

Financial Report

Lafourche ARC

Thibodaux, Louisiana

June 30, 2022



Financial Report

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Thibodaux, Louisiana

June 30, 2022

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Lafourche ARC (the "Association"), a nonprofit organization, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Association as of June 30, 2022 and 2021, and the changes in net assets, functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in the Schedules 1 through 8 for the years ended June 30, 2022 and 2021 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements and the basic financial statements themselves, and other additional procedures in accordance with auditing procedures generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements for the years ended June 30, 2022 and 2021, taken as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the Statement of Financial Position of Lafourche ARC as of June 30, 2020, and the related Statement of Activities for the year ended June 30, 2020 (none of which are presented herein), and we expressed an unmodified opinion on those financial statements. That audit was conducted for purposes of forming an opinion on the basic financial statements as a whole. The information contained in Schedules 5 through 7 for the year ended June 30, 2020 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements as of and for the year ended June 30, 2020. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information presented in Schedules 5 through 7 for the year ended June 30, 2020 is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2023 on our consideration of Lafourche ARC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
March 6, 2023.

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

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash	\$ 858,134	\$ 2,790,308
Investments	8,864,261	9,312,566
Due from State of Louisiana	1,782,471	1,026,454
Accounts receivable	461,502	85,845
Deposits and other assets	102,320	26,274
Buildings, furniture, and equipment, net	<u>3,002,544</u>	<u>2,920,601</u>
Totals	<u>\$ 15,071,232</u>	<u>\$ 16,162,048</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 748,258	\$ 628,290
Net Assets		
Without donor restrictions	<u>14,322,974</u>	<u>15,533,758</u>
Totals	<u>\$ 15,071,232</u>	<u>\$ 16,162,048</u>

See notes to financial statements.

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

For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Changes in Net Assets Without Donor Restrictions		
Support and Revenues		
Support:		
Group services:		
Habilitation services	\$ 5,952,250	\$ 6,434,355
Residential services	2,937,544	2,821,947
Governmental grants:		
Office for Citizens with Developmental Disabilities	24,387	6,265
State of Louisiana - hotel/motel tax	344,734	344,734
State of Louisiana - Department of the Treasury	250,000	-
Department of Transportation and Development	205,250	128,960
Client income	232,833	441,758
Sheltered workshop, net of \$281,915 (\$42,887 in 2021) of direct costs	50,185	97,284
Paycheck Protection Program loan forgiveness	-	1,779,600
Contributions	214,532	20,327
	<u>10,211,715</u>	<u>12,075,230</u>
Revenues:		
Investment income (loss), net	(447,159)	825,961
Gain on impairment	917,739	-
Gain on sales of capital assets	918	4,000
Miscellaneous	167,882	63,298
	<u>639,380</u>	<u>893,259</u>
	<u>10,851,095</u>	<u>12,968,489</u>
Total support, revenues, and net assets released from restrictions		

**Exhibit B
(Continued)**

	<u>2022</u>	<u>2021</u>
Expenses		
Program services:		
Medical and nursing	60,264	83,577
Therapeutic and training	8,656,832	8,486,156
Recreational	2,953	2,053
Consultants	326,252	295,251
	<u>9,046,301</u>	<u>8,867,037</u>
Total program services		
Support services:		
Administrative and general	2,182,865	2,061,224
Plant operations and maintenance	402,866	340,046
Costs related to capital assets	315,893	306,352
Dietary	89,059	90,432
Laundry and linen	7,090	6,867
Housekeeping supplies	9,077	12,468
Personal client needs	8,728	9,739
	<u>3,015,578</u>	<u>2,827,128</u>
Total support services		
Total expenses	<u>12,061,879</u>	<u>11,694,165</u>
Increase (decrease) in net assets without donor restrictions	(1,210,784)	1,274,324
Net Assets		
Beginning of year	<u>15,533,758</u>	<u>14,259,434</u>
End of year	<u><u>\$ 14,322,974</u></u>	<u><u>\$ 15,533,758</u></u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2022

	<u>Program Services</u>				
	<u>Medical and Nursing</u>	<u>Therapeutic and Training</u>	<u>Recreational</u>	<u>Consultants</u>	<u>Totals</u>
Bed fees	\$ -	\$ -	\$ -	\$ -	\$ -
Clothing	-	-	-	-	-
Contracts - outside services	-	-	-	326,252	326,252
Depreciation	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Food	-	-	-	-	-
Insurance	-	-	-	-	-
Lease	-	-	-	-	-
Licenses	-	-	-	-	-
Linen and bedding	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Medical services	17,933	-	-	-	17,933
Other	4,456	-	-	-	4,456
Postage	-	-	-	-	-
Prescriptions	14,886	-	-	-	14,886
Professional fees	-	-	-	-	-
Salaries, payroll taxes, and benefits	-	8,652,682	-	-	8,652,682
Supplies	22,989	4,150	2,953	-	30,092
Telephone	-	-	-	-	-
Training-in-service	-	-	-	-	-
Travel and seminars	-	-	-	-	-
Utilities	-	-	-	-	-
Vehicles - gas, oil, and repairs	-	-	-	-	-
Total expenses	<u>\$ 60,264</u>	<u>\$ 8,656,832</u>	<u>\$ 2,953</u>	<u>\$ 326,252</u>	<u>\$ 9,046,301</u>

See notes to financial statements.

Supporting Services								
Administrative and General	Plant Operations and Maintenance	Costs Related to Capital Assets	Dietary	Laundry and Linen	Housekeeping Supplies	Personal Client Needs	Totals	Grand Totals
\$ 195,432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195,432	\$ 195,432
-	-	-	-	-	-	4,351	4,351	4,351
-	-	-	7,420	-	-	-	7,420	333,672
-	-	307,893	-	-	-	-	307,893	307,893
12,000	-	-	-	-	-	-	12,000	12,000
-	-	-	72,138	-	-	-	72,138	72,138
508,363	-	-	-	-	-	-	508,363	508,363
-	-	8,000	-	-	-	-	8,000	8,000
4,435	-	-	-	-	-	-	4,435	4,435
-	-	-	-	2,761	-	-	2,761	2,761
-	273,369	-	-	-	-	-	273,369	273,369
-	-	-	-	-	-	-	-	17,933
249,564	-	-	-	-	-	4,377	253,941	258,397
1,147	-	-	-	-	-	-	1,147	1,147
-	-	-	-	-	-	-	-	14,886
86,940	-	-	-	-	-	-	86,940	86,940
725,747	-	-	-	-	-	-	725,747	9,378,429
123,200	-	-	9,501	4,329	9,077	-	146,107	176,199
112,332	-	-	-	-	-	-	112,332	112,332
2,152	-	-	-	-	-	-	2,152	2,152
58,132	-	-	-	-	-	-	58,132	58,132
-	129,497	-	-	-	-	-	129,497	129,497
103,421	-	-	-	-	-	-	103,421	103,421
<u>\$ 2,182,865</u>	<u>\$ 402,866</u>	<u>\$ 315,893</u>	<u>\$ 89,059</u>	<u>\$ 7,090</u>	<u>\$ 9,077</u>	<u>\$ 8,728</u>	<u>\$ 3,015,578</u>	<u>\$ 12,061,879</u>

STATEMENT OF FUNCTIONAL EXPENSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2021

	Program Services				
	Medical and Nursing	Therapeutic and Training	Recreational	Consultants	Totals
Bed fees	\$ -	\$ -	\$ -	\$ -	\$ -
Clothing	-	-	-	-	-
Contracts - outside services	-	-	-	295,251	295,251
Depreciation	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Food	-	-	-	-	-
Insurance	-	-	-	-	-
Lease	-	-	-	-	-
Licenses	-	-	-	-	-
Linen and bedding	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Medical services	16,751	-	-	-	16,751
Other	3,447	-	-	-	3,447
Postage	-	-	-	-	-
Prescriptions	13,323	-	-	-	13,323
Professional fees	-	-	-	-	-
Salaries, payroll taxes, and benefits	-	8,475,867	-	-	8,475,867
Supplies	50,056	10,289	2,053	-	62,398
Telephone	-	-	-	-	-
Training-in-service	-	-	-	-	-
Travel and seminars	-	-	-	-	-
Utilities	-	-	-	-	-
Vehicles - gas, oil, and repairs	-	-	-	-	-
Total expenses	\$83,577	\$ 8,486,156	\$ 2,053	\$ 295,251	\$ 8,867,037

See notes to financial statements.

Supporting Services								
Administrative and General	Plant Operations and Maintenance	Costs Related to Capital Assets	Dietary	Laundry and Linen	Housekeeping Supplies	Personal Client Needs	Totals	Grand Totals
\$ 204,154	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,154	\$ 204,154
-	-	-	-	-	-	2,103	2,103	2,103
-	-	-	7,520	-	-	-	7,520	302,771
-	-	287,152	-	-	-	-	287,152	287,152
15,210	-	-	-	-	-	-	15,210	15,210
-	-	-	75,704	-	-	-	75,704	75,704
629,400	-	-	-	-	-	-	629,400	629,400
-	-	19,200	-	-	-	-	19,200	19,200
5,507	-	-	-	-	-	-	5,507	5,507
-	-	-	-	2,716	-	-	2,716	2,716
-	221,218	-	-	-	-	-	221,218	221,218
-	-	-	-	-	-	-	-	16,751
129,724	-	-	-	-	-	7,636	137,360	140,807
4,307	-	-	-	-	-	-	4,307	4,307
-	-	-	-	-	-	-	-	13,323
33,871	-	-	-	-	-	-	33,871	33,871
771,655	-	-	-	-	-	-	771,655	9,247,522
87,270	-	-	7,208	4,151	12,468	-	111,097	173,495
77,945	-	-	-	-	-	-	77,945	77,945
1,583	-	-	-	-	-	-	1,583	1,583
53,762	-	-	-	-	-	-	53,762	53,762
-	118,828	-	-	-	-	-	118,828	118,828
46,836	-	-	-	-	-	-	46,836	46,836
<u>\$ 2,061,224</u>	<u>\$ 340,046</u>	<u>\$ 306,352</u>	<u>\$ 90,432</u>	<u>\$ 6,867</u>	<u>\$ 12,468</u>	<u>\$ 9,739</u>	<u>\$ 2,827,128</u>	<u>\$ 11,694,165</u>

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

For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ (1,210,784)	\$ 1,274,324
Adjustments to reconcile increase (decrease) in net assets to net cash (used in) operating activities:		
Depreciation	307,893	287,152
Net realized and unrealized loss (gain) on investments	592,563	(698,556)
Gain on impairment of capital assets	(917,739)	-
Gain on sales of capital assets	(918)	(4,000)
Paycheck Protection Program loan forgiveness	-	(1,779,600)
Decrease (increase) in operating assets:		
Receivables	(1,131,674)	133,422
Deposits and other assets	(76,046)	26,147
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	119,968	(17,891)
	<u>(1,105,953)</u>	<u>(2,053,326)</u>
Total adjustments		
Net cash used in operating activities	<u>(2,316,737)</u>	<u>(779,002)</u>
Cash Flows from Investing Activities		
Purchases of investments	(1,837,064)	(2,161,654)
Proceeds from maturity and sales of investments	1,692,805	2,037,410
Proceeds from insurance	1,093,603	-
Proceeds from sale of capital assets	80,546	4,000
Purchase of capital assets	(645,327)	(244,120)
	<u>384,563</u>	<u>(364,364)</u>
Net cash provided by (used in) investing activities		
Net decrease in cash	(1,932,174)	(1,143,366)
Cash		
Beginning of year	<u>2,790,308</u>	<u>3,933,674</u>
End of year	<u>\$ 858,134</u>	<u>\$ 2,790,308</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Lafourche ARC**
Thibodaux, Louisiana

June 30, 2022 and 2021

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

Lafourche ARC (the “Association”) operates six residential community homes and three day care facilities to provide intermediate care and habilitation for the mentally handicapped. Five (Country Club, Stevens, Chackbay, Richland and Narrow Street) of the six residential community homes operated are owned by the Association while Diplomat Way Community Home is rented. This home was closed on August 29, 2021 as a result of damage caused by Hurricane Ida. The Association also provides respite services to families of mentally handicapped individuals. On November 16, 2021, the Association purchased property to become the location of Peltier Home, which became operational in July 2022.

b) Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. The Association is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The Association had no net assets with donor restrictions as of June 30, 2022 and 2021.

c) Basis of Accounting

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

d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Fair Value of Financial Instruments

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

f) Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Association considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Association had no cash equivalents as of June 30, 2022 and 2021.

g) Investments

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

Certificates of deposit with initial maturity longer than three months are stated at cost, which approximates fair market value. All other investments have readily determinable fair values in active markets. Investment expenses of \$70,532 and \$63,705 were incurred for the years ended June 30, 2022 and 2021, respectively.

h) Accounts Receivable

The financial statements of the Association contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position.

i) Buildings, Furniture, and Equipment

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Contributions and Revenue Recognition

In May 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, “*Revenue from Contracts with Customers*” (Topic 606). This ASU implements a single framework for revenue recognition, ensuring that revenue is recognized in a manner which reflects the consideration to which the entity expects to be entitled in exchange for goods and services. The Association adopted ASU No. 2014-09 during the year ended June 30, 2021 using a full retrospective method of application.

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

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

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

k) Donated Services

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

l) Compensated Absences

On July 1st, all full-time employees receive from 12 to 21 days of leave depending on years of service. These days are to cover both vacation and sick leave. Leave must be taken by September 1st of the next fiscal year, or the leave is lost. The Association has \$115,140 and \$118,490 of accumulated leave included in accounts payable and accrued liabilities as of June 30, 2022 and 2021, respectively.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Functional Expenses

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

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

n) Income Taxes

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

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosures of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. Tax years ended June 30, 2019 and later remain subject to examination by the taxing authorities. As of June 30, 2022, management of the Association believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

o) Recently Issued Accounting Standards

Leases

In February 2016, the FASB issued ASU No. 2016-02, "Leases" (Topic 842). ASU No. 2016-02 requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the Statements of Activities and the Statements of Cash Flows will be substantially unchanged from the existing lease accounting guidance. The ASU is effective for fiscal years beginning after December 15, 2021. The Association is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Recently Issued Accounting Standards (Continued)

Leases (Continued)

In November 2021, the FASB issued ASU No. 2021-09, “*Leases*” (Topic 842) “*Discount Rate for Lessees That Are Not Public Business Entities*” (ASU No. 2021-09). This ASU currently provides lessees that are not public business entities with a practical expedient that allows them to elect, as an accounting policy, to use a risk-free rate as the discount rate for all leases. The amendments in this update allow those lessees to make the risk-free election by class of the underlying asset, rather than at the entity-wide level. An entity that makes the risk-free rate election is required to disclose which asset classes it has elected to apply a risk-free rate. The amendments require that when the rate implicit in the lease is readily determinable for any individual lease, the lessee use that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of whether it has made the risk-free election. Entities that have not yet adopted Topic 842 as of November 11, 2021, are required to adopt the amendments in this update at the same time that they adopt Topic 842.

Contributed Non-Financial Assets

In September 2020, the FASB issued ASU No. 2020-07, “*Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*” (Topic 958). The amendments in this update apply to nonprofit organizations that receive contributed nonfinancial assets. Contribution revenue may be presented in the financial statements using different terms (for example, gifts, donations, grants, gifts-in-kind, donated services, or other terms). The amendments address presentation and disclosure of contributed nonfinancial assets. The term nonfinancial asset includes property and equipment (such as land, buildings, and equipment), use of property and equipment or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The ASU is effective for fiscal years beginning after June 15, 2021. The statement did not have a material effect on the financial statements.

p) Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through March 6, 2023, which is the date the financial statements were available to be issued.

Note 2 - INVESTMENTS

Investments as of June 30, 2022 and 2021 are as follows:

	2022		2021	
	Cost	Market	Cost	Market
U.S. Treasury Bonds	\$ 349,647	\$ 377,199	\$ 155,869	\$ 183,568
Federal Home Loan Mortgage Corporation Notes	310,546	196,686	296,081	254,076
Federal National Mortgage Association Notes	577,038	409,547	529,440	388,329
Equity securities/mutual funds	2,055,800	2,597,089	1,852,265	2,621,852
Fixed income mutual funds	1,651,749	1,533,047	1,692,017	1,759,114
Certificates of deposit and savings accounts	2,753,061	2,753,061	2,746,747	2,746,746
Municipal bonds	89,405	104,325	122,408	162,522
Corporate bonds	631,314	678,184	825,493	995,801
Money market funds	215,123	215,123	200,558	200,558
Totals	<u>\$ 8,633,683</u>	<u>\$ 8,864,261</u>	<u>\$ 8,420,878</u>	<u>\$ 9,312,566</u>

The following schedule summarizes the investment return and its classification in the Statements of Activities for the years ended June 30, 2022 and 2021:

	2022	2021
Excess of market over (under) cost:		
End of year	\$ 230,578	\$ 891,688
Beginning of year	891,688	298,188
Unrealized gain (loss)	(661,110)	593,500
Net realized gain	68,547	105,056
Interest and dividends	215,936	191,110
Fees and expenses	(70,532)	(63,705)
Investment (loss) income, net	<u>\$ (447,159)</u>	<u>\$ 825,961</u>

Note 3 - FAIR VALUE MEASUREMENTS

Fair value concepts are applied in recording investments. A fair value hierarchy which has three levels based on the reliability of the inputs is used to determine fair value. These levels includes Level 1, unadjusted quoted prices in active markets for identical assets or liabilities; Level 2, directly or indirectly observable inputs other than quoted prices for the asset or liability, such as quoted market prices for similar assets or liabilities; and Level 3, unobservable inputs for use when little or no market data exists, therefore requiring an entity to develop its own assumptions.

Note 3 - FAIR VALUE MEASUREMENTS (Continued)

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Assets measured at fair value on a recurring basis as of June 30, 2022 and 2021 are comprised of and determined as follows:

	June 30, 2022			
	Total Assets Measured at Fair Value	Quoted Prices in Active Market for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual Funds:				
Emerging market	\$ 50,780	\$ 50,780	\$ -	\$ -
Foreign large blend	61,322	61,322	-	-
International markets	15,489	15,489	-	-
Large blend	99,960	99,960	-	-
Mid-cap blend	21,492	21,492	-	-
Real estate	28,908	28,908	-	-
Small blend	12,845	12,845	-	-
Large value	120,063	120,063	-	-
Fixed income mutual funds:				
Commodities broad basket	44,719	44,719	-	-
High yield bonds	302,162	302,162	-	-
Inflation-protection bonds	60,599	60,599	-	-
Intermediate term bonds	730,465	730,465	-	-
Multisector bonds	282,530	282,530	-	-
Short term bonds	112,570	112,570	-	-
Total mutual funds	<u>1,943,904</u>	<u>1,943,904</u>	<u>-</u>	<u>-</u>
Equity Shares:				
Chemicals	42,441	42,441	-	-
Consumer cyclical	170,026	170,026	-	-
Consumer defensive	171,622	171,622	-	-
Consumer services	64,858	64,858	-	-
Energy	209,683	209,683	-	-
Financials	459,020	459,020	-	-
Health care	368,798	368,798	-	-
Industrials	219,874	219,874	-	-
Information technology	175,194	175,194	-	-
Materials	20,466	20,466	-	-
Real estate	77,495	77,495	-	-
Technology	19,432	19,432	-	-
Telecommunication services	119,991	119,991	-	-
Utilities	67,332	67,332	-	-
Total equity shares	<u>2,186,232</u>	<u>2,186,232</u>	<u>-</u>	<u>-</u>
Government bonds and notes	983,432	983,432	-	-
Corporate bonds	678,184	678,184	-	-
Municipal bonds	104,325	104,325	-	-
Certificates of deposit and savings accounts	2,753,061	2,753,061	-	-
Money market funds	215,123	215,123	-	-
Totals	<u>\$ 8,864,261</u>	<u>\$ 8,864,261</u>	<u>\$ -</u>	<u>\$ -</u>

Note 3 - FAIR VALUE MEASUREMENTS (Continued)

	June 30, 2021			
	Total Assets Measured at Fair Value	Quoted Prices in Active Market for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual Funds:				
Emerging market	\$ 54,532	\$ 54,532	\$ -	\$ -
Foreign large blend	100,238	100,238	-	-
International markets	24,611	24,611	-	-
Large blend	119,103	119,103	-	-
Mid-cap blend	25,529	25,529	-	-
Real estate	29,472	29,472	-	-
Small blend	29,714	29,714	-	-
Fixed income mutual funds:				
Commodities broad basket	44,961	44,961	-	-
Emerging market	334,170	334,170	-	-
High yield bonds	67,886	67,886	-	-
Intermediate term bonds	754,168	754,168	-	-
Long government bonds	132,583	132,583	-	-
Multisector bonds	299,828	299,828	-	-
Short term bonds	125,518	125,518	-	-
Total mutual funds	<u>2,142,313</u>	<u>2,142,313</u>	<u>-</u>	<u>-</u>
Equity Shares:				
Chemicals	53,213	53,213	-	-
Consumer cyclical	230,893	230,893	-	-
Consumer defensive	199,297	199,297	-	-
Consumer services	18,132	18,132	-	-
Energy	130,122	130,122	-	-
Financials	538,979	538,979	-	-
Health care	283,997	283,997	-	-
Industrials	194,301	194,301	-	-
Information technology	242,109	242,109	-	-
Materials	45,935	45,935	-	-
Real estate	66,803	66,803	-	-
Technology	19,074	19,074	-	-
Telecommunication services	112,094	112,094	-	-
Utilities	103,704	103,704	-	-
Total equity shares	<u>2,238,653</u>	<u>2,238,653</u>	<u>-</u>	<u>-</u>
Government bonds and notes	825,975	825,975	-	-
Corporate bonds	995,801	995,801	-	-
Municipal bonds	162,522	162,522	-	-
Certificates of deposit and savings accounts	2,746,744	2,746,744	-	-
Money market funds	200,558	200,558	-	-
Totals	<u>\$ 9,312,566</u>	<u>\$ 9,312,566</u>	<u>\$ -</u>	<u>\$ -</u>

Note 4 - DUE FROM STATE OF LOUISIANA

Due from the State as of June 30, 2022 and 2021 consists of the following.

	2022	2021
Department of Health and Hospitals- residential and habilitation services	\$ 1,187,737	\$ 992,738
Department of Revenue - hotel/motel tax	344,734	33,716
Department of the Treasury - Act 119 of 2021 State Aid to Local Government Entities	250,000	-
Totals	\$ 1,782,471	\$ 1,026,454

Note 5 - BUILDINGS, FURNITURE, AND EQUIPMENT

Buildings, furniture, and equipment as of June 30, 2022 and 2021 consists of the following:

	2022	2021
Land	\$ 226,200	\$ 226,200
Buildings and improvements	3,880,304	4,244,311
Vehicles	1,754,846	1,746,704
Furniture and equipment	567,601	492,160
	6,428,951	6,709,375
Less: accumulated depreciation	(3,426,407)	(3,788,774)
Net buildings, furniture, and equipment	\$ 3,002,544	\$ 2,920,601

On August 29, 2021, Hurricane Ida severely impacted the Association. Numerous capital assets were heavily damaged and are still being repaired or replaced. The ultimate financial effect of the hurricane has yet to be determined. The Association has reviewed the various capital assets (a) to determine potential impairments from Hurricane Ida through inspection of physical damage and (b) to test for impairment to determine if the magnitude of the decline in service utility is significant and whether the decline in service utility is not part of the normal life cycle of the capital asset. For those components that are impaired, a portion of historical cost of the asset and associated accumulated depreciation, will be written off using the Restoration Cost Approach which states that the amount of impairment is derived from the estimated costs to restore the utility of the capital asset.

Note 5 - BUILDINGS, FURNITURE, AND EQUIPMENT (Continued)

During the year ended June 30, 2022, the Association realized insurance recoveries which are reported net of write offs. The following table identifies insurance proceeds related to impaired assets.

Capital Assets	Insurance Proceeds	Costs of Assets	Accumulated Depreciation Assets	Book Value Assets	Impairment Gain
Buildings	<u>\$1,093,603</u>	<u>\$683,676</u>	<u>\$507,812</u>	<u>\$175,864</u>	<u>\$917,739</u>

Note 6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued expenses as of June 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Vendors	\$ 73,792	\$ 38,502
Salaries and benefits	614,329	561,990
Other	<u>60,137</u>	<u>27,798</u>
Totals	<u>\$748,258</u>	<u>\$628,290</u>

Note 7 - PAYCHECK PROTECTION PROGRAM LOAN FORGIVENESS

On May 1, 2020, the Association received a \$1,779,600 loan from Synergy Bank under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and implemented by the U.S. Small Business Administration (SBA). On January 27, 2021, the loan was repaid by SBA (forgiven), and is reported as support and revenues on the June 30, 2021 Statement of Activities.

Note 8 - LEASE COMMITMENTS

In December 2021, the Association ended its lease for the Diplomat Way Community Home. The month-to-month operating lease initiated October 1, 2015, established monthly rent of \$1,600. Rental expenses incurred amounted to \$8,000 and \$19,200 for the years ended June 30, 2022 and 2021, respectively.

Note 9 - AVAILABILITY OF FINANCIAL ASSETS

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

Occasionally, the Association designates a portion of any operating surplus for a particular purpose. The designated reserves can be changed and made available for immediate use in the event of an urgent liquidity need. The Association did not have any designated reserves as of June 30, 2022.

The following reflects the Association’s financial assets available for use as of June 30, 2022.

Financial assets:	
Cash	\$ 858,134
Investments	8,864,261
Due from State of Louisiana	1,782,471
Accounts receivable	<u>461,502</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 11,966,368</u>

Note 10 - CENTRAL OFFICE OVERHEAD

The central office was established to account for supporting expenses common to the programs. Each program reimburses the central office for its share. The amount allocated to each program, as supporting service-administrative and general is based upon time and level of efforts expended as measured by expenses per program compared to total expenses. The allocations are eliminated for presentation of the Statements of Activities and Statements of Functional Expenses. For the years ended June 30, 2022 and 2021, personal service and occupancy costs incurred at the central office amounting to \$621,213 and \$1,051,252, respectively, were allocated to the programs as follows:

Note 10 - CENTRAL OFFICE OVERHEAD (Continued)

	2022	2021
Community support services	\$375,897	\$ 614,170
Daycare services	126,906	197,180
Diplomat Way Community Home	32,235	43,300
Stevens Community Home	20,822	49,735
Chackbay Community Home	18,917	40,286
Country Club Community Home	13,474	35,023
Richland Community Home	17,134	37,305
Narrow Street Community Home	16,151	34,253
Peltier Community Home	(323)	-
Totals	\$621,213	\$ 1,051,252

Note 11 - ECONOMIC DEPENDENCY

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

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

Note 12 - RETIREMENT PLAN

The Association adopted a 401(k) retirement plan effective July 1, 1997. The plan covers all employees who have completed one or more years of service. The Association makes contributions to the plan at its discretion. Contributions amounted to \$9,189 and \$8,010 for the years ended June 30, 2022 and 2021, respectively.

Note 13 - CONCENTRATION OF RISK

During the year ended June 30, 2022, the Association maintained its cash deposits and certificates of deposit with local banks. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash, certificates of deposit and money market funds at these institutions exceeded federally insured limits by approximately \$2,672,000 as of June 30, 2022.

Note 14- RISK MANAGEMENT

The Association is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage during the year ended June 30, 2022.

SUPPLEMENTARY INFORMATION SECTION

SCHEDULE OF PROGRAM FINANCIAL POSITION

Lafourche ARC
Thibodaux, Louisiana

June 30, 2022

	Community Homes				
	Chackbay	Country Club	Diplomat Way	Peltier	Stevens
Assets					
Cash	\$ 200	\$ 200	\$ 100	\$ -	\$ 200
Investments	637,493	323,645	672,271	-	66,040
Due from State of Louisiana	219,135	93,255	-	-	51,675
Accounts receivable	258	145	-	2,074	-
Due from other programs	49,123	260,567	50,969	-	31,078
Deposits and other assets	15,861	1,249	300	14,266	11,255
Buildings, furniture, and equipment, net	131,433	40,730	-	318,110	78,718
Totals	<u>\$ 1,053,503</u>	<u>\$ 719,791</u>	<u>\$ 723,640</u>	<u>\$ 334,450</u>	<u>\$ 238,966</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 26,125	\$ 18,848	\$ 5,288	\$ 1,095	\$ 25,854
Due to other programs	1,263,425	20,000	997,408	146,480	364,353
Total liabilities	<u>1,289,550</u>	<u>38,848</u>	<u>1,002,696</u>	<u>147,575</u>	<u>390,207</u>
Net Assets					
Unrestricted	<u>(236,047)</u>	<u>680,943</u>	<u>(279,056)</u>	<u>186,875</u>	<u>(151,241)</u>
Totals	<u>\$ 1,053,503</u>	<u>\$ 719,791</u>	<u>\$ 723,640</u>	<u>\$ 334,450</u>	<u>\$ 238,966</u>

Community Homes		Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
Narrow Street	Richland					
\$ 100	\$ 100	\$ -	\$ 470	\$ 856,764	\$ -	\$ 858,134
567,275	283,034	4,375,200	1,939,303	-	-	8,864,261
56,012	52,654	760,906	445,648	103,186	-	1,782,471
-	-	60,075	281,257	117,693	-	461,502
465,171	128,375	4,993,556	104,022	2,241,724	(8,324,585)	-
405	440	-	790	57,754	-	102,320
<u>122,519</u>	<u>67,758</u>	<u>1,212,493</u>	<u>780,011</u>	<u>250,772</u>	<u>-</u>	<u>3,002,544</u>
<u>\$ 1,211,482</u>	<u>\$ 532,361</u>	<u>\$ 11,402,230</u>	<u>\$ 3,551,501</u>	<u>\$ 3,627,893</u>	<u>\$ (8,324,585)</u>	<u>\$ 15,071,232</u>
\$ 20,027	\$ 18,296	\$ 442,034	\$ 93,700	\$ 96,991	\$ -	\$ 748,258
-	150,000	-	1,852,017	3,530,902	(8,324,585)	-
<u>20,027</u>	<u>168,296</u>	<u>442,034</u>	<u>1,945,717</u>	<u>3,627,893</u>	<u>(8,324,585)</u>	<u>748,258</u>
<u>1,191,455</u>	<u>364,065</u>	<u>10,966,196</u>	<u>1,599,784</u>	<u>-</u>	<u>-</u>	<u>14,322,974</u>
<u>\$ 1,211,482</u>	<u>\$ 532,361</u>	<u>\$ 11,408,230</u>	<u>\$ 3,545,501</u>	<u>\$ 3,627,893</u>	<u>\$ (8,324,585)</u>	<u>\$ 15,071,232</u>

SCHEDULE OF PROGRAM ACTIVITIES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2022

	Community Homes				
	Chackbay	Country Club	Diplomat Way	Peltier	Stevens
Changes in Net Assets Without Donor Restrictions					
Support and Revenues					
Support:					
Group services:					
Habilitation services	\$ -	\$ -	\$ -	\$ -	\$ -
Residential services	445,182	381,786	138,432	-	487,630
Governmental Grants:					
Office for Citizens with					
Developmental Disabilities	-	-	-	-	-
State of Louisiana-hotel/motel tax	-	-	-	-	-
State of Louisiana-Department of the Treasury	-	-	-	-	-
Department of Transportation and Development	-	-	-	-	-
Client income	(5,899)	47,665	53,905	-	63,458
Sheltered workshop, net of \$281,915					
of direct costs	-	-	-	-	-
Contributions	-	-	-	200,000	-
Total support without donor restrictions	439,283	429,451	192,337	200,000	551,088
Revenues:					
Investment income (loss), net	(47,280)	(24,004)	(49,872)	-	(4,910)
Gain on impairment	8,080	26,720	-	-	65,892
Gain (loss) on disposals	-	-	(8,246)	-	(3,313)
Miscellaneous	-	27	2	-	-
Total revenues	(39,200)	2,743	(58,116)	-	57,669
Allocations	-	-	-	-	-
Total unrestricted support, revenues and net assets released from restrictions	400,083	432,194	134,221	200,000	608,757
Expenses					
Program services:					
Medical and nursing	7,166	13,450	6,767	-	7,533
Therapeutic and training	381,757	349,161	68,880	-	490,843
Recreational	210	193	409	-	412
Consultants	22,086	23,844	13,612	-	23,438
Total program services	411,219	386,648	89,668	-	522,226
Support services:					
Administrative and general	85,715	90,245	61,705	5,219	107,552
Plant operations and maintenance	23,190	26,339	8,761	-	23,736
Costs related to capital assets	6,147	2,935	8,092	7,906	10,672
Dietary	11,885	14,923	7,942	-	18,047
Laundry and linen	1,834	379	545	-	1,785
Housekeeping	1,634	1,093	1,362	-	1,760
Personal client needs	993	1,185	1,097	-	1,313
Total support services	131,398	137,099	89,504	13,125	164,865
Total expenses	542,617	523,747	179,172	13,125	687,091
Increase (Decrease) in Assets Without Donor Restrictions	(142,534)	(91,553)	(44,951)	186,875	(78,334)
Net Assets					
Beginning of year	(93,513)	772,496	(234,105)	-	(72,907)
End of year	\$(236,047)	\$ 680,943	\$ (279,056)	\$ 186,875	\$(151,241)

Community Homes		Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
Narrow Street	Richland					
\$ -	\$ -	\$ 5,952,250	\$ -	\$ -	\$ -	\$ 5,952,250
368,561	441,107	233,940	955,451	-	(514,545)	2,937,544
-	-	-	24,387	-	-	24,387
-	-	-	344,734	-	-	344,734
-	-	101,694	45,120	103,186	-	250,000
-	-	-	205,250	-	-	205,250
33,053	40,651	-	-	-	-	232,833
-	-	-	50,185	-	-	50,185
-	-	625	3,187	10,720	-	214,532
<u>401,614</u>	<u>481,758</u>	<u>6,288,509</u>	<u>1,628,314</u>	<u>113,906</u>	<u>(514,545)</u>	<u>10,211,715</u>
(42,098)	(21,003)	(158,429)	(99,563)	-	-	(447,159)
18,627	-	-	442,057	356,363	-	917,739
-	-	-	12,477	-	-	918
-	-	4,250	238	163,365	-	167,882
<u>(23,471)</u>	<u>(21,003)</u>	<u>(154,179)</u>	<u>355,209</u>	<u>519,728</u>	<u>-</u>	<u>639,380</u>
-	-	-	-	621,213	(621,213)	-
<u>378,143</u>	<u>460,755</u>	<u>6,134,330</u>	<u>1,983,523</u>	<u>1,254,847</u>	<u>(1,135,758)</u>	<u>10,851,095</u>
9,163	12,842	3,303	-	40	-	60,264
307,350	404,311	5,695,881	1,473,194	-	(514,545)	8,656,832
823	906	-	-	-	-	2,953
22,271	23,901	197,100	-	-	-	326,252
<u>339,607</u>	<u>441,960</u>	<u>5,896,284</u>	<u>1,473,194</u>	<u>40</u>	<u>(514,545)</u>	<u>9,046,301</u>
77,273	89,080	693,886	494,973	1,098,430	(621,213)	2,182,865
16,910	16,407	3,172	169,600	114,751	-	402,866
6,003	5,126	49,181	178,205	41,626	-	315,893
12,255	24,007	-	-	-	-	89,059
247	2,300	-	-	-	-	7,090
746	2,482	-	-	-	-	9,077
334	3,806	-	-	-	-	8,728
<u>113,768</u>	<u>143,208</u>	<u>746,239</u>	<u>842,778</u>	<u>1,254,807</u>	<u>(621,213)</u>	<u>3,015,578</u>
<u>453,375</u>	<u>585,168</u>	<u>6,642,523</u>	<u>2,315,972</u>	<u>1,254,847</u>	<u>(1,135,758)</u>	<u>12,061,879</u>
<u>(75,232)</u>	<u>(124,413)</u>	<u>(508,193)</u>	<u>(332,449)</u>	<u>-</u>	<u>-</u>	<u>(1,210,784)</u>
<u>1,266,687</u>	<u>488,478</u>	<u>11,474,389</u>	<u>1,932,233</u>	<u>-</u>	<u>-</u>	<u>15,533,758</u>
<u>\$ 1,191,455</u>	<u>\$ 364,065</u>	<u>\$ 10,966,196</u>	<u>\$ 1,599,784</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,322,974</u>

SCHEDULE OF PROGRAM SERVICES EXPENSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2022

	Community Homes				
	Chackbay	Country Club	Diplomat Way	Peltier	Stevens
Medical and Nursing					
Medical services	\$ 1,753	\$ 4,952	\$ 803	\$ -	\$ 2,241
Other	201	2,306	29	-	-
Prescriptions	1,309	3,430	3,212	-	2,069
Supplies	3,903	2,762	2,723	-	3,223
Total medical and nursing	<u>7,166</u>	<u>13,450</u>	<u>6,767</u>	<u>-</u>	<u>7,533</u>
Therapeutic and Training					
Habilitation	36,385	109,929	12,794	-	36,146
Salaries, payroll taxes, and benefits	345,372	239,232	56,086	-	454,697
Supplies	-	-	-	-	-
Total therapeutic and training	<u>381,757</u>	<u>349,161</u>	<u>68,880</u>	<u>-</u>	<u>490,843</u>
Recreational					
Supplies	<u>210</u>	<u>193</u>	<u>409</u>	<u>-</u>	<u>412</u>
Consultants					
Other	2,000	2,000	1,500	-	2,125
Pharmacist	689	1,277	713	-	1,159
Psychiatrist	604	1,774	526	-	1,361
Registered nurse	18,793	18,793	10,873	-	18,793
Social worker	-	-	-	-	-
Total consultants	<u>22,086</u>	<u>23,844</u>	<u>13,612</u>	<u>-</u>	<u>23,438</u>
Total program services	<u>\$ 411,219</u>	<u>\$ 386,648</u>	<u>\$ 89,668</u>	<u>\$ -</u>	<u>\$ 522,226</u>

Community Homes		Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
Narrow Street	Richland					
\$ 4,676	\$ 3,508	\$ -	\$ -	\$ -	\$ -	\$ 17,933
343	1,395	182	-	-	-	4,456
1,283	3,482	101	-	-	-	14,886
2,861	4,457	3,020	-	40	-	22,989
<u>9,163</u>	<u>12,842</u>	<u>3,303</u>	<u>-</u>	<u>40</u>	<u>-</u>	<u>60,264</u>
81,799	77,140	-	-	-	(354,193)	-
225,551	327,171	5,695,881	1,469,044	-	(160,352)	8,652,682
-	-	-	4,150	-	-	4,150
<u>307,350</u>	<u>404,311</u>	<u>5,695,881</u>	<u>1,473,194</u>	<u>-</u>	<u>(514,545)</u>	<u>8,656,832</u>
823	906	-	-	-	-	2,953
2,000	2,000	27,528	-	-	-	39,153
840	1,121	-	-	-	-	5,799
638	1,987	130	-	-	-	7,020
18,793	18,793	169,242	-	-	-	274,080
-	-	200	-	-	-	200
<u>22,271</u>	<u>23,901</u>	<u>197,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>326,252</u>
<u>\$ 339,607</u>	<u>\$ 441,960</u>	<u>\$ 5,896,284</u>	<u>\$ 1,473,194</u>	<u>\$ 40</u>	<u>\$ (514,545)</u>	<u>\$ 9,046,301</u>

SCHEDULE OF SUPPORT SERVICES EXPENSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2022

	Community Homes				
	Chackbay	Country Club	Diplomat Way	Peltier	Stevens
Administrative and General					
Bed fees	\$ 35,869	\$ 39,664	\$ 9,593	\$ -	\$ 35,369
Central office	18,917	13,474	32,235	(323)	20,822
Dues and subscriptions	-	-	-	-	-
Insurance	26,386	18,858	11,313	5,137	26,762
Licenses	620	620	635	-	770
Other	1,367	7,958	2,202	-	8,517
Postage	27	-	-	-	-
Professional fees	-	-	-	405	-
Salaries, payroll taxes, and benefits	-	-	-	-	-
Supplies	606	1,623	183	-	1,425
Telephone	315	4,026	3,750	-	5,064
Training-in-service	-	-	-	-	-
Travel and seminars	1,378	738	768	-	867
Vehicles - gas, oil, and repairs	230	3,284	1,026	-	7,956
Total administrative and general	<u>85,715</u>	<u>90,245</u>	<u>61,705</u>	<u>5,219</u>	<u>107,552</u>
Plant Operations and Maintenance					
Maintenance and repairs	14,660	16,056	6,297	-	14,698
Utilities	8,530	10,283	2,464	-	9,038
Total plant operations and maintenance	<u>23,190</u>	<u>26,339</u>	<u>8,761</u>	<u>-</u>	<u>23,736</u>
Costs Related to Capital Assets					
Depreciation	6,147	2,935	92	7,906	10,672
Lease	-	-	8,000	-	-
Total costs related to capital assets	<u>6,147</u>	<u>2,935</u>	<u>8,092</u>	<u>7,906</u>	<u>10,672</u>
Dietary					
Contracts - dietician	1,760	1,760	1,600	-	1,920
Food	9,418	11,148	5,648	-	13,826
Supplies	707	2,015	694	-	2,301
Total dietary expenses	<u>11,885</u>	<u>14,923</u>	<u>7,942</u>	<u>-</u>	<u>18,047</u>
Laundry and Linen					
Linen and bedding	1,233	88	72	-	38
Supplies	601	291	473	-	1,747
Total laundry and linen	<u>1,834</u>	<u>379</u>	<u>545</u>	<u>-</u>	<u>1,785</u>
Housekeeping					
Supplies	1,634	1,093	1,362	-	1,760
Personal Client Needs					
Clothing	515	463	274	-	258
Other	478	722	823	-	1,055
Total personal client needs	<u>993</u>	<u>1,185</u>	<u>1,097</u>	<u>-</u>	<u>1,313</u>
Total support services	<u>\$ 131,398</u>	<u>\$ 137,099</u>	<u>\$ 89,504</u>	<u>\$ 13,125</u>	<u>\$ 164,865</u>

Community Homes		Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
Narrow Street	Richland					
\$ 35,369	\$ 39,568	\$ -	\$ -	\$ -	\$ -	\$ 195,432
16,151	17,134	375,897	126,906	-	(621,213)	-
-	-	-	-	12,000	-	12,000
17,346	19,609	160,639	191,389	30,924	-	508,363
620	770	-	-	400	-	4,435
2,783	2,566	55,099	53,823	115,249	-	249,564
-	-	278	-	842	-	1,147
-	-	117	-	86,418	-	86,940
-	-	-	-	725,747	-	725,747
546	1,163	19,300	28,360	69,994	-	123,200
630	6,503	24,014	14,348	53,682	-	112,332
-	-	544	-	1,608	-	2,152
1,658	1,460	47,221	2,970	1,072	-	58,132
2,170	307	10,777	77,177	494	-	103,421
<u>77,273</u>	<u>89,080</u>	<u>693,886</u>	<u>494,973</u>	<u>1,098,430</u>	<u>(621,213)</u>	<u>2,182,865</u>
7,870	6,837	3,172	125,358	78,421	-	273,369
9,040	9,570	-	44,242	36,330	-	129,497
<u>16,910</u>	<u>16,407</u>	<u>3,172</u>	<u>169,600</u>	<u>114,751</u>	<u>-</u>	<u>402,866</u>
6,003	5,126	49,181	178,205	41,626	-	307,893
-	-	-	-	-	-	8,000
<u>6,003</u>	<u>5,126</u>	<u>49,181</u>	<u>178,205</u>	<u>41,626</u>	<u>-</u>	<u>315,893</u>
-	380	-	-	-	-	7,420
11,042	21,056	-	-	-	-	72,138
1,213	2,571	-	-	-	-	9,501
<u>12,255</u>	<u>24,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,059</u>
30	1,300	-	-	-	-	2,761
217	1,000	-	-	-	-	4,329
<u>247</u>	<u>2,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,090</u>
<u>746</u>	<u>2,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,077</u>
-	2,841	-	-	-	-	4,351
334	965	-	-	-	-	4,377
<u>334</u>	<u>3,806</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,728</u>
<u>\$ 113,768</u>	<u>\$ 143,208</u>	<u>\$ 746,239</u>	<u>\$ 842,778</u>	<u>\$ 1,254,807</u>	<u>\$ (621,213)</u>	<u>\$ 3,015,578</u>

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

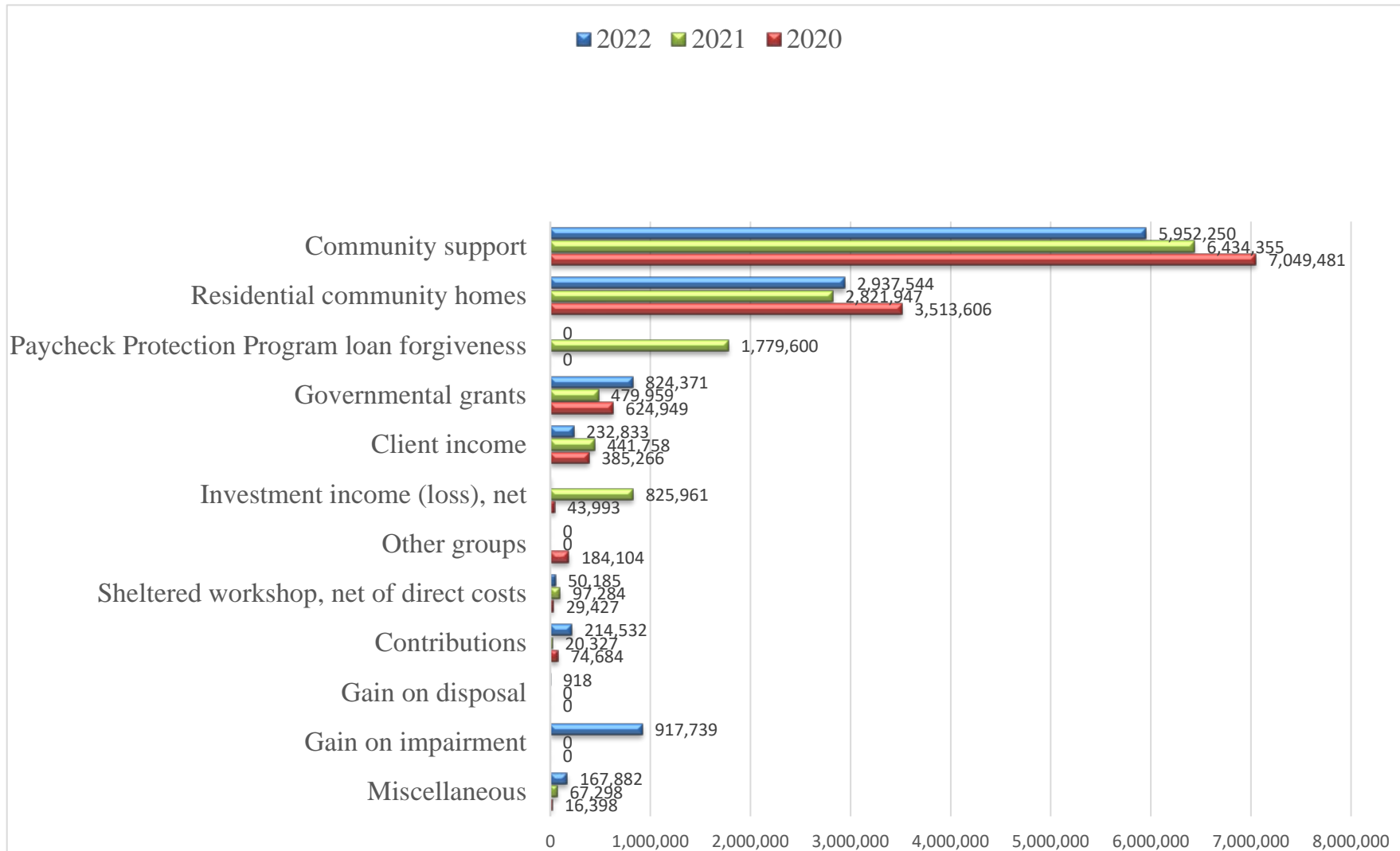
For the years ended June 30, 2022, 2021, and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenues			
Community support	\$ 5,952,250	\$ 6,434,355	\$ 7,049,481
Residential community homes	2,937,544	2,821,947	3,513,606
Governmental grants	824,371	479,959	624,949
Other:			
Client income	232,833	441,758	385,266
Investment income (loss), net	(447,159)	825,961	43,993
Other groups	-	-	184,104
Sheltered workshop, net of direct costs	50,185	97,284	29,427
Contributions	214,532	20,327	74,684
Paycheck Protection Program loan forgiveness	-	1,779,600	-
Gain on impairment	917,739	-	-
Gain on disposal	918	-	-
Miscellaneous	167,882	67,298	16,398
	<u>\$ 10,851,095</u>	<u>\$ 12,968,489</u>	<u>\$ 11,921,908</u>
Expenses			
Bed fees	\$ 195,432	\$ 204,154	\$ 212,193
Contracts - outside services	333,672	302,771	279,014
Depreciation	307,893	287,152	278,517
Food	72,138	75,704	87,685
Insurance	508,363	629,400	669,888
Lease	8,000	19,200	19,200
Maintenance and repairs	273,369	221,218	151,526
Other expenses	517,334	314,123	307,799
Salaries, payroll taxes, and benefits	9,378,429	9,247,522	10,173,500
Supplies	176,199	173,495	158,809
Travel and seminars	58,132	53,762	76,012
Utilities	129,497	118,828	123,295
Vehicles - gas, oil and repairs	103,421	46,836	85,971
	<u>\$ 12,061,879</u>	<u>\$ 11,694,165</u>	<u>\$ 12,623,409</u>

REVENUES

Lafourche ARC
Thibodaux, Louisiana

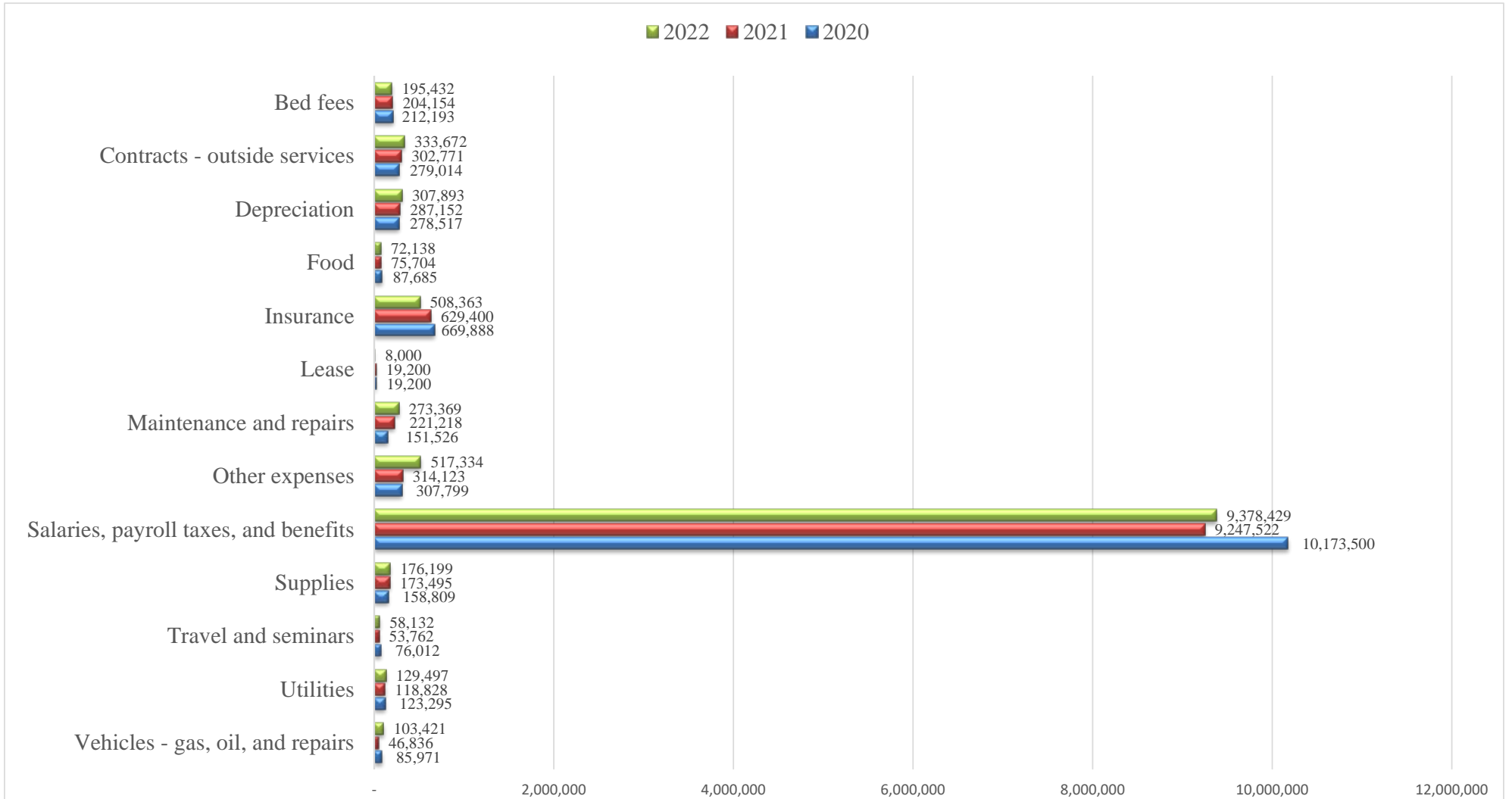
For the years ended June 30, 2022, 2021, and 2020



EXPENSES

Lafourche ARC
Thibodaux, Louisiana

For the years ended June 30, 2022, 2021, and 2020



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

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2022

Agency Head Name: Wendy Eschete, Executive Director

Purpose

Salary	\$ 92,044
Benefits - insurance	5,042
Benefits - retirement	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/>
	<u>\$ 97,086</u>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Lafourche ARC, (the “Association”), which comprise the Statement of Financial Position as of June 30, 2022, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated March 6, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Association’s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Association’s internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Certified Public Accountants.

Houma, Louisiana,
March 6, 2023.

SCHEDULE OF FINDINGS AND RESPONSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2022

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ___ Yes X No

b) Federal Awards

Lafourche ARC did not expend any federal awards during the year ended June 30, 2022.

Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended June 30, 2022.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2022

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

Internal Control

No material weaknesses were reported during the audit for the year ended June 30, 2021.

No significant deficiencies were reported during the audit for the year ended June 30, 2021.

Compliance

No compliance findings material to the statement of financial position were noted during the year ended June 30, 2021.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche ARC did not expend any federal awards during the year ended June 30, 2021.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2021.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2022

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

Internal Control

No material weaknesses were reported during the audit for the year ended June 30, 2022.

No significant deficiencies were reported during the audit for the year ended June 30, 2022.

Compliance

No compliance findings material to the statement of financial position were noted during the year ended June 30, 2022.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche ARC did not expend any federal awards during the year ended June 30, 2022.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2022.

STATEWIDE AGREED-UPON PROCEDURES

**INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures described in Schedule 9 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2021 through June 30, 2022. Lafourche ARC (the “Association”) management is responsible for those C/C areas identified in the SAUPs.

The Association has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA’s SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 9.

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

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

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

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Houma, Louisiana,
March 6, 2023.

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

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2022

The required procedures and our findings are as follows:

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

1. Obtain and inspect the Association's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the Association's operations:
 - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.
Performance: Obtained and read the written policy for budgeting.
Exceptions: The budgeting policy does not contain a provision for amending the budget.
 - b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
Performance: Obtained and read the written policy for purchasing.
Exceptions: The purchasing policy does not contain a provision on how vendors are added to the vendor list.
 - c) Disbursements, including processing, reviewing, and approving.
Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of each type of revenue or the Association fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, the Association fund forfeiture monies confirmation).
Performance: Obtained and read the written policy for receipts and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

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

- e) Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Performance: Obtained and read the purchasing handbook for contracting.
Exceptions: The contracting policy does not have provisions for standard terms and legal review and the monitoring process.

- g) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- h) Travel and Expense Reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Association's ethics policy.
Performance: Not applicable to nonprofits.
Exceptions: Not applicable to nonprofits.

- j) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Performance: Not applicable to nonprofits.
Exceptions: Not applicable to nonprofits.

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

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

Performance: Obtained and read the written policy for information technology disaster recovery/business continuity.

Exceptions: The policy does not contain provisions for identification of personnel, processes, and tools needed to recover operations after a critical event.

- l) Sexual Harassment, including R.S. 42:342-344 requirements for (1) the Association's responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Performance: Not applicable to nonprofits.

Exceptions: Not applicable to nonprofits.

Procedures Performed on the Association's Board:

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

- a) Observe that the Board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

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

Exceptions: There were no exceptions noted.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Performance: The Association does not report on the governmental accounting model.

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

Performance: Not applicable to nonprofits.

Exceptions: Not applicable to nonprofits.

Procedures Performed on the Association's Bank Reconciliations:

3. Obtain a listing of the Association's bank accounts from management and management's representation that the listing is complete. Ask management to identify the main operating account. Select the Association's main operating account and select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain, and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - Performance: Obtained the listing of bank accounts from management and received management's representation that the listing is complete in a separate letter. The Association has 3 bank accounts.
 - Exceptions: There were no exceptions noted.
- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - Performance: Obtained monthly bank reconciliations for the month of June for the main operating bank account and 2 additional accounts. Inspected management's documentation for timely preparation of the bank reconciliations.
 - Exceptions: For 2 of the 3 bank reconciliations observed the date it was prepared was not documented.
- b) Bank reconciliations include evidence that a member of management who does not manage cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - Performance: Inspected the Association's documentation for the June bank reconciliations for the 3 bank accounts.
 - Exceptions: There were no exceptions noted.
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement's closing date, if applicable.
 - Performance: Inquired about documents for items outstanding for more than 12 months.
 - Exceptions: There is no documentation that the Association has researched items that have been outstanding for more than 12 months from the statement closing date.

Procedures Performed on the Association's Collections (Excluding Electronic Funds Transfers):

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
 - Performance: Obtained the listing of deposit sites from management and received management's representation that the listing is complete in a separate letter.
 - Exceptions: There were no exceptions noted.

**Procedures Performed on the Association's Collections (Excluding Electronic Funds Transfers):
(Continued)**

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

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

Exceptions: There were no exceptions noted.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
Performance: Inspected policy manuals, inquired of management, and observed employees do not share cash drawers.
Exceptions: There were no exceptions noted.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless other employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
Performance: Inspected policy manuals, inquired of management, and observed receipts and general ledger transactions.
Exceptions: There were no exceptions noted.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
Performance: Inspected policy manuals, inquired of management, and observed employees collecting cash do not make general ledger postings.
Exceptions: There were no exceptions noted.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
Performance: Inspected policy manuals, inquired of management, and observed employees collecting cash do not make general ledger postings.
Exceptions: The Fiscal Services Director both collects cash and reconciles the cash collections to the general ledger.

**Procedures Performed on the Association's Collections (Excluding Electronic Funds Transfers):
(Continued)**

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

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

Exceptions: There were no exceptions noted.

7. Randomly select 2 deposit dates for each of the Association's 3 bank accounts selected for procedures #3 under "Procedures Performed on the Association's Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates selected and randomly select a deposit if multiple deposits were made on the same day). Obtain supporting documentation for each of the deposits selected and:

- a) Observe that receipts are sequentially pre-numbered.

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

Exceptions: There were no exceptions noted.

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

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

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

Performance: Traced deposit slip total to actual deposit per bank statement.

Exceptions: There were no exceptions noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Performance: Observed that the deposits tested were not made within one business day of receipt since the depository is less than 10 miles from collection location and the deposit is more than \$100.

Exceptions: Deposits are made only once per week.

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

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

Exceptions: There was no exception noted.

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

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

Performance: Obtained a listing of locations that process payments for the fiscal period from management. The Association only has one location that processes payments.

Exceptions: There were no exceptions noted.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the Association has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of employees involved in initiating a purchase request, approving a purchasing, and placing an order/making a purchase. Observed at least 2 employees are involved.

Exceptions: There were no exceptions noted.

- b) At least 2 employees are involved in processing and approving payments to vendors.

Performance: Obtained a listing of employees involved in processing and approving payments to vendors. Observed at least 2 employees are involved.

Exceptions: There were no exceptions noted.

- c) The employees responsible for processing payments are prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.

Performance: Obtained a listing of employees involved in processing payments to vendors. Observed if any employees involved are adding/modifying vendor files.

Exceptions: The same individual who processes payments has access to modify vendor files.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Performance: Obtained a listing of employees involved with signing and mailing checks and noted person responsible for processing payments does not mail the checks.

Exceptions: There were no exceptions noted.

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

10. For each location selected under #8 above, obtain the Association's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

Performance: Obtained the Association's non-payroll disbursement transaction population and management's representation that the population is complete.

Exceptions: There were no exceptions noted.

- a) Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the Association.

Performance: Observed that the disbursements and the related original invoices agreed and evidence that the deliverables were received.

Exceptions: There were no exceptions noted.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

Exceptions: There were no exceptions noted.

Procedures Performed on the Association's Credit Cards, Debit Cards, Fuel Cards, P-Cards:

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

Performance: Inquired of management for a listing of all active credit cards, bank debit cards, fuel cards, and P-cards. Also, received management's representation that the listing is complete in a separate letter.

Exceptions: There were no exceptions noted.

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

**Procedures Performed on the Association's Credit Cards, Debit Cards, Fuel Cards, P-Cards:
(Continued)**

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

Performance: Examined the statements and supporting documentation to determine if they were reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There was no evidence of review on any of the credit card statements.

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

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

Exceptions: There were no exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, report whether the transaction is supported by:

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

Performance: Observed that transactions were supported by original itemized receipts that identified precisely what was purchased.

Exceptions: There were no exceptions noted.

- b) Written documentation of the business/public purpose.

Performance: Observed that each transaction includes written documentation of the business/public purpose.

Exceptions: There were no exceptions noted.

- c) Documentation of the individuals participating in meals (for meal charges only).

Performance: Analyzed the transactions to determine if any were for meal charges.

Exceptions: There were no meal charges noted.

Procedures Performed on the Association's Travel and Travel-Related Expense Reimbursements (Excluding Card Transactions):

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

Performance: Obtained a list of all travel and related expense reimbursements and obtained management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Performance: Inspected travel expense documents and compared applicable rates on the reimbursement form.

Exceptions: There were no exceptions noted.

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

Performance: Inspected travel and expense reimbursements to observe that expense using actual costs were supported by an itemized receipt.

Exceptions: There were no exceptions noted.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedures #1h).

Performance: Inspected travel and expense reimbursements to observe that expenses included the business purpose.

Exceptions: There were no exceptions noted.

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

Performance: Inspected travel and expense reimbursements to observe that expenses included approval by someone other than the person receiving the reimbursement.

Exceptions: There were no exceptions noted.

Procedures Performed on the Association's Contracts:

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract and:

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

Exceptions: There were no exceptions noted.

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

Not applicable for nonprofits.

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

Performance: None of the contracts selected required Board approval as required in the Association's policy.

Exceptions: There were no exceptions noted.

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.

Performance: None of the contracts selected were amended.

Exceptions: There were no exceptions noted.

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

Performance: Obtained supporting documentation for the payments selected and observed that it agreed to the terms and conditions of the contract.

Exceptions: There were no exceptions noted.

Procedures Performed on the Association's Payroll and Personnel:

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Select 5 employees/officials, paid salaries, and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Obtained the listing of employees during the fiscal year from management and received management's representation in a separate letter that the listing is complete. Randomly selected 5 employees and agreed paid salaries to authorized salaries or pay rates per the personnel files.

Exceptions: There were no exceptions noted.

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

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
Performance: Randomly selected one pay period to test leave taken during that period.
Inspected all daily attendance and leave records for proper documentation.
Exceptions: There were no exceptions noted.
 - b) Observe that supervisors approve the attendance and leave of the selected employees/officials.
Performance: Inspected timesheets for the approval of attendance and leave by the supervisors for the selected employees/officials.
Exceptions: There were no exceptions noted.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the Association's cumulative leave records.
Performance: Inspected any leave accrued or taken during the pay period was reflected in the cumulative leave records.
Exceptions: There were no exceptions noted.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
Performance: Inspected the rate paid to the employees agree to the authorized pay rate within the personnel file.
Exceptions: There were no exceptions noted.
18. Obtain from management a list of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the Association's policy on termination payments. Agree the hours to the employees'/officials' cumulative leave records, agree the pay rates to the employees'/officials' authorized pay rates in the employees'/officials' personnel files, and agree the termination payment to the Association's policy.
Performance: Obtained a listing of employees terminated during the fiscal year from management and received management's representation of completeness in a separate letter. Agreed the hours of the employees' cumulative leave records, agreed the pay rates to the authorized pay rates in the employees' personnel files, and agreed termination payments to the Association's termination policy.
Exceptions: There were no exceptions noted.

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

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Performance: Obtained management's representation of the timely filing of payroll forms and inspected forms confirming all payments were made and forms were submitted to the applicable agencies by required deadline.

Exceptions: There were no exceptions noted.

Procedure Performed on the Association's Ethics:

20. Using the 5 selected employees/officials from procedure #16 under "Procedures Performed on the Association's Payroll and Personnel", obtain ethics compliance documentation from management and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Performance: Observed personnel files contained ethics course completion certificates for the 5 employees tested.

Exceptions: There were no exceptions noted.

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

Performance: Inquired of management about any changes to the Association's ethics policy. There were no changes to the ethics policy.

Exceptions: There were no exceptions noted.

Procedures Performed on the Association's Debt Service:

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Randomly select all bonds/notes on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtained for each bond/note issued.

Not applicable for nonprofit organizations.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Not applicable for nonprofit organizations.

Procedures Performed on the Association’s Fraud Notice:

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Randomly select all misappropriations on the listing, obtain supporting documentation, and observe that the Association reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Association is domiciled.

Performance: Inquired of management of any misappropriations of public funds and assets, none were noted.

Exceptions: There were no exceptions noted.

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

Performance: Inspected the fraud notice posted on the premises concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions: There were no exceptions noted.

**Procedures Performed on the Association’s Information Technology Disaster Recovery/
Business Continuity:**

25. Perform the following procedures, verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”

- a) Obtain and inspect the Association’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

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

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

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

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

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

Procedures Performed on the Association’s Sexual Harassment:

26. Using the 5 randomly selected employees/officials from procedure #16 under “Procedures Performed on the Association’s Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

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

Exceptions: There were no exceptions noted.

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

Performance: Inspected the sexual harassment policy and complaint procedure posted on its premises.

Exceptions: There were no exceptions noted.

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

- a) Number and percentage of public servants in the agency who have completed the training requirements.

Not applicable for nonprofits.

- b) Number of sexual harassment complaints received by the agency.

Not applicable for nonprofits.

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

Not applicable for nonprofits.

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

Not applicable for nonprofits.

- e) Amount of time it took to resolve each complaint.

Not applicable for nonprofits.

Management's Overall Response to Exceptions:

- 1a) Management will add the required provision to the budgeting policy.
- 1b) Management will add the required provision to the purchasing policy.
- 1f) Management will add the required provisions to the contracting policy.
- 1k) Management will add the required provision to the information technology disaster recovery/business continuity policy.
- 3a) Management will prepare all bank reconciliations within 2 months of the related statements closing date and ensure the date the reconciliation is prepared is documented.
- 3c) Management will include documentation of research on reconciling items that have been outstanding for greater than 12 months.
- 5d) Management will consider having another employee either collect cash or reconcile the collections to the general ledger.
- 7d) Management will consider making bank deposits more frequently.
- 9c) Management will consider amending procedures for access to modifying vendor files.
- 12a) Management will include evidence of review on credit card statements.