

*Financial Report*

*Lafourche ARC*

*Thibodaux, Louisiana*

*June 30, 2020*



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*Thibodaux, Louisiana*

*June 30, 2020*

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June 30, 2020 and 2019

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**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of Lafourche ARC (the "Association"), a nonprofit organization, which comprise the Statements of Financial Position as of June 30, 2020 and 2019 and the related Statements of Activities, Functional Expenses and Cash Flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in the Schedules 1 through 8 for the years ended June 30, 2020 and 2019 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 and the financial statements themselves, and other additional procedures in accordance with auditing procedures generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements for the years ended June 30, 2020 and 2019, taken as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the Statement of Financial Position of Lafourche ARC as of June 30, 2018, and the related Statement of Activities for the year ended June 30, 2018 (none of which are presented herein), and we expressed an unmodified opinion on those financial statements. That audit was conducted for purposes of forming an opinion on the financial statements as a whole. The information contained in Schedules 5 through 7 for the year ended June 30, 2018 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements as of and for the year ended June 30, 2018. The information has been subjected to the auditing procedures applied in the audit of those 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 presented in the Schedules 5 through 7 for the year ended June 30, 2018 is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated January 29, 2021 on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
January 29, 2021.

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

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash	\$ 3,933,674	\$ 2,050,864
Investments	8,489,766	9,054,071
Due from State of Louisiana	1,185,907	1,135,384
Accounts receivable	59,814	129,829
Deposits and other assets	52,421	85,141
Buildings, furniture, and equipment, net	<u>2,963,633</u>	<u>3,054,982</u>
Totals	<u>\$ 16,685,215</u>	<u>\$ 15,510,271</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 646,181	\$ 549,336
Paycheck Protection Program loan payable	<u>1,779,600</u>	<u>-</u>
Total liabilities	<u>2,425,781</u>	<u>549,336</u>
<b>Net Assets</b>		
Without donor restrictions	14,259,434	14,960,935
With donor restrictions	<u>-</u>	<u>-</u>
Total net assets	<u>14,259,434</u>	<u>14,960,935</u>
Totals	<u>\$ 16,685,215</u>	<u>\$ 15,510,271</u>

See notes to financial statements.

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

For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Changes in Net Assets Without Donor Restrictions</b>		
<b>Support and Revenues</b>		
Support:		
Group services:		
Habilitation services	\$ 7,233,585	\$ 7,203,847
Residential services	3,513,606	3,154,799
Governmental grants:		
Office for Citizens with Developmental Disabilities	14,245	43,540
State of Louisiana - Hotel/Motel Tax	312,446	744,734
Department of Transportation and Development CARES Act	109,390	40,000
Client income	188,868	-
Sheltered workshop, net of \$152,221 (\$190,219 in 2019) of direct costs	385,266	312,573
Contributions	29,427	60,065
	<u>74,684</u>	<u>103,704</u>
Total support without donor restrictions	<u>11,861,517</u>	<u>11,663,262</u>
Revenues:		
Investment return	43,993	448,227
Miscellaneous	16,398	-
Total revenues	<u>60,391</u>	<u>448,227</u>
<b>Net Assets Released from Restrictions</b>		
Satisfaction of purpose restrictions	<u>-</u>	<u>140,542</u>
Total support, revenue, and net assets released from restrictions	<u>11,921,908</u>	<u>12,252,031</u>

**Exhibit B  
(Continued)**

	<u>2020</u>	<u>2019</u>
<b>Expenses</b>		
Program services:		
Medical and nursing	79,404	67,393
Therapeutic and training	9,489,415	8,920,738
Recreational	1,963	2,966
Consultants	272,454	263,599
	<u>9,843,236</u>	<u>9,254,696</u>
Total program services		
Support services:		
Administrative and general	2,073,316	2,052,182
Plant operations and maintenance	274,821	257,651
Costs related to capital assets	297,717	274,970
Dietary	100,409	99,506
Laundry and linen	4,524	5,497
Housekeeping supplies	14,962	14,954
Personal client needs	14,424	17,639
	<u>2,780,173</u>	<u>2,722,399</u>
Total support services		
Total expenses	<u>12,623,409</u>	<u>11,977,095</u>
Increase (decrease) in net assets without donor restrictions	<u>(701,501)</u>	<u>274,936</u>
<b>Changes in Net Assets With Donor Restrictions</b>		
Net assets released from restrictions:		
Satisfaction of purpose restrictions	-	(140,542)
	<u>-</u>	<u>(140,542)</u>
Increase (decrease) in net assets with donor restrictions		
	<u>-</u>	<u>(140,542)</u>
Increase (decrease) in net assets	(701,501)	134,394
<b>Net Assets</b>		
Beginning of year	<u>14,960,935</u>	<u>14,826,541</u>
End of year	<u>\$ 14,259,434</u>	<u>\$ 14,960,935</u>

See notes to financial statements.

**STATEMENT OF FUNCTIONAL EXPENSES**

**Lafourche ARC**  
Thibodaux, Louisiana

For the year ended June 30, 2020

	<u>Program Services</u>				
	<u>Medical and Nursing</u>	<u>Therapeutic and Training</u>	<u>Recreational</u>	<u>Consultants</u>	<u>Totals</u>
Bed fees	\$ -	\$ -	\$ -	\$ -	\$ -
Clothing	-	-	-	-	-
Contracts - outside services	-	-	-	272,454	272,454
Depreciation	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Food	-	-	-	-	-
Insurance	-	-	-	-	-
Lease	-	-	-	-	-
Licenses	-	-	-	-	-
Linen and bedding	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Medical services	25,549	-	-	-	25,549
Other	11,837	-	-	-	11,837
Postage	-	-	-	-	-
Prescriptions	15,810	-	-	-	15,810
Professional fees	-	-	-	-	-
Salaries, payroll taxes, and benefits	-	9,463,834	-	-	9,463,834
Supplies	26,208	25,581	1,963	-	53,752
Telephone	-	-	-	-	-
Training-in-service	-	-	-	-	-
Travel and seminars	-	-	-	-	-
Utilities	-	-	-	-	-
Vehicles - gas, oil, and repairs	-	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	<u>\$ 79,404</u>	<u>\$ 9,489,415</u>	<u>\$ 1,963</u>	<u>\$ 272,454</u>	<u>\$ 9,843,236</u>

See notes to financial statements.

Supporting Services								
Administrative and General	Plant Operations and Maintenance	Costs Related to Capital Assets	Dietary	Laundry and Linen	Housekeeping Supplies	Personal Client Needs	Totals	Grand Totals
\$ 212,193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212,193	\$ 212,193
-	-	-	-	-	-	4,695	4,695	4,695
-	-	-	6,560	-	-	-	6,560	279,014
-	-	278,517	-	-	-	-	278,517	278,517
15,225	-	-	-	-	-	-	15,225	15,225
-	-	-	87,685	-	-	-	87,685	87,685
669,888	-	-	-	-	-	-	669,888	669,888
-	-	19,200	-	-	-	-	19,200	19,200
9,436	-	-	-	-	-	-	9,436	9,436
-	-	-	-	450	-	-	450	450
-	151,526	-	-	-	-	-	151,526	151,526
-	-	-	-	-	-	-	-	25,549
97,153	-	-	-	-	-	9,729	106,882	118,719
4,565	-	-	-	-	-	-	4,565	4,565
-	-	-	-	-	-	-	-	15,810
47,714	-	-	-	-	-	-	47,714	47,714
709,666	-	-	-	-	-	-	709,666	10,173,500
79,857	-	-	6,164	4,074	14,962	-	105,057	158,809
62,603	-	-	-	-	-	-	62,603	62,603
3,033	-	-	-	-	-	-	3,033	3,033
76,012	-	-	-	-	-	-	76,012	76,012
-	123,295	-	-	-	-	-	123,295	123,295
85,971	-	-	-	-	-	-	85,971	85,971
<u>\$ 2,073,316</u>	<u>\$ 274,821</u>	<u>\$ 297,717</u>	<u>\$ 100,409</u>	<u>\$ 4,524</u>	<u>\$ 14,962</u>	<u>\$ 14,424</u>	<u>\$ 2,780,173</u>	<u>\$ 12,623,409</u>

**STATEMENT OF FUNCTIONAL EXPENSES**

**Lafourche ARC**  
Thibodaux, Louisiana

For the year ended June 30, 2019

	<u>Program Services</u>				
	<u>Medical and Nursing</u>	<u>Therapeutic and Training</u>	<u>Recreational</u>	<u>Consultants</u>	<u>Totals</u>
Bed fees	\$ -	\$ -	\$ -	\$ -	\$ -
Clothing	-	-	-	-	-
Contracts - outside services	-	-	-	263,599	263,599
Depreciation	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Food	-	-	-	-	-
Insurance	-	-	-	-	-
Lease	-	-	-	-	-
Licenses	-	-	-	-	-
Linen and bedding	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Medical services	28,845	-	-	-	28,845
Other	5,026	-	-	-	5,026
Postage	-	-	-	-	-
Prescriptions	22,936	-	-	-	22,936
Professional fees	-	-	-	-	-
Salaries, payroll taxes, and benefits	-	8,911,671	-	-	8,911,671
Supplies	10,586	9,067	2,966	-	22,619
Telephone	-	-	-	-	-
Travel and seminars	-	-	-	-	-
Utilities	-	-	-	-	-
Vehicles - gas, oil, and repairs	-	-	-	-	-
	<u>\$67,393</u>	<u>\$8,920,738</u>	<u>\$2,966</u>	<u>\$263,599</u>	<u>\$9,254,696</u>

See notes to financial statements.

Supporting Services								
Administrative and General	Plant Operations and Maintenance	Costs Related to Capital Assets	Dietary	Laundry and Linen	Housekeeping Supplies	Personal Client Needs	Totals	Grand Totals
\$ 209,726	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 209,726	\$ 209,726
-	-	-	-	-	-	6,353	6,353	6,353
-	-	-	7,240	-	-	-	7,240	270,839
-	-	255,770	-	-	-	-	255,770	255,770
15,000	-	-	-	-	-	-	15,000	15,000
-	-	-	88,236	-	-	-	88,236	88,236
726,713	-	-	-	-	-	-	726,713	726,713
-	-	19,200	-	-	-	-	19,200	19,200
5,003	-	-	-	-	-	-	5,003	5,003
-	-	-	-	742	-	-	742	742
-	132,223	-	-	-	-	-	132,223	132,223
-	-	-	-	-	-	-	-	28,845
86,318	-	-	-	-	-	11,286	97,604	102,630
5,470	-	-	-	-	-	-	5,470	5,470
-	-	-	-	-	-	-	-	22,936
35,956	-	-	-	-	-	-	35,956	35,956
648,163	-	-	-	-	-	-	648,163	9,559,834
75,932	-	-	4,030	4,755	14,954	-	99,671	122,290
49,775	-	-	-	-	-	-	49,775	49,775
76,976	-	-	-	-	-	-	76,976	76,976
-	125,428	-	-	-	-	-	125,428	125,428
117,150	-	-	-	-	-	-	117,150	117,150
<u>\$ 2,052,182</u>	<u>\$ 257,651</u>	<u>\$ 274,970</u>	<u>\$ 99,506</u>	<u>\$ 5,497</u>	<u>\$ 14,954</u>	<u>\$ 17,639</u>	<u>\$ 2,722,399</u>	<u>\$ 11,977,095</u>

**STATEMENTS OF CASH FLOWS**

**Lafourche ARC**  
Thibodaux, Louisiana

For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets	\$ (701,501)	\$ 134,394
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	278,517	255,770
Donation of capital assets	-	(175,542)
Net realized and unrealized loss (gain) on investments	93,184	(351,030)
Gain on sales of capital assets	(10,000)	-
Decrease (increase) in operating assets:		
Receivables	19,492	18,347
Promises to give	-	140,542
Deposits and other assets	32,720	123,777
Increase (decrease) in operating liabilities:		
Accounts payable	96,845	16,609
Total adjustments	<u>510,758</u>	<u>28,473</u>
Net cash provided by (used in) operating activities	<u>(190,743)</u>	<u>162,867</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(2,491,408)	(1,880,163)
Proceeds from maturity and sales of investments	2,962,529	1,787,392
Proceeds from sale of capital assets	10,000	-
Purchase of capital assets	<u>(187,168)</u>	<u>(62,943)</u>
Net cash provided by (used in) investing activities	<u>293,953</u>	<u>(155,714)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long term debt	<u>1,779,600</u>	<u>-</u>
Net increase in cash	1,882,810	7,153
<b>Cash</b>		
Beginning of year	<u>2,050,864</u>	<u>2,043,711</u>
End of year	<u>\$ 3,933,674</u>	<u>\$ 2,050,864</u>

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS**

**Lafourche ARC**  
Thibodaux, Louisiana

June 30, 2020 and 2019

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

Lafourche ARC (the "Association") operates six residential community homes and three day care facilities to provide intermediate care and habilitation for the mentally handicapped. Five (Country Club, Stevens, Chackbay, Richland and Narrow Street) of the six residential community homes operated are owned by the Association while Diplomat Way community home is rented. The Association also provides respite services to families of mentally handicapped individuals.

**b) Financial Statement Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. The Association is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The Association had no net assets with donor restrictions as of June 30, 2020 and 2019.

**c) Basis of Accounting**

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

**d) Use of Estimates**

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

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Fair Value of Financial Instruments**

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

**f) Cash and Cash Equivalents**

For purposes of the Statements of Cash Flows, the Association considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Association had no cash equivalents as of June 30, 2020 and 2019.

**g) Investments**

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

Certificates of deposit with initial maturity longer than three months are stated at cost, which approximates fair market value. All other investments have readily determinable fair values in active markets. Investment expenses of \$61,874 and \$59,000 were incurred for the years ended June 30, 2020 and 2019, respectively.

**h) Accounts Receivable**

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

**i) Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Promises to give are recognized as assets and revenues. Contributions received are recorded as support without donor restrictions or support with donor restrictions, depending on the existence or nature of any donor restrictions.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Promises to Give (Continued)**

Contributions that are restricted by the donor are reported as an increase in net assets without restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions, if any, are reported as an increase in net assets with donor restrictions. 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.

The Association provides for estimated uncollectible promises to give based on prior years' experience and management's analysis of specific promises made.

**j) Buildings, Furniture, and Equipment**

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

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

**k) Donated Services**

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

**l) Compensated Absences**

On July 1<sup>st</sup>, all full-time employees receive from 12 to 21 days of leave depending on years of service. These days are to cover both vacation and sick leave. Leave must be taken by September 1<sup>st</sup> of the next fiscal year or the leave is lost. The Association has \$106,925 and \$70,012 of accumulated leave included in accounts payable and accrued liabilities as of June 30, 2020 and 2019, respectively.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**m) Functional Expenses**

The costs of providing various services and other activities have been summarized on a functional basis in the Statements of Activities and the Statements of Functional Expenses in accordance with cost reporting regulations of the Louisiana Department of Health and Hospitals. When bills are entered into the accounting system, they are assigned to a function or program. Transactions and resulting balances of charges for services between the Association's programs have been eliminated from the financial statements.

**n) Income Taxes**

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

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosures of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. Tax years ended June 30, 2017 and later remain subject to examination by the taxing authorities. As of June 30, 2020, management of the Association believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

**o) Recently Issued Accounting Standards**

**Contributions Received and Contributions Made**

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, *"Not-for-Profit Entities (Topic 958): Clarifying the Score and the Accounting Guidance for Contributions Received and Contributions Made"*. ASU No. 2018-08 should assist entities in (1) evaluation whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This new guidance is effective for fiscal years beginning after December 15, 2018. The Association has adopted the provisions of ASU No. 2018-08 and has retrospectively applied this standard to the financial statements as of and for the year ended June 30, 2019.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**o) Recently Issued Accounting Standards (Continued)**

**Statement of Cash Flows**

In November 2016, the FASB issued ASU No. 2016-18, "*Statement of Cash Flows*" (Topic 230). ASU No. 2016-18 requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the Statement of Cash Flows. The amendments in ASU No. 2016-18 do not provide a definition of restricted cash or restricted cash equivalents. The ASU is effective for fiscal years beginning after December 15, 2018. The Association has adopted the provisions of ASU No. 2016-18 and has retrospectively applied this standard to the financial statements as of and for the year ended June 30, 2019.

**Revenue from Contracts with Customers**

In May 2014, the FASB issued ASU No. 2014-09, "*Revenue from Contracts with Customers*" (Topic 606), which provides a single comprehensive model for entities to use in accounting for revenue from contracts with customers and supersedes most current revenue recognition models. Subsequent to the issuance of ASU No. 2014-09, the FASB issued several additional ASUs which amended and clarified the guidance and deferred the effective date. The new revenue standard is now effective for annual reporting periods beginning after December 15, 2020, with certain early adoption provisions available. The Association is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

**Leases**

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

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**p) Subsequent Events**

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through January 29, 2021, which is the date the financial statements were available to be issued.

**Note 2 - INVESTMENTS**

Investments as of June 30, 2020 and 2019 are as follows:

	2020		2019	
	Cost	Market	Cost	Market
U.S. Treasury Notes	\$ -	\$ -	\$ 39,070	\$ 46,417
U.S. Treasury Bonds	87,378	109,355	79,122	98,275
Federal Home Loan Mortgage Corporation Notes	178,273	184,693	132,260	133,656
Federal National Mortgage Association Notes	520,606	403,178	552,792	396,891
Equity securities/mutual funds	1,887,683	2,081,413	2,069,285	2,671,743
Fixed income mutual funds	1,614,653	1,632,420	1,475,548	1,486,443
Certificates of deposit and savings accounts	2,730,021	2,730,021	3,295,615	3,295,615
Municipal bonds	155,730	196,494	94,279	126,635
Corporate bonds	911,077	1,046,035	532,268	654,308
Money market funds	106,157	106,157	144,088	144,088
Totals	<u>\$ 8,191,578</u>	<u>\$ 8,489,766</u>	<u>\$ 8,414,327</u>	<u>\$ 9,054,071</u>

**Note 2 - INVESTMENTS (Continued)**

The following schedule summarizes the investment return and its classification in the Statements of Activities for the years ended June 30, 2020 and 2019:

	2020	2019
Excess of market over (under) cost:		
End of year	\$ 298,188	\$ 639,744
Beginning of year	639,744	34,157
Unrealized gain (loss)	(341,556)	605,587
Net realized gain (loss)	248,372	(254,557)
Interest and dividends	199,051	156,197
Fees and expenses	(61,874)	(59,000)
Investment return	\$ 43,993	\$ 448,227

**Note 3 - FAIR VALUE MEASUREMENTS**

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

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

**Note 3 - FAIR VALUE MEASUREMENTS (Continued)**

Assets measured at fair value on a recurring basis as of June 30, 2020 and 2019 are comprised of and determined as follows:

	June 30, 2020			
	Total Assets Measured at Fair Value	Quoted Prices in Active Market for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
<b>Mutual Funds:</b>				
Emerging market	\$ 71,806	\$ 71,806	\$ -	\$ -
Foreign large blend	49,501	49,501	-	-
International markets	19,031	19,031	-	-
Large blend	85,622	85,622	-	-
Mid-Cap blend	49,612	49,612	-	-
Real estate	13,018	13,018	-	-
Small blend	46,984	46,984	-	-
Trading inverse equity	56,817	56,817	-	-
<b>Fixed income mutual funds:</b>				
Commodities broad basket	18,685	18,685	-	-
Emerging market bond	54,965	54,965	-	-
High yield bond	394,945	394,945	-	-
Intermediate term bond	756,799	756,799	-	-
Long government bond	62,032	62,032	-	-
Multisector bond	312,719	312,719	-	-
Short term bond	32,275	32,275	-	-
Total mutual funds	<u>2,024,811</u>	<u>2,024,811</u>	<u>-</u>	<u>-</u>
<b>Equity Shares:</b>				
Consumer cyclical	172,508	172,508	-	-
Consumer defensive	137,598	137,598	-	-
Consumer services	10,914	10,914	-	-
Energy	108,682	108,682	-	-
Financials	318,631	318,631	-	-
Health care	251,563	251,563	-	-
Industrials	158,056	158,056	-	-
Information technology	199,259	199,259	-	-
Materials	47,493	47,493	-	-
Real estate	73,598	73,598	-	-
Technology	12,624	12,624	-	-
Telecommunication services	121,661	121,661	-	-
Utilities	76,435	76,435	-	-
Total equity shares	<u>1,689,022</u>	<u>1,689,022</u>	<u>-</u>	<u>-</u>
Government bonds	697,226	697,226	-	-
Corporate bonds	1,046,035	1,046,035	-	-
Municipal bonds	196,494	196,494	-	-
Certificates of deposit and savings accounts	2,730,021	2,730,021	-	-
Money market funds	106,157	106,157	-	-
<b>Totals</b>	<u>\$ 8,489,766</u>	<u>\$ 8,489,766</u>	<u>\$ -</u>	<u>\$ -</u>

**Note 3 - FAIR VALUE MEASUREMENTS (Continued)**

	June 30, 2019			
	Total Assets Measured at Fair Value	Quoted Prices in Active Market for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
<b>Mutual Funds:</b>				
Emerging market	\$ 87,105	\$ 87,105	\$ -	\$ -
Energy	8,087	8,087	-	-
Financial	37,630	37,630	-	-
International markets	28,367	28,367	-	-
Large blend	53,227	53,227	-	-
Mid-Cap blend	6,372	6,372	-	-
Real estate	57,536	57,536	-	-
Small blend	53,938	53,938	-	-
Trading inverse equity	54,807	54,807	-	-
<b>Fixed income mutual funds:</b>				
Commodities broad basket	71,601	71,601	-	-
Emerging market bond	342,200	342,200	-	-
High yield bond	605,905	605,905	-	-
Intermediate term bond	66,012	66,012	-	-
Multisector bond	275,170	275,170	-	-
Municipal bond	24,543	24,543	-	-
Short term bond	46,205	46,205	-	-
Total mutual funds	<u>1,818,705</u>	<u>1,818,705</u>	<u>-</u>	<u>-</u>
<b>Equity Shares:</b>				
Basic materials	17,185	17,185	-	-
Consumer cyclical	294,572	294,572	-	-
Consumer defensive	178,579	178,579	-	-
Consumer services	14,840	14,840	-	-
Energy	211,937	211,937	-	-
Financials	524,707	524,707	-	-
Health care	314,661	314,661	-	-
Industrials	85,435	85,435	-	-
Information technology	281,185	281,185	-	-
Materials	71,093	71,093	-	-
Real estate	98,228	98,228	-	-
Technology	14,969	14,969	-	-
Telecommunication services	157,801	157,801	-	-
Utilities	74,289	74,289	-	-
Total equity shares	<u>2,339,481</u>	<u>2,339,481</u>	<u>-</u>	<u>-</u>
Government bonds	675,239	675,239	-	-
Corporate bonds	654,308	654,308	-	-
Municipal bonds	126,635	126,635	-	-
Certificates of deposit and savings accounts	3,295,615	3,295,615	-	-
Money market funds	144,088	144,088	-	-
Totals	<u>\$ 9,054,071</u>	<u>\$ 9,054,071</u>	<u>\$ -</u>	<u>\$ -</u>

**Note 4 - DUE FROM STATE OF LOUISIANA**

Due from the State as of June 30, 2020 and 2019 consists of the following.

	2020	2019
Department of Health and Hospitals- residential and habilitation services	\$ 1,054,801	\$ 1,135,384
Department of Revenue - hotel motel tax	131,106	-
Totals	<b>\$ 1,185,907</b>	<b>\$ 1,135,384</b>

**Note 5 - BUILDINGS, FURNITURE, AND EQUIPMENT**

Buildings, furniture, and equipment as of June 30, 2020 and 2019 consists of the following:

	2020	2019
Land	\$ 226,200	\$ 226,200
Buildings and improvements	4,204,871	4,160,140
Vehicles	1,644,998	1,634,053
Furniture and equipment	486,411	467,620
	6,562,480	6,488,013
Less: accumulated depreciation	(3,598,847)	(3,433,031)
Net buildings, furniture, and equipment	<b>\$ 2,963,633</b>	<b>\$ 3,054,982</b>

**Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenses as of June 30, 2020 and 2019 consist of the following:

	2020	2019
Vendors	\$ 31,471	\$ 40,819
Salaries and benefits	569,544	461,030
Other	45,166	47,487
Totals	<b>\$ 646,181</b>	<b>\$ 549,336</b>

**Note 7 - PAYCHECK PROTECTION PROGRAM LOAN PAYABLE**

On May 1, 2020, the Association received a \$1,779,600 loan from Synergy Bank under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and implemented by the U.S. Small Business Administration (SBA). Interest on the loan is 1%. Management expects this loan will be repaid within 12 months and that a substantial amount of expenditures paid from the loan proceeds will be approved as eligible for the loan forgiveness under the requirements of the PPP program. Any amounts not forgiven would be amortized over a period of two years.

**Note 8 - LEASE COMMITMENTS**

As of June 30, 2020, the Diplomat Way Community Home is leased under a month-to-month operating lease beginning October 1, 2015 for monthly rent of \$1,600. Rental expenses incurred amounted to \$19,200 for both years ended June 30, 2020 and 2019.

**Note 9 - AVAILABILITY OF FINANCIAL ASSETS**

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

Occasionally, the Association designates a portion of any operating surplus for a particular purpose. The association-designated reserves can be changed and made available for immediate use in the event of an urgent liquidity need. The Association did not have any association-designated reserves as of June 30, 2020.

**Note 9 - AVAILABILITY OF FINANCIAL ASSETS (Continued)**

The following reflects the Association's financial assets available for use as of June 30, 2020.

Financial assets:	
Cash and cash equivalents	\$ 3,933,674
Investments	8,489,766
Due from State of Louisiana	1,185,907
Accounts receivable	59,814
Deposits and other assets	<u>52,421</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 13,721,582</u>

**Note 10 - CENTRAL OFFICE OVERHEAD**

The central office was established to account for supporting expenses common to the programs. Each program reimburses the central office for its share. The amount allocated to each program, as supporting service-administrative and general is based upon time and level of efforts expended as measured by expenses per program compared to total expenses. The allocations are eliminated for presentation of the Statements of Activities and Statements of Functional Expenses. For the years ended June 30, 2020 and 2019, personal service and occupancy costs incurred at the central office amounting to \$999,834 and \$927,157, respectively, were allocated to the programs as follows:

	2020	2019
Chackbay Community Home	\$ 35,188	\$ 31,963
Country Club Community Home	28,744	26,586
Diplomat Way Community Home	39,972	37,180
Stevens Community Home	41,137	38,688
Narrow Street Community Home	29,775	27,174
Richland Community Home	34,380	35,462
Community support services	582,551	530,376
Daycare services	<u>208,087</u>	<u>199,728</u>
Totals	<u>\$ 999,834</u>	<u>\$ 927,157</u>

**Note 11 - ECONOMIC DEPENDENCY**

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

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

**Note 12 - RETIREMENT PLAN**

The Association adopted a 401(k) retirement plan effective July 1, 1997. The plan covers all employees who have completed one or more years of service. The Association makes contributions to the plan at its discretion. Contributions amounted to \$9,908 and \$7,994 for the years ended June 30, 2020 and 2019, respectively.

**Note 13 - CONCENTRATION OF RISK**

During the year ended June 30, 2020, the Association maintained its cash deposits and certificates of deposit with local banks. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash, certificates of deposit and money market funds at this institution exceeded federally insured limits by approximately \$5,607,511 as of June 30, 2020.

**Note 14 - RISK MANAGEMENT**

The Association is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage during the year ended June 30, 2020.

**Note 15 - CONTINGENCY**

Programs funded by Medicare and Medicaid fiscal intermediaries are subject to audits performed by the State of Louisiana - Department of Health and Hospitals (the "State"). Audits conducted by the State for the period January 2, 2001 through February 2, 2003 and July 1, 2008 through March 31, 2010. The Association is in dispute with the State for approximately \$88,500 and \$69,690, respectively, of questioned costs. In management's opinion, the Association believes it will be successful in providing the necessary documentation to defend these claims made by the State of Louisiana and any final determinations will not be material to the financial statements.

**Note 16 - CORONAVIRUS**

The recent global outbreak of the Coronavirus (COVID-19) has raised concerns regarding business and the financial markets have recently experienced significant volatility. While the Association has been impacted by the adverse conditions in the financial markets, the long term impact on the Association's operations is uncertain at this time.

**SUPPLEMENTARY INFORMATION SECTION**

**SCHEDULE OF PROGRAM FINANCIAL POSITION**

**Lafourche ARC**  
Thibodaux, Louisiana

June 30, 2020

	Community Homes				
	Chackbay	Country Club	Diplomat Way	Stevens	Narrow Street
<b>Assets</b>					
Cash	\$ 200	\$ 200	\$ 100	\$ 200	\$ 100
Investments	600,942	305,088	633,717	62,244	534,730
Due from State of Louisiana	63,515	58,731	60,079	72,501	59,473
Accounts receivable	286	-	-	-	290
Due from other programs	49,123	276,521	50,969	-	389,182
Deposits	370	335	395	333	405
Buildings, furniture, and equipment, net of accumulated depreciation, \$3,705,826	137,466	52,301	8,891	74,753	149,807
<b>Totals</b>	<b><u>\$ 851,902</u></b>	<b><u>\$ 693,176</u></b>	<b><u>\$ 754,151</u></b>	<b><u>\$ 210,031</u></b>	<b><u>\$ 1,133,987</u></b>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 16,391	\$ 15,035	\$ 16,491	\$ 21,293	\$ 17,190
Due to other programs	1,004,663	20,000	1,142,337	389,008	-
Paycheck Protection Program loan payable	-	-	-	-	-
<b>Total liabilities</b>	<b><u>1,021,054</u></b>	<b><u>35,035</u></b>	<b><u>1,158,828</u></b>	<b><u>410,301</u></b>	<b><u>17,190</u></b>
<b>Net Assets</b>					
Unrestricted	(169,152)	658,141	(404,677)	(200,270)	1,116,797
Temporarily restricted	-	-	-	-	-
<b>Total net assets</b>	<b><u>(169,152)</u></b>	<b><u>658,141</u></b>	<b><u>(404,677)</u></b>	<b><u>(200,270)</u></b>	<b><u>1,116,797</u></b>
<b>Totals</b>	<b><u>\$ 851,902</u></b>	<b><u>\$ 693,176</u></b>	<b><u>\$ 754,151</u></b>	<b><u>\$ 210,031</u></b>	<b><u>\$ 1,133,987</u></b>

Community Homes Richland	Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
\$ 100	\$ 1,052,835	\$ 470	\$ 2,879,469	\$ -	\$ 3,933,674
266,796	4,230,578	1,855,671	-	-	8,489,766
64,938	536,889	269,781	-	-	1,185,907
156	44,049	15,033	-	-	59,814
97,200	3,469,752	-	1,981,411	(6,314,158)	-
440	2,204	555	47,384	-	52,421
78,011	1,206,960	872,974	382,470	-	2,963,633
<u>\$ 507,641</u>	<u>\$ 10,543,267</u>	<u>\$ 3,014,484</u>	<u>\$ 5,290,734</u>	<u>\$ (6,314,158)</u>	<u>\$ 16,685,215</u>
\$ 13,128	\$ 447,681	\$ 54,459	\$ 44,513	\$ -	\$ 646,181
150,000	-	141,529	3,466,621	(6,314,158)	-
-	-	-	1,779,600	-	1,779,600
<u>163,128</u>	<u>447,681</u>	<u>195,988</u>	<u>5,290,734</u>	<u>(6,314,158)</u>	<u>2,425,781</u>
344,513	10,095,586	2,818,496	-	-	14,259,434
-	-	-	-	-	-
<u>344,513</u>	<u>10,095,586</u>	<u>2,818,496</u>	<u>-</u>	<u>-</u>	<u>14,259,434</u>
<u>\$ 507,641</u>	<u>\$ 10,543,267</u>	<u>\$ 3,014,484</u>	<u>\$ 5,290,734</u>	<u>\$ (6,314,158)</u>	<u>\$ 16,685,215</u>

**SCHEDULE OF PROGRAM ACTIVITIES**

**Lafourche ARC**  
Thibodaux, Louisiana

For the year ended June 30, 2020

	Community Homes				Narrow Street
	Chackbay	Country Club	Diplomat Way	Stevens	
<b>Changes in Net Assets Without Donor Restrictions</b>					
<b>Support and Revenues</b>					
Support:					
Group services:					
Habilitation services	\$ -	\$ -	\$ -	\$ -	\$ -
Residential services	399,551	341,701	427,231	506,432	345,355
Governmental Grants:					
Office for Citizens with					
Developmental Disabilities	-	-	-	-	-
State of Louisiana-Hotel/Motel Tax	-	-	-	-	-
Department of Transportation and Development	-	-	-	-	-
CARES Act	31,478	31,478	31,478	31,478	31,478
Client income	59,486	78,038	54,208	91,796	51,338
Sheltered workshop, net of \$152,221					
of direct costs	-	-	-	-	-
Contributions	-	-	-	-	-
Total support without donor restrictions	<u>490,515</u>	<u>451,217</u>	<u>512,917</u>	<u>629,706</u>	<u>428,171</u>
Revenues:					
Investment return	134	68	141	14	119
Miscellaneous	6,398	-	-	-	-
Total revenues	<u>6,532</u>	<u>68</u>	<u>141</u>	<u>14</u>	<u>119</u>
Allocations	-	-	-	-	-
Total unrestricted support, revenue and net assets released from restrictions	<u>497,047</u>	<u>451,285</u>	<u>513,058</u>	<u>629,720</u>	<u>428,290</u>
<b>Expenses</b>					
Program services:					
Medical and nursing	10,723	9,540	13,445	8,918	17,467
Therapeutic and training	312,745	236,294	340,527	382,571	232,482
Recreational	47	29	304	208	792
Consultants	15,561	16,323	14,412	17,534	15,056
Total program services	<u>339,076</u>	<u>262,186</u>	<u>368,688</u>	<u>409,231</u>	<u>265,797</u>
Support services:					
Administrative and general	110,245	98,009	112,626	123,649	93,288
Plant operations and maintenance	12,820	10,235	14,011	10,243	14,088
Costs related to capital assets	5,696	3,689	20,306	12,451	6,558
Dietary	15,219	13,621	14,857	16,805	19,583
Laundry and linen	1,227	328	686	540	401
Housekeeping	3,240	1,769	2,294	1,875	1,762
Personal client needs	1,356	1,201	1,985	2,835	3,126
Total support services	<u>149,803</u>	<u>128,852</u>	<u>166,765</u>	<u>168,398</u>	<u>138,806</u>
Total expenses	<u>488,879</u>	<u>391,038</u>	<u>535,453</u>	<u>577,629</u>	<u>404,603</u>
Increase (decrease) in assets without donor restrictions	<u>8,168</u>	<u>60,247</u>	<u>(22,395)</u>	<u>52,091</u>	<u>23,687</u>
<b>Increase (Decrease) in Net Position</b>	<u>8,168</u>	<u>60,247</u>	<u>(22,395)</u>	<u>52,091</u>	<u>23,687</u>
<b>Net Assets</b>					
Beginning of year	<u>(177,320)</u>	<u>597,894</u>	<u>(382,282)</u>	<u>(252,361)</u>	<u>1,093,110</u>
End of year	<u>\$ (169,152)</u>	<u>\$ 658,141</u>	<u>\$ (404,677)</u>	<u>\$ (200,270)</u>	<u>\$ 1,116,797</u>

<u>Community Homes Richland</u>	<u>Community Support</u>	<u>Day Care Services</u>	<u>Central Office</u>	<u>Eliminations</u>	<u>Grand Totals</u>
\$ -	\$ 7,049,481	\$ 184,104	\$ -	\$ -	\$ 7,233,585
413,786	285,121	989,740	-	(195,311)	3,513,606
-	-	14,245	-	-	14,245
-	-	312,446	-	-	312,446
-	-	109,390	-	-	109,390
31,478	-	-	-	-	188,868
50,400	-	-	-	-	385,266
-	-	29,427	-	-	29,427
-	-	68,219	6,465	-	74,684
<u>495,664</u>	<u>7,334,602</u>	<u>1,707,571</u>	<u>6,465</u>	<u>(195,311)</u>	<u>11,861,517</u>
59	34,618	8,840	-	-	43,993
-	-	10,000	-	-	16,398
<u>59</u>	<u>34,618</u>	<u>18,840</u>	<u>-</u>	<u>-</u>	<u>60,391</u>
-	-	-	999,834	(999,834)	-
<u>495,723</u>	<u>7,369,220</u>	<u>1,726,411</u>	<u>1,006,299</u>	<u>(1,195,145)</u>	<u>11,921,908</u>
7,498	11,300	513	-	-	79,404
299,504	6,366,376	1,514,227	-	(195,311)	9,489,415
583	-	-	-	-	1,963
17,153	176,415	-	-	-	272,454
<u>324,738</u>	<u>6,554,091</u>	<u>1,514,740</u>	<u>-</u>	<u>(195,311)</u>	<u>9,843,236</u>
107,554	946,106	572,260	909,413	(999,834)	2,073,316
12,020	1,089	152,546	47,769	-	274,821
5,126	35,313	159,461	49,117	-	297,717
20,247	77	-	-	-	100,409
1,342	-	-	-	-	4,524
3,931	91	-	-	-	14,962
3,908	13	-	-	-	14,424
<u>154,128</u>	<u>982,689</u>	<u>884,267</u>	<u>1,006,299</u>	<u>(999,834)</u>	<u>2,780,173</u>
<u>478,866</u>	<u>7,536,780</u>	<u>2,399,007</u>	<u>1,006,299</u>	<u>(1,195,145)</u>	<u>12,623,409</u>
16,857	(167,560)	(672,596)	-	-	(701,501)
16,857	(167,560)	(672,596)	-	-	(701,501)
<u>327,656</u>	<u>10,263,146</u>	<u>3,491,092</u>	<u>-</u>	<u>-</u>	<u>14,960,935</u>
<u>\$ 344,513</u>	<u>\$ 10,095,586</u>	<u>\$ 2,818,496</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,259,434</u>

**SCHEDULE OF PROGRAM SERVICES EXPENSES**

**Lafourche ARC**  
Thibodaux, Louisiana

For the year ended June 30, 2020

	Community Homes				
	Chackbay	Country Club	Diplomat Way	Stevens	Narrow Street
<b>Medical and Nursing</b>					
Medical services	\$ 1,285	\$ 3,011	\$ 2,230	\$ 2,401	\$ 12,227
Other	3,391	2,389	2,492	1,476	711
Prescriptions	2,460	2,610	4,997	1,882	2,382
Supplies	3,587	1,530	3,726	3,159	2,147
<b>Total medical and nursing</b>	<b>10,723</b>	<b>9,540</b>	<b>13,445</b>	<b>8,918</b>	<b>17,467</b>
<b>Therapeutic and Training</b>					
Habilitation	22,734	22,734	22,734	22,734	22,734
Salaries, payroll taxes, and benefits	290,011	213,560	317,793	359,837	209,748
Supplies	-	-	-	-	-
<b>Total therapeutic and training</b>	<b>312,745</b>	<b>236,294</b>	<b>340,527</b>	<b>382,571</b>	<b>232,482</b>
<b>Recreational</b>					
Supplies	47	29	304	208	792
<b>Consultants</b>					
Other	1,333	1,333	1,333	2,333	1,333
Pharmacist	1,296	2,092	1,256	1,994	1,535
Psychiatrist	1,457	1,423	348	1,732	713
Registered nurse	11,475	11,475	11,475	11,475	11,475
Social worker	-	-	-	-	-
<b>Total consultants</b>	<b>15,561</b>	<b>16,323</b>	<b>14,412</b>	<b>17,534</b>	<b>15,056</b>
<b>Total program services</b>	<b>\$ 339,076</b>	<b>\$ 262,186</b>	<b>\$ 368,688</b>	<b>\$ 409,231</b>	<b>\$ 265,797</b>

<u>Community Homes Richland</u>	<u>Community Support</u>	<u>Day Care Services</u>	<u>Central Office</u>	<u>Eliminations</u>	<u>Grand Totals</u>
\$ 3,882	\$ -	\$ 513	\$ -	\$ -	\$ 25,549
549	829	-	-	-	11,837
1,381	98	-	-	-	15,810
1,686	10,373	-	-	-	26,208
<u>7,498</u>	<u>11,300</u>	<u>513</u>	<u>-</u>	<u>-</u>	<u>79,404</u>
22,734	-	-	-	(136,404)	-
276,770	6,343,086	1,511,936	-	(58,907)	9,463,834
-	23,290	2,291	-	-	25,581
<u>299,504</u>	<u>6,366,376</u>	<u>1,514,227</u>	<u>-</u>	<u>(195,311)</u>	<u>9,489,415</u>
583	-	-	-	-	1,963
1,333	33,896	-	-	-	42,894
1,752	-	-	-	-	9,925
2,370	-	-	-	-	8,043
11,475	142,519	-	-	-	211,369
223	-	-	-	-	223
<u>17,153</u>	<u>176,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,454</u>
<u>\$ 324,738</u>	<u>\$ 6,554,091</u>	<u>\$ 1,514,740</u>	<u>\$ -</u>	<u>\$ (195,311)</u>	<u>\$ 9,843,236</u>

## SCHEDULE OF SUPPORT SERVICES EXPENSES

**Lafourche ARC**  
Thibodaux, Louisiana

For the year ended June 30, 2020

	Community Homes				
	Chackbay	Country Club	Diplomat Way	Stevens	Narrow Street
<b>Administrative and General</b>					
Bed fees	\$ 35,465	\$ 35,465	\$ 35,465	\$ 35,465	\$ 35,465
Central office	35,188	28,744	39,972	41,137	29,775
Dues and subscriptions	-	-	-	-	-
Insurance	33,233	25,807	27,423	35,608	24,785
Licenses	765	780	765	782	770
Other	255	70	410	-	9
Postage	-	360	-	26	-
Professional fees	-	-	-	-	-
Salaries, payroll taxes, and benefits	-	-	-	-	-
Supplies	1,073	648	1,010	614	602
Telephone	229	2,446	4,420	4,232	325
Training-in-service	-	-	-	-	-
Travel and seminars	2,482	694	750	2,625	711
Vehicles - gas, oil, and repairs	1,555	2,995	2,411	3,160	846
Total administrative and general	<u>110,245</u>	<u>98,009</u>	<u>112,626</u>	<u>123,649</u>	<u>93,288</u>
<b>Plant Operations and Maintenance</b>					
Maintenance and repairs	5,368	2,432	4,749	2,526	6,250
Utilities	7,452	7,803	9,262	7,717	7,838
Total plant operations and maintenance	<u>12,820</u>	<u>10,235</u>	<u>14,011</u>	<u>10,243</u>	<u>14,088</u>
<b>Costs Related to Capital Assets</b>					
Depreciation	5,696	3,689	1,106	12,451	6,558
Lease	-	-	19,200	-	-
Total costs related to capital assets	<u>5,696</u>	<u>3,689</u>	<u>20,306</u>	<u>12,451</u>	<u>6,558</u>
<b>Dietary</b>					
Contracts - dietician	1,600	1,920	1,440	1,600	-
Food	12,984	11,108	12,606	14,478	17,788
Supplies	635	593	811	727	1,795
Total dietary expenses	<u>15,219</u>	<u>13,621</u>	<u>14,857</u>	<u>16,805</u>	<u>19,583</u>
<b>Laundry and Linen</b>					
Linen and bedding	101	-	36	82	55
Supplies	1,126	328	650	458	346
Total laundry and linen	<u>1,227</u>	<u>328</u>	<u>686</u>	<u>540</u>	<u>401</u>
<b>Housekeeping</b>					
Supplies	3,240	1,769	2,294	1,875	1,762
<b>Personal Client Needs</b>					
Clothing	769	325	349	475	1,226
Other	587	876	1,636	2,360	1,900
Total personal client needs	<u>1,356</u>	<u>1,201</u>	<u>1,985</u>	<u>2,835</u>	<u>3,126</u>
Total support services	<u>\$ 149,803</u>	<u>\$ 128,852</u>	<u>\$ 166,765</u>	<u>\$ 168,398</u>	<u>\$ 138,806</u>

Community Homes Richland	Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
\$ 34,868	\$ -	\$ -	\$ -	\$ -	\$ 212,193
34,380	582,551	208,087	-	(999,834)	-
-	-	-	15,225	-	15,225
26,522	216,558	227,594	52,358	-	669,888
770	1,232	3,572	-	-	9,436
293	33,565	30,484	32,067	-	97,153
-	3,320	-	859	-	4,565
250	650	-	46,814	-	47,714
-	-	-	709,666	-	709,666
1,533	15,170	24,944	34,263	-	79,857
4,257	14,907	19,343	12,444	-	62,603
-	3,033	-	-	-	3,033
2,352	59,287	4,391	2,720	-	76,012
2,329	15,833	53,845	2,997	-	85,971
<u>107,554</u>	<u>946,106</u>	<u>572,260</u>	<u>909,413</u>	<u>(999,834)</u>	<u>2,073,316</u>
2,646	1,089	104,279	22,187	-	151,526
9,374	-	48,267	25,582	-	123,295
<u>12,020</u>	<u>1,089</u>	<u>152,546</u>	<u>47,769</u>	<u>-</u>	<u>274,821</u>
5,126	35,313	159,461	49,117	-	278,517
-	-	-	-	-	19,200
<u>5,126</u>	<u>35,313</u>	<u>159,461</u>	<u>49,117</u>	<u>-</u>	<u>297,717</u>
-	-	-	-	-	6,560
18,682	39	-	-	-	87,685
1,565	38	-	-	-	6,164
<u>20,247</u>	<u>77</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,409</u>
176	-	-	-	-	450
1,166	-	-	-	-	4,074
<u>1,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,524</u>
3,931	91	-	-	-	14,962
1,551	-	-	-	-	4,695
2,357	13	-	-	-	9,729
<u>3,908</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,424</u>
<u>\$ 154,128</u>	<u>\$ 982,689</u>	<u>\$ 884,267</u>	<u>\$ 1,006,299</u>	<u>\$ (999,834)</u>	<u>\$ 2,780,173</u>

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

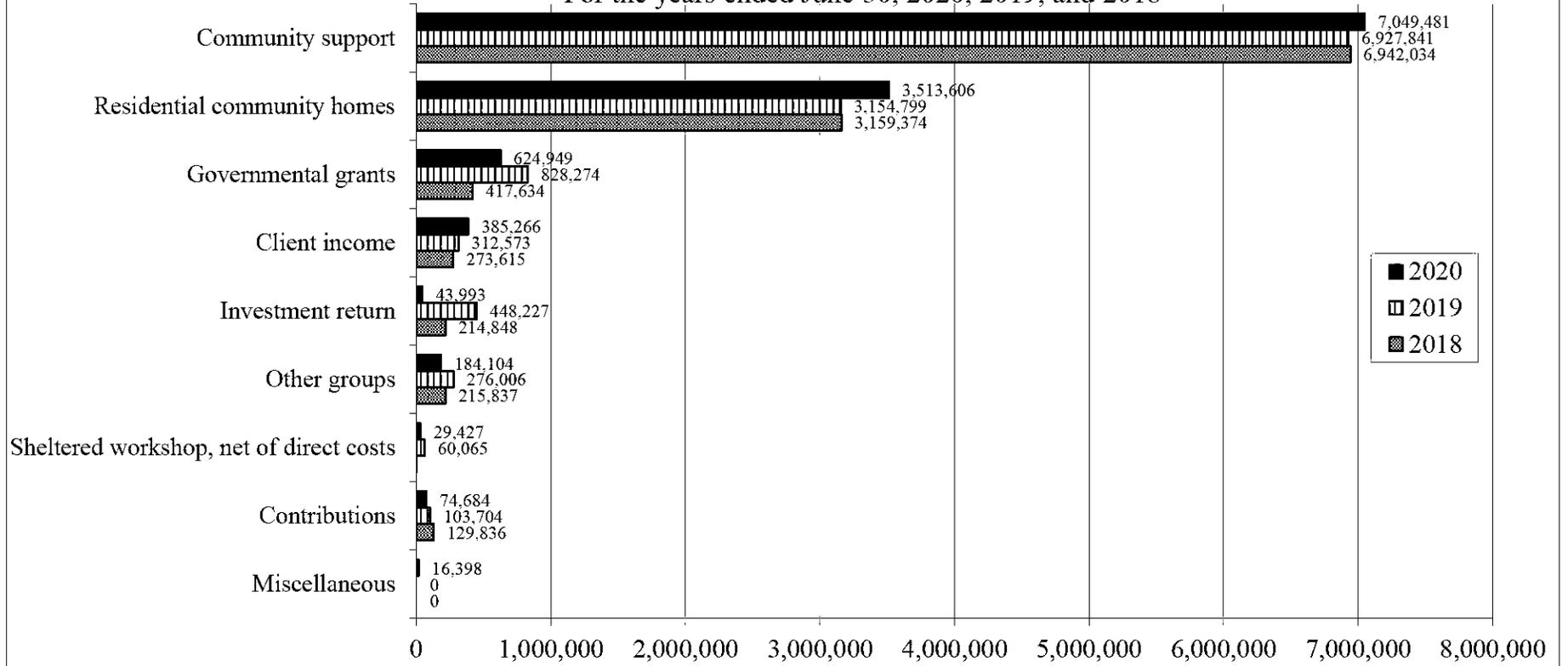
For the years ended June 30, 2020, 2019, and 2018

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Revenues</b>			
Community support	\$ 7,049,481	\$ 6,927,841	\$ 6,942,034
Residential community homes	3,513,606	3,154,799	3,159,374
Governmental grants	624,949	828,274	417,634
Other:			
Client income	385,266	312,573	273,615
Investment return	43,993	448,227	214,848
Other groups	184,104	276,006	215,837
Sheltered workshop, net of direct costs	29,427	60,065	(25,616)
Contributions	74,684	103,704	129,836
Miscellaneous	16,398	-	-
	<u>\$ 11,921,908</u>	<u>\$ 12,111,489</u>	<u>\$ 11,327,562</u>
<b>Expenses</b>			
Bed fees	\$ 212,193	\$ 209,726	\$ 205,268
Contracts - outside services	279,014	270,839	270,913
Depreciation	278,517	255,770	262,468
Food	87,685	88,236	94,668
Insurance	669,888	726,713	780,325
Lease	19,200	19,200	19,200
Maintenance and repairs	151,526	132,223	138,279
Other expenses	307,799	272,710	262,765
Salaries, payroll taxes, and benefits	10,173,500	9,559,834	9,865,416
Supplies	158,809	122,290	126,811
Travel and seminars	76,012	76,976	84,614
Utilities	123,295	125,428	126,457
Vehicles - gas, oil and repairs	85,971	117,150	111,402
	<u>\$ 12,623,409</u>	<u>\$ 11,977,095</u>	<u>\$ 12,348,586</u>

**REVENUES**

**Lafourche ARC**  
**Thibodaux, Louisiana**

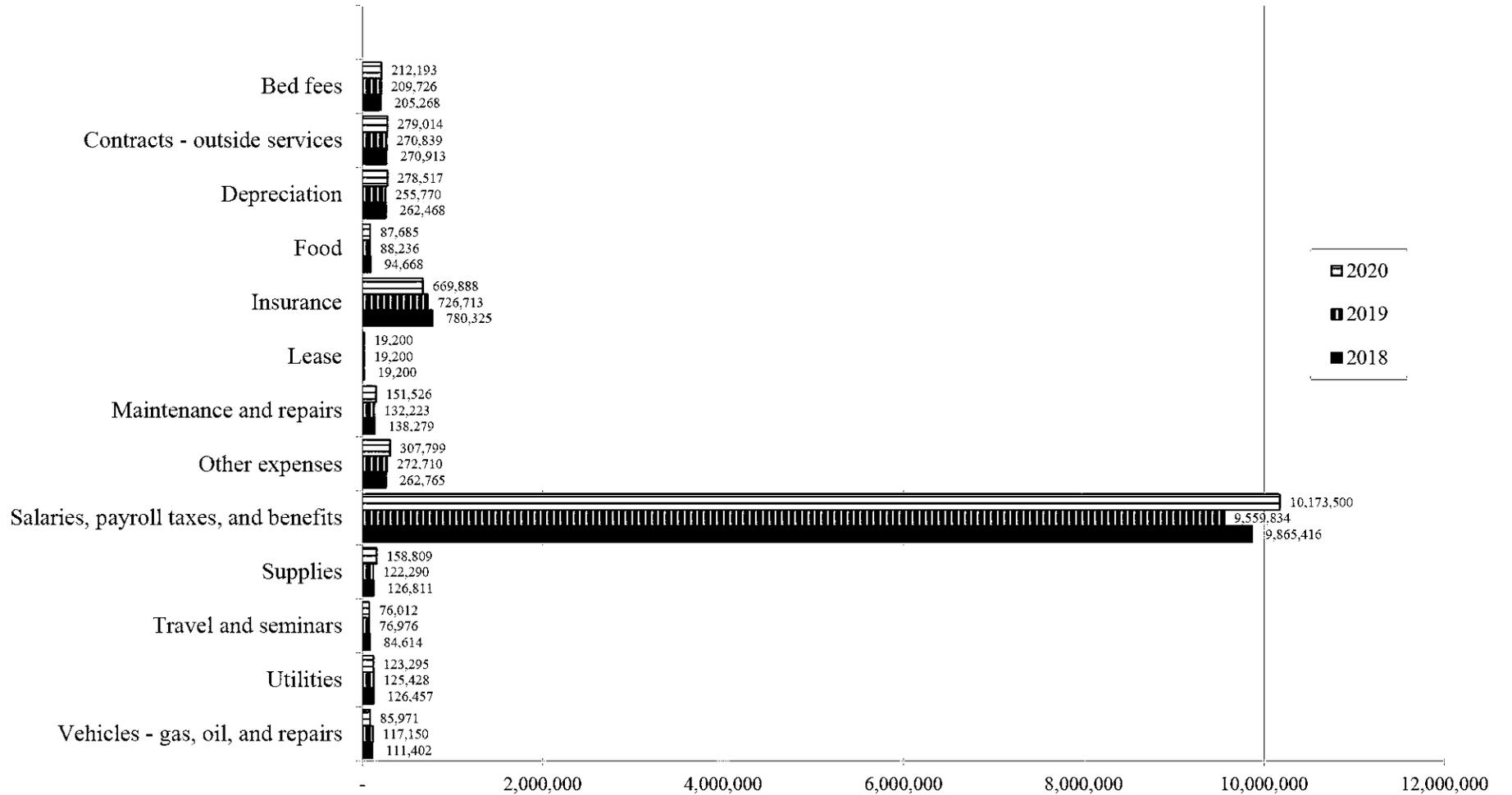
For the years ended June 30, 2020, 2019, and 2018



**EXPENSES**

**Lafourche ARC**  
**Thibodaux, Louisiana**

For the years ended June 30, 2020, 2019, and 2018



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

**Lafourche ARC**  
Thibodaux, Louisiana

For the year ended June 30, 2020

**Agency Head Name:** Wendy Eschete, Executive Director

**Purpose**

Salary	\$ 90,092
Benefits - insurance	4,303
Benefits - retirement	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/>
	<b>\$ 94,395</b>

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Lafourche ARC, (the "Association"), which comprise the Statement of Financial Position as of June 30, 2020, 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 January 29, 2021.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Bougeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
January 29, 2021.

**SCHEDULE OF FINDINGS AND RESPONSES**

**Lafourche ARC**  
Thibodaux, Louisiana

For the year ended June 30, 2020

**Section I Summary of Auditor's Results**

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? \_\_\_ Yes X No

b) Federal Awards

Lafourche ARC did not expend federal awards during the year ended June 30, 2020.

**Section II Financial Statement Findings**

No financial statement findings were noted during the audit for the year ended June 30, 2020.

**Section III Federal Award Findings and Questioned Costs**

Not applicable.

**REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

**Lafourche ARC**  
Thibodaux, Louisiana

For the year ended June 30, 2020

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

#### Internal Control

No material weaknesses were reported during the audit for the year ended June 30, 2019.

No significant deficiencies were reported during the audit for the year ended June 30, 2019.

#### Compliance

No compliance findings material to the statements of financial position were noted during the year ended June 30, 2019.

### **Section II Internal Control and Compliance Material to Federal Awards**

Lafourche ARC did not expend federal awards during the year ended June 30, 2019.

### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended June 30, 2019.

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

**Lafourche ARC**  
Thibodaux, Louisiana

For the year ended June 30, 2020

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

#### Internal Control

No material weaknesses were reported during the audit for the year ended June 30, 2020.

No significant deficiencies were reported during the audit for the year ended June 30, 2020.

#### Compliance

No compliance findings material to the statements of financial position were noted during the year ended June 30, 2020.

### **Section II Internal Control and Compliance Material to Federal Awards**

Lafourche ARC did not expend federal awards during the year ended June 30, 2020.

### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended June 30, 2020.