditor (the specified parties), on the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2021, as required by Louisiana Revised Statute 24:513 and *the Louisiana Governmental Audit Guide*. The Management of Louisiana Association for Challenged Adults, Inc. is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Federal, State, and Local Awards

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

The Organization provided us with the following list of expenditures for federal, state, and local government grant awards for the year ended June 30, 2021:

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
State of Louisiana Dept of Treasury	2021	N/A	\$ 80,000
State of Louisiana, Dept of Treasury	2021	N/A	\$ 150,000

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

Twelve disbursements were selected for grant testing.

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

Each of the selected disbursements agreed to the amount and payee in the supporting documentation.

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

Each of the selected disbursements were coded to the correct fund and general ledger account.

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

Each of the selected disbursements were approved by the Executive Director, which is in accordance with their policies and procedures.

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

There were no expenditures of federal awards during the period.

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

The Organization's management represented that they did not receive any close-out reports for the fiscal year.

Open Meetings

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there were any exceptions. Note: Please refer to the Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at <http://appl.la.state.la.us/llala.nsf>, to determine whether a non-profit agency is subject to the open meetings law.

The Organization is not required to comply with LA R.S. 42:11 through 42:28 (the open meetings law) because the Organization is not a public body.

Budget

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

The Organization provided a comprehensive budget to the applicable agency for the program mentioned previously. This budget specified the anticipated uses of the funds and estimate of the duration of the project.

State Audit Law

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

The Organization's report was submitted to the Legislative Auditor before the statutory due date.

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

The Organization's management represented that the Organization did not enter into any contracts during the fiscal year that were subject to the public bid law.

Prior Comments

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

There were no findings for the prior year's review.

This agreed-upon procedures engagement was performed in accordance with 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, the objective of which would be the expression of an opinion or conclusion, respectively, on the Organization's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

S. A. Champagne & Co, LLP

*Baton Rouge, Louisiana
December 31, 2021*

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

_____ (Date Transmitted)

L.A. Champagne & Co., L.L.P. (CPA Firm Name)
4911 Bennington Avenue (CPA Firm Address)
Baton Rouge, LA 70808 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2021 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

Open Meetings

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

Yes No N/A

Budget

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

Yes No N/A

Reporting

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

Yes No N/A

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

Yes [] No [] N/A []

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

Yes [] No [] N/A []

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes [] No [] N/A []

Prior-Year Comments

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

Yes [] No [] N/A []

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No [] N/A []

We acknowledge that we are responsible for determining that that the procedures performed are appropriate for the purposes of this engagement.

Yes [] No [] N/A []

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

Yes [] No [] N/A []

We have provided you with all relevant information and access under the terms of our agreement.

Yes [] No [] N/A []

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

Yes [] No [] N/A []

We are not aware of any material misstatements in the information we have provided to you.

Yes [] No [] N/A []

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes [] No [] N/A []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal

controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes [] No [] N/A []

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

_____ / <u>Aaron Ellis</u>	Board Member	<u>12-29-2021</u>	Date
<u>Jon Dugas</u>	Board Member	<u>12-29-2021</u>	Date