



(A NOT FOR PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

JUNE 30, 2020

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.

(A NOT FOR PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

JUNE 30, 2020

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Assumption Association for Retarded Citizens, Inc.
Napoleonville, Louisiana

We have reviewed the accompanying financial statements of Assumption Association for Retarded Citizens, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 the Association's 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.

Accountants' 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. 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.

Accountants' 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.

Emphasis of Matter

As described in Note 7 to the financial statements, the Association is being impacted by disruptions in the economy and business interruptions associated with the coronavirus (COVID-19) pandemic. The Association expects this matter to negatively impact its operating results and cash flows in 2021.

Other Matters

Supplementary Information

The accompanying schedules of support and revenue and the schedule of compensation, benefits and other payments to chief executive officer is presented for purposes of additional analysis and are not required parts 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 information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Postlethwaite & Netterville

Donaldsonville, Louisiana
October 8, 2020

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS:</u>		
Cash and cash equivalents	\$ 736,168	\$ 457,709
Certificates of deposit	841,539	827,186
Accounts receivable	-	8,952
Due from Louisiana Department of Health and Hospitals	110,977	139,774
Investments	952,712	913,736
Other assets	13,229	3,523
Buildings and equipment, net	<u>979,780</u>	<u>1,046,901</u>
TOTAL ASSETS	<u><u>\$ 3,634,405</u></u>	<u><u>\$ 3,397,781</u></u>
<u>LIABILITIES:</u>		
Accounts payable	\$ 27,803	\$ 26,071
Due to U.S. Social Security Administration - see note 5	8,588	-
Salaries and payroll taxes payable	54,123	31,899
Paycheck Protection Program loan	157,210	-
Deferred revenue	<u>-</u>	<u>12,500</u>
TOTAL LIABILITIES	<u>247,724</u>	<u>70,470</u>
<u>NET ASSETS:</u>		
Without donor restrictions	<u>3,386,681</u>	<u>3,327,311</u>
TOTAL NET ASSETS	<u>3,386,681</u>	<u>3,327,311</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,634,405</u></u>	<u><u>\$ 3,397,781</u></u>

See accompanying notes and independent accountants' review report.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2020 AND 2019

	<u>Without Donor Restrictions</u>	
	<u>2020</u>	<u>2019</u>
<u>REVENUES, GAINS, AND OTHER SUPPORT</u>		
Public Support:		
Program service fees	\$ 2,231,943	\$ 2,167,717
Department of Transportation Grant	69,695	297,198
Public contributions	12,468	7,026
Allocated by Capital Area United Way	35,862	43,258
Other Revenue:		
Sales to public (net of expenses of \$6,555 and \$6,280, respectively)	159,793	174,537
Fundraising	19,000	36,800
Activity center services	93,446	118,732
Investment income	78,379	86,195
Net unrealized gain (loss) on investments	8,726	(24,464)
Miscellaneous	192	296
Net gain on sales and disposal of assets	-	15,994
Total Revenues, Gains, and Other Support	<u>2,709,504</u>	<u>2,923,289</u>
<u>EXPENSES AND LOSSES</u>		
Program Services:		
Residential Services:		
Napoleonville Manor	503,708	499,381
Thibaut Manor	446,592	413,303
Day-Program Services:		
Activity Center	402,507	417,538
Project Fund	169,457	176,838
Association Fund	13,431	31,727
Waiver Services	709,643	695,283
Total Program Services	<u>2,245,338</u>	<u>2,234,070</u>
Support Services:		
General and Administrative:		
Central Office	404,796	417,918
Total Expenses	<u>2,650,134</u>	<u>2,651,988</u>
Change in net assets	59,370	271,301
Net assets at beginning of year	<u>3,327,311</u>	<u>3,056,010</u>
Net assets at end of year	<u>\$ 3,386,681</u>	<u>\$ 3,327,311</u>

See accompanying notes and independent accountants' review report.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2020 AND 2019

	Program Services							
	Napoleonville Manor		Thibaut Manor		Activity Center		Project Fund	
	2020	2019	2020	2019	2020	2019	2020	2019
Salaries	\$ 269,560	\$ 257,662	\$ 245,647	\$ 213,789	\$ 229,642	\$ 239,825	\$ 103,825	\$ 106,818
Activity center services	48,532	63,714	44,914	52,018	-	-	-	-
Insurance	8,756	8,899	10,361	9,022	30,959	28,985	18,108	18,241
Office supplies	830	381	330	380	-	67	-	-
Auto expense	2,607	3,596	1,798	3,452	26,042	30,933	10,971	20,446
Professional services	5,999	4,840	5,949	5,171	-	-	-	-
Telephone	1,624	1,408	2,815	2,369	3,102	2,187	538	531
Travel and entertainment	2,603	26	817	254	1,859	2,190	63	-
Food for residential program	21,171	27,136	21,482	21,435	-	-	-	-
Payroll taxes	20,522	19,532	18,551	16,083	17,116	18,069	7,934	8,467
Contract work	1,446	2,106	1,428	1,730	640	881	335	80
Other	7,249	5,503	7,056	4,636	1,175	3,297	693	796
Repairs and maintenance	11,280	4,724	13,352	10,389	8,967	3,606	11,595	7,653
Depreciation	30,980	23,810	5,326	9,695	71,555	76,040	11,324	9,729
Advertising	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-
Utilities	7,371	6,614	10,497	8,443	5,686	5,598	4,071	4,077
Supplies	10,343	9,307	10,854	9,182	5,764	5,860	-	-
Medical services	11,202	15,759	7,576	9,063	-	-	-	-
Bed fee	41,633	44,364	37,839	36,192	-	-	-	-
Total expenses	\$ 503,708	\$ 499,381	\$ 446,592	\$ 413,303	\$ 402,507	\$ 417,538	\$ 169,457	\$ 176,838

See accompanying notes and independent accountants' review report.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.

(A NOT FOR PROFIT ORGANIZATION)

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2020 AND 2019

	Program Services				Support Services		Total	
	Association Fund		Waiver Services		Central Office		2020	2019
	2020	2019	2020	2019	2020	2019		
Salaries	\$ -	\$ -	\$ 625,014	\$ 611,976	\$ 213,032	\$ 209,972	\$ 1,686,720	\$ 1,640,042
Activity center services	-	-	45	162	-	-	93,491	115,894
Insurance	-	-	12,189	10,860	87,012	91,443	167,385	167,450
Office supplies	-	-	40	30	12,815	15,264	14,015	16,122
Auto expense	-	-	6,479	7,410	-	-	47,897	65,837
Professional services	-	-	-	-	14,785	19,700	26,733	29,711
Telephone	-	-	135	269	4,715	4,260	12,929	11,024
Travel and entertainment	130	-	-	143	105	919	5,577	3,532
Food for residential program	3,767	3,858	-	-	14	-	46,434	52,429
Payroll taxes	434	-	46,952	45,725	21,873	17,514	133,382	125,390
Contract work	-	-	-	592	8,888	6,212	12,737	11,601
Other	8,953	4,230	1,529	1,336	6,799	9,065	33,454	28,863
Repairs and maintenance	-	-	514	88	18,010	27,501	63,718	53,961
Depreciation	-	-	16,571	16,571	8,217	7,962	143,973	143,807
Advertising	-	-	-	-	687	749	687	749
Fundraising	147	23,639	-	-	-	-	147	23,639
Utilities	-	-	-	-	5,886	5,569	33,511	30,301
Supplies	-	-	175	71	1,958	1,788	29,094	26,208
Medical services	-	-	-	50	-	-	18,778	24,872
Bed fee	-	-	-	-	-	-	79,472	80,556
Total expenses	<u>\$ 13,431</u>	<u>\$ 31,727</u>	<u>\$ 709,643</u>	<u>\$ 695,283</u>	<u>\$ 404,796</u>	<u>\$ 417,918</u>	<u>\$ 2,650,134</u>	<u>\$ 2,651,988</u>

See accompanying notes and independent accountants' review report.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 59,370	\$ 271,301
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Department of Transportation grant for vehicles	(34,695)	(247,198)
Depreciation	143,973	143,807
Unrealized (gain) loss on investments	(8,726)	24,464
Gain on sales of property and equipment	-	(15,994)
(Increase) decrease in accounts receivable and due from DHH	37,749	(14,632)
(Increase) decrease in other assets	(9,706)	371
(Decrease) increase in accounts payable	1,732	(12,795)
Increase in due to Social Security Administration	8,588	-
Increase in salaries and payroll taxes payable	22,224	3,105
Decrease in deferred revenue	(12,500)	(11,000)
Net cash provided by operating activities	208,009	141,429
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Paycheck Protection Program loan proceeds	157,210	-
Net cash provided by financing activities	157,210	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Maturity of certificates of deposit	448,002	-
Purchases of certificates of deposit	(462,355)	(299,989)
Purchases of investments	(55,250)	(68,775)
Proceeds from sales of investments	25,000	-
Purchases of property and equipment	(42,157)	(19,363)
Proceeds from sales of property and equipment	-	16,400
Net cash used in investing activities	(86,760)	(371,727)
Net increase (decrease) in cash and cash equivalents	278,459	(230,298)
Cash and cash equivalents at beginning of year	457,709	688,007
Cash and cash equivalents at end of year	\$ 736,168	\$ 457,709
Supplemental disclosure:		
<u>NONCASH INVESTING ACTIVITIES:</u>		
Property and equipment obtained through DOTD grant	\$ 34,695	\$ 247,198

See accompanying notes and independent accountants' review report.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Nature of Activities

Assumption Association for Retarded Citizens, Inc. (the Association) is a non-profit organization which was formed to furnish education and recreation to the mentally retarded and handicapped persons of Assumption Parish. The Association is solely dependent upon Medicaid funding, appropriations from State agencies, sales to the public, fundraising, and other contributions.

Program Services

Residential Services

The Association has two group homes, Napoleonville Manor and Thibaut Manor. These homes provide residential services for disabled persons.

Day-Program Services

Day-program services include sheltered workshops and community work services for disabled persons. These programs include Activity Center, Project Fund, Association Fund, and Waiver Services.

Support Services

General and Administrative Central Office

The support services category includes the administrative functions necessary to ensure proper administrative functioning of the Association's governing board, maintain an adequate working environment, and manage financial responsibilities of the Association.

Basis of Accounting

The Association prepares its financial statements on the accrual basis of accounting. Accordingly, revenues from program service fees, sales, fundraising, donations, activity center services, and investments are recognized when earned and expenses are recognized when incurred.

To ensure proper usage of assets with and without donor restrictions, the Association maintains its accounts according to accounting principles generally accepted in the United States of America, whereby funds are classified in accordance with specified restrictions or objectives.

Cash and Cash Equivalents

The Association considers all cash accounts, money market funds and all highly liquid deposits with a maturity of three months or less when purchased to be cash and cash equivalents.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

Certificates of Deposit

Certificates of deposit with banks have original maturities between 12 and 24 months are carried at cost, which approximates fair value.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts, as deemed applicable. Management considers accounts receivable that are more than 30 days old to be past due. Additionally, management has determined that accounts receivable that are more than one-year-old may not be collectible. No reserve for uncollectible accounts has been established. Management has determined that all receivables as of each year-end are collectible.

Due from Louisiana Department of Health and Hospitals

Due from Louisiana Department of Health and Hospitals consists of receivables based on contracted rates for the respective residential and day program services. All amounts are expected to be collected within the next twelve months.

Investments

Investments in marketable securities with readily determinable fair values are valued at their fair values in the statements of financial position. Investment expenses, if any, are netted against investment income in the statements of activities and changes in net assets. Unrealized gains and losses are included in the statements of activities and changes in net assets.

Buildings and Equipment

The Association capitalizes buildings and equipment over \$1,000. Lesser amounts are expensed. Buildings and equipment are recorded at cost and are being depreciated using the straight-line method over their estimated useful lives as follows:

Buildings	30 - 40 years
Transportation equipment	5 years
Furniture and equipment	5 - 10 years

Deferred Revenue

Deferred revenue represents collections from raffle tickets sold in advance of the fundraising event. The revenue will be realized and recorded at the point when the event is held and expenses are incurred, which is expected to occur within the next twelve months.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Association reports gifts of cash and other assets as restricted support 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 of restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities and changes in net assets as such. The Association has no assets with donor restrictions at June 30, 2020 and 2019, respectively.

Revenue Recognition

Effective July 1, 2019, the Association adopted ASU No. 2018-08, Not-for-Profit Entities (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The implementation of this new standard did not have a material impact on the measurement or recognition of revenue.

Analysis of various provisions of this standard resulted in no significant changes in the way the Association recognizes revenue, and therefore no changes to the previously issued compiled financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with this standard.

The Association recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenues with donor restrictions and are reclassified as net assets released from restrictions in the same year.

The majority of the Association's revenue is derived from third-party reimbursement arrangements. These revenues and the allowability of the related expenditures are subject to audits by the granting agencies.

Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met. There were no conditional promises to give for the years ended June 30, 2020 and 2019, respectively.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

Revenue Recognition (continued)

The Association reports gifts of land, buildings, and equipment as revenue 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 the gifts of cash or other asset that must be used to acquire long-lived assets are reported as revenue with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions of noncash assets as well as contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The Association did not recognize any contributed services during the years ended June 30, 2020 and 2019, respectively.

Expenses

Expenses are recognized by the Association on the accrual basis. Expenses paid in advance and not yet incurred are recorded as prepaid until the applicable period.

Functional Allocation of Expenses

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. No allocation of general and administrative costs has been made to program services. General and administrative costs are charged to central office and are reported as support services expenses.

Concentrations of Credit Risk

At various times throughout the year, the carrying value of the Association's deposits were in excess of FDIC insurance. Management has determined that the risk of default is minimal.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

Income Taxes

The Association accounts for income taxes in accordance with income tax accounting guidance included in the FASB Accounting Standards Codification (ASC).

The Association is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Therefore, the Association has not recorded a provision for income taxes in the accompanying financial statements and the Association does not have any uncertain tax positions. In management's judgement, the Association does not have any tax positions that would result in a loss contingency considering the facts, circumstances and information available at the reporting date.

Accounting Standards Not Yet Adopted

The FASB has issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, to update its revenue recognition standard to clarify the principles of recognizing revenues and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The standard may be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. This standard will be effective for the Association for annual periods beginning after December 15, 2020.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the statement of financial position as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2021.

The Association is currently assessing the impact of these pronouncements on its financial statements.

2. **Cash and Cash Equivalents**

At June 30, 2020 and 2019 the carrying amounts of the Association's deposits were \$736,168 and \$457,709, respectively. These deposits are at cost, which approximates fair value.

3. **Buildings and Equipment**

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

	<u>2020</u>	<u>2019</u>
Transportation equipment	729,158	657,699
Furniture and equipment	299,687	305,826
	2,584,186	2,518,297
Less: Accumulated depreciation	<u>(1,604,406)</u>	<u>(1,471,396)</u>
	<u>\$ 979,780</u>	<u>\$ 1,046,901</u>

Depreciation expense was \$143,973 and \$143,807 for the years ended June 30, 2020 and 2019, respectively.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

4. **Program Service Fees**

Program service fees consist of contributions from government agencies for the year ended June 30, 2020 as follows:

	<u>Napoleonville Manor</u>	<u>Thibaut Manor</u>	<u>Activity Center</u>	<u>Waiver Services</u>	<u>Total</u>
Medicaid					
Title XIX	\$ 466,121	\$ 382,457	\$ -	\$ -	\$ 848,578
Patient Liability	46,705	74,598	-	-	121,303
Waiver Contract	-	-	302,687	950,660	1,253,347
OMR	-	-	8,715	-	8,715
Total	<u>\$ 512,826</u>	<u>\$ 457,055</u>	<u>\$ 311,402</u>	<u>\$ 950,660</u>	<u>\$ 2,231,943</u>

Program service fees consist of contributions from government agencies for the year ended June 30, 2019 as follows:

	<u>Napoleonville Manor</u>	<u>Thibaut Manor</u>	<u>Activity Center</u>	<u>Waiver Services</u>	<u>Total</u>
Medicaid					
Title XIX	\$ 422,069	\$ 311,949	\$ -	\$ -	\$ 734,018
Patient Liability	61,834	80,415	-	-	142,249
Waiver Contract	-	-	351,043	925,777	1,276,820
OMR	-	-	14,630	-	14,630
Total	<u>\$ 483,903</u>	<u>\$ 392,364</u>	<u>\$ 365,673</u>	<u>\$ 925,777</u>	<u>\$ 2,167,717</u>

5. **Due to U.S. Social Security Administration**

Overpayments of Supplemental Security Income totaling \$8,588 were received during the year ended June 30, 2020 for two residents of the group homes of the Association. This amount is included with the liabilities in the statement of financial position.

6. **Line of Credit**

The Association entered into an open line of credit in the amount of \$50,000 maturing September 28, 2021, of which, \$50,000 was unused at June 30, 2020. The line bears interest at a 3.90 percent interest rate. Interest payments are due monthly. The line is secured by a certificate of deposit.

7. **COVID-19**

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which has spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

7. **COVID-19** (continued)

As the result of COVID-19, the vocational program and the day habilitation program were discontinued effective March 16, 2020. Through the date of the financial statements, the Association has not been able to administer these programs to the clients.

The outbreak could have a continued material adverse impact on economic and market conditions. There continues to be no prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Association and its financial results.

8. **Paycheck Protection Program Loan**

On April 28, 2020, the Association received loan proceeds in the amount of \$157,210 from the Small Business Association through the Paycheck Protection Program as established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act passed by Congress in March 2020. The loan bears interest at a rate of 1.00 percent. Under the terms of the loan, all or a portion can be forgiven as a grant subject to meeting certain compliance requirements. Management expects for the loan to be fully forgiven. The Association has accounted for the loan proceeds based upon FASC *Accounting Standards Codification* 470, *Debt*.

The loan is due in the following scheduled minimum principal amounts during each of the years ending June 30:

2021	\$	78,319
2022		78,891
	\$	<u>157,210</u>

9. **Fair Values of Financial Instruments**

In accordance with the Fair Value Measurements and Disclosure topic of FASB ASC, disclosure of fair value information about financial instruments, whether or not recognized in the statements of financial position is required. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instruments. Therefore, the aggregate fair value amounts presented do not represent the underlying value of the Association.

The fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

9. **Fair Values of Financial Instruments** (continued)

In accordance with this guidance, the Association groups its financial assets and financial liabilities generally measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

- Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuation is based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
- Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following method and assumption was used by the Association in estimating its fair value disclosures for financial instruments:

Securities

Securities are classified within Level 1 where quoted market prices are available in an active market. Inputs include securities that have quoted prices in active markets for identical assets. If quoted market prices are unavailable, fair value is estimated using pricing models or quoted prices of securities with similar characteristics, at which point the securities would be classified within Level 2 of the hierarchy.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

9. **Fair Values of Financial Instruments** (continued)

The following table presents for each fair value hierarchy level, of the Association's financial assets and liabilities that are measured at fair value on a recurring basis.

	<u>Level 1</u>	
June 30, 2020		
Fixed Income Securities:		
Income Funds	<u>\$ 952,712</u>	
June 30, 2019	<u>Level 1</u>	<u>Level 2</u>
Municipal Bond	\$ -	\$ 25,617
Fixed Income Securities:		
Income Funds	<u>888,119</u>	<u>-</u>
	<u>\$ 888,119</u>	<u>\$ 25,617</u>

10. **Availability and Liquidity Management**

The Association maintains a policy of structuring its financial assets to be available as its general expenses, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Association purchases certificates of deposit with varying maturity dates and has equity investments that are readily available to be sold. In addition, the Association has a line of credit to draw upon. See note 6.

The following table reflects the Association's financial assets as of June 30, 2020 and 2019, reduced by amounts that are not available to meet general expense within one year of the statement of financial position date because of contractual restrictions. There were no net assets with donor restrictions at June 30, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 736,168	\$ 457,709
Certificates of deposit	841,539	827,186
Accounts receivable and amounts due from DHH	110,977	148,726
Interest receivable	9,654	2,505
Investments	<u>952,712</u>	<u>913,736</u>
Total financial assets	2,651,050	2,349,862
Less: Investments with liquidity horizons greater than one year	<u>-</u>	<u>25,617</u>
Financial assets available to meet cash needs for general expenses within one year	<u>\$ 2,651,050</u>	<u>\$ 2,324,245</u>

11. **Subsequent Events**

Assumption Association for Retarded Citizens, Inc. has evaluated subsequent events through October 8, 2020, the date that the financial statements were available to be issued, and determined no events occurred that require disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)
SCHEDULES OF SUPPORT AND REVENUE
YEARS ENDED JUNE 30, 2020 AND 2019

	Napoleonville Manor		Thibaut Manor		Activity Center		Project Fund	
	2020	2019	2020	2019	2020	2019	2020	2019
Without Donor Restriction:								
Public Support:								
Program service fees	\$ 512,826	\$ 483,903	\$ 457,055	\$ 392,364	\$ 311,402	\$ 365,673	\$ -	\$ -
Department of Transportation Grant	2,786	57,531	37,502	3,016	14,758	216,253	7,876	12,041
Public contributions	-	-	-	-	-	-	-	-
Allocated by Capital Area United Way	-	-	-	-	-	-	-	-
Other Revenue:								
Sales to public (net of expenses)	-	-	-	-	-	-	159,793	174,300
Fundraising	-	-	-	-	-	-	-	-
Activity Center services	-	-	-	-	93,446	118,732	-	-
Investment income	5,207	6,447	14,955	18,530	-	-	24	12
Net unrealized gain (loss) on investments	796	(2,231)	2,285	(6,405)	-	-	-	-
Miscellaneous income	-	-	-	-	184	264	-	-
Net gain (loss) on sales and disposals of assets	-	-	-	(406)	-	11,900	-	-
Total Public Support and Other Revenue	<u>\$ 521,615</u>	<u>\$ 545,650</u>	<u>\$ 511,797</u>	<u>\$ 407,099</u>	<u>\$ 419,790</u>	<u>\$ 712,822</u>	<u>\$ 167,693</u>	<u>\$ 186,353</u>

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)
SCHEDULES OF SUPPORT AND REVENUE
YEARS ENDED JUNE 30, 2020 AND 2019

	<u>Association Fund</u>		<u>Waiver Services</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Without Donor Restriction:						
Public Support:						
Program service fees	\$ -	\$ -	\$ 950,660	\$ 925,777	\$ 2,231,943	\$ 2,167,717
Department of Transportation Grant	-	-	6,773	8,357	69,695	297,198
Public Contributions	12,468	7,026	-	-	12,468	7,026
Allocated by Capital Area United Way	35,862	43,258	-	-	35,862	43,258
Other Revenue:						
Sales to public (net of expenses)	-	237	-	-	159,793	174,537
Fundraising	19,000	36,800	-	-	19,000	36,800
Activity Center services	-	-	-	-	93,446	118,732
Investment income	5,973	7,403	52,220	53,803	78,379	86,195
Net unrealized gain (loss) on investments	913	(2,559)	4,732	(13,269)	8,726	(24,464)
Miscellaneous income	8	32	-	-	192	296
Net gain (loss) on sales and disposals of assets	-	-	-	4,500	-	15,994
Total Public Support and Other Revenue	<u>\$ 74,224</u>	<u>\$ 92,197</u>	<u>\$ 1,014,385</u>	<u>\$ 979,168</u>	<u>\$ 2,709,504</u>	<u>\$ 2,923,289</u>

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)
SCHEDULE OF COMPENSATION, BENEFITS
AND OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER
YEAR ENDED JUNE 30, 2020

CHIEF EXECUTIVE OFFICER: Sarah Olivo

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 67,379
Travel & Meals	-
Benefits	36
Conferences	228
	<u>\$ 67,643</u>



**INDEPENDENT ACCOUNTANTS' REPORT ON
 APPLYING AGREED-UPON PROCEDURES**

Board of Directors
 Assumption Association for Retarded Citizens, Inc.
 Napoleonville, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the Assumption Association for Retarded Citizens, Inc. (a nonprofit Association), the Louisiana Legislative Auditor and applicable state grantor agencies solely to assist the users in evaluating management's assertions about the Association's compliance with certain laws and regulations during the year ended June 30, 2020, included in the accompanying *Louisiana Attestation Questionnaire*, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. Management of the Association 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 Association's management.

The Association provided us with the following list of expenditures made for federal, state, and local grant awards received during the fiscal year ended June 30, 2020.

<u>Federal Awards</u>	<u>Award Year</u>	<u>CFDA No.</u>	<u>Amount</u>	
Enhanced Mobility for Seniors and Individuals with Disabilities - Operating	2020	20.513	\$ 35,000	
Enhanced Mobility for Seniors and Individuals with Disabilities - Capital	2016	20.513	33,627	
Total Expenditures			\$ 68,627	Note 1
<u>State Awards</u>	<u>Award Year</u>		<u>Amount</u>	
Home and Community Based Waiver Services - OCDD	2020		\$ 8,715	
Total Expenditures			\$ 8,715	Note 2
<u>Local Awards</u>	<u>Award Year</u>		<u>Amount</u>	
Enhanced Mobility for Seniors and Individuals with Disabilities - Capital	2016		\$ 1,068	
Total Expenditures			\$ 1,068	Note 1

Note 1: These grants total \$69,695 and are reported as Department of Transportation Grant on the Statement of Activities.

Note 2: This grant is included on the Statement of Activities as Program service fees.

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 would be selected.

We selected a total of 12 disbursements, according to the procedure above, for the fiscal year in question. Six disbursements were selected from the 2020 Enhanced Mobility for Seniors and Individuals with Disabilities operating grant for testing. Six disbursements were also selected from the 2020 Home and Community Based Waiver Services – OCDD grant for testing. The 2016 Enhanced Mobility for Seniors and Individuals with Disabilities capital grant provided a bus to the Association. There are no disbursements made by the Association under this grant.

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agreed 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 disbursements selected in Procedure 2 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 disbursements selected in Procedure 2 were approved in accordance with the Association's policies and procedures.

Each of the selected disbursements were properly approved in accordance with the Association's policies and procedures.

6. For each disbursement selected in Procedure 2 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.

Activities allowed or un-allowed

We compared documentation for each of the selected disbursements, as noted in Step 2, with program compliance requirements related to services allowed or not allowed. All disbursements complied with applicable allowability requirements. No exceptions noted.

Eligibility

We compared documentation for each of the selected disbursements, as noted in Step 2, with program compliance requirements related to eligibility. All disbursements complied with applicable eligibility requirements. No exceptions noted.

Reporting

We compared documentation for each of the selected disbursements, as noted in Step 2, with program compliance requirements related to reporting. All disbursements complied with applicable reporting requirements. No exceptions noted.

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 Association's financial records; and report whether the amounts in the close-out reports agree with the Association's financial records.

No close-out requirements were indicated upon our review of the grant award letters and applications.

Open Meetings

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions.

Management represented that the Association is only required to post a notice of each meeting and the accompanying agenda on the door of the Association's office building. Based on representations by management, all meetings held, as they relate to public funds, were properly posted.

Budget

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

The grants received by the Association are one time grant awards and management has represented that a budget is not required.

State Audit Law

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

The Association's report will be submitted to the Legislative Auditor before statutory due date of December 31, 2020.

11. Inquire of management and report whether the Association 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 Association was not in compliance with R.S. 24:513 (the audit law).

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



Prior-Year Comments

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

No exceptions noted as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in the Government Auditing Standards, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Association'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 Association'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.

Postlethwaite & Netterville

Donaldsonville, Louisiana
October 8, 2020

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

9/14/2020 (Date Transmitted)

Postlethwaite & Netterville, APAC (CPA Firm Name)

215 St. Patrick Street / P.O. Box 1190 (CPA Firm Address)

Donaldsonville, LA 70346 (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, 2020 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

Open Meetings

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

Yes [] No []

Budget

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

Yes [] No []

Reporting

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

Prior-Year Comments

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

Yes [] No []

General

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

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

<u>Wayne M. Callaway</u>	Secretary	<u>9-14-2020</u>	Date
<u>Harry J. Boudreau</u>	Treasurer	<u>9-11-2020</u>	Date
<u>Donald P. Landry</u>	President	<u>9-14-2020</u>	Date