

Financial Report

Lafourche ARC

Thibodaux, Louisiana

June 30, 2021



Financial Report

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Thibodaux, Louisiana

June 30, 2021

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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, 2021 and 2020 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, 2021 and 2020, 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, 2021 and 2020 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, 2021 and 2020, 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, 2019, and the related Statement of Activities for the year ended June 30, 2019 (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, 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 as of and for the year ended June 30, 2019. 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, 2019 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 18, 2022** 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.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
January 18, 2022.

STATEMENTS OF FINANCIAL POSITION

Lafourche ARC
Thibodaux, Louisiana

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash	\$ 2,790,308	\$ 3,933,674
Investments	9,312,566	8,489,766
Due from State of Louisiana	1,026,454	1,185,907
Accounts receivable	85,845	59,814
Deposits and other assets	26,274	52,421
Buildings, furniture, and equipment, net	<u>2,920,601</u>	<u>2,963,633</u>
Totals	<u><u>\$ 16,162,048</u></u>	<u><u>\$ 16,685,215</u></u>
Liabilities		
Accounts payable and accrued liabilities	\$ 628,290	\$ 646,181
Paycheck Protection Program loan payable	<u>-</u>	<u>1,779,600</u>
Total liabilities	<u>628,290</u>	<u>2,425,781</u>
Net Assets		
Without donor restrictions	<u>15,533,758</u>	<u>14,259,434</u>
Totals	<u><u>\$ 16,162,048</u></u>	<u><u>\$ 16,685,215</u></u>

See notes to financial statements.

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

For the years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Changes in Net Assets Without Donor Restrictions		
Support and Revenues		
Support:		
Group services:		
Habilitation services	\$ 6,434,355	\$ 7,233,585
Residential services	2,821,947	3,513,606
Governmental grants:		
Office for Citizens with Developmental Disabilities	6,265	14,245
State of Louisiana - hotel/motel tax	344,734	312,446
Department of Transportation and Development CARES Act	128,960	109,390
Client income	-	188,868
Sheltered workshop, net of \$42,887 (\$152,221 in 2020) of direct costs	441,758	385,266
Paycheck Protection Program loan forgiveness	97,284	29,427
Contributions	1,779,600	-
	<u>20,327</u>	<u>74,684</u>
Total support without donor restrictions	<u>12,075,230</u>	<u>11,861,517</u>
Revenues:		
Investment income, net	825,961	43,993
Miscellaneous	67,298	16,398
Total revenues	<u>893,259</u>	<u>60,391</u>
Total support, revenues, and net assets released from restrictions	<u>12,968,489</u>	<u>11,921,908</u>

**Exhibit B
(Continued)**

	<u>2021</u>	<u>2020</u>
Expenses		
Program services:		
Medical and nursing	83,577	79,404
Therapeutic and training	8,486,156	9,489,415
Recreational	2,053	1,963
Consultants	295,251	272,454
	<u>8,867,037</u>	<u>9,843,236</u>
Total program services		
Support services:		
Administrative and general	2,061,224	2,073,316
Plant operations and maintenance	340,046	274,821
Costs related to capital assets	306,352	297,717
Dietary	90,432	100,409
Laundry and linen	6,867	4,524
Housekeeping supplies	12,468	14,962
Personal client needs	9,739	14,424
	<u>2,827,128</u>	<u>2,780,173</u>
Total support services		
Total expenses	<u>11,694,165</u>	<u>12,623,409</u>
Increase (decrease) in net assets without donor restrictions	1,274,324	(701,501)
Net Assets		
Beginning of year	<u>14,259,434</u>	<u>14,960,935</u>
End of year	<u>\$ 15,533,758</u>	<u>\$ 14,259,434</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2021

	<u>Program Services</u>				<u>Totals</u>
	<u>Medical and Nursing</u>	<u>Therapeutic and Training</u>	<u>Recreational</u>	<u>Consultants</u>	
Bed fees	\$ -	\$ -	\$ -	\$ -	\$ -
Clothing	-	-	-	-	-
Contracts - outside services	-	-	-	295,251	295,251
Depreciation	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Food	-	-	-	-	-
Insurance	-	-	-	-	-
Lease	-	-	-	-	-
Licenses	-	-	-	-	-
Linen and bedding	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Medical services	16,751	-	-	-	16,751
Other	3,447	-	-	-	3,447
Postage	-	-	-	-	-
Prescriptions	13,323	-	-	-	13,323
Professional fees	-	-	-	-	-
Salaries, payroll taxes, and benefits	-	8,475,867	-	-	8,475,867
Supplies	50,056	10,289	2,053	-	62,398
Telephone	-	-	-	-	-
Training-in-service	-	-	-	-	-
Travel and seminars	-	-	-	-	-
Utilities	-	-	-	-	-
Vehicles - gas, oil, and repairs	-	-	-	-	-
Total expenses	<u>\$83,577</u>	<u>\$ 8,486,156</u>	<u>\$2,053</u>	<u>\$ 295,251</u>	<u>\$ 8,867,037</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
\$ 204,154	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,154	\$ 204,154
-	-	-	-	-	-	2,103	2,103	2,103
-	-	-	7,520	-	-	-	7,520	302,771
-	-	287,152	-	-	-	-	287,152	287,152
15,210	-	-	-	-	-	-	15,210	15,210
-	-	-	75,704	-	-	-	75,704	75,704
629,400	-	-	-	-	-	-	629,400	629,400
-	-	19,200	-	-	-	-	19,200	19,200
5,507	-	-	-	-	-	-	5,507	5,507
-	-	-	-	2,716	-	-	2,716	2,716
-	221,218	-	-	-	-	-	221,218	221,218
-	-	-	-	-	-	-	-	16,751
129,724	-	-	-	-	-	7,636	137,360	140,807
4,307	-	-	-	-	-	-	4,307	4,307
-	-	-	-	-	-	-	-	13,323
33,871	-	-	-	-	-	-	33,871	33,871
771,655	-	-	-	-	-	-	771,655	9,247,522
87,270	-	-	7,208	4,151	12,468	-	111,097	173,495
77,945	-	-	-	-	-	-	77,945	77,945
1,583	-	-	-	-	-	-	1,583	1,583
53,762	-	-	-	-	-	-	53,762	53,762
-	118,828	-	-	-	-	-	118,828	118,828
46,836	-	-	-	-	-	-	46,836	46,836
<u>\$ 2,061,224</u>	<u>\$ 340,046</u>	<u>\$ 306,352</u>	<u>\$ 90,432</u>	<u>\$ 6,867</u>	<u>\$ 12,468</u>	<u>\$ 9,739</u>	<u>\$ 2,827,128</u>	<u>\$ 11,694,165</u>

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	-	-	-	-	-
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>

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

For the years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 1,274,324	\$ (701,501)
Adjustments to reconcile increase (decrease) in net assets to net cash (used in) operating activities:		
Depreciation	287,152	278,517
Net realized and unrealized loss (gain) on investments	(698,556)	93,184
Gain on sales of capital assets	(4,000)	(10,000)
Paycheck Protection Program loan forgiveness	(1,779,600)	-
Decrease (increase) in operating assets:		
Receivable	133,422	19,492
Deposits and other assets	26,147	32,720
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(17,891)	96,845
Total adjustments	<u>(2,053,326)</u>	<u>510,758</u>
Net cash used in operating activities	<u>(779,002)</u>	<u>(190,743)</u>
Cash Flows from Investing Activities		
Purchases of investments	(2,161,654)	(2,491,408)
Proceeds from maturity and sales of investments	2,037,410	2,962,529
Proceeds from sale of capital assets	4,000	10,000
Purchase of capital assets	(244,120)	(187,168)
Net cash provided by (used in) investing activities	<u>(364,364)</u>	<u>293,953</u>
Cash Flows from Financing Activities		
Proceeds from issuance of long term debt	-	1,779,600
Net increase (decrease) in cash	(1,143,366)	1,882,810
Cash		
Beginning of year	<u>3,933,674</u>	<u>2,050,864</u>
End of year	<u>\$ 2,790,308</u>	<u>\$ 3,933,674</u>
See notes to financial statements.		

NOTES TO FINANCIAL STATEMENTS

Lafourche ARC
Thibodaux, Louisiana

June 30, 2021 and 2020

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. The Diplomat Way Community Home was closed on August 29, 2021 as a result of damages caused by Hurricane Ida.

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, 2021 and 2020.

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, 2021 and 2020.

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 \$63,705 and \$61,874 were incurred for the years ended June 30, 2021 and 2020, 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Buildings, Furniture, and Equipment

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

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

j) Contributions and Revenue Recognition

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

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

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Donated Services

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

l) Compensated Absences

On July 1st, all full-time employees receive from 12 to 21 days of leave depending on years of service. These days are to cover both vacation and sick leave. Leave must be taken by September 1st of the next fiscal year or the leave is lost. The Association has \$118,490 and \$106,925 of accumulated leave included in accounts payable and accrued liabilities as of June 30, 2021 and 2020, respectively.

m) Functional Expenses

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

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

n) Income Taxes

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Income Taxes (Continued)

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, 2018 and later remain subject to examination by the taxing authorities. As of June 30, 2021, 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

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 adoption of this standard did not affect the Association's 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 Statements of Activities and the Statements of Cash Flows will be substantially unchanged from the existing lease accounting guidance. The ASU is effective for fiscal years beginning after December 15, 2021. 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)

o) Recently Issued Accounting Standards (Continued)

Contributed Non-Financial Assets

In September 2020, the FASB issued ASU No. 2020-07, "*Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*" (Topic 958). The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. The ASU is effective for fiscal years beginning after June 15, 2022. The Association is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

p) Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through January 18, 2022, which is the date the financial statements were available to be issued.

Note 2 - INVESTMENTS

Investments as of June 30, 2021 and 2020 are as follows:

	2021		2020	
	Cost	Market	Cost	Market
U.S. Treasury Bonds	\$ 155,869	\$ 183,568	\$ 87,378	\$ 109,355
Federal Home Loan Mortgage Corporation Notes	296,081	254,076	178,273	184,693
Federal National Mortgage Association Notes	529,440	388,329	520,606	403,178
Equity securities/mutual funds	1,852,265	2,621,852	1,887,683	2,081,413
Fixed income mutual funds	1,692,017	1,759,114	1,614,653	1,632,420
Certificates of deposit and savings accounts	2,746,747	2,746,746	2,730,021	2,730,021
Municipal bonds	122,408	162,522	155,730	196,494
Corporate bonds	825,493	995,801	911,077	1,046,035
Money market funds	200,558	200,558	106,157	106,157
Totals	<u>\$8,420,878</u>	<u>\$9,312,566</u>	<u>\$8,191,578</u>	<u>\$8,489,766</u>

Note 2 - INVESTMENTS

The following schedule summarizes the investment return and its classification in the Statements of Activities for the years ended June 30, 2021 and 2020:

	2021	2020
Excess of market over (under) cost:		
End of year	\$ 891,688	\$ 298,188
Beginning of year	298,188	639,744
Unrealized gain (loss)	593,500	(341,556)
Net realized gain	105,056	248,372
Interest and dividends	191,110	199,051
Fees and expenses	(63,705)	(61,874)
Investment income, net	\$ 825,961	\$ 43,993

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, 2021 and 2020 are comprised of and determined as follows:

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

Note 3 - FAIR VALUE MEASUREMENTS (Continued)

	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)
Mutual Funds:				
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	-	-
Fixed income mutual funds:				
Commodities broad basket	18,685	18,685	-	-
Emerging market	54,965	54,965	-	-
High yield bonds	394,945	394,945	-	-
Intermediate term bonds	756,799	756,799	-	-
Long government bonds	62,032	62,032	-	-
Multisector bonds	312,719	312,719	-	-
Short term bonds	32,275	32,275	-	-
Total mutual funds	<u>2,024,811</u>	<u>2,024,811</u>	<u>-</u>	<u>-</u>
Equity Shares:				
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 and notes	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	-	-
Totals	<u>\$ 8,489,766</u>	<u>\$ 8,489,766</u>	<u>\$ -</u>	<u>\$ -</u>

Note 4 - DUE FROM STATE OF LOUISIANA

Due from the State as of June 30, 2021 and 2020 consists of the following.

	2021	2020
Department of Health and Hospitals- residential and habilitation services	\$ 992,738	\$ 1,054,801
Department of Revenue - hotel/motel tax	33,716	131,106
Totals	\$ 1,026,454	\$ 1,185,907

Note 5 - BUILDINGS, FURNITURE, AND EQUIPMENT

Buildings, furniture, and equipment as of June 30, 2021 and 2020 consists of the following:

	2021	2020
Land	\$ 226,200	\$ 226,200
Buildings and improvements	4,244,311	4,204,871
Vehicles	1,746,704	1,644,998
Furniture and equipment	492,160	486,411
	6,709,375	6,562,480
Less: accumulated depreciation	(3,788,774)	(3,598,847)
Net buildings, furniture, and equipment	\$ 2,920,601	\$ 2,963,633

Note 6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued expenses as of June 30, 2021 and 2020 consist of the following:

	2021	2020
Vendors	\$ 38,502	\$ 31,471
Salaries and benefits	561,990	569,544
Other	27,798	45,166
Totals	\$ 628,290	\$ 646,181

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). On January 27, 2021, the loan was repaid by SBA (forgiven), and is reported as support and revenues on the Statement of Activities.

Note 8 - LEASE COMMITMENTS

As of June 30, 2021, 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, 2021 and 2020.

Note 9 - AVAILABILITY OF FINANCIAL ASSETS

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

Occasionally, the Association designates a portion of any operating surplus for a particular purpose. The designated reserves can be changed and made available for immediate use in the event of an urgent liquidity need. The Association did not have any designated reserves as of June 30, 2021.

Note 9 - AVAILABILITY OF FINANCIAL ASSETS (Continued)

The following reflects the Association's financial assets available for use as of June 30, 2021.

Financial assets:	
Cash	\$ 2,790,308
Investments	9,312,566
Due from State of Louisiana	1,026,454
Accounts receivable	<u>85,845</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 13,215,173</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, 2021 and 2020, personal service and occupancy costs incurred at the central office amounting to \$1,051,252 and \$999,834, respectively, were allocated to the programs as follows:

	2021	2020
Chackbay Community Home	\$ 40,286	\$ 35,188
Country Club Community Home	35,023	28,744
Diplomat Way Community Home	43,300	39,972
Stevens Community Home	49,735	41,137
Narrow Street Community Home	34,253	29,775
Richland Community Home	37,305	34,380
Community support services	614,170	582,551
Daycare services	<u>197,180</u>	<u>208,087</u>
Totals	<u>\$ 1,051,252</u>	<u>\$ 999,834</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 \$8,010 and \$9,908 for the years ended June 30, 2021 and 2020, respectively.

Note 13 - CONCENTRATION OF RISK

During the year ended June 30, 2021, the Association maintained its cash deposits and certificates of deposit with local banks. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash, certificates of deposit and money market funds at these institutions exceeded federally insured limits by approximately \$4,559,000 as of June 30, 2021.

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, 2021.

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 periods 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.

SUPPLEMENTARY INFORMATION SECTION

SCHEDULE OF PROGRAM FINANCIAL POSITION

Lafourche ARC
Thibodaux, Louisiana

June 30, 2021

	Community Homes				
	Chackbay	Country Club	Diplomat Way	Stevens	Narrow Street
Assets					
Cash	\$ 200	\$ 200	\$ 100	\$ 200	\$ 100
Investments	684,773	347,649	722,143	70,949	609,373
Due from State of Louisiana	25,100	27,396	29,303	41,553	28,238
Accounts receivable	258	-	-	-	-
Due from other programs	49,123	381,250	50,969	134,002	500,026
Deposits	5,507	1,132	395	333	405
Buildings, furniture, and equipment, net	131,641	48,664	8,338	62,043	143,249
Totals	<u>\$ 896,602</u>	<u>\$ 806,291</u>	<u>\$ 811,248</u>	<u>\$ 309,080</u>	<u>\$ 1,281,391</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 13,553	\$ 13,795	\$ 12,344	\$ 17,634	\$ 14,704
Due to other programs	976,562	20,000	1,033,009	364,353	-
Total liabilities	<u>990,115</u>	<u>33,795</u>	<u>1,045,353</u>	<u>381,987</u>	<u>14,704</u>
Net Assets					
Unrestricted	(93,513)	772,496	(234,105)	(72,907)	1,266,687
Totals	<u>\$ 896,602</u>	<u>\$ 806,291</u>	<u>\$ 811,248</u>	<u>\$ 309,080</u>	<u>\$ 1,281,391</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>
\$ 100	\$ 1,055,994	\$ 470	\$ 1,732,944	\$ -	\$ 2,790,308
304,037	4,534,776	2,038,866	-	-	9,312,566
27,651	786,990	60,223	-	-	1,026,454
-	74,274	11,313	-	-	85,845
246,357	4,293,991	(1,030,535)	1,843,982	(6,469,165)	-
440	-	555	17,507	-	26,274
<u>72,885</u>	<u>1,159,979</u>	<u>922,124</u>	<u>371,678</u>	<u>-</u>	<u>2,920,601</u>
<u>\$ 651,470</u>	<u>\$ 11,906,004</u>	<u>\$ 2,003,016</u>	<u>\$ 3,966,111</u>	<u>\$ (6,469,165)</u>	<u>\$ 16,162,048</u>
\$ 12,992	\$ 431,615	\$ 70,783	\$ 40,870	\$ -	\$ 628,290
150,000	-	-	3,925,241	(6,469,165)	-
<u>162,992</u>	<u>431,615</u>	<u>70,783</u>	<u>3,966,111</u>	<u>(6,469,165)</u>	<u>628,290</u>
<u>488,478</u>	<u>11,474,389</u>	<u>1,932,233</u>	<u>-</u>	<u>-</u>	<u>15,533,758</u>
<u>\$ 651,470</u>	<u>\$ 11,906,004</u>	<u>\$ 2,003,016</u>	<u>\$ 3,966,111</u>	<u>\$ (6,469,165)</u>	<u>\$ 16,162,048</u>

SCHEDULE OF PROGRAM ACTIVITIES**Lafourche ARC**
Thibodaux, Louisiana

For the year ended June 30, 2021

	Community Homes				Narrow Street
	Chackbay	Country Club	Diplomat Way	Stevens	
Changes in Net Assets Without Donor Restrictions					
Support and Revenues					
Support:					
Group services:					
Habituation services	\$ -	\$ -	\$ -	\$ -	\$ -
Residential services	334,064	341,003	443,626	517,637	353,759
Governmental Grants:					
Office for Citizens with Developmental Disabilities	-	-	-	-	-
State of Louisiana-hotel/motel tax	-	-	-	-	-
Department of Transportation and Development	-	-	-	-	-
Client income	65,704	86,262	67,052	97,562	67,244
Sheltered workshop, net of \$42,887 of direct costs	-	-	-	-	-
Paycheck Protection Program loan forgiveness	52,541	42,664	66,433	71,958	45,776
Contributions	-	-	-	-	-
Total support without donor restrictions	<u>452,309</u>	<u>469,929</u>	<u>577,111</u>	<u>687,157</u>	<u>466,779</u>
Revenues:					
Investment income, net	83,832	42,561	88,426	8,706	74,643
Miscellaneous	-	2,200	(10)	-	-
Total revenues	<u>83,832</u>	<u>44,761</u>	<u>88,416</u>	<u>8,706</u>	<u>74,643</u>
Allocations	-	-	-	-	-
Total unrestricted support, revenues and net assets released from restrictions	<u>536,141</u>	<u>514,690</u>	<u>665,527</u>	<u>695,863</u>	<u>541,422</u>
Expenses					
Program services:					
Medical and nursing	15,074	14,394	16,915	11,302	6,974
Therapeutic and training	279,445	223,501	299,039	360,254	226,683
Recreational	466	10	30	8	579
Consultants	15,996	17,047	15,368	16,828	15,919
Total program services	<u>310,981</u>	<u>254,952</u>	<u>331,352</u>	<u>388,392</u>	<u>250,155</u>
Support services:					
Administrative and general	102,689	111,744	112,785	129,661	98,448
Plant operations and maintenance	21,128	12,412	11,751	15,467	21,715
Costs related to capital assets	5,824	3,637	19,753	12,710	6,558
Dietary	13,958	13,787	14,573	17,648	11,394
Laundry and linen	1,404	1,286	758	630	1,699
Housekeeping	2,506	1,607	1,993	2,455	855
Personal client needs	2,012	910	1,990	1,537	708
Total support services	<u>149,521</u>	<u>145,383</u>	<u>163,603</u>	<u>180,108</u>	<u>141,377</u>
Total expenses	<u>460,502</u>	<u>400,335</u>	<u>494,955</u>	<u>568,500</u>	<u>391,532</u>
Increase (Decrease) in Assets Without Donor Restrictions	<u>75,639</u>	<u>114,355</u>	<u>170,572</u>	<u>127,363</u>	<u>149,890</u>
Net Assets					
Beginning of year	<u>(169,152)</u>	<u>658,141</u>	<u>(404,677)</u>	<u>(200,270)</u>	<u>1,116,797</u>
End of year	<u>\$ (93,513)</u>	<u>\$ 772,496</u>	<u>\$ (234,105)</u>	<u>\$ (72,907)</u>	<u>\$ 1,266,687</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>
\$ -	\$ 6,434,355	\$ -	\$ -	\$ -	\$ 6,434,355
420,462	244,938	166,458	-	-	2,821,947
-	-	6,265	-	-	6,265
-	-	344,734	-	-	344,734
-	-	128,960	-	-	128,960
57,934	-	-	-	-	441,758
-	-	97,284	-	-	97,284
54,754	1,239,357	206,117	-	-	1,779,600
-	-	11,670	8,657	-	20,327
<u>533,150</u>	<u>7,918,650</u>	<u>961,488</u>	<u>8,657</u>	<u>-</u>	<u>12,075,230</u>
37,241	307,357	183,195	-	-	825,961
-	21,068	44,040	-	-	67,298
<u>37,241</u>	<u>328,425</u>	<u>227,235</u>	<u>-</u>	<u>-</u>	<u>893,259</u>
-	-	-	1,051,252	(1,051,252)	-
<u>570,391</u>	<u>8,247,075</u>	<u>1,188,723</u>	<u>1,059,909</u>	<u>(1,051,252)</u>	<u>12,968,489</u>
10,018	8,779	-	121	-	83,577
246,000	5,631,750	1,219,484	-	-	8,486,156
499	-	-	461	-	2,053
17,091	197,002	-	-	-	295,251
<u>273,608</u>	<u>5,837,531</u>	<u>1,219,484</u>	<u>582</u>	<u>-</u>	<u>8,867,037</u>
106,955	953,689	526,785	969,720	(1,051,252)	2,061,224
15,260	41,527	161,520	39,266	-	340,046
5,126	35,313	167,197	50,234	-	306,352
19,056	16	-	-	-	90,432
1,090	-	-	-	-	6,867
2,861	84	-	107	-	12,468
2,470	112	-	-	-	9,739
<u>152,818</u>	<u>1,030,741</u>	<u>855,502</u>	<u>1,059,327</u>	<u>(1,051,252)</u>	<u>2,827,128</u>
<u>426,426</u>	<u>6,868,272</u>	<u>2,074,986</u>	<u>1,059,909</u>	<u>(1,051,252)</u>	<u>11,694,165</u>
<u>143,965</u>	<u>1,378,803</u>	<u>(886,263)</u>	<u>-</u>	<u>-</u>	<u>1,274,324</u>
<u>344,513</u>	<u>10,095,586</u>	<u>2,818,496</u>	<u>-</u>	<u>-</u>	<u>14,259,434</u>
<u>\$ 488,478</u>	<u>\$ 11,474,389</u>	<u>\$ 1,932,233</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,533,758</u>

SCHEDULE OF PROGRAM SERVICES EXPENSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2021

	Community Homes				
	Chackbay	Country Club	Diplomat Way	Stevens	Narrow Street
Medical and Nursing					
Medical services	\$ 3,056	\$ 5,157	\$ 1,096	\$ 3,064	\$ 766
Other	169	1,443	107	251	-
Prescriptions	2,092	2,964	2,307	2,435	1,569
Supplies	9,757	4,830	13,405	5,552	4,639
	<u>15,074</u>	<u>14,394</u>	<u>16,915</u>	<u>11,302</u>	<u>6,974</u>
Therapeutic and Training					
Salaries, payroll taxes, and benefits	279,445	223,501	299,039	360,254	226,683
Supplies	-	-	-	-	-
	<u>279,445</u>	<u>223,501</u>	<u>299,039</u>	<u>360,254</u>	<u>226,683</u>
Recreational					
Supplies	466	10	30	8	579
Consultants					
Other	2,167	2,167	2,167	2,229	2,167
Pharmacist	664	1,268	733	871	1,008
Psychiatrist	1,154	1,601	457	1,717	733
Registered nurse	12,011	12,011	12,011	12,011	12,011
Social worker	-	-	-	-	-
	<u>15,996</u>	<u>17,047</u>	<u>15,368</u>	<u>16,828</u>	<u>15,919</u>
Total program services	<u>\$ 310,981</u>	<u>\$ 254,952</u>	<u>\$ 331,352</u>	<u>\$ 388,392</u>	<u>\$ 250,155</u>

<u>Community Homes Richland</u>	<u>Community Support</u>	<u>Day Care Services</u>	<u>Central Office</u>	<u>Grand Totals</u>
\$ 3,452	\$ 160	\$ -	\$ -	\$ 16,751
306	1,050	-	121	3,447
1,550	406	-	-	13,323
4,710	7,163	-	-	50,056
<u>10,018</u>	<u>8,779</u>	<u>-</u>	<u>121</u>	<u>83,577</u>
246,000	5,631,750	1,209,195	-	8,475,867
-	-	10,289	-	10,289
<u>246,000</u>	<u>5,631,750</u>	<u>1,219,484</u>	<u>-</u>	<u>8,486,156</u>
499	-	-	461	2,053
2,167	34,311	-	-	47,375
1,154	100	-	-	5,798
1,559	124	-	-	7,345
12,011	162,467	-	-	234,533
200	-	-	-	200
<u>17,091</u>	<u>197,002</u>	<u>-</u>	<u>-</u>	<u>295,251</u>
<u>\$ 273,608</u>	<u>\$ 5,837,531</u>	<u>\$ 1,219,484</u>	<u>\$ 582</u>	<u>\$ 8,867,037</u>

SCHEDULE OF SUPPORT SERVICES EXPENSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2021

	Community Homes				
	Chackbay	Country Club	Diplomat Way	Stevens	Narrow Street
Administrative and General					
Bed fees	\$ 27,972	\$ 35,369	\$ 35,369	\$ 35,369	\$ 35,369
Central office	40,286	35,023	43,300	49,735	34,253
Dues and subscriptions	-	-	-	-	-
Insurance	29,916	30,316	23,989	33,961	23,334
Licenses	615	620	615	620	620
Other	308	746	256	247	371
Postage	-	46	-	-	11
Professional fees	-	741	-	-	-
Salaries, payroll taxes, and benefits	-	-	-	-	-
Supplies	1,209	2,457	1,123	622	2,054
Telephone	516	3,890	6,244	5,525	489
Training-in-service	-	-	-	-	-
Travel and seminars	1,051	906	188	2,581	1,157
Vehicles - gas, oil, and repairs	816	1,630	1,701	1,001	790
Total administrative and general	<u>102,689</u>	<u>111,744</u>	<u>112,785</u>	<u>129,661</u>	<u>98,448</u>
Plant Operations and Maintenance					
Maintenance and repairs	15,293	3,608	4,527	7,047	13,645
Utilities	5,835	8,804	7,224	8,420	8,070
Total plant operations and maintenance	<u>21,128</u>	<u>12,412</u>	<u>11,751</u>	<u>15,467</u>	<u>21,715</u>
Costs Related to Capital Assets					
Depreciation	5,824	3,637	553	12,710	6,558
Lease	-	-	19,200	-	-
Total costs related to capital assets	<u>5,824</u>	<u>3,637</u>	<u>19,753</u>	<u>12,710</u>	<u>6,558</u>
Dietary					
Contracts - dietician	2,080	1,600	1,760	1,760	160
Food	9,755	11,298	12,321	14,148	10,957
Supplies	2,123	889	492	1,740	277
Total dietary expenses	<u>13,958</u>	<u>13,787</u>	<u>14,573</u>	<u>17,648</u>	<u>11,394</u>
Laundry and Linen					
Linen and bedding	300	972	33	3	1,359
Supplies	1,104	314	725	627	340
Total laundry and linen	<u>1,404</u>	<u>1,286</u>	<u>758</u>	<u>630</u>	<u>1,699</u>
Housekeeping					
Supplies	2,506	1,607	1,993	2,455	855
Personal Client Needs					
Clothing	529	165	186	350	72
Other	1,483	745	1,804	1,187	636
Total personal client needs	<u>2,012</u>	<u>910</u>	<u>1,990</u>	<u>1,537</u>	<u>708</u>
Total support services	<u>\$ 149,521</u>	<u>\$ 145,383</u>	<u>\$ 163,603</u>	<u>\$ 180,108</u>	<u>\$ 141,377</u>

Community Homes Richland	Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
\$ 34,706	\$ -	\$ -	\$ -	\$ -	\$ 204,154
37,305	614,170	197,180	-	(1,051,252)	-
-	-	-	15,210	-	15,210
23,534	167,724	242,848	53,778	-	629,400
795	1,307	-	315	-	5,507
292	75,168	9,632	42,704	-	129,724
-	2,122	-	2,128	-	4,307
-	1,520	-	31,610	-	33,871
-	-	-	771,655	-	771,655
2,506	18,597	21,930	36,772	-	87,270
5,687	20,174	21,292	14,128	-	77,945
-	538	-	1,045	-	1,583
1,394	42,986	3,186	313	-	53,762
736	9,383	30,717	62	-	46,836
<u>106,955</u>	<u>953,689</u>	<u>526,785</u>	<u>969,720</u>	<u>(1,051,252)</u>	<u>2,061,224</u>
6,073	41,527	114,110	15,388	-	221,218
9,187	-	47,410	23,878	-	118,828
<u>15,260</u>	<u>41,527</u>	<u>161,520</u>	<u>39,266</u>	<u>-</u>	<u>340,046</u>
5,126	35,313	167,197	50,234	-	287,152
-	-	-	-	-	19,200
<u>5,126</u>	<u>35,313</u>	<u>167,197</u>	<u>50,234</u>	<u>-</u>	<u>306,352</u>
160	-	-	-	-	7,520
17,225	-	-	-	-	75,704
1,671	16	-	-	-	7,208
<u>19,056</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,432</u>
49	-	-	-	-	2,716
1,041	-	-	-	-	4,151
<u>1,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,867</u>
2,861	84	-	107	-	12,468
801	-	-	-	-	2,103
1,669	112	-	-	-	7,636
<u>2,470</u>	<u>112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,739</u>
<u>\$ 152,818</u>	<u>\$ 1,030,741</u>	<u>\$ 855,502</u>	<u>\$ 1,059,327</u>	<u>\$ (1,051,252)</u>	<u>\$ 2,827,128</u>

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

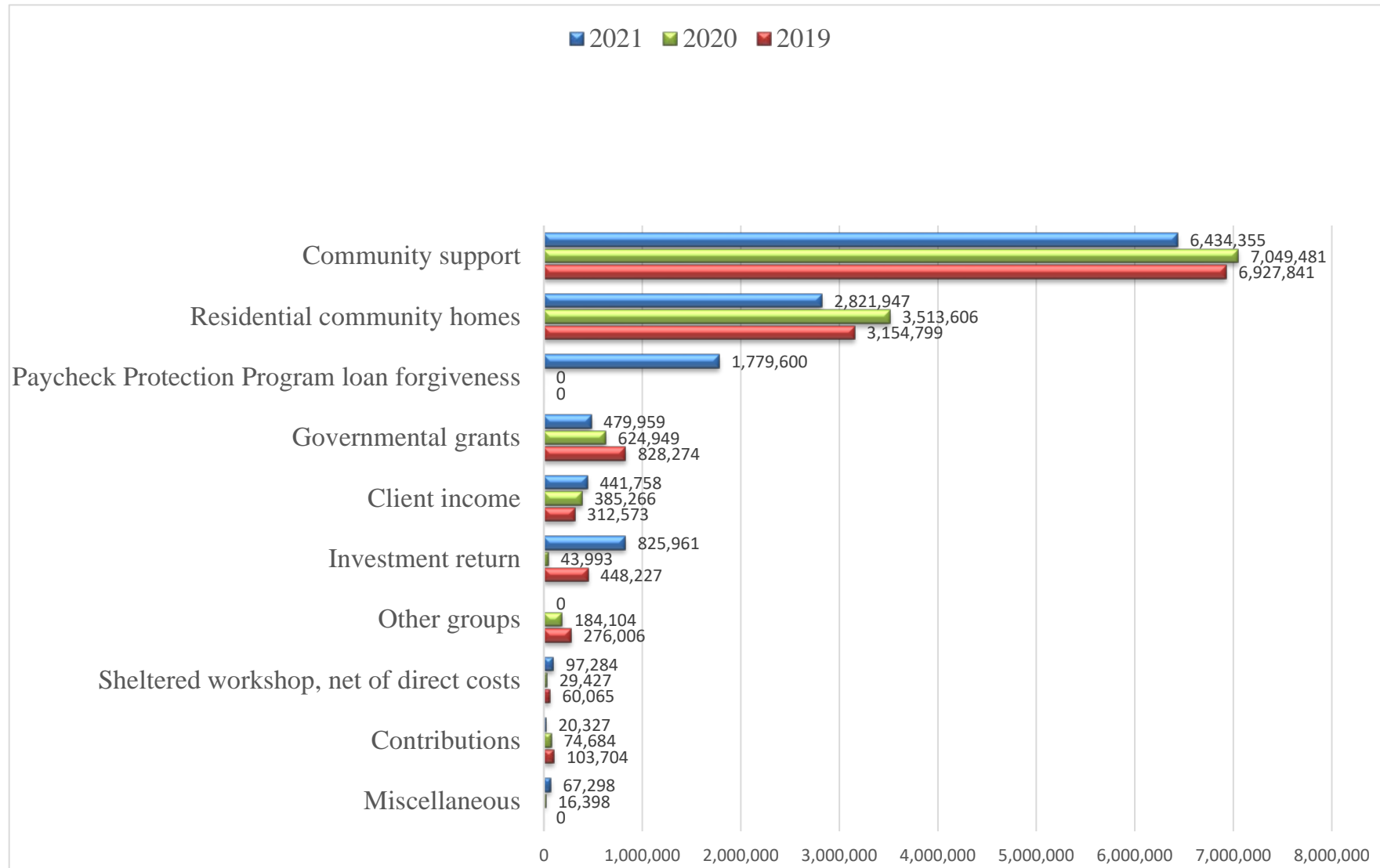
For the years ended June 30, 2021, 2020, and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenues			
Community support	\$ 6,434,355	\$ 7,049,481	\$ 6,927,841
Residential community homes	2,821,947	3,513,606	3,154,799
Governmental grants	479,959	624,949	828,274
Other:			
Client income	441,758	385,266	312,573
Investment return	825,961	43,993	448,227
Other groups	-	184,104	276,006
Sheltered workshop, net of direct costs	97,284	29,427	60,065
Contributions	20,327	74,684	103,704
Paycheck Protection Program loan forgiveness	1,779,600	-	-
Miscellaneous	67,298	16,398	-
	<u>\$ 12,968,489</u>	<u>\$ 11,921,908</u>	<u>\$ 12,111,489</u>
Expenses			
Bed fees	\$ 204,154	\$ 212,193	\$ 209,726
Contracts - outside services	302,771	279,014	270,839
Depreciation	287,152	278,517	255,770
Food	75,704	87,685	88,236
Insurance	629,400	669,888	726,713
Lease	19,200	19,200	19,200
Maintenance and repairs	221,218	151,526	132,223
Other expenses	314,123	307,799	272,710
Salaries, payroll taxes, and benefits	9,247,522	10,173,500	9,559,834
Supplies	173,495	158,809	122,290
Travel and seminars	53,762	76,012	76,976
Utilities	118,828	123,295	125,428
Vehicles - gas, oil and repairs	46,836	85,971	117,150
	<u>\$ 11,694,165</u>	<u>\$ 12,623,409</u>	<u>\$ 11,977,095</u>

REVENUES

Lafourche ARC
Thibodaux, Louisiana

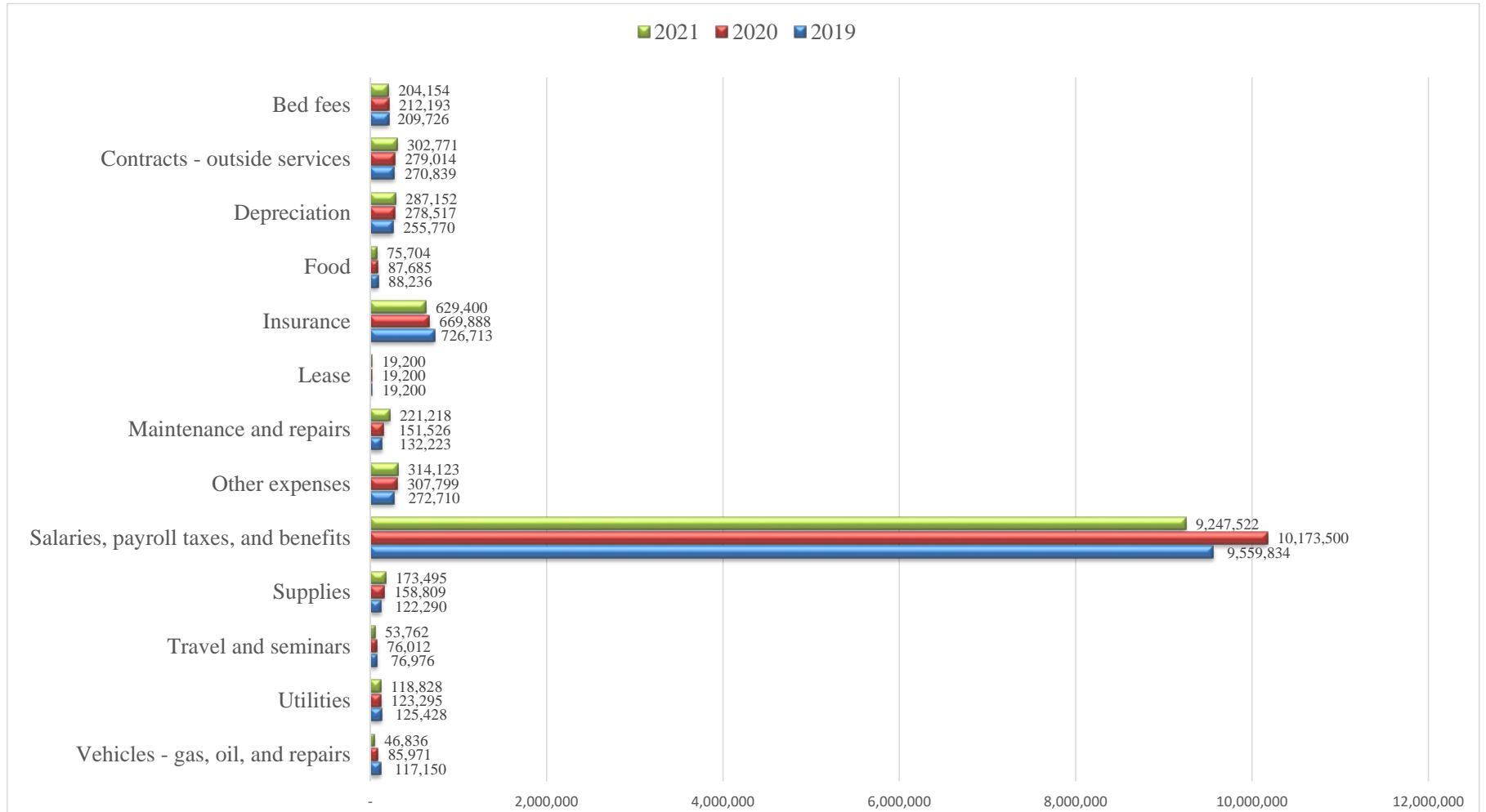
For the years ended June 30, 2021, 2020, and 2019



EXPENSES

Lafourche ARC
Thibodaux, Louisiana

For the years ended June 30, 2021, 2020, and 2019



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

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2021

Agency Head Name: Wendy Eschete, Executive Director

Purpose	
Salary	\$ 90,628
Benefits - insurance	4,356
Benefits - retirement	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/>
	<u>\$ 94,984</u>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Lafourche ARC, (the "Association"), which comprise the Statement of Financial Position as of June 30, 2021, 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 18, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
January 18, 2022.

SCHEDULE OF FINDINGS AND RESPONSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2021

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, 2021.

Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended June 30, 2021.

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, 2021

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 statement 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.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2021

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

Internal Control

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

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

Compliance

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

Section II Internal Control and Compliance Material to Federal Awards

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

Section III Management Letter

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