

**OPTIONS, INC. AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

COMBINED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

OPTIONS, INC. AND AFFILIATES

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Options, Inc. and Affiliates
Hammond, Louisiana

Report on the Financial Statements

We have audited the accompanying combined financial statements of Options, Inc. (a nonprofit organization), and its affiliates which comprise the combined statement of financial position as of June 30, 2021 and 2020, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Options, Inc. and its affiliates as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 16 to the financial statements, Options, Inc. and its affiliates adopted the Financial Accounting Standards Board's ASU 2016-18, "Statement of Cash Flows: Restricted Cash" for the year ended June 30, 2020. Our opinion is not modified with respect to that matter.


Other Matter

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer on page 25 and the Combined Statement of Financial Position and the Combined Statement of Activities on pages 26-28 are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021, on our consideration of Options, Inc. and Affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 Options, Inc. and Affiliate'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 Options, Inc. and Affiliate's internal control over financial reporting and compliance.



Metairie, Louisiana
December 22, 2021

OPTIONS, INC. AND AFFILIATES

COMBINED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,908,786	\$ 2,453,792
Restricted cash and cash equivalents	133,141	84,541
Accounts receivable		
Government contracts	332,078	763,875
Other	43,841	19,138
Unconditional promises to give	371,891	357,023
Inventory	8,294	7,096
Investments	1,729,252	519,818
Investments-certificates of deposit	84,886	80,554
Prepaid expenses	46,877	76,424
	<u>\$ 4,659,046</u>	<u>\$ 4,362,261</u>
LAND, PROPERTY AND EQUIPMENT	\$ 5,474,740	\$ 5,544,595
Less accumulated depreciation and amortization	<u>(2,609,111)</u>	<u>(2,524,292)</u>
	<u>\$ 2,865,629</u>	<u>\$ 3,020,303</u>
OTHER ASSETS		
Unconditional promises to give, less allowance for doubtful accounts	\$ 533,470	\$ 589,123
Investments-certificate of deposit	-	1,020
Investments-restricted	13,526	13,526
	<u>\$ 546,996</u>	<u>\$ 603,669</u>
Total assets	<u>\$ 8,071,671</u>	<u>\$ 7,986,233</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 112,348	\$ 79,154
Trust held for others	82,369	46,366
Other payables	10,246	12,525
Accrued salaries, leave and payroll taxes	399,557	371,998
Paycheck protection program loan	842,096	-
Total current liabilities	<u>\$ 1,446,616</u>	<u>\$ 510,043</u>
LONG TERM LIABILITIES		
Paycheck protection program loan	\$ 424,074	\$ 1,266,170
Tenants' security deposits	2,143	1,940
Total long term liabilities	<u>\$ 426,217</u>	<u>\$ 1,268,110</u>
Total Liabilities	<u>\$ 1,872,833</u>	<u>\$ 1,778,153</u>
NET ASSETS		
Without donor restrictions		
Undesignated	\$ 5,159,951	\$ 5,248,408
Designated	-	-
With donor restrictions	1,038,887	959,672
Total net assets	<u>\$ 6,198,838</u>	<u>\$ 6,208,080</u>
Total liabilities and net assets	<u>\$ 8,071,671</u>	<u>\$ 7,986,233</u>

See Notes to Financial Statements.

OPTIONS, INC. AND AFFILIATES

COMBINED STATEMENT OF ACTIVITIES
JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Revenues and gains			
Contributions and grants	\$ 1,263,426	\$ 120,000	\$ 1,383,426
Fund-raising income	510,872	-	510,872
Medicaid	6,207,730	-	6,207,730
Federal contracts	253,383	-	253,383
State contracts	369,258	-	369,258
Private pay clients	43,852	-	43,852
Vocational rehabilitation	4,000	-	4,000
Vocational contracts	\$ 595,260		
Less: Cost of services	<u>(283,330)</u>		
Vocational contracts gross profit	311,930	-	311,930
Rental revenue	45,071	-	45,071
Management and maintenance fee	8,851	-	8,851
Investment income	(4,312)	-	(4,312)
Loss on sale of assets	(24,473)	-	(24,473)
Other income	16,001	-	16,001
Net assets released from restrictions			
Expiration of use restriction-other	40,785	(40,785)	-
Total revenues, gains, and other support	<u>\$ 9,046,374</u>	<u>\$ 79,215</u>	<u>\$ 9,125,589</u>
EXPENSES			
Program services			
Residential services	\$ 2,246,458	\$ -	\$ 2,246,458
Vocational services	1,607,574	-	1,607,574
Individualized services	4,617,537	-	4,617,537
Housing services	57,559	-	57,559
Support Services			
Management and general	461,091	-	461,091
Fund-raising	144,612	-	144,612
Total expenses	<u>\$ 9,134,831</u>	<u>\$ -</u>	<u>\$ 9,134,831</u>
Change in net assets	\$ (88,457)	\$ 79,215	\$ (9,242)
Net assets at beginning of year	<u>5,248,408</u>	<u>959,672</u>	<u>6,208,080</u>
Net assets at end of year	<u>\$ 5,159,951</u>	<u>\$ 1,038,887</u>	<u>\$ 6,198,838</u>

See Notes to Financial Statements.

OPTIONS, INC. AND AFFILIATES

COMBINED STATEMENT OF ACTIVITIES
JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Revenues and gains			
Contributions and grants	\$ 165,539	\$ 160,334	\$ 325,873
Fund-raising income	225,938	-	225,938
Medicaid	6,247,177	-	6,247,177
Federal contracts	204,881	-	204,881
State contracts	557,051	-	557,051
Private pay clients	102,600	-	102,600
Vocational rehabilitation	11,000	-	11,000
Vocational contracts	\$ 556,231		
Less: Cost of services	<u>(288,948)</u>		
Vocational contracts gross profit	267,283	-	267,283
Rental revenue	20,305	-	20,305
Management and maintenance fee	3,127	-	3,127
Investment income	49	-	49
Gain on investments	16,693	-	16,693
Gain on sale of asset	12,200	-	12,200
Other income	61,780	-	61,780
Net assets released from restrictions			
Expiration of use restriction-other	431,070	(431,070)	-
Total revenues, gains, and other support	<u>\$ 8,326,693</u>	<u>\$ (270,736)</u>	<u>\$ 8,055,957</u>
EXPENSES			
Program services			
Residential services	\$ 1,909,615	\$ -	\$ 1,909,615
Vocational services	1,880,106	-	1,880,106
Individualized services	4,008,400	-	4,008,400
Housing services	61,877	-	61,877
Support services			
Management and general	411,361	-	411,361
Fund-raising	124,347	-	124,347
Total expenses	<u>\$ 8,395,706</u>	<u>\$ -</u>	<u>\$ 8,395,706</u>
Change in net assets	\$ (69,013)	\$ (270,736)	\$ (339,749)
Net assets at beginning of year	<u>5,317,421</u>	<u>1,230,408</u>	<u>6,547,829</u>
Net assets at end of year	<u>\$ 5,248,408</u>	<u>\$ 959,672</u>	<u>\$ 6,208,080</u>

See Notes to Financial Statements.

OPTIONS, INC. AND AFFILIATES
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services				Supporting Services		Total
	Residential Services	Vocational Services	Individualized Services	Housing Services	Management and General	Fund- raising	
Salaries and related expenses:							
Salaries	\$ 1,440,613	\$ 892,859	\$ 3,775,430	\$ -	\$ 98,731	\$ 97,714	\$ 6,305,347
Employee benefits & taxes	141,409	150,615	423,118	-	12,783	14,160	742,085
Workers' compensation	48,720	24,786	87,356	-	2,328	-	163,190
	<u>\$ 1,630,742</u>	<u>\$ 1,068,260</u>	<u>\$ 4,285,904</u>	<u>\$ -</u>	<u>\$ 113,842</u>	<u>\$ 111,874</u>	<u>\$ 7,210,622</u>
Advertising	\$ -	\$ -	\$ -	\$ 204	\$ 11,574	\$ -	\$ 11,778
Bank fees	269	2,476	92	-	12,775	-	15,612
Cost of sales	-	281,215	-	-	2,115	-	283,330
Uncollectible pledges	-	-	-	-	150,060	-	150,060
Bed tax	137,598	-	-	-	-	-	137,598
Crisis intervention	-	-	-	-	91,948	-	91,948
Depreciation	43,269	166,412	20,476	24,459	7,171	-	261,787
Dues, licenses, and subscriptions	5,842	11,736	22,882	-	9,112	-	49,572
Employee compliance	4,476	-	13,421	-	357	-	18,254
Food and supplies	68,422	788	1,010	-	4,137	-	74,357
Fund raising	-	-	-	-	-	32,738	32,738
Housekeeping supplies	14,754	1,840	1,971	-	576	-	19,141
Interest	6	5	13	-	-	-	24
Insurance							
Liability	26,804	27,351	36,130	-	4,005	-	94,290
Motor vehicle	19,382	105,504	-	-	-	-	124,886
Other property	26,559	21,965	7,494	7,508	-	-	63,526
Job development	-	-	-	-	19,395	-	19,395
Management and maintenance fee	-	-	-	5,252	-	-	5,252
Medical consultants	42,908	-	-	-	-	-	42,908
Medical supplies	21,884	1,277	1,897	-	50	-	25,108
Miscellaneous	18,167	9,118	27,935	2,761	2,937	-	60,918
Motor vehicle expenses	2,510	67,662	-	-	-	-	70,172
Non capital equipment	24,575	17,554	25,821	-	4,844	-	72,794
Office supplies	3,474	4,759	5,558	-	6,129	-	19,920
Other resident expenses	10,086	2,006	1,386	-	108	-	13,586
Other supplies	-	1,443	-	-	-	-	1,443
Postage	1,224	1,020	2,549	-	2,648	-	7,441
Professional services	34,495	21,459	54,148	6,625	6,987	-	123,714
Rent	2,722	24,148	1,270	-	80	-	28,220
Repairs and maintenance	40,942	12,799	10,023	7,155	4,446	-	75,365
Telephone	24,607	20,239	22,054	717	2,306	-	69,923
Travel and transportation	3,370	2,910	47,631	-	2,477	-	56,388
Seminars and training	630	476	12,399	-	1,270	-	14,775
Utilities	36,741	14,367	15,473	2,878	1,857	-	71,316
	<u>\$ 615,716</u>	<u>\$ 820,529</u>	<u>\$ 331,633</u>	<u>\$ 57,559</u>	<u>\$ 349,364</u>	<u>\$ 32,738</u>	<u>\$ 2,207,539</u>
Less expenses (cost) deducted from revenues on statement of activities	-	(281,215)	-	-	(2,115)	-	(283,330)
Total expenses, net of cost of sales	<u>\$ 2,246,458</u>	<u>\$ 1,607,574</u>	<u>\$ 4,617,537</u>	<u>\$ 57,559</u>	<u>\$ 461,091</u>	<u>\$ 144,612</u>	<u>\$ 9,134,831</u>

See Notes to Financial Statements.

OPTIONS, INC. AND AFFILIATES
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services			Supporting Services		Total	
	Residential Services	Vocational Services	Individualized Services	Housing Services	Management and General		Fund-raising
Salaries and related expenses:							
Salaries	\$ 1,156,215	\$ 1,063,624	\$ 3,229,245	\$ -	\$ 63,354	\$ 85,021	\$ 5,597,459
Employee benefits & taxes	111,017	185,189	343,439	-	7,383	10,641	657,669
Workers' compensation	43,968	24,214	82,833	-	929	-	151,944
	<u>\$ 1,311,200</u>	<u>\$ 1,273,027</u>	<u>\$ 3,655,517</u>	<u>\$ -</u>	<u>\$ 71,666</u>	<u>\$ 95,662</u>	<u>\$ 6,407,072</u>
Advertising	\$ -	\$ 351	\$ -	\$ -	\$ 11,781	\$ -	\$ 12,132
Bank fees	528	2,466	353	83	5,694	-	9,124
Cost of sales	-	288,948	-	-	-	-	288,948
Uncollectible pledges	-	-	-	-	6,442	-	6,442
Bed tax	141,006	-	-	-	-	-	141,006
Crisis intervention	-	-	-	-	231,740	-	231,740
Depreciation	44,059	181,682	17,645	24,634	4,714	-	272,734
Dues, licenses, and subscriptions	4,701	13,350	21,145	-	6,220	-	45,416
Employee compliance	4,048	-	13,842	-	296	-	18,186
Food and supplies	75,159	3,189	2,759	-	300	-	81,407
Fund raising	-	-	-	-	-	28,685	28,685
Housekeeping supplies	20,765	6,315	4,578	-	-	-	31,658
Interest	23	27	50	-	104	-	204
Insurance							
Liability	24,766	29,657	32,479	-	-	-	86,902
Motor vehicle	16,661	88,711	-	-	-	-	105,372
Other property	23,798	20,448	4,466	10,033	-	-	58,745
Job development	-	-	-	-	5,123	-	5,123
Management and maintenance fee	-	-	-	3,127	-	-	3,127
Medical consultants	41,352	-	-	-	1,784	-	43,136
Medical supplies	14,610	2,750	1,508	-	1,065	-	19,933
Miscellaneous	16,441	12,787	41,337	3,060	15,169	-	88,794
Motor vehicle expenses	11,170	93,094	-	-	-	-	104,264
Non capital equipment	21,696	22,932	34,426	-	3,927	-	82,981
Office supplies	3,708	6,447	6,684	-	6,922	-	23,761
Other resident expenses	8,937	6,048	600	-	730	-	16,315
Other supplies	-	188	-	254	-	-	442
Orientation	-	-	-	-	67	-	67
Postage	1,200	1,409	2,609	-	4,271	-	9,489
Professional services	28,310	21,479	39,332	7,872	23,119	-	120,112
Rent	773	23,557	121	-	-	-	24,451
Repairs and maintenance	32,484	25,277	14,489	10,063	6,770	-	89,083
Telephone	24,315	19,708	18,993	345	1,857	-	65,218
Travel and transportation	3,943	6,491	66,295	-	1,462	-	78,191
Seminars and training	2,583	948	13,267	-	118	-	16,916
Utilities	31,379	17,768	15,905	2,406	20	-	67,478
	<u>\$ 598,415</u>	<u>\$ 896,027</u>	<u>\$ 352,883</u>	<u>\$ 61,877</u>	<u>\$ 339,695</u>	<u>\$ 28,685</u>	<u>\$ 2,277,582</u>
Less expenses (cost) deducted from							
revenues on statement of activities	-	(288,948)	-	-	-	-	(288,948)
Total expenses, net of cost of sales	<u>\$ 1,909,615</u>	<u>\$ 1,880,106</u>	<u>\$ 4,008,400</u>	<u>\$ 61,877</u>	<u>\$ 411,361</u>	<u>\$ 124,347</u>	<u>\$ 8,395,706</u>

See Notes to Financial Statements.

OPTIONS, INC. AND AFFILIATES
 COMBINED STATEMENTS OF CASH FLOWS
 JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (9,242)	\$ (339,749)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	261,787	272,734
(Gain) loss on sale of assets	(11,434)	-
Unrealized gain on investments	29,631	(16,350)
(Increase) decrease in operating assets:		
Accounts receivable	407,094	29,081
Promises to give	40,785	270,736
Prepaid expenses	29,547	20,064
Inventory	(1,198)	(204)
Increase (decrease) in operating liabilities:		
Accounts payable	33,194	(29,279)
Trust held for others	36,003	27,749
Other payables	(2,279)	(13,583)
Accrued salaries and payroll taxes	27,559	93,482
Tenants' security deposits	203	(1,200)
Net cash provided by operating activities	\$ 841,650	\$ 313,481
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	\$ (1,239,068)	\$ (250,127)
Purchases of certificate of deposit	(3,311)	-
Proceeds from sale of investments	-	3,543
Proceeds from the sale of assets	11,540	-
Purchases of property and equipment	(107,217)	(111,250)
Net cash used in investment activities	\$ (1,338,056)	\$ (357,834)
CASH FLOWS FROM FINANCING ACTIVITIES		
Paycheck protection program loan	\$ -	\$ 1,266,170
Net cash provided by financing activities	\$ -	\$ 1,266,170
Net increase in cash, cash equivalents and restricted cash	\$ (496,406)	\$ 1,221,817
Beginning cash, cash equivalents and restricted cash, as restated	2,538,333	1,316,516
Ending cash, cash equivalents and restricted cash	\$ 2,041,927	\$ 2,538,333
Cash, cash equivalents and restricted cash as of June 30, 2021 and 2020 consist of the following:		
Cash and cash equivalents	\$ 1,908,786	\$ 2,453,792
Cash restricted for:		
Cash restricted for trust	\$ 82,430	\$ 46,426
Tenants' security deposits	2,144	1,941
Cash restricted for reserves	17,632	15,051
Cash restricted for residual receipts	30,935	21,123
	\$ 133,141	\$ 84,541
Total cash, cash equivalents and restricted cash	\$ 2,041,927	\$ 2,538,333

See Notes to Financial Statements.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Options, Inc. is a private nonprofit corporation which provides quality services to the needs of people with disabilities and their families. Options, Inc. has provided quality services since 1973 in the Hammond, Louisiana area. These services include the following:

Residential Services

Options, Inc. operates four community homes. Each home provides a nurturing and supportive atmosphere for six individuals with developmental disabilities to call home. Two of the homes are for women and two are for men. The homes provide an opportunity for people with complex needs to live with peers in their communities. The locations were chosen in order to maximize access to the community and provide a unique neighborhood experience for residents. Each home is staffed around the clock to ensure the care and safety needs of residents are met. All four community homes have been successfully operated for over 20 years.

Vocational Services

Vocational services include the following types of services:

Enrichment – Wellness Program

Options Enrichment – Wellness Program provides engaging, meaningful activities for individuals with disabilities through recreation and involvement in the community. Over 100 people participate in a variety of enrichment activities Monday – Friday from 8am-3pm including weaving, gardening, swimming, water aerobics, bowling, walking-for-fitness, art, book club, line dancing, and volunteer opportunities. This program promotes self-esteem and helps develop social skills. Through involvement, participants build relationships with community members and have the opportunity to explore their unique interests and talents. Confidence, leadership skills, and involvement in community projects, volunteerism, employment, and entrepreneurship are a few of the successes. The impact of the program is evident through the demand for the program from both participants and family members.

Meaningful Work: Job Placement & Supported Employment

Options, Inc. provides people with disabilities with meaningful work opportunities through job placement and supported employment. Over 15 people with disabilities have competitive jobs in the community through the Organization's job placement, job coaching, and ongoing supports. They work at businesses such as banks, offices, grocery stores, restaurants, retail stores, and government agencies. Over 30 people with disabilities have jobs through the Organization's supported employment program.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Nature of the Organization (continued)

Meaningful Work: Job Placement & Supported Employment (Continued)

These individuals work on the Organization's Cleaning Crews, Lawn Maintenance Crew, Garden Center, and at Fabulous Finds. In our rural community, jobs can be scarce, especially for people with disabilities. Over 80% of people with disabilities in the U.S. are not employed and this program is just one solution to this problem. Options, Inc. seeks opportunities.

Transportation Services

Options, Inc.'s transportation program is an essential ingredient to the success of all of the Organization's programs and services. Most of the people the Organization serves do not drive, so transportation is a very important service. A fleet of 23 vehicles goes the distance (approximately 13,500 miles per week) to bring approximately 150 people with disabilities where they need to go, whether it be to a doctor's appointment, a community job, or an enrichment activity. Some of the people the Organization serves live with their families and the Organization picks them up each morning and brings them home in the afternoon. Other clients live in the Organization's community homes or in their own apartments or homes and we not only provide transportation during the day but whenever they need it. With routes that span two rural parishes (counties), careful planning and coordination play a huge role in creating the most efficient and safest routes possible. Fulfilling the ever-evolving transportation needs of participants require complex planning and coordination. Specialized training is on-going for our transportation drivers. Training includes, but is not limited to, how to handle seizures, behavioral issues, health and safety, CPR/First Aid, and much more. Transportation is more than a way to get from point A to point B, it's critical to accomplishing the mission of the Organization. It is a lifeline for people with disabilities to access employment, education, health care, and community life. For most of our participants, transportation is synonymous with quality of life.

Weaving Studio

The Weaving Studio was founded by volunteers in 2012. Volunteers and staff enthusiastically worked together to develop the Weaving Studio as a wonderful, fun place for people with disabilities to explore their creativity and artistic skills. Today it is both an employment opportunity and an enrichment activity. Several individuals have started their own businesses in partnerships with Weaving Studio. They work with the Organization's marketing team to develop their business cards, price tags, and marketing materials. They make rugs, table runners, tablet bags, towels, and many other beautiful items. See The Weaving Studio Facebook page for more details. Options, Inc. is proud to offer the cutting edge opportunity to people with disabilities to explore their creativity.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Nature of the Organization (continued)

Learning Gardens

The Learning Gardens is a spin off from the former Garden Center. The purpose of the Learning Gardens is to focus on nurturing the mind, body, and soul of people with disabilities through therapeutic gardening. The Learning Gardens is an inclusive program that allows participants to engage in gardening activities while learning farm to table concepts. Also, The Learning Gardens continues to provide employment for individuals with disabilities who had been working in the retail Garden Center. The individuals with disabilities that are employed by The Learning Garden assist the Learning Garden Instructor during activities with their peers. The Learning Gardens Program has been a great success in meeting the needs of those with sensory challenges. The environment created promotes an educational and peaceful atmosphere.

Fabulous Finds

Located in Ponchatoula, Fabulous Finds is a gently used, upscale resale store. People from the community donate clothes and other items and the individuals with disabilities who are employed there sort the donated items, maintain store inventory, and assist customers. The store is open to the public Monday – Saturday. For more information, visit Fabulous Finds Facebook page. The Organization has successfully operated Fabulous Finds since 2012.

Individualized Services

Individualized services include the following types of services:

Supported Independent Living Program

Options, Inc. Supported Independent Living program assists approximately 50 individuals with intellectual and developmental disabilities to live in the community as independently as possible. The philosophy of Options, Inc. is to support, assist, and meet the needs of each person based on his or her unique needs and goals. Options, Inc. offers services that are tailored to each person's individual needs, wants, and skills. Program participants receive assistance with finding housing and negotiating lease terms, navigating home ownership, financial case management, health and wellness coaching and support, medical case management, in-home personal care, transportation, and any other services needed in order to maintain the highest level of independence for that person. Options, Inc. has been meeting the needs of people with disabilities through its Supported Independent Living Program since 1985.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Nature of the Organization (continued)

Health and Wellness Program

The Health and Wellness Program has a team of nurses who oversee many aspects of client care, including proactive/preventative care, health management, and medical advocacy. Approximately 175 people with disabilities benefit from this program. All people with disabilities, especially those who are non-verbal, are vulnerable. Many of them cannot tell anyone when they are in pain or that they are having physical or emotional difficulties. It requires keen observation, excellent training, and extensive knowledge of each individual to recognize a potential problem. By providing our staff, clients, and clients' families with health and wellness education, training, and support, we enable them to make well-informed decisions regarding the well-being of each person Options, Inc. serves.

Family Support Services

Options, Inc. provides approximately twenty individuals with disabilities, who live with their families, with supports that enhance their quality of life and assist their caregivers. Family Support includes assistance with activities of daily living, meal preparation, hygiene, light housekeeping, transportation, and opportunities to participate in community activities. These services support the family care givers thus enabling them to maintain their own jobs, care for their other children, and take needed breaks. Participants enjoy the opportunity to pursue interests outside of the family. Options, Inc. has been providing Family Support Services since 1991.

Housing Services

C'est Tres Bon!, Inc. which is an affiliate of Options, Inc. is a separate 501(c)(3) organization that serves as the governing board for Section 811 HUD apartments (6 units) located on Crisp Road in Hammond. Options, Inc. is the management company.

Combined Financial Statements

The financial statements have been combined to include all accounts of Options, Inc. and its affiliates. Options, Inc. wholly owned affiliates include the following:

- C'est Tres Bon!, Inc.
- Foundation to Ensure the Future of Options, Inc.

C'est Tres Bon! administers section 8 HUD apartments.

Foundation to Ensure the Future of Options is a separate 501(c)(3) organization that oversees Options, Inc.'s. Pooled Special Needs Trusts and assists with the long-term funding goals of Options, Inc.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Statement Presentation

The Organization follows the financial statement presentation recommended by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic 958, Not-for-Profit Entities. The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors. The revenues received in conducting the mission of the Organization is included in the category.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby, the donor has stipulated these funds be maintained in perpetuity.

The accompanying combined financial statements include the accounts of Options, Inc. and its affiliated organizations, C'est Tres Bon!, Inc. and Foundation to Ensure the Future of Options, Inc. All significant inter-organization transactions and balances have been eliminated in consolidation.

Basis of Accounting

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Inventory

Inventory is carried at cost and consists of janitorial and office supplies.

Restricted Cash

Restricted cash consist of balances in cash accounts that are required by loan and operating agreements.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable

Accounts receivables are stated at the amount management expect to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that 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. Allowance for doubtful accounts was \$0 for the years ended June 30, 2021 and 2020.

Promises to Give

Unconditional promises to give are recorded as receivables and revenue when received. The Organization distinguishes between contributions received for each net asset category with donor-imposed restrictions. Pledges are recorded after being discounted to the anticipated net present value of future cash flows. The allowance for doubtful accounts for pledges was \$47,924 and \$56,678 for the years ended June 30, 2021 and 2020, respectively.

Estimates

Management uses estimated and assumptions in preparing the combined financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates in the near term.

Functional Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the Organization.

Concentrations

The Organization's primary source of revenue is Medicaid (Title XIX) revenue. For the fiscal years ended June 30, 2021 and 2020, \$6,207,730 and \$6,247,177 or 66% and 75% of the Organization's total gross revenue was from Title XIX. Additionally, \$595,260 and \$556,231 6% and 7% of the total gross revenue was from small business contracts. The Organization also had private pay client revenue of \$43,852 and \$102,600 or 1% and 1% of total gross revenue. The contribution and fund-raising revenue was \$1,894,298 and \$551,811 or 20% and 7% of total gross revenue. The Organization also had federal and state contracts in the amount of \$622,641 and \$761,932 or 7% and 9% of gross revenue. The remaining \$40,839 and \$125,154 or 1% and 2% of the total gross revenue was from various activities, including vocational rehabilitation, HUD housing, investment related income, and other miscellaneous income.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status

The Organization is a nonprofit organization and exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Code as other than a private foundation. The Organization believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to combined financial statements. The Organization's Federal Exempt Information Returns (Form 990) for 2018, 2019 and 2020 are subject to examination by the IRS, generally for three years after they were filed.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Advertising

The Company expenses advertising costs as they are incurred. Advertising expenses for the years ended June 30, 2021 and 2020, were \$11,778 and \$12,132, respectively.

Investments

The Organization holds investments in stocks and government securities and carries such investments at current quoted prices in active markets (Level 1 measurements). Investment income is reported as increases in unrestricted net assets in the reporting period in which the income and gains are recognized.

Certificates of deposit

Certificates of deposit held for investment that are not debt securities are included in "investments-certificate of deposit" or "long-term investments-certificates of deposit". The certificates of deposit have various remaining maturity dates and are classified appropriately on the statement of financial position.

Tenants' Security Deposits

Tenants' security deposits are held in a separate bank account in the name of the Organization. At June 30, 2021 and 2020, the Organization had \$2,143 and \$1,941 in tenant security deposits, respectively.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the useful life of the assets. State funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets.

Endowment Fund

An investment was established where the principal is retained in perpetuity and carried as net assets with donor restrictions. Income generated from the invested amount is used to fulfill the donor's intent, allow for associated fees, and continue the growth of the endowment in order to maintain its value over time. The Organization has a \$13,526 donor restricted endowment invested in government securities and uses the income from these investments for general operating purposes.

Fair Value

Accounting Standard Codification (ASC) *Fair Value Measurements* establishes a framework for measuring fair value in accordance with Generally Accepted Accounting Principles (GAAP) and disclosures about the fair value measurements. The valuation hierarchy is based upon the reliability of inputs to the valuation of an asset or liability on the measurement date. The three levels of the fair value hierarchy are described below:

LEVEL 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

LEVEL 2

Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

LEVEL 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The assets and liabilities measured at fair value are based on one or more of three valuation techniques noted in the standard. The three valuation techniques are as follows:

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value (continued)

- Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Cost approach – Amount that would be required to replace the service capacity of an asset (i.e. replacement cost); and
- Income approach - Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

Revenue Recognition

The Organization reports public support contributions as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Support and revenue that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized,

The Organization reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Funds with donor restrictions are used to differentiate the resources whose use is restricted by donors or grantors from the resources on which donors or grantors have placed no restriction or the resources that arise as a result of the operations of the Organization for a stated purpose.

Revenue is recognized for services provided to our clients. Revenue for these services is measured based on the amount charged for the service. Revenue is recognized and considered earned at the time of completion of the services.

Payroll Protection Plan loan amount is recorded as revenue when it is ultimately forgiven (i.e., the entity is legally released from being the loan's primary obligor in accordance with ASC 405-20, Extinguishment of Debt) then income would be recognized in the income statement as a gain on loan extinguishment.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Rental Income and Deferred Rent

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Organization and the tenants of the property are operating leases.

Tenant rent charges for the current month are due on the first of the month. Tenants who are evicted or move out are charged with damages or cleaning fees, if applicable.

Pending Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires that lessees to recognize right-of-use assets and lease liabilities for all leases with terms longer than 12 months. The adoption of this standard is expected to result in the Bureau's recognizing right-of-use assets and lease liabilities for some leases currently accounted for as operating leases under the legacy lease accounting guidance. Management is evaluating the impact of this standard on the Bureau's financial statements. Organizations may apply the guidance of Update No. 2016-02 to annual reporting periods beginning after December 15, 2021.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU amends the existing accounting standards for revenue recognition, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. Organizations may apply the guidance to annual reporting periods beginning after December 15, 2021.

NOTE 2. CASH AND CASH EQUIVALENTS

Options, Inc. maintains several bank accounts at various banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) for amounts up to \$250,000. Cash exceeded FDIC limits at June 30, 2021 and 2020 by \$1,630,396 and \$2,164,934, respectively. It is the opinion of management that the solvency of the referenced financial institution is not of particular concern at this time.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 3. CERTIFICATES OF DEPOSIT

The certificates of deposit balance at June 30, 2021 and 2020, held with various financial institutions, was \$84,886 and \$81,574.

Certificates of deposit held by institutions:	2021	2020
Yields 1.70% per annum, due March 31, 2022	\$ 83,859	\$ 80,554
Rate available at maturity, due July 17, 2021	1,027	1,020
Total certificates of deposit	<u>\$ 84,886</u>	<u>\$ 81,574</u>

The Organization holds several certificates of deposit with maturity dates from July 2021 through March 2022 bearing annual interest rates dependent upon the federal rate.

NOTE 4. INVESTMENTS

For the years ended June 30, 2021 and 2020, the Organization had investments as follows:

	2021	2020
Government securities	\$ 1,385,994	\$ 532,583
Mutual Funds	355,654	-
Stock	1,132	760
Total investments	<u>\$ 1,742,780</u>	<u>\$ 533,343</u>

Recap of Investments:

	2021	2020
Investments-current	\$ 1,729,254	\$ 519,818
Investments-restricted	13,526	13,526
	<u>\$ 1,742,780</u>	<u>\$ 533,344</u>

A summary of return on investments consists of the following for the years ended June 30, 2021 and 2020:

	2021	2020
Government securities		
Unrealized gain (loss)	\$ (29,631)	\$ 16,693
Interest and dividends	25,319	49
Total return on investment	<u>\$ (4,312)</u>	<u>\$ 16,742</u>

Interest income from all sources totaled \$25,319 and \$49 for the years ended June 30, 2021 and 2020, respectively.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 5. FAIR VALUE

The following tables set forth by level, within the fair value hierarchy, the Organization's investment assets at fair value:

	Total Assets Measured At Fair Value	Based On		
		Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Recurring fair value measurements at June 30, 2021:				
Government Securities:				
Franklin US Government Securities A	\$ 1,372,697	\$ 1,372,697	\$ -	\$ -
Franklin Adj US Government Securities A	13,297	13,297	-	-
Mutual Funds:				
JPM Mortgage-Backed Secs A	355,654	355,654	-	-
Stock:				
First Guaranty Bancshares, Inc.	1,132	1,132	-	-
Total	<u>\$ 1,742,780</u>	<u>\$ 1,742,780</u>	<u>\$ -</u>	<u>\$ -</u>

	Total Assets Measured At Fair Value	Based On		
		Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Recurring fair value measurements at June 30, 2020:				
Government Securities:				
Franklin Adj US Government Securities A	\$ 253,872	\$ 253,872	\$ -	\$ -
Franklin US Government Securities A	278,711	278,711	-	-
Stock:				
First Guaranty Bancshares, Inc.	760	760	-	-
Total	<u>\$ 533,343</u>	<u>\$ 533,343</u>	<u>\$ -</u>	<u>\$ -</u>

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 6. UNCONDITIONAL PROMISES TO GIVE

At June 30, 2021 and 2020, the Organization received unconditional promises to give. The amounts due from contribution sources consist of the following:

	2021	2020
Contribution sources	\$ 120,000	\$ -
Annual fundraising campaign	1,003,697	1,121,183
Total promises to give	\$ 1,123,697	\$ 1,121,183
	2021	2020
Receivable in one year or less	\$ 371,891	\$ 357,023
Receivable in one to five years	734,633	756,987
Receivable in more than five years	17,173	7,173
Total unconditional promises to give	1,123,697	1,121,183
Less discounts to net present value	(170,412)	(125,240)
Less allowance for uncollectible promises to give	(47,924)	(49,797)
Net unconditional promises to give	\$ 905,361	\$ 946,146

Promises to give that will be received in more than one year are discounted at 5%.

Recap of current portion and long-term portion of unconditional promises to give:

	2021	2020
Unconditional promises to give current portion	\$ 371,891	\$ 357,023
Unconditional promises to give long-term portion	533,470	589,123
Total unconditional promises to give	\$ 905,361	\$ 946,146

NOTE 7. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2021 and 2020 consisted of the following:

	2021	2020	Useful life
Land & improvements	\$ 592,340	\$ 592,340	
Construction in Progress	4,200	-	
Buildings & improvements	3,642,939	3,663,858	10 to 32 years
Furniture & fixtures	239,844	270,094	5 to 7 years
Software	27,789	48,101	5 years
Vehicles	967,628	970,202	5 years
	\$ 5,474,740	\$ 5,544,595	
Less: Accumulated depreciation	(2,609,111)	(2,524,292)	
	\$ 2,865,629	\$ 3,020,303	

Depreciation expense totaled \$261,787 and \$272,734 for the years ended June 30, 2021 and 2020, respectively.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 8. TRUST ACCOUNT

Options, Inc. has implemented a special needs trust to hold funds for individuals with developmental special needs. All of the funds held in the trust are for clients of the Organization. The trust balance was \$82,369 and \$46,426, at June 30, 2021 and 2020.

NOTE 9. LEASES

Options, Inc. has three leases that are cancelable with one month's notice by either party. For the years ending June 30, 2021 and 2020 the total rent expense was \$28,220 and \$24,451, respectively.

NOTE 10. ACCRUED LEAVE

Options, Inc.'s employees can earn paid vacation after successful completion of ninety days initial period of employment. Vacation and leave accrue at various rates depending upon length of service and hours worked per month, as follows:

<u>Employee Classification</u>	<u>Accrual Rate</u>
40 hour employees	6.67 to 14 hours per month up to a maximum of 120 hours
35-39 hour employees	5.8 to 12.25 hours per month up to a maximum of 120 hours

Accrued leave recorded at June 30, 2021 and 2020 was \$124,555 and \$124,611, respectively.

NOTE 11. CAFETERIA PLAN

The Organization had a "Section 125" employee benefits plan, which is also referred to as a "Cafeteria" plan. Employer contributions into this plan were based on length of service. A new employee became eligible to participate in the plan after 90 days. Employees were able to use the employer contribution for term life insurance, health insurance, dependent care and medical expenses. The plan was terminated on December 31, 2020.

NOTE 12. LINE OF CREDIT

The Organization has a \$250,000 line of credit bearing interest at 5.85% on any outstanding balances at June 30, 2021, and is secured by all present and future deposit accounts the Organization has with the lender. As of June 30, 2021 and 2020, \$250,000 is available. There was no interest expense for the years ended June 30, 2021 and 2020.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 13. PAYCHECK PROTECTION PROGRAM LOAN

On April 22, 2020, the Organization received loan proceeds in the amount of \$1,266,170 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and associated accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four-week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first ten months. The Organization intends to use the proceeds for purposes consistent with the PPP forgiveness requirements. At June 30, 2021, if the loan was to be paid in accordance with the terms of the note, then monthly payments of \$70,909 including interest would begin on September 22, 2021 and be paid through April 22, 2023. The loan balance would increase \$26,004 for accrued interest. Principle payments of \$842,096 and \$424,074 would be paid for the years ended June 30, 2022 and 2023, respectively.

The PPP loan was forgiven on July 28, 2021, including the principal and interest amounts of \$1,266,170 and \$15,853, respectively.

NOTE 14. LIQUIDITY

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial assets at year-end:	2021	2020
Cash and cash equivalents	\$ 1,908,786	\$ 2,453,792
Accounts receivable	375,919	783,013
Investments	1,729,252	519,818
Unconditional promises to give, current portion	371,891	357,023
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 4,385,848</u>	<u>\$ 4,113,646</u>

The Organization is substantially supported by grants, governmental contracts and contributions. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization also maintains a line of credit to draw upon in an unanticipated liquidity need.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 15. NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2021 and 2020, Options, Inc. had \$1,038,887 and \$959,672 respectively, in net assets with donor restrictions and are available for the following purposes or periods:

	2021	2020
Endowment Fund	\$ 13,526	\$ 13,526
Vocational program support	120,000	-
Pledges for subsequent years	905,361	946,146
Total net assets with donor restrictions	\$ 1,038,887	\$ 959,672

The endowment fund is donor restricted and only the interest from the investment may be used for operations of Options, Inc.

NOTE 16. NEW ACCOUNTING PRONOUNCEMENTS - ADOPTED

On November 17, 2016, FASB issued ASU 2016-18 “Statement of Cash Flows: Restricted Cash.” The new guidance is intended to reduce diversity in the presentation of restricted cash and restricted cash equivalents in the statement. The statement requires that restricted cash and restricted cash equivalents be included as components of total cash and cash equivalents as presented on the statement of cash flows. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

NOTE 17. PENSION PLAN

Employees of the Organization may participate in a 403(b) savings plan, whereby the employees may elect to make contributions pursuant to a salary reduction agreement upon meeting age and length-of-service requirements. Employees may elect to defer a portion of their annual salary subject to Internal Revenue Service limits. The Organization matched up to 2% of the employees’ annual salary. Employer contributions for the years ended June 30, 2021 and 2020 was \$15,133 and \$12,087 respectively.

NOTE 18. COMPENSATION

The Board of Directors serves Options, Inc. and Affiliates without compensation.

NOTE 19. RELATED PARTY TRANSACTIONS

At June 30, 2021 and 2020, one of the Organization’s board members donated \$10,476 and \$10,004 in personal stock to be used for operating expenses. Board members pledged \$50,600 and \$36,250 at the annual fundraiser to be collected over the next five years for the years ended June 30, 2021 and 2020, respectively.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 20. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 22, 2021, the date which the financial statements were available for use. Management's evaluation revealed no subsequent events that require adjustment to or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

OPTIONS, INC. AND AFFILIATES

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO EXECUTIVE DIRECTOR**

FOR THE YEAR ENDED JUNE 30, 2021

Agency Head Name: Sylvia Bush, Chief Executive Director

<u>Purpose:</u>	<u>Amount</u>
Salary	\$ 78,440
Benefits-insurance	4,209
Benefits-retirement	1,569
Total	<u>\$ 84,218</u>

OPTIONS, INC. AND AFFILIATES
COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

	Options, Inc.	C'est Tres Bon!, Inc	Foundation to Ensure the Future of Options, Inc.	Subtotal	Eliminations	Combined
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 1,880,007	\$ 18,852	\$ 9,927	\$ 1,908,786	\$ -	\$ 1,908,786
Restricted cash	-	50,711	82,430	133,141	-	133,141
Accounts receivable						
Government contracts	332,078	-	-	332,078	-	332,078
Other	43,841	-	-	43,841	-	43,841
Unconditional promises to give	371,891	-	-	371,891	-	371,891
Inventory	8,294	-	-	8,294	-	8,294
Investments	1,729,252	-	-	1,729,252	-	1,729,252
Investments-certificates of deposit	83,859	1,027	-	84,886	-	84,886
Prepaid expenses	46,877	-	-	46,877	-	46,877
Total current assets	<u>\$ 4,496,099</u>	<u>\$ 70,590</u>	<u>\$ 92,357</u>	<u>\$ 4,659,046</u>	<u>\$ -</u>	<u>\$ 4,659,046</u>
LAND, PROPERTY AND EQUIPMENT						
Land, property and equipment	\$ 4,675,568	\$ 799,172	\$ -	\$ 5,474,740	\$ -	\$ 5,474,740
Less accumulated depreciation and amortization	(2,434,891)	(174,220)	-	(2,609,111)	-	(2,609,111)
	<u>\$ 2,240,677</u>	<u>\$ 624,952</u>	<u>\$ -</u>	<u>\$ 2,865,629</u>	<u>\$ -</u>	<u>\$ 2,865,629</u>
OTHER ASSETS						
Unconditional promises to give,						
less allowance for doubtful accounts	\$ 533,470	\$ -	\$ -	\$ 533,470	\$ -	\$ 533,470
Investments-restricted	13,526	-	-	13,526	-	13,526
	<u>\$ 546,996</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 546,996</u>	<u>\$ -</u>	<u>\$ 546,996</u>
Total assets	<u><u>\$ 7,283,772</u></u>	<u><u>\$ 695,542</u></u>	<u><u>\$ 92,357</u></u>	<u><u>\$ 8,071,671</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,071,671</u></u>

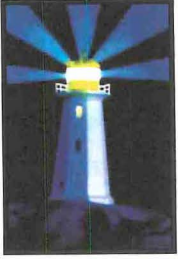
OPTIONS, INC. AND AFFILIATES
 COMBINING STATEMENT OF FINANCIAL POSITION
 JUNE 30, 2021
 (CONTINUED)

	Options, Inc.	C'est Tres Bon!, Inc.	Foundation to Ensure the Future of Options, Inc.	Subtotal	Eliminations	Combined
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts payable	\$ 112,125	\$ 223	\$ -	\$ 112,348	\$ -	\$ 112,348
Trust held for others	-	-	82,369	82,369	-	82,369
Other payables	10,246	-	-	10,246	-	10,246
Accrued salaries, leave and payroll taxes	399,557	-	-	399,557	-	399,557
Paycheck protection program loan	842,096	-	-	842,096	-	842,096
Total current liabilities	<u>\$ 1,364,024</u>	<u>\$ 223</u>	<u>\$ 82,369</u>	<u>\$ 1,446,616</u>	<u>\$ -</u>	<u>\$ 1,446,616</u>
LONG TERM LIABILITIES						
Payment protection program loan	\$ 424,074	\$ -	\$ -	\$ 424,074	\$ -	\$ 424,074
Tenants' security deposits	-	2,143	-	2,143	-	2,143
Total long term liabilities	<u>\$ 424,074</u>	<u>\$ 2,143</u>	<u>\$ -</u>	<u>\$ 426,217</u>	<u>\$ -</u>	<u>\$ 426,217</u>
Total liabilities	<u>\$ 1,788,098</u>	<u>\$ 2,366</u>	<u>\$ 82,369</u>	<u>\$ 1,872,833</u>	<u>\$ -</u>	<u>\$ 1,872,833</u>
Without donor restrictions						
Undesignated	\$ 4,456,787	\$ 693,176	\$ 9,988	\$ 5,159,951	\$ -	\$ 5,159,951
Designated	-	-	-	-	-	-
With donor restrictions	1,038,887	-	-	1,038,887	-	1,038,887
Total net assets	<u>\$ 5,495,674</u>	<u>\$ 693,176</u>	<u>\$ 9,988</u>	<u>\$ 6,198,838</u>	<u>\$ -</u>	<u>\$ 6,198,838</u>
Total liabilities and net assets	<u>\$ 7,283,772</u>	<u>\$ 695,542</u>	<u>\$ 92,357</u>	<u>\$ 8,071,671</u>	<u>\$ -</u>	<u>\$ 8,071,671</u>

OPTIONS, INC. AND AFFILIATES
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Options, Inc.	C'est Tres Bon!, Inc	Foundation to Ensure the Future of Options, Inc.	Subtotal	Eliminations	Combined
REVENUES, GAINS AND OTHER SUPPORT						
Revenues and gains						
Contributions and grants	\$ 1,347,519	\$ 35,907	\$ -	\$ 1,383,426	\$ 35,907	\$ 1,347,519
Fund-raising income	510,872	-	-	510,872	-	510,872
Medicaid	6,207,730	-	-	6,207,730	-	6,207,730
Federal contracts	253,383	24,505	-	277,888	-	277,888
State contracts	369,258	-	-	369,258	-	369,258
Private pay clients	43,852	-	-	43,852	-	43,852
Vocational rehabilitation	4,000	-	-	4,000	-	4,000
Vocational contracts	\$ 595,260					
Less: Cost of services	(283,330)					
Vocational contracts gross profit	311,930	-	-	311,930	-	311,930
Rental revenue	-	20,566	-	20,566	-	20,566
Investment income	(4,325)	8	5	(4,312)	-	(4,312)
Management and maintenance fee	8,851	-	-	8,851	-	8,851
Loss on sale of assets	(24,473)	-	-	(24,473)	(35,907)	11,434
Other income	12,262	3,739	-	16,001	-	16,001
Total revenues, gains, and other support	<u>\$ 9,040,859</u>	<u>\$ 84,725</u>	<u>\$ 5</u>	<u>\$ 9,125,589</u>	<u>\$ -</u>	<u>\$ 9,125,589</u>
EXPENSES						
Program Services						
Residential services	\$ 2,246,458	\$ -	\$ -	\$ 2,246,458	\$ -	\$ 2,246,458
Vocational services	1,607,574	-	-	1,607,574	-	1,607,574
Individualized services	4,617,537	-	-	4,617,537	-	4,617,537
Housing services	-	57,559	-	57,559	-	57,559
Support Services						
Management and general	460,542	-	549	461,091	-	461,091
Fund-raising	144,612	-	-	144,612	-	144,612
Total expenses	<u>\$ 9,076,723</u>	<u>\$ 57,559</u>	<u>\$ 549</u>	<u>\$ 9,134,831</u>	<u>\$ -</u>	<u>\$ 9,134,831</u>
Change in net assets	\$ (35,864)	\$ 27,166	\$ (544)	\$ (9,242)	\$ -	\$ (9,242)
Net assets at beginning of year	5,531,538	666,010	10,532	6,208,080	-	6,208,080
Net assets at end of year	<u>\$ 5,495,674</u>	<u>\$ 693,176</u>	<u>\$ 9,988</u>	<u>\$ 6,198,838</u>	<u>\$ -</u>	<u>\$ 6,198,838</u>

**GOVERNMENT AUDITING STANDARDS
COMPLIANCE REPORTS**



BERNARD & FRANKS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

NICHOLAS W. LAFRANZ III, C.P.A.

JAMES L. WHITE, C.P.A.

**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
Options, Inc. and Affiliates
Hammond, 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 combined financial statements of Options, Inc. and Affiliates (a nonprofit organization), which comprise the combined statement of financial position as of June 30, 2021 and 2020, and the related combined statements of activities, and cash flows for the years then ended, and the related notes to the combined financial statements, and have issued our report thereon dated December 22, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered Options, Inc. and Affiliate'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 Options, Inc. and Affiliate's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

MEMBERS: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS; SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

4141 VETERANS MEMORIAL BLVD., SUITE 313, METAIRIE, LA 70002 | PHONE: (504) 885-0170 FAX: (504) 456-9531

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Options, Inc. and Affiliate's combined financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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



Metairie, Louisiana
December 22, 2021

**OPTIONS, INC. AND AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2021

SUMMARY OF AUDIT RESULTS

The auditor's report expresses an unmodified opinion on the financial statements of Options, Inc. and Affiliates which was prepared in accordance with generally accepted accounting principles.

No significant deficiencies or material weaknesses in internal control were disclosed during the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in accordance with *Government Auditing Standards*.

No instances of noncompliance material to the financial statements of Options, Inc. and Affiliates were disclosed in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in accordance with *Government Auditing Standards*.

No management letter was issued for the year ended June 30, 2021.

Options, Inc. and Affiliates did not expend more than \$750,000 in federal awards during the year ended June 30, 2021, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

FINDINGS-FINANCIAL STATEMENTS

There were no findings for the year ended June 30, 2021.

FINDINGS-FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This is not applicable to the Organizations for the year ended June 30, 2021.

REPORTS BY MANAGEMENT

**OPTIONS, INC. AND AFFILIATES
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

YEAR ENDED JUNE 30, 2021

There were no prior year findings.

**LOUISIANA COMPLIANCE QUESTIONNAIRE
(For Audit Engagements of Quasi-Public Agencies)**

_____ (Date Transmitted)

Bernard and Franks, A Corporation of CPA's
4141 Veterans Boulevard, Suite 313
Metairie, La 70002

In connection with your audit of our financial statements as of June 30th, 2021 and for the year ended June 30th, 2021, for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with accounting principles generally accepted in the United States of America, to assess our internal control structure as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of December 8, 2021(date completed/date of the representations).

PART I. Agency Profile

1. Name and address of the organization.

OPTIONS, Inc
19362 W. Shelton Rd.
Hammond, LA 70401

2. List names, addresses, and telephone numbers of entity officials. Include elected/appointed members of the governing board, chief executive and fiscal officer, and legal counsel.

See attached

3. Period of time covered by this questionnaire.

July 1st, 2020 to June 30th, 2021

4. The entity has been organized under the following provisions of the Louisiana Revised Statute(s) (R.S.) 12 and, if applicable, local resolutions/ordinances.

Yes, the entity has been organized as a non-profit under Louisiana (R.S.) 12

5. Briefly describe the public services provided.

Services are provided for citizens with disabilities

6. Expiration date of current elected/appointed officials' terms.

Part II. Federal, State, and Local Awards

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

Yes [x] No []

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

Yes [x] No []

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

Yes No

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

Yes No

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

Yes No

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

Yes No

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

Yes No

14. We have complied with all applicable compliance requirements of all federal programs we administer,

Yes No

15. We have complied with all applicable specific requirements of all state programs we administer, to include matters contained in the grant awards.

Yes No

16. We have complied with all applicable specific requirements of all local programs we administer, to include matters contained in the grant awards.

Yes No

17. We have provided you with all communications from grantors concerning noncompliance with or deficiencies in administering grant programs.

NA Yes No

Part III. Public Records

18. We are familiar with the Public Records Act and have made available to the public those records as required by R.S. 44:33.

Yes No

Part IV. Open Meetings

19. 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.**

NA Yes No

Part V. Budget

20. For each federal grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes No

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

Yes No

22. For each local grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes No

Part VI. Reporting

23. We have had our financial statements audited in a timely manner in accordance with R.S. 24:513.

Yes No

24. 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).

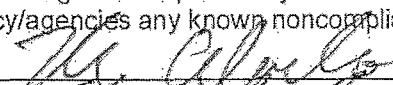
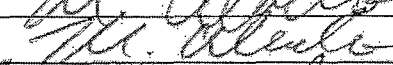
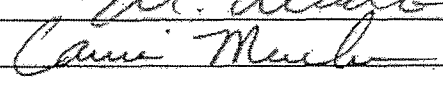
NA Yes No

25. 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

The previous responses have been made to the best of our belief and knowledge. We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur subsequent to the issuance of your report.

	Secretary	12-8-21	Date
	Treasurer	12-8-21	Date
	President	12/8/2021	Date