

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

COMBINED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

OPTIONS, INC. AND AFFILIATES

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Options, Inc. (a nonprofit organization), and its Affiliates which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Options, Inc. and its Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 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 Options, Inc. and its Affiliates' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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, 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 Options, Inc. and Affiliates' 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 Options, Inc. and Affiliates' 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits and Other Payments to the Chief Executive Director, the Combining Statement of Financial Position and the Combining Statement of Activities are presented for purposes of additional analysis and are 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022, on our consideration of Options, Inc. and Affiliates' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Options, Inc. and Affiliates' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Options, Inc. and Affiliates' internal control over financial reporting and compliance.

Bernard & Franks

Metairie, Louisiana
December 30, 2022

OPTIONS, INC. AND AFFILIATES
COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022		2021
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,873,689	\$	1,908,786
Restricted cash and cash equivalents	166,359		133,141
Accounts receivable			
Government contracts	397,161		332,078
Other	33,325		43,841
Unconditional promises to give	456,480		371,891
Inventory	4,173		8,294
Investments	1,601,982		1,729,252
Invesments-certificates of deposit	83,859		84,886
Prepaid expenses	23,603		46,877
	<u>\$ 4,640,631</u>	<u>\$</u>	<u>4,659,046</u>
LAND, PROPERTY AND EQUIPMENT	\$ 5,537,857	\$	5,474,740
Less accumulated depreciation and amortization	(2,773,423)		(2,609,111)
	<u>\$ 2,764,434</u>	<u>\$</u>	<u>2,865,629</u>
OTHER ASSETS			
Unconditional promises to give, less allowance for doubtful accounts	\$ 568,198	\$	533,470
Investments-restricted	13,526		13,526
	<u>\$ 581,724</u>	<u>\$</u>	<u>546,996</u>
 Total assets	<u>FALSE</u>	<u>\$</u>	<u>8,071,671</u>
 LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$ 143,167	\$	112,348
Trust held for others	102,966		82,369
Other payables	6,256		10,246
Accrued salaries, leave and payroll taxes	378,711		399,557
Paycheck Protection Program loan-current portion	-		842,096
Total current liabilities	<u>\$ 631,100</u>	<u>\$</u>	<u>1,446,616</u>
LONG TERM LIABILITIES			
Paycheck Protection Program loan	\$ -	\$	424,074
Tenants' security deposits	1,932		2,143
Total long term liabilities	<u>\$ 1,932</u>	<u>\$</u>	<u>426,217</u>
 Total Liabilities	<u>\$ 633,032</u>	<u>\$</u>	<u>1,872,833</u>
 NET ASSETS			
Without donor restrictions			
Undesignated	\$ 6,192,053	\$	5,159,951
Designated	-		-
With donor restrictions	1,161,704		1,038,887
Total net assets	<u>\$ 7,353,757</u>	<u>\$</u>	<u>6,198,838</u>
 Total liabilities and net assets	<u>\$ 7,986,789</u>	<u>\$</u>	<u>8,071,671</u>

See Notes to Financial Statements.

OPTIONS, INC. AND AFFILIATES

COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Medicaid	\$ 5,799,380	\$ -	\$ 5,799,380
Grants and contracts:			
Federal	932,985	-	932,985
State	398,690	-	398,690
Contributions	351,451	243,500	594,951
Fund-raising income	504,289	-	504,289
Private pay client revenue	47,396	-	47,396
Vocational rehabilitation	3,750	-	3,750
Vocational contracts	\$ 545,998		
Less: cost of services	<u>(315,432)</u>		
Vocational contracts gross profit	230,566	-	230,566
Rental revenue	11,128	-	11,128
Management and maintenance fee	7,379	-	7,379
Investment loss	(126,914)	-	(126,914)
Gain on sale of assets	21,007	-	21,007
Other income	16,968	-	16,968
Gain from PPP loan extinguishment	1,266,170	-	1,266,170
Net assets released from restrictions			
Expiration of use restriction-other	120,683	(120,683)	-
Total revenues, gains, and other support	<u>\$ 9,584,928</u>	<u>\$ 122,817</u>	<u>\$ 9,707,745</u>
EXPENSES			
Program services			
Residential services	\$ 2,295,071	\$ -	\$ 2,295,071
Vocational services	2,025,365	-	2,025,365
Individualized services	3,752,587	-	3,752,587
Housing services	65,970	-	65,970
Support Services			
Management and general	237,680	-	237,680
Fund-raising	176,153	-	176,153
Total expenses	<u>\$ 8,552,826</u>	<u>\$ -</u>	<u>\$ 8,552,826</u>
Change in net assets	\$ 1,032,102	\$ 122,817	\$ 1,154,919
Net assets at beginning of year	<u>5,159,951</u>	<u>1,038,887</u>	<u>6,198,838</u>
Net assets at end of year	<u>\$ 6,192,053</u>	<u>\$ 1,161,704</u>	<u>\$ 7,353,757</u>

See Notes to Financial Statements.

OPTIONS, INC. AND AFFILIATES

COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Medicaid	\$ 6,207,730	\$ -	\$ 6,207,730
Grants:			
Federal	253,383	-	253,383
State	369,258	-	369,258
Contributions	1,263,426	120,000	1,383,426
Fund-raising income	510,872	-	510,872
Private pay clients	43,852	-	43,852
Vocational rehabilitation	4,000	-	4,000
Vocational contracts	\$ 595,260		
Less: Cost of services	<u>(283,330)</u>		
Vocational contracts gross profit	311,930	-	311,930
Rental revenue	45,071	-	45,071
Management and maintenance fee	8,851	-	8,851
Investment loss	(4,312)	-	(4,312)
Loss on sale of asset	(24,473)	-	(24,473)
Other income	16,001	-	16,001
Net assets released from restrictions			
Expiration of use restriction-other	40,785	(40,785)	-
Total revenues, gains, and other support	<u>\$ 9,046,374</u>	<u>\$ 79,215</u>	<u>\$ 9,125,589</u>
EXPENSES			
Program services			
Residential services	\$ 2,246,819	\$ -	\$ 2,246,819
Vocational services	1,607,574	-	1,607,574
Individualized services	4,617,537	-	4,617,537
Housing services	57,198	-	57,198
Support services			
Management and general	461,091	-	461,091
Fund-raising	144,612	-	144,612
Total expenses	<u>\$ 9,134,831</u>	<u>\$ -</u>	<u>\$ 9,134,831</u>
Change in net assets	\$ (88,457)	\$ 79,215	\$ (9,242)
Net assets at beginning of year	<u>5,248,408</u>	<u>959,672</u>	<u>6,208,080</u>
Net assets at end of year	<u>\$ 5,159,951</u>	<u>\$ 1,038,887</u>	<u>\$ 6,198,838</u>

See Notes to Financial Statements.

OPTIONS, INC. AND AFFILIATES

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services	
	Residential Services	Vocational Services
Salaries and related expenses:		
Salaries	\$ 1,464,225	\$ 1,143,744
Employee benefits & taxes	138,709	176,277
Workers' compensation	42,748	34,586
	<u>\$ 1,645,682</u>	<u>\$ 1,354,607</u>
Advertising	\$ -	52
Bank fees	206	2,344
Cost of sales	-	315,432
Uncollectible pledges	-	-
Bed tax	136,419	-
Crisis intervention	-	-
Depreciation	40,694	162,763
Dues, licenses, and subscriptions	6,588	8,045
Employee compliance	4,382	-
Food and supplies	69,747	2,622
Fund raising	-	-
Housekeeping supplies	12,975	1,698
Insurance		
Liability	33,413	36,102
Motor vehicle	21,057	117,789
Other property	29,146	24,486
Management and maintenance fee	-	-
Medical consultants	39,461	-
Medical supplies	28,811	1,670
Meeting expense	15	14
Miscellaneous	16,876	11,783
Motor vehicle expenses	8,066	146,382
Non capital equipment	14,608	11,955
Office supplies	2,831	4,341
Other resident expenses	13,050	6,366
Other supplies	-	2,220
Postage	1,002	923
Professional services	54,887	38,759
Rent	175	22,321
Repairs and maintenance	43,552	21,171
Telephone	23,228	19,217
Travel and transportation	4,549	3,580
Seminars and training	179	-
Utilities	43,472	24,155
	<u>\$ 649,389</u>	<u>\$ 986,190</u>
Less expenses (cost) deducted from revenues on statement of activities	-	(315,432)
Total expenses, net of cost of sales	<u>\$ 2,295,071</u>	<u>\$ 2,025,365</u>

See Notes to Financial Statements.

Program Services		Supporting Services			Total
Individualized Services	Housing Services	Management and General	Fund-raising		
\$ 3,042,312	\$ -	\$ 53,758	\$ 111,250	\$ 5,815,289	
353,589	-	6,034	17,098	691,707	
64,132	-	544	211	142,221	
<u>\$ 3,460,033</u>	<u>\$ -</u>	<u>\$ 60,336</u>	<u>\$ 128,559</u>	<u>\$ 6,649,217</u>	
\$ -	\$ -	\$ 13,891	\$ -	\$ 13,943	
-	-	13,022	-	15,572	
-	-	-	-	315,432	
-	-	10,544	-	10,544	
-	-	-	-	136,419	
-	-	91,025	-	91,025	
18,473	24,459	6,085	-	252,474	
27,161	-	4,628	-	46,422	
11,609	-	302	-	16,293	
1,604	-	438	-	74,411	
-	-	-	47,594	47,594	
267	-	6	-	14,946	
38,839	-	394	-	108,748	
-	-	-	-	138,846	
4,385	8,322	1,052	-	67,391	
-	5,252	-	-	5,252	
-	-	-	-	39,461	
2,821	-	-	-	33,302	
25	-	-	-	54	
23,154	1,727	431	-	53,971	
-	-	-	-	154,448	
17,508	-	7,297	-	51,368	
3,463	-	2,726	-	13,361	
400	-	-	-	19,816	
-	-	4,079	-	6,299	
1,652	-	3,556	-	7,133	
46,877	7,009	491	-	148,023	
292	-	-	-	22,788	
13,478	14,502	568	-	93,271	
17,151	661	860	-	61,117	
38,557	-	1,518	-	48,204	
4,733	-	14,431	-	19,343	
20,105	4,038	-	-	91,770	
<u>\$ 292,554</u>	<u>\$ 65,970</u>	<u>\$ 177,344</u>	<u>\$ 47,594</u>	<u>\$ 2,219,041</u>	
-	-	-	-	(315,432)	
<u>\$ 3,752,587</u>	<u>\$ 65,970</u>	<u>\$ 237,680</u>	<u>\$ 176,153</u>	<u>\$ 8,552,826</u>	

OPTIONS, INC. AND AFFILIATES

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021**

	Program Services	
	Residential Services	Vocational Services
Salaries and related expenses:		
Salaries	\$ 1,440,613	\$ 892,859
Employee benefits & taxes	141,409	150,615
Workers' compensation	48,720	24,786
	\$ 1,630,742	\$ 1,068,260
Advertising	\$ -	\$ -
Bank fees	269	2,476
Cost of sales	-	281,215
Uncollectible pledges	-	-
Bed tax	137,598	-
Crisis intervention	-	-
Depreciation	43,269	166,412
Dues, licenses, and subscriptions	5,842	11,736
Employee compliance	4,476	-
Food and supplies	68,422	788
Fund raising	-	-
Housekeeping supplies	14,754	1,840
Interest	6	5
Insurance		
Liability	26,804	27,351
Motor vehicle	19,382	105,504
Other property	26,920	21,965
Job development	-	-
Management and maintenance fee	-	-
Medical consultants	42,908	-
Medical supplies	21,884	1,277
Miscellaneous	18,167	9,118
Motor vehicle expenses	2,510	67,662
Non capital equipment	24,575	17,554
Office supplies	3,474	4,759
Other resident expenses	10,086	2,006
Other supplies	-	1,443
Postage	1,224	1,020
Professional services	34,495	21,459
Rent	2,722	24,148
Repairs and maintenance	40,942	12,799
Telephone	24,607	20,239
Travel and transportation	3,370	2,910
Seminars and training	630	476
Utilities	36,741	14,367
	\$ 616,077	\$ 820,529
Less expenses (cost) deducted from revenues on statement of activities	-	(281,215)
Total expenses, net of cost of sales	\$ 2,246,819	\$ 1,607,574

See Notes to Financial Statements.

Individualized Services	Housing Services	Supporting Services		Total
		Management and General	Fund- raising	
\$ 3,775,430	\$ -	\$ 98,731	\$ 97,714	\$ 6,305,347
423,118	-	12,783	14,160	742,085
87,356	-	2,328	-	163,190
<u>\$ 4,285,904</u>	<u>\$ -</u>	<u>\$ 113,842</u>	<u>\$ 111,874</u>	<u>\$ 7,210,622</u>
\$ -	\$ 204	\$ 11,574	\$ -	\$ 11,778
92	-	12,775	-	15,612
-	-	2,115	-	283,330
-	-	150,060	-	150,060
-	-	-	-	137,598
-	-	91,948	-	91,948
20,476	24,459	7,171	-	261,787
22,882	-	9,112	-	49,572
13,421	-	357	-	18,254
1,010	-	4,137	-	74,357
-	-	-	32,738	32,738
1,971	-	576	-	19,141
13	-	-	-	24
36,130	-	4,005	-	94,290
-	-	-	-	124,886
7,494	7,147	-	-	63,526
-	-	19,395	-	19,395
-	5,252	-	-	5,252
-	-	-	-	42,908
1,897	-	50	-	25,108
27,935	2,761	2,937	-	60,918
-	-	-	-	70,172
25,821	-	4,844	-	72,794
5,558	-	6,129	-	19,920
1,386	-	108	-	13,586
-	-	-	-	1,443
2,549	-	2,648	-	7,441
54,148	6,625	6,987	-	123,714
1,270	-	80	-	28,220
10,023	7,155	4,446	-	75,365
22,054	717	2,306	-	69,923
47,631	-	2,477	-	56,388
12,399	-	1,270	-	14,775
15,473	2,878	1,857	-	71,316
<u>\$ 331,633</u>	<u>\$ 57,198</u>	<u>\$ 349,364</u>	<u>\$ 32,738</u>	<u>\$ 2,207,539</u>
-	-	(2,115)	-	(283,330)
<u>\$ 4,617,537</u>	<u>\$ 57,198</u>	<u>\$ 461,091</u>	<u>\$ 144,612</u>	<u>\$ 9,134,831</u>

OPTIONS, INC. AND AFFILIATES

**COMBINED STATEMENTS OF CASH FLOWS
JUNE 30, 2022 AND 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,154,919	\$ (9,242)
Forgiveness of Paycheck Protection Program loan	(1,266,170)	-
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	252,474	261,787
(Gain) loss on sale of assets	(21,007)	(11,434)
Unrealized (gain) loss on investments	127,931	29,631
(Increase) decrease in operating assets		
Accounts receivable	(54,567)	407,094
Promises to give	(119,317)	40,785
Prepaid expenses	23,274	29,547
Inventory	4,121	(1,198)
Increase (decrease) in operating liabilities:		
Accounts payable	30,819	33,194
Trust held for others	20,597	36,003
Other payables	(3,990)	(2,279)
Accrued salaries and payroll taxes	(20,846)	27,559
Tenants' security deposits	(211)	203
Net cash provided by operating activities	\$ 128,027	\$ 841,650
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	\$ (661)	\$ (1,239,068)
Redemption of certificate of deposit	84,886	-
Purchases of certificate of deposit	(83,859)	(3,311)
Proceeds from the sale of assets	30,721	11,540
Purchases of property and equipment	(160,993)	(107,217)
Net cash used in investment activities	\$ (129,906)	\$ (1,338,056)
Net increase in cash, cash equivalents and restricted cash	\$ (1,879)	\$ (496,406)
Beginning cash, cash equivalents and restricted cash, as restated	2,041,927	2,538,333
Ending cash, cash equivalents and restricted cash	\$ 2,040,048	\$ 2,041,927
Cash, cash equivalents and restricted cash as of June 30, 2022 and 2021 consist of the following:		
Cash and cash equivalents	\$ 1,873,689	\$ 1,908,786
Cash restricted for:		
Cash restricted for trust	\$ 103,328	\$ 82,430
Tenants' security deposits	1,933	2,144
Cash restricted for reserves	20,214	17,632
Cash restricted for residual receipts	40,884	30,935
	\$ 166,359	\$ 133,141
Total cash, cash equivalents and restricted cash	\$ 2,040,048	\$ 2,041,927

See Notes to Financial Statements.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

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

Residential Services

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

Vocational Services

Vocational services include the following types of services:

Enrichment – Wellness Program

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

Meaningful Work: Job Placement & Supported Employment

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

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Nature of the Organization (continued)

Meaningful Work: Job Placement & Supported Employment (Continued)

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

Transportation Services

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

Weaving Studio

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

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Nature of the Organization (continued)

Learning Gardens

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

Fabulous Finds

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

Individualized Services

Individualized services include the following types of services:

Supported Independent Living Program

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

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Nature of the Organization (continued)

Health and Wellness Program

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

Family Support Services

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

Housing Services

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

Combined Financial Statements

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

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

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

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

For the purpose of this report, Options, Inc. and Affiliates will be referred to as "the Organization."

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Statement Presentation

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

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

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

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

Basis of Accounting

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

Cash and Cash Equivalents

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

Inventory

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

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Cash

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

Accounts Receivable

Accounts receivables are stated at the amount management expect to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Allowance for doubtful accounts was \$0 for the years ended June 30, 2022 and 2021.

Promises to Give

Unconditional promises to give are recognized as revenue in the period in which a written or oral agreement to contribute cash or other assets is received. Conditional promises to give are not recognized until they become unconditional; that is, when the donor-imposed conditions are substantially met. The Organization distinguishes between contributions received for each net asset category with donor-imposed restrictions. An allowance for doubtful accounts is established based on the prior collection history and management's analysis of specific promises made. Pledges are also discounted to the anticipated net present value of future cash flows. The allowance for doubtful accounts for pledges was \$53,930 and \$47,924 for the years ended June 30, 2022 and 2021, respectively. The discount for pledges was \$230,630 and \$170,412 for the years ended June 30, 2022 and 2021.

Estimates

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

Functional Expenses

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

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentrations of Revenue Source

The Organization's primary source of revenue is Medicaid (Title XIX) revenue. For the fiscal years ended June 30, 2022 and 2021, \$5,799,380 and \$6,207,730 or 58% and 66% of the Organization's total gross revenue was from Title XIX. If significant budget cuts are made at the federal and/or state level, the amount of funds the Organization receives could be reduced significantly and have an adverse impact on its operations. As of December 30, 2022, management was not aware of any actions taken that would adversely affect the amount of Federal or State funds the Organization will receive in the upcoming fiscal year.

Income Tax Status

The Organization is a nonprofit organization and exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Code as other than a private foundation. The Organization believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to combined financial statements. The Organization's Federal Exempt Information Returns (Form 990) for 2020, 2021 and 2022 are subject to examination by the IRS, generally for three years after they were filed.

In-Kind Contributions and Contributed Services

In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used. The Organization recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

The Organization receives a significant amount of contributed time from volunteers that does not meet the recognition criteria described above. Accordingly, the value of this contributed time is not reflected in the accompanying financial statements. The Organization receives donated services in the form of Board of Directors and committee members and event volunteers. The hours contributed is estimated by management to be 3,913 hours valued at \$58,695 for the year ended June 30, 2022.

Advertising

The Company expenses advertising costs as they are incurred. Advertising expenses for the years ended June 30, 2022 and 2021, were \$13,943 and \$11,778, respectively.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the combined Statements of Financial Position, and changes in fair value are reported as investment return in the statements of activities. The Organization holds investments in mutual funds and stocks and carries such investments at current quoted prices in active markets (Level 1 measurements). Investment income is reported as increases in net assets without donor restrictions in the reporting period in which the income and gains are recognized.

Certificates of deposit

Certificates of deposit held for investment that are not debt securities are included in "investments-certificate of deposit". The certificate of deposit has a remaining maturity of less than one year and is classified as a current asset on the combined Statements of Financial Position.

Tenants' Security Deposits

Tenants' security deposits are held in a separate bank account in the name of the Organization. At June 30, 2022 and 2021, the Organization had \$1,932 and \$2,143 in tenant security deposits, respectively.

Property and Equipment

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

Endowment Fund

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

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

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

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

Rental Income and Deferred Rent

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

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

Implementation of New Accounting Standard

In September 2020, the FASB issued Accounting Standards Update Number 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to bring more transparency and consistency to the presentation and disclosure of gifts-in-kind. While many not-for-profits already separately report gifts-in-kind and make some of the disclosures required by ASU 2020-07, the new standard will bring presentation and disclosure consistency across not-for-profits. The Organization has implemented the new standard for the year ended June 30, 2022.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Pronouncements

The FASB issued Accounting Standards Update Number, 2014-09, *Revenue from Contracts with Customers (Topic 606)*, to update its revenue recognition standard to clarify the principles of recognizing revenues and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The standard may be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Organization is currently evaluating the impact of the guidance on its financial statements and plans to adopt this update by the effective date.

The FASB issued Accounting Standards Update Number 2016-02 affecting ASC 842, *Leases*, which provides guidance for any organization that enters a lease (as defined in this Update), with some specified scope exemptions. The guidance in this Update supersedes ASC 840 *Leases*. The primary objective of this update is to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities in the statement of financial position and disclosing key information about leasing arrangements. The Organization is currently evaluating the impact of the guidance on its financial statements and plans to adopt this update by the effective date.

NOTE 2. CASH AND CASH EQUIVALENTS

The Organization maintains several bank accounts at various banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) for amounts up to \$250,000. Cash exceeded FDIC limits at June 30, 2022 and 2021 by \$1,597,957 and \$1,630,396, respectively. It is the opinion of management that the solvency of the referenced financial institution is not of particular concern at this time.

NOTE 3. CERTIFICATES OF DEPOSIT

The certificates of deposit balance at June 30, 2022 and 2021 consist of the following:

Certificates of deposit held by institutions:	2022	2021
Yields 1.70% per annum, due March 31, 2023	\$ 83,859	\$ 83,859
Yields .20% per annum, due July 17, 2022	-	1,027
Total certificates of deposit	\$ 83,859	\$ 84,886

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 4. INVESTMENTS

For the years ended June 30, 2022 and 2021, the Organization had investments as follows:

	<u>2022</u>	<u>2021</u>
Mutual Funds	\$ 1,613,932	\$ 1,741,648
Stock	1,576	1,132
Total investments	<u>\$ 1,615,508</u>	<u>\$ 1,742,780</u>

Recap of Investments:

	<u>2022</u>	<u>2021</u>
Investments-current	\$ 1,601,982	\$ 1,729,254
Investments-restricted	13,526	13,526
	<u>\$ 1,615,508</u>	<u>\$ 1,742,780</u>

A summary of return on investments consists of the following:

	<u>2022</u>	<u>2021</u>
Mutual Funds		
Unrealized gain (loss)	\$ (127,931)	\$ (29,631)
Interest and dividends	1,017	25,319
Total return on investment	<u>\$ (126,914)</u>	<u>\$ (4,312)</u>

Interest income from all sources totaled \$1,017 and \$25,319 for the years ended June 30, 2022 and 2021, respectively.

NOTE 5. FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the Organization can access at the measurement date.

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- Quoted prices for similar assets or liabilities in active markets;

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 5. FAIR VALUE MEASUREMENTS (continued)

- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The asset's fair value measurement level with the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. When available, valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021:

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the U.S. Security Exchange Commission (SEC). These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Common Stocks: Valued at the closing price as reported on the active market on which the individual securities are traded.

The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended June 30, 2022 and 2021.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 5. FAIR VALUE MEASUREMENTS (continued)

The following tables set forth by level, within the fair value hierarchy, of the Organization's investment assets at fair value for the years ended June 30, 2022 and 2021:

Recurring fair value measurements at June 30, 2022:	Total Assets Measured At Fair Value	Based On		
		Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
		Mutual Funds:		
Franklin US Government Securities A	\$ 1,274,902	\$ 1,274,902	\$ -	\$ -
Franklin Adj US Government Securities A	12,479	12,479	-	-
JPM Mortgage-Backed Secs A	326,551	326,551	-	-
Stock:				
First Guaranty Bancshares, Inc.	1,576	1,576	-	-
Total	\$ 1,615,508	\$ 1,615,508	\$ -	\$ -

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

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 6. UNCONDITIONAL PROMISES TO GIVE

At June 30, 2022 and 2021, the Organization received unconditional promises to give. Promises to give that will be received in more than one year are discounted at 5%.

The amounts due consist of the following:

	2022	2021
Contribution sources	\$ 120,000	\$ 120,000
Annual fundraising campaign	1,189,238	1,003,697
Total promises to give	\$ 1,309,238	\$ 1,123,697
	2022	2021
Receivable in one year or less	\$ 456,480	\$ 371,891
Receivable in one to five years	834,758	734,633
Receivable in more than five years	18,000	17,173
Total unconditional promises to give	1,309,238	1,123,697
Less discounts to net present value	(230,630)	(170,412)
Less allowance for uncollectible promises to give	(53,930)	(47,924)
Net unconditional promises to give	\$ 1,024,678	\$ 905,361

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

	2022	2021
Unconditional promises to give current portion	\$ 456,480	\$ 371,891
Unconditional promises to give long-term portion	568,198	533,470
Total unconditional promises to give	\$ 1,024,678	\$ 905,361

NOTE 7. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2022 and 2021 consisted of the following:

	2022	2021	Useful life
Land & improvements	\$ 592,340	\$ 592,340	
Construction in Progress	23,162	4,200	
Buildings & improvements	3,670,565	3,642,939	10 to 32 years
Furniture & fixtures	271,076	239,844	5 to 7 years
Software	27,789	27,789	5 years
Vehicles	952,925	967,628	5 years
	\$ 5,537,857	\$ 5,474,740	
Less: Accumulated depreciation	(2,773,423)	(2,609,111)	
	\$ 2,764,434	\$ 2,865,629	

Depreciation expense totaled \$252,474 and \$261,787 for the years ended June 30, 2022 and 2021, respectively.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 8. TRUST ACCOUNT

Options, Inc. has implemented a special needs trust to hold funds for individuals with developmental special needs. All the funds held in the trust are for clients of the Organization. The trust balance was \$103,328 and \$82,430, at June 30, 2022 and 2021.

NOTE 9. LEASES

Options, Inc. has three leases that are cancelable with one month's notice by either party. For the years ending June 30, 2022 and 2021 the total rent expense was \$22,788 and \$28,220, respectively.

NOTE 10. ACCRUED LEAVE

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

<u>Employee Classification</u>	<u>Accrual Rate</u>
40 hour employees	4.00 to 9.2 hours per month up to a maximum of 120 hours
35-39 hour employees	3.5 to 8.06 hours per month up to a maximum of 120 hours

Accrued leave recorded at June 30, 2022 and 2021 was \$106,876 and \$124,555, respectively.

NOTE 11. CAFETERIA PLAN

The Organization has a "Section 125" employee benefits plan, which is also referred to as a "Cafeteria" plan. Employer contributions into this plan are based on length of service. A new employee becomes eligible to participate in the plan after 60 days. Employees are able to use the employer contribution for voluntary benefits and health insurance.

NOTE 12. LINE OF CREDIT

The Organization has a \$250,000 line of credit bearing interest at 5.85% on any outstanding balances at June 30, 2022, and is secured by all present and future deposit accounts the Organization has with the lender. As of June 30, 2022 and 2021, \$250,000 is available. There was no interest expense for the years ended June 30, 2022 and 2021.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 13. PAYCHECK PROTECTION PROGRAM LOAN

During the fiscal year of June 30, 2020, the Organization received a Paycheck Protection Program (PPP) loan from the Small Business Administration (SBA) of \$1,266,170. The purpose of this loan was to maintain payroll and other operating expenses during the COVID-19 pandemic. The terms of the loan allow for the amount to be forgiven in full if the funds were used in accordance with the terms. The Organization completed an application to the SBA for complete forgiveness of the initial PPP loan, including any accrued interest. As anticipated, the SBA forgave the loan amount and all accrued interest and is presented as a Gain from PPP loan extinguishment in the Statement of Activities for the year ended June 30, 2022.

NOTE 14. LIQUIDITY

The following reflects the Organization's financial assets available within one year of the combined statements of financial position as of June 30, 2022 and 2021 for general expenditures:

Financial assets at year-end:	2022	2021
Cash and cash equivalents	\$ 1,873,689	\$ 1,908,786
Accounts receivable	430,486	375,919
Investments	1,601,982	1,729,252
Unconditional promises to give, current portion	456,480	371,891
Financial assets available to meet cash needs for general expenditure within one year	\$ 4,362,637	\$ 4,385,848

The Organization is substantially supported by grants, governmental contracts and contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As described in Note 12, the Organization also maintains a line of credit to draw upon in an unanticipated liquidity need.

NOTE 15. PENSION PLAN

Employees of the Organization may participate in a 403(b) savings plan, whereby the employees may elect to make contributions pursuant to a salary reduction agreement upon meeting age and length-of-service requirements. Employees may elect to defer a portion of their annual salary subject to Internal Revenue Service limits. The Organization matched up to 2% of the employees' annual salary. Employer contributions for the years ended June 30, 2022 and 2021 was \$17,455 and \$15,133 respectively.

OPTIONS, INC. AND AFFILIATES
COMBINED NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 16. NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2022 and 2021, Options, Inc. had \$1,161,704 and \$1,038,887 respectively, in net assets with donor restrictions and are available for the following purposes or periods:

	2022	2021
Endowment Fund	\$ 13,526	\$ 13,526
Vocational program support	120,000	120,000
Restricted gift- transportation	-	54,000
Restricted gift- generator	103,500	-
Restricted gift- meditation garden	20,000	-
Pledges for subsequent years	904,678	905,361
Total net assets with donor restrictions	\$ 1,161,704	\$ 1,092,887

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

NOTE 17. COMPENSATION

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

NOTE 18. RELATED PARTY TRANSACTIONS

At June 30, 2022 and 2021, one of the Organization's board members donated \$10,237 and \$10,476 in personal stock to be used for operating expenses. Board members pledged \$7,300 and \$50,600 at the annual fundraiser to be collected over the next five years for the years ended June 30, 2022 and 2021, respectively.

NOTE 19. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 30, 2022, the date which the financial statements were available for use. Management's evaluation revealed no subsequent events that require adjustment to or disclosure in the financial statements.

NOTE 20. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash financing activities for the year ended June 30, 2022, consisted of forgiveness under SBA's Payroll Protection Program Loan in the amount of \$1,266,170 (See Note 13)

SUPPLEMENTARY INFORMATION

OPTIONS, INC. AND AFFILIATES

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

FOR THE YEAR ENDED JUNE 30, 2022

Agency Head Name: Carrie Mercke, Chief Executive Officer

<u>Purpose:</u>	<u>Amount</u>
Salary	\$ 91,071
Benefits-insurance	4,287
Benefits-retirement	1,821
Total	<u>\$ 97,179</u>

OPTIONS, INC. AND AFFILIATES
COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

	Options, Inc.	C'est Tres Bon!, Inc	Foundation to Ensure the Future of Options, Inc.	Subtotal	Eliminations	Combined
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 1,827,922	\$ 12,450	\$ 33,317	\$ 1,873,689	\$ -	\$ 1,873,689
Restricted cash	-	63,031	103,328	166,359	-	166,359
Accounts receivable						
Government contracts	397,161	-	-	397,161	-	397,161
Other	33,325	-	-	33,325	-	33,325
Unconditional promises to give	456,480	-	-	456,480	-	456,480
Inventory	4,173	-	-	4,173	-	4,173
Investments	1,601,982	-	-	1,601,982	-	1,601,982
Investments-certificates of deposit	83,859	-	-	83,859	-	83,859
Prepaid expenses	23,603	-	-	23,603	-	23,603
Total current assets	<u>\$ 4,428,505</u>	<u>\$ 75,481</u>	<u>\$ 136,645</u>	<u>\$ 4,640,631</u>	<u>\$ -</u>	<u>\$ 4,640,631</u>
LAND, PROPERTY AND EQUIPMENT	\$ 4,738,685	\$ 799,172	\$ -	\$ 5,537,857	\$ -	\$ 5,537,857
Less accumulated depreciation and amortization	(2,574,744)	(198,679)	-	(2,773,423)	-	(2,773,423)
	<u>\$ 2,163,941</u>	<u>\$ 600,493</u>	<u>\$ -</u>	<u>\$ 2,764,434</u>	<u>\$ -</u>	<u>\$ 2,764,434</u>
OTHER ASSETS						
Unconditional promises to give, less allowance for doubtful accounts	\$ 568,198	\$ -	\$ -	\$ 568,198	\$ -	\$ 568,198
Investments-restricted	13,526	-	-	13,526	-	13,526
	<u>\$ 581,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 581,724</u>	<u>\$ -</u>	<u>\$ 581,724</u>
Total assets	<u>\$ 7,174,170</u>	<u>\$ 675,974</u>	<u>\$ 136,645</u>	<u>\$ 7,986,789</u>	<u>\$ -</u>	<u>\$ 7,986,789</u>

OPTIONS, INC. AND AFFILIATES
COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022
(CONTINUED)

	Options, Inc.	C'est Tres Bon!, Inc.	Foundation to Ensure the Future of Options, Inc.	Subtotal	Eliminations	Combined
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts payable	\$ 134,572	\$ 8,595	\$ -	\$ 143,167	\$ -	\$ 143,167
Trust held for others	-	-	102,966	102,966	-	102,966
Other payables	6,256	-	-	6,256	-	6,256
Accrued salaries, leave and payroll taxes	378,711	-	-	378,711	-	378,711
Paycheck protection program loan	-	-	-	-	-	-
Total current liabilities	<u>\$ 519,539</u>	<u>\$ 8,595</u>	<u>\$ 102,966</u>	<u>\$ 631,100</u>	<u>\$ -</u>	<u>\$ 631,100</u>
LONG TERM LIABILITIES						
Payment protection program loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tenants' security deposits	-	1,932	-	1,932	-	1,932
Total long term liabilities	<u>\$ -</u>	<u>\$ 1,932</u>	<u>\$ -</u>	<u>\$ 1,932</u>	<u>\$ -</u>	<u>\$ 1,932</u>
Total liabilities	<u>\$ 519,539</u>	<u>\$ 10,527</u>	<u>\$ 102,966</u>	<u>\$ 633,032</u>	<u>\$ -</u>	<u>\$ 633,032</u>
Without donor restrictions						
Undesignated	\$ 5,492,927	\$ 665,447	\$ 33,679	\$ 6,192,053	\$ -	\$ 6,192,053
Designated	-	-	-	-	-	-
With donor restrictions	1,161,704	-	-	1,161,704	-	1,161,704
Total net assets	<u>\$ 6,654,631</u>	<u>\$ 665,447</u>	<u>\$ 33,679</u>	<u>\$ 7,353,757</u>	<u>\$ -</u>	<u>\$ 7,353,757</u>
Total liabilities and net assets	<u>\$ 7,174,170</u>	<u>\$ 675,974</u>	<u>\$ 136,645</u>	<u>\$ 7,986,789</u>	<u>\$ -</u>	<u>\$ 7,986,789</u>

OPTIONS, INC. AND AFFILIATES
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Options, Inc.	C'est Tres Bon!, Inc	Foundation to Ensure the Future of Options, Inc.	Subtotal	Eliminations	Combined
REVENUES, GAINS AND OTHER SUPPORT						
Medicaid	\$ 5,799,380	\$ -	\$ -	\$ 5,799,380	\$ -	\$ 5,799,380
Grants:						
Federal	907,867	25,118	-	932,985	-	932,985
State	398,690	-	-	398,690	-	398,690
Contributions	571,571	-	23,380	594,951	-	594,951
Fund-raising income	504,289	-	-	504,289	-	504,289
Private pay client revenue	47,396	-	-	47,396	-	47,396
Vocational rehabilitation	3,750	-	-	3,750	-	3,750
Vocational contracts	\$ 545,998					
Less: Cost of services	<u>(315,432)</u>					
Vocational contracts gross profit	230,566	-	-	230,566	-	230,566
Rental revenue	-	11,128	-	11,128	-	11,128
Investment income	(127,230)	5	311	(126,914)	-	(126,914)
Management and maintenance fee	7,379	-	-	7,379	-	7,379
Gain on sale of assets	21,007	-	-	21,007	-	21,007
Other income	14,978	1,990	-	16,968	-	16,968
Gain from PPP loan extinguishment	1,266,170	-	-	1,266,170	-	1,266,170
Total revenues, gains, and other support	<u>\$ 9,645,813</u>	<u>\$ 38,241</u>	<u>\$ 23,691</u>	<u>\$ 9,707,745</u>	<u>\$ -</u>	<u>\$ 9,707,745</u>
EXPENSES						
Program Services						
Residential services	\$ 2,295,071	\$ -	\$ -	\$ 2,295,071	\$ -	\$ 2,295,071
Vocational services	2,025,365	-	-	2,025,365	-	2,025,365
Individualized services	3,752,587	-	-	3,752,587	-	3,752,587
Housing services	-	65,970	-	65,970	-	65,970
Support Services						
Management and general	237,680	-	-	237,680	-	237,680
Fund-raising	176,153	-	-	176,153	-	176,153
Total expenses	<u>\$ 8,486,856</u>	<u>\$ 65,970</u>	<u>\$ -</u>	<u>\$ 8,552,826</u>	<u>\$ -</u>	<u>\$ 8,552,826</u>
Change in net assets	\$ 1,158,957	\$ (27,729)	\$ 23,691	\$ 1,154,919	\$ -	\$ 1,154,919
Net assets at beginning of year	<u>5,495,674</u>	<u>693,176</u>	<u>9,988</u>	<u>6,198,838</u>	<u>-</u>	<u>6,198,838</u>
Net assets at end of year	<u>\$ 6,654,631</u>	<u>\$ 665,447</u>	<u>\$ 33,679</u>	<u>\$ 7,353,757</u>	<u>\$ -</u>	<u>\$ 7,353,757</u>

**GOVERNMENT AUDITING STANDARDS
COMPLIANCE REPORTS**



BERNARD & FRANKS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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

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

JAMES L. WHITE, C.P.A.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Options, Inc. and Affiliates (nonprofit organizations) (the "Organization"), 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 December 30, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Metairie, Louisiana
December 30, 2022

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

YEAR ENDED JUNE 30, 2022

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Options, Inc. and Affiliates, which was prepared in accordance with generally accepted accounting principles 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.
2. No significant deficiencies or material weaknesses of Options, Inc. and Affiliates' in internal control were disclosed by the audit of the financial statements as reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Options, Inc. and Affiliates were disclosed in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in Accordance with *Government Auditing Standards*.
4. No management letter was issued for June 30, 2022.
5. Options, Inc. and Affiliates did not expend more than \$750,000 in federal awards for the year ended June 30, 2022, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

FINDINGS-FINANCIAL STATEMENTS

There were no findings for the year ended June 30, 2022.

FINDINGS-FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This is not applicable to the Organization for the year ended June 30, 2022.

REPORTS BY MANAGEMENT

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

YEAR ENDED JUNE 30, 2022

There were no prior year findings.



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. Options, Inc. and affiliates' management is responsible for those C/C areas identified in the SAUPs.

Options, Inc. and affiliates 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 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 purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the Organization's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the Organization's operations:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Result: There were no exceptions noted.

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.

Result: There were no exceptions noted.

c) ***Disbursements***, including processing, reviewing, and approving.

Result: 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 all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Result: There were no exceptions noted.

- 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.

Result: 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.

Result: There were no exceptions noted.

- 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).

Result: 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.

Result: There were no exceptions noted.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the Organization's ethics policy.

Result: The Organization does have an ethics policy, but their policies are not defined under Louisiana Revised Statute (R.S.) 42:1111-1121. Therefore, this procedure is not applicable.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Result: The Organization is a nonprofit organization; therefore, the debt service agree-upon procedures do not apply.

- 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.

Result: The Organization's technology policies do reference the identification of critical data and frequency of data backups, storage of backups in a separate physical location isolated from the network, periodic testing/verification that backups can be restored, and timely application of all available system and software patches/updates. The policies do not reference the use of antivirus software on all systems and identification of personnel, processes, and tools needed to recover operations after a critical event regarding Information Technology Disaster Recovery/Business Continuity. Although the policies do not mention these processes, the Organization does have them in place. The Board of Directors is in the process of updating their Information Technology policies to include the additional processes.

- 1) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Result: The Organization does have a sexual harassment policy, but their policies are not defined under Louisiana Revised Statute R.S. 42:342-344, due to their nonprofit status. Therefore, the sexual harassment agree-upon procedures do not apply.

Board or Finance Committee

2. Obtain and inspect the board/finance committee 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/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Results: 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, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the Organization's collections during the fiscal period.*

Results: There were no exceptions noted.

- 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 unassigned fund balance in the general fund.

Results: The Organization is a nonprofit organization; therefore, this agree-upon procedure does not apply.

Bank Reconciliations

3. Obtain a listing of Organization bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Organization's main operating account. Select the Organization's main operating account and randomly 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:

Result: We obtained the required list with management's representation that the listing is complete.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

Result: There were no exceptions noted.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Result: There were no exceptions noted.

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Result: There were no exceptions noted.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (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).

Result: We obtained the required list with management's representation that the listing is complete.

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 (i.e., 5 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:

Result: We obtained the required list with management's representation that the listing is complete.

- a) Employees responsible for cash collections do not share cash drawers/registers.

Result: There were no exceptions noted.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Result: 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.

Result: 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/official verifies the reconciliation.

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- d) Observe 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 and the cash is stored securely in a locked safe or drawer).

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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).

Result: We obtained the required list with management's representation that the listing is complete.

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 agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Result: We obtained the required list with management's representation that the listing is complete.

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- 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.

Result: There were no exceptions noted.

10. For each location selected under #8 above, obtain the Organization'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:

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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.

Result: We obtained the required list with management's representation that the listing is complete.

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. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

a) Observe whether 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) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly 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, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Result: There were no exceptions noted.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-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:

Result: We obtained the required list with management's representation that the listing is complete.

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- c) Observe 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 (procedure #1h).

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* 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:

Result: We obtained the required list with management's representation that the listing is complete.

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

Result: The Organization is a nonprofit organization; therefore, this agree-upon procedures does not apply.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law.

Result: There were no exceptions noted.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

Result: 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 the invoice and related payment agreed to the terms and conditions of the contract.

Result: There were no exceptions noted.

Payroll and Personnel

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

Result: We obtained the required list with management's representation that the listing is complete.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

Result: There were no exceptions noted.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

Result: There were no exceptions noted.

- c) Observe any leave accrued or taken during the pay period is reflected in the Organization's cumulative leave records.

Result: 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.

Result: There we no exceptions noted.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the Organization's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to Organization policy.

Result: We obtained the required list with management's representation that the listing is complete. There were no exceptions noted.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Result: We obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines. There were no exceptions noted.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe whether the Organization maintains documentation which demonstrates each employee and official were notified of any changes to the Organization's ethics policy during the fiscal period, as applicable.

Result: The Organization does have an ethics policy but is not required to have training. Therefore, the ethics agreed-upon procedures is not applicable.

Debt Service

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

Result: The Organization is a nonprofit organization; therefore, this agreed-upon procedure is not applicable.

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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Result: The Organization is a nonprofit organization; therefore, this agreed-upon procedure is not applicable.

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. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Organization reported the

misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Organization is domiciled.

Result: The Organization represented that there were no misappropriations of public funds for the fiscal year. There were no exceptions noted.

24. Observe the Organization 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.

Result: There were no exceptions noted.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures:

- a) Obtain and inspect the Organization'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.

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

- b) Obtain and inspect the Organization'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 3 months.

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

- c) Obtain a listing of the Organization'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.

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

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "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.

Result: The Organization is a nonprofit organization; therefore, this agreed-upon procedure is not applicable.

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

Result: The Organization is a nonprofit organization; therefore, this agreed-upon procedure is not applicable.

28. Obtain the Organization'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;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Result: The Organization is a nonprofit organization; therefore, this agreed-upon procedure is not applicable.

We were engaged by Options, Inc. and affiliates to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants 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 those 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 Options, Inc. and affiliates 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.

Bernard & Franks

December 30, 2022
Metairie, Louisiana