EASTER SEALS LOUISIANA, INC.

Audits of Financial Statements

June 30, 2021 and 2020

LAPORTE
CPAs & BUSINESS ADVISORS

Contents

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Independent Auditor's Report

To the Board of Directors
Easter Seals Louisiana, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Easter Seals Louisiana, Inc. (the Organization) which comprise the statements of financial position as of June 30, 2021 and 2020, the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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 audit. We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free from 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 fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 presentation of the financial statements.

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 Easter Seals Louisiana, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters
Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2021, on our consideration of Easter Seals Louisiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

LaPorte

A Professional Accounting Corporation

Covington, LA
September 27, 2021

EASTER SEALS LOUISIANA, INC.
Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Cash Used for Operations	**$ 862,016**	$ 2,261,868
Cash Designated for Capital Projects	**5,485,093**	784,302
Cash Equivalents Designated for Endowment	**154,932**	146,111
Accounts Receivable, Net	**1,575,515**	1,178,699
Prepaid Expenses and Deposits	**39,956**	78,548
Investments - Board-Designated	**4,075,131**	1,673,291
Unemployment Trust	**160,858**	122,347
Beneficial Interest in Asset Held by Others	**8,296**	8,296
Goodwill	**67,175**	-
Furniture and Equipment, Net	**37,711**	8,655
Total Assets	**$ 12,466,683**	$ 6,262,117
Liabilities		
Accounts Payable	**$ 45,933**	$ 23,153
Accrued Expenses	**95,161**	36,775
Note Payable	**-**	1,477,300
Total Liabilities	**141,094**	1,537,228
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	**2,610,433**	2,121,185
Board-Designated	**9,715,156**	2,603,704
Total Net Assets	**12,325,589**	4,724,889
Total Liabilities and Net Assets	**$ 12,466,683**	$ 6,262,117

The accompanying notes are an integral part of these financial statements.

EASTER SEALS LOUISIANA, INC.
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2021 and 2020

	2021	2020
Support and Revenue		
Program Revenue		
Case Management	$ 6,175,159	$ 6,318,572
Mental Health Services	2,366,354	1,826,387
System Point of Entry (SPOE)	1,499,545	1,592,793
Integrated Community Engagement	492,869	512,513
Autism Services	-	6,700
Contributions and Other Revenue		
Contributions	5,104,631	46,573
PPP Grant Income	1,477,300	-
Net Bingo Income	511,517	276,889
Net Investment Return	448,075	50,405
Miscellaneous	235,987	26,505
Special Events	15,681	80,251
Total Support and Revenue	18,327,118	10,737,588
Expenses		
Program Services		
Case Management	5,109,138	5,319,818
Mental Health Services	1,312,966	1,640,035
System Point of Entry	1,310,782	1,375,071
Integrated Community Engagement	1,252,318	637,172
Direct Services	-	1,500
Supporting Services		
Management and General	1,215,926	1,103,296
Development, Marketing, and Fundraising	525,288	331,408
Total Expenses	10,726,418	10,408,300
Change in Net Assets	7,600,700	329,288
Net Assets, Beginning of Year	4,724,889	4,395,601
Net Assets, End of Year	$ 12,325,589	$ 4,724,889

The accompanying notes are an integral part of these financial statements.

EASTER SEALS LOUISIANA, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Services							
			Mental Health Services					
	Case Management (All Regions)	Integrated Community Engagement (I & II)	Shreveport Crisis Services	Shreveport Community Psychiatric Support Treatment	Shreveport Residential	Monroe Transitional Housing	Monroe Intensive Case Management	Total Mental Health Services
Salaries and Employee Benefits	$ 4,419,576	$ 660,708	$ 217,439	$ 59,877	$ 275,457	$ 164,944	$ 36,914	$ 754,631
Professional Fees and Contracted Services	62,731	91,241	7,247	2,986	11,109	13,244	3,198	37,784
Supplies	91,949	72,196	19,237	856	55,322	64,917	262	140,594
Telecommunications	46,874	6,167	10,708	2,469	11,366	8,397	705	33,645
Postage and Shipping	8,539	2,250	838	-	18	55	-	911
Occupancy	246,074	96,321	30,583	-	78,327	169,893	211	279,014
Equipment Rent and Maintenance	148,919	19,071	13,456	3,880	9,089	6,502	836	33,763
Printing, Publications, and Media	113	-	-	-	-	-	-	-
Travel and Transportation	8,361	8,496	203	1,218	3,000	750	-	5,171
Conferences and Meetings	2,230	515	129	-	231	-	-	360
Specific Assistance	-	268,203	-	-	-	-	-	-
Insurance	31,301	12,815	949	200	2,273	10,115	312	13,849
Bad Debt Expense (Recovery)	(16,774)	3,457	-	-	-	-	106	106
Miscellaneous	47,826	9,041	2,406	894	3,539	2,746	750	10,335
Auditing Fees	-	-	-	-	-	-	-	-
Directors and Officers Insurance	7,104	785	325	130	782	456	-	1,693
Depreciation and Amortization	4,315	1,052	257	61	381	374	37	1,110
Total Functional Expenses	5,109,138	1,252,318	303,777	72,571	450,894	442,393	43,331	1,312,966
National Membership Dues	-	-	-	-	-	-	-	-
Total Functional Expenses with National Membership Dues	$ 5,109,138	$ 1,252,318	$ 303,777	$ 72,571	$ 450,894	$ 442,393	$ 43,331	$ 1,312,966

The accompanying notes are an integral part of these financial statements.

EASTER SEALS LOUISIANA, INC.
Statement of Functional Expenses (Continued)
For the Year Ended June 30, 2021

	Program Services		Supporting Services			
	System Point of Entry (All Regions)	**Total Program Services**	**Management and General**	**Development, Marketing, and Fundraising**	**Total Supporting Services**	**Total**
Salaries and Employee Benefits	$ 1,031,534	$ 6,866,449	$ 927,858	$ 160,605	$ 1,088,463	$ 7,954,912
Professional Fees and Contracted Services	9,926	201,682	67,559	30,720	98,279	299,961
Supplies	41,333	346,072	38,683	164,232	202,915	548,987
Telecommunications	26,820	113,506	11,342	842	12,184	125,690
Postage and Shipping	11,808	23,508	845	962	1,807	25,315
Occupancy	108,033	729,442	30,958	134,411	165,369	894,811
Equipment Rent and Maintenance	31,966	233,719	9,765	5,216	14,981	248,700
Printing, Publications, and Media	441	554	-	59	59	613
Travel and Transportation	304	22,332	28,960	2,190	31,150	53,482
Conferences and Meetings	69	3,174	1,913	39	1,952	5,126
Specific Assistance	-	268,203	-	-	-	268,203
Insurance	4,340	62,305	4,363	70	4,433	66,738
Bad Debt Expense (Recovery)	28,992	15,781	-	-	-	15,781
Miscellaneous	12,871	80,073	7,217	25,361	32,578	112,651
Auditing Fees	-	-	34,275	-	34,275	34,275
Directors and Officers Insurance	1,238	10,820	587	130	717	11,537
Depreciation and Amortization	1,107	7,584	984	451	1,435	9,019
Total Functional Expenses	1,310,782	8,985,204	1,165,309	525,288	1,690,597	10,675,801
National Membership Dues	-	-	50,617	-	50,617	50,617
Total Functional Expenses with National Membership Dues	$ 1,310,782	$ 8,985,204	$ 1,215,926	$ 525,288	$ 1,741,214	$ 10,726,418

The accompanying notes are an integral part of these financial statements.

EASTER SEALS LOUISIANA, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2020

	Program Services							
			Mental Health Services					
	Case Management (All Regions)	Integrated Community Engagement (I & II)	Shreveport Crisis Services	Shreveport Community Psychiatric Support Treatment	Shreveport Residential	Monroe Transitional Housing	Monroe Intensive Case Management	Total Mental Health Services
Salaries and Employee Benefits	$ 4,503,535	$ 232,308	$ 205,661	$ 164,160	$ 311,233	$ 159,670	$ 188,847	$ 1,029,571
Professional Fees and Contracted Services	68,213	34,776	6,433	10,943	9,535	5,222	49,992	82,125
Supplies	78,707	8,458	18,931	5,275	44,277	53,788	6,248	128,519
Telecommunications	54,074	3,053	5,142	4,172	10,043	4,099	7,796	31,252
Postage and Shipping	11,056	108	1,100	254	-	129	298	1,781
Occupancy	243,934	76,184	13,860	7,411	78,163	156,849	21,177	277,460
Equipment Rent and Maintenance	95,035	5,929	5,924	4,128	10,102	3,523	6,424	30,101
Printing, Publications, and Media	2,864	293	189	652	-	-	934	1,775
Travel and Transportation	167,618	5,344	2,526	5,077	2,929	765	8,186	19,483
Conferences and Meetings	1,947	600	-	222	35	59	65	381
Specific Assistance	-	260,025	66	-	-	-	-	66
Insurance	25,712	1,570	1,026	1,036	2,584	997	883	6,526
Bad Debt Expense	30,293	3,141	-	6,442	-	-	10,497	16,939
Miscellaneous	29,144	5,070	3,226	422	1,544	1,033	947	7,172
Taxes	-	-	-	-	-	-	-	-
Auditing Fees	-	-	4,780	-	-	-	-	4,780
Directors and Officers Insurance	6,478	168	335	223	726	-	447	1,731
Depreciation	1,208	145	61	48	107	88	69	373
Total Functional Expenses	5,319,818	637,172	269,260	210,465	471,278	386,222	302,810	1,640,035
National Membership Dues	-	-	-	-	-	-	-	-
Total Functional Expenses with National Membership Dues	$ 5,319,818	$ 637,172	$ 269,260	$ 210,465	$ 471,278	$ 386,222	$ 302,810	$ 1,640,035

The accompanying notes are an integral part of these financial statements.

EASTER SEALS LOUISIANA, INC.
Statement of Functional Expenses (Continued)
For the Year Ended June 30, 2020

	Program Services			Supporting Services			
	System Point of Entry (All Regions)	Direct Services	Total Program Services	Management and General	Development, Marketing, and Fundraising	Total Supporting Services	Total
Salaries and Employee Benefits	$ 1,057,167	$ -	$ 6,822,581	$ 850,151	$ 133,801	$ 983,952	$ 7,806,533
Professional Fees and Contracted Services	12,100	-	197,214	47,743	9,198	56,941	254,155
Supplies	40,945	-	256,629	28,266	72,086	100,352	356,981
Telecommunications	31,273	-	119,652	6,847	887	7,734	127,386
Postage and Shipping	12,861	-	25,806	157	214	371	26,177
Occupancy	118,280	-	715,858	31,265	73,200	104,465	820,323
Equipment Rent and Maintenance	32,232	-	163,297	12,358	436	12,794	176,091
Printing, Publications, and Media	2,922	-	7,854	467	648	1,115	8,969
Travel and Transportation	37,389	-	229,834	25,856	2,206	28,062	257,896
Conferences and Meetings	1,668	-	4,596	7,660	12,105	19,765	24,361
Specific Assistance	-	1,500	261,591	19	-	19	261,610
Insurance	4,739	-	38,547	5,636	-	5,636	44,183
Bad Debt Expense	-	-	50,373	-	-	-	50,373
Miscellaneous	6,734	-	48,120	9,334	26,276	35,610	83,730
Taxes	-	-	-	6,614	-	6,614	6,614
Auditing Fees	15,220	-	20,000	17,938	-	17,938	37,938
Directors and Officers Insurance	1,229	-	9,606	558	112	670	10,276
Depreciation	312	-	2,038	299	239	538	2,576
Total Functional Expenses	1,375,071	1,500	8,973,596	1,051,168	331,408	1,382,576	10,356,172
National Membership Dues	-	-	-	52,128	-	52,128	52,128
Total Functional Expenses with National Membership Dues	$ 1,375,071	$ 1,500	$ 8,973,596	$ 1,103,296	$ 331,408	$ 1,434,704	$ 10,408,300

The accompanying notes are an integral part of these financial statements.

EASTER SEALS LOUISIANA, INC.
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in Net Assets	**$ 7,600,700**	$ 329,288
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities		
Depreciation and Amortization	**9,019**	2,575
Bad Debt Expense	**15,781**	50,373
Net Realized and Unrealized Gain on Investments	**(383,488)**	(6,072)
Revenue Recognized from Forgiveness of PPP Loan	**(1,477,300)**	-
(Increase) Decrease in Operating Assets		
Accounts Receivable	**(412,597)**	(5,837)
Prepaid Expenses and Deposits	**38,592**	(34,991)
Unemployment Trust	**(38,511)**	(9,955)
Increase (Decrease) in Operating Liabilities		
Accounts Payable	**22,780**	(5,169)
Accrued Expenses	**58,386**	(33,660)
Net Cash Provided by Operating Activities	**5,433,362**	286,552
Cash Flows from Investing Activities		
Purchases of Fixed Assets	**(34,539)**	(9,671)
Purchases of Investments	**(2,709,563)**	(522,216)
Purchase of Goodwill	**(70,711)**	-
Proceeds from Sales of Investments	**691,211**	578,724
Net Cash (Used in) Provided by Investing Activities	**(2,123,602)**	46,837
Cash Flows from Financing Activities		
Proceeds from Note Payable	**-**	1,477,300
Net Cash Provided by Financing Activities	**-**	1,477,300
Net Increase in Cash and Cash Equivalents	**3,309,760**	1,810,689
Cash and Cash Equivalents, Beginning of Year	**3,192,281**	1,381,592
Cash and Cash Equivalents, End of Year	**$ 6,502,041**	$ 3,192,281

The accompanying notes are an integral part of these financial statements.

The following table provides a reconciliation of cash and board-designated cash equivalents reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows:

	2021	2020
Cash Used for Operations	**$ 862,016**	$ 2,261,868
Cash Designated for Capital Projects	**5,485,093**	784,302
Cash Equivalents Designated for Endowment	**154,932**	146,111
Total Cash and Designated Cash Equivalents Shown in the Statements of Cash Flows	**$ 6,502,041**	$ 3,192,281

The accompanying notes are an integral part of these financial statements.

Note 1. Nature of Activities

Easter Seals Louisiana, Inc. (the Organization), is a nonprofit, community-based healthcare agency organized under the laws of the State of Louisiana. The mission of the Organization is to help children and adults with disabilities, and their families, obtain, and effectively utilize resources necessary to lead more independent and purposeful lives. The Organization maintains services that create an acceptance toward people with disabilities through the following programs:

Case Management - Assists individuals with disabilities across the lifespan and adults with behavioral health issues to access needed services and become as independent as possible.

Mental Health Services - Teaches and reinforces skills for participants to remain in the community living independently. Mental Health Services includes case management and skills training focused on addressing functional deficits related to chronic, severe behavioral health issues. These services are provided primarily in the community including the participant's home, community resources, and other community locations by utilizing an advanced practice registered nurse for psychiatric evaluations and medication management and licensed counselors for assessments and counseling services.

System Point of Entry - Identifies, evaluates, and supports infants and toddlers, ages birth to three, who have a developmental delay or developmental disability.

Integrated Community Engagement - Provides support from a network of volunteers, advocates, donors, and vendors who assist the Organization in sustaining its mission.

Direct Services - Provides an opportunity for disabled children to experience the joys and challenges of camp in a fully accessible setting.

Note 2. Summary of Significant Accounting Policies

Organization and Income Taxes

The Organization is a nonprofit corporation organized under the laws of the State of Louisiana in 1951. It is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the IRC. It is also exempt from Louisiana income tax under the authority of Louisiana Revised Statute (R.S.) 47:121(5).

Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), involving the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-For-Profit Entities.* Accordingly, the Organization 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 Organization has no net assets with donor restrictions.

Cash Flow Information

The Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents. The Organization did not make any cash payments for income taxes or interest during the years ended June 30, 2021 and 2020.

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions

Contributions are recorded as without donor restrictions or with donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions.

Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Revenue Recognition

The Organization accounts for a contract with a client when it has written approval, the contract is committed, the rights of the parties, including payment terms, are identified, the contract has commercial substance, and consideration is probable of collection.

Revenue is recognized when, or as, control of a promised service transfers to a client, in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for transferring those services.

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

If the consideration promised in a contract includes a variable amount, the Organization estimates the amount to which it expects to be entitled using the most-likely-amount method. The Organization only includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

The Organization's standard billing terms are that payment is due upon receipt of invoice, payable within 30 - 60 days. Invoices are generally issued monthly when services are rendered.

The Organization maintains programs and services that create an acceptance toward people with disabilities through the following: Camperships, Equipment Loans and Specific Assistance, Support Coordination (Case Management), Mental Health Services, and Early Intervention Services. The Organization also hosts bingo events as part of its fundraising activity.

For support coordination, contracts typically require the completion of a defined service per month and billing for completed services are based on actual amounts. The Organization typically satisfies the performance obligation and recognizes revenue at a point in time. Revenues obtained through such arrangements are typically billed and recognized monthly, after the service has been delivered. This results in revenue recognition that corresponds with the value to the client of the services transferred to date.

Under Case Management contracts, the Organization is contracted by the State of Louisiana through its designee for the initial coordination of the Early Steps Program, an early intervention program. The Organization is reimbursed for allowable costs incurred as services are incurred and costs are submitted. While management determined that performance obligations related to this service are satisfied over time, the services are typically billed as incurred, which is within four weeks of the service being provided. Management therefore elected to utilize the right to invoice practical expedient, where an entity is allowed to recognize revenue as invoiced, if the entity's right to payment is for an amount that corresponds directly with the value to the customer.

Revenues from bingo fundraiser events are recognized at a point in time, which is the date at which the event took place. This results in revenue recognition that corresponds with the value to the client of the services transferred to date.

Accounts Receivable

The Organization provides services under contracts entered into with various state and federal agencies. Accounts receivable include amounts billed under these contracts and amounts due from patients for services provided.

Note 2. Summary of Significant Accounting Policies (Continued)

Accounts Receivable (Continued)

A major portion of the accounts receivable balances as of June 30, 2021 and 2020 is from the Louisiana Department of Health and Hospitals. Management closely monitors outstanding accounts receivable and estimates an allowance for uncollectible receivables based on prior experience. Balances that are determined to be uncollectible are written off. As of June 30, 2021 and 2020, the allowance for uncollectible receivables was $43,522 and $38,006, respectively.

Furniture and Equipment

Furniture and equipment are recorded at cost. Repairs and maintenance are charged to expense as incurred; major renewals and replacements and betterments of $1,000 or greater are capitalized. Depreciation is computed on the straight-line method over the estimated useful life of each asset which ranges from three to seven years. Donated property is recorded at its fair market value at the date of donation.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is present when the sum of undiscounted estimated future cash flows expected to result from use of the assets is less than carrying value. If impairment is present, the carrying value of the impaired asset is reduced to its fair value. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets. During the years ended June 30, 2021 and 2020, there were no impairment losses recognized for long-lived assets.

Goodwill

On January 1, 2021, the Organization entered into an asset purchase agreement (see Note 9). The Organization has classified as goodwill the excess of the purchase price over fair value of assets acquired. In accordance with accounting alternatives offered to nonpublic companies for the recognition and measurement of goodwill, the Organization has elected not to recognize separately from goodwill any intangible assets relating to (a) customer-related intangible assets unless they are capable of being sold or licensed independently from other assets of a business or (b) non-competition agreements. The Organization has also elected to amortize goodwill over ten years on the straight-line basis and only evaluate goodwill for impairment when a triggering event occurs. There was no impairment for the year ended June 30, 2021.

Allocated Expenses

The costs of providing the various programs and supporting services are summarized in the statements of functional expenses, which present the natural classification detail of expenses by function. Certain expenses have been allocated among the programs and supporting services benefitted based on management's estimates of the costs involved. See Note 15.

Note 2. Summary of Significant Accounting Policies (continued)

Reclassification

Certain amounts in the 2020 financial statements have been reclassified for comparative purposes to conform with the presentation in the 2021 financial statements.

Recent Accounting Pronouncements

In January 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. In June 2020, the FASB issued ASU 2020-05 which defers the effective date of ASU 2016-02 one year, making it effective for financial statements issued for annual periods beginning after December 15, 2021. Management is currently evaluating the impact of the pending adoption of this standard on the Organization’s financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard addresses measurement of contributed nonfinancial assets recognized by not-for-profit organizations, and enhances disclosures with respect to these contributions. The ASU will be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021. Management is currently evaluating the impact of the pending adoption of the new standard on its financial statements.

Note 3. Liquidity and Availability

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization manages its cash available to meet general expenditures by:

- Operating within a prudent range of financial soundness and stability
- Maintaining adequate liquid assets
- Maintaining sufficient reserves to provide reasonable assurance of sustainability
- Having a line of credit available for times of unforeseen events or delays in payment of receivables by resource providers

Assets not available to meet general expenditures within one year of the statements of financial position date include amounts in nonspendable form and assets subject to internal board designations. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution.

Note 3. Liquidity and Availability (Continued)

The following table reflects the Organization's financial assets available to meet general expenditures within one year of the statements of financial position as of June 30, 2021 and 2020:

	2021	2020
Cash Used for Operations	**$ 862,016**	$ 2,261,868
Accounts Receivable, Net	**1,575,515**	1,178,699
Total Financial Assets	**$ 2,437,531**	$ 3,440,567

Note 4. Business Combination

Canal Hall Bingo Operations

The Organization acquired certain assets of Canal Hall Bingo Operations in a business combination pursuant to an asset purchase agreement dated January 1, 2021. The following assets and liabilities were recognized in the acquisition (at fair value):

Assets Acquired	
Property and Equipment	$ 28,789
Total Identifiable Net Assets	28,789
Goodwill Recognized	70,711
Total Consideration Transferred	$ 99,500

Total consideration for the acquisition is comprised of the following (at fair value):

Cash	$ 99,500
Total	$ 99,500

There were no significant transaction costs related to the acquisition outside the purchase price of the assets.

Note 5. Investments

Investments are summarized as follows at June 30, 2021 and 2020:

2021		**Cost**		**Fair Market Value**
Common Stocks	**$**	**719,843**	**$**	**1,048,183**
Equity Mutual Funds		**818,656**		**1,006,743**
Corporate Bonds		**335,214**		**349,735**
Bond Mutual Funds		**1,677,045**		**1,670,470**
Total	**$**	**3,550,758**	**$**	**4,075,131**

2020		Cost		Fair Market Value
Common Stocks	$	770,860	$	799,459
Equity Mutual Funds		218,837		295,265
Corporate Bonds		285,332		302,406
Bond Mutual Funds		264,648		276,161
Total	$	1,539,677	$	1,673,291

Note 6. Unemployment Services Trust

The Organization self-insures for unemployment expenses via the Unemployment Services Trust (the Trust). The Trust balance per contract would be fully refunded to the Organization upon payment of all outstanding unemployment claims. The balance of the Trust is based on the gross balance of the account less an estimate of actual claims. The net recorded balance as of June 30, 2021 and 2020 was $160,858 and $122,347, respectively.

Note 7. Beneficial Interest in Asset Held by Others

During the year ended June 30, 2015, the Organization was made aware of a gift annuity contract entered into by a donor wherein the Organization is to receive 75% of the remainder. As of June 30, 2021 and 2020, the balance estimated to be received by the Organization was $8,296, shown as beneficial interest in asset held by others on the statements of financial position.

Note 8. Furniture and Equipment

The following is a summary of furniture and equipment at June 30, 2021 and 2020:

	2021	2020
Office Equipment	**$ 237,215**	$ 237,215
Furniture and Fixtures	**54,396**	54,396
Leasehold Improvements	**44,210**	9,671
Total Furniture and Equipment	**335,821**	301,282
Less: Accumulated Depreciation	**(298,110)**	(292,627)
Total Furniture and Equipment, Net	**$ 37,711**	$ 8,655

Depreciation expense was $5,483 and $2,575 for the years ended June 30, 2021 and 2020, respectively.

Note 9. Goodwill

On January 1, 2021, the Organization acquired certain assets of Canal Hall Bingo Operations in a business combination (see Note 4). During the year ended June 30, 2021, amortization expense was $3,536.

Goodwill amortization expense for future years is as follows:

Year Ending June 30,	Amount
2022	$ 7,071
2023	7,071
2024	7,071
2025	7,071
2026	7,071
Thereafter	31,820
Total	$ 67,175

Note 10. Line of Credit

The Organization has a $500,000 revolving bank line of credit. Interest is payable at the prime rate, plus 1.25% points, with a floor of 5.25%. The interest rate was 5.25% as of June 30, 2021 and 2020. All unpaid interest and principal are due on April 13, 2022. The loan is secured with receivables and property, furniture, and equipment. There was no outstanding balance on the line of credit as of June 30, 2021 and 2020.

Note 11. Net Assets

As further explained in Note 12, a portion of the unrestricted net assets has been designated by the Board of Directors to be used for specific purposes. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes and are used as an aid in planning future expenditures and investing. Information regarding the components of unrestricted net assets at June 30, 2021 and 2020 is as follows:

	2021	2020
Undesignated Net Assets	**$ 2,610,433**	$ 2,121,185
Designated Net Assets		
Designated for Endowment	**4,230,063**	1,819,402
Designated for Capital Projects	**5,485,093**	784,302
Total Designated Net Assets	**9,715,156**	2,603,704
Total Net Assets	**$ 12,325,589**	$ 4,724,889

Note 12. Board-Designated Endowments

In May 2013, an endowment fund was established by the Board of Directors in the form of investments with the purpose of providing perpetual financial support to the Organization. As required by FASB ASC 958, *Not-For-Profit Entities*, net assets associated with endowment funds are classified and reported based on the existence or absence of restrictions imposed by a donor. The funds in the investment portfolio are not anticipated to be utilized for the daily operations of the Organization, and as such, are invested over a long-term investment horizon. The endowment fund uses a total-return based spending policy, which means that it will fund distributions from net investment return, net realized capital gains, and proceeds from the sale of investments. A distribution of fund assets is permitted to the extent that such distributions do not exceed a level that would erode the portfolio’s real assets over time. As of June 30, 2021 and 2020, no appropriations have been made from the endowment.

Note 12. Board-Designated Endowments (Continued)

In June 2021, a second endowment fund was established by the Board of Directors in the form of investments with the purpose of providing perpetual financial support to the Organization. As required by FASB ASC 958, *Not-For-Profit Entities*, net assets associated with endowment funds are classified and reported based on the existence or absence of restrictions imposed by a donor. The funds in the investment portfolio are not anticipated to be utilized for the daily operations of the Organization, and as such, are invested over a long-term investment horizon. The endowment fund uses a total-return based spending policy, which means that it will fund distributions from net investment return, net realized capital gains, and proceeds from the sale of investments. A distribution of fund assets is permitted to the extent that such distributions do not exceed a level that would erode the portfolio's real assets over time. As of June 30, 2021, no appropriations have been made from the endowment.

The two endowment funds have the same investment strategy, which is to provide for capital appreciation over the long-term, deploying a moderate growth investment objective. The portfolios are managed in a way that reflects an above average risk tolerance and the ability to accept higher levels of volatility while seeking to achieve annual returns of 5% to 8% above the rate of inflation. In order to accomplish this, the investment manager is instructed to invest the portfolio using an allocation of both equities and fixed income securities. With regards to equity securities held in the portfolio, the investment manager is not restricted in its selection of securities. However, the Organization retains the right to request the divestiture of any security it may find objectionable. With regards to fixed income securities, securities which are deemed suitable for the portfolio will be of investment grade and represent obligations of the U.S. Government or its agencies and/or domestic corporations.

To implement the investment strategy outlined above, the investment manager will invest the portfolio as follows:

Asset Class	Strategic %	Minimum	Maximum
Cash and Cash Equivalents	5%	0%	5%
Fixed Income	30%	20%	50%
Equities	65%	50%	80%

Note 12. Board-Designated Endowments (Continued)

Endowment fund net asset composition by type of fund as of June 30, 2021 and 2020 is as follows:

2021	**Without Donor Restrictions**	**With Donor Restrictions**	**Total Endowment Net Assets**
Board-Designated Endowment Fund	**$ 4,230,063**	**$ -**	**$ 4,230,063**
Total	**$ 4,230,063**	**$ -**	**$ 4,230,063**

2020	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Board-Designated Endowment Fund	$ 1,819,402	$ -	$ 1,819,402
Total	$ 1,819,402	$ -	$ 1,819,402

Changes in endowment fund net assets for the years ended June 30, 2021 and 2020 were as follows:

2021	**Without Donor Restrictions**	**With Donor Restrictions**	**Total Endowment Net Assets**
Net Assets, Beginning of Year	**$ 1,819,402**	**$ -**	**$ 1,819,402**
New Board Designations	**2,000,000**	**-**	**2,000,000**
Net Investment Return	**410,661**	**-**	**410,661**
Net Assets, End of Year	**$ 4,230,063**	**$ -**	**$ 4,230,063**

2020	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Net Assets, Beginning of Year	$ 1,783,498	$ -	$ 1,783,498
Net Investment Return	35,904	-	35,904
Net Assets, End of Year	$ 1,819,402	$ -	$ 1,819,402

Note 13. Fair Value Measurements

FASB ASC Topic 820 defines fair value, establishes a framework for measuring fair value, and expands disclosure about fair value. Fair value concepts are applied in recording investments. FASB ASC Topic 820 establishes a fair value hierarchy which prioritizes inputs to the valuation techniques used to measure fair value. The term "inputs" refers broadly to the assumptions that market participants would use in pricing an asset or liability. Inputs may be based on independent market data (observable inputs) or they may be internally developed (unobservable inputs). The fair value hierarchy prioritizes the inputs to the valuation techniques used to measure fair value into three broad categories. These categories 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 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.

The market approach is used for valuing common stocks, equity mutual funds, and bond mutual funds, which are all classified within Level 1 and Level 2 of the fair value hierarchy. The remainder of the Organization’s investment portfolio consists of corporate bonds, which may not trade on a daily basis. Corporate bonds are generally valued based upon quoted market prices from brokers and dealers, which represent fair value, and are classified within Level 2, or Level 1 if a more active market exists for the bonds.

These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 13. Fair Value Measurements (Continued)

Assets measured at fair value are comprised of the following as of June 30, 2021 and 2020:

		Based on:		
2021	**Total Assets Measured at Fair Value**	**Quoted Prices in Active Markets (Level 1)**	**Other Observable Inputs (Level 2)**	**Unobservable Inputs (Level 3)**
Common Stocks	**$ 1,048,183**	**$ 1,048,183**	**$ -**	**$ -**
Equity Mutual Funds	**1,006,743**	**1,006,743**	**-**	**-**
Corporate Bonds	**349,735**	**295,539**	**54,196**	**-**
Bond Mutual Funds	**1,670,470**	**1,670,470**	**-**	**-**
Total	**$ 4,075,131**	**$ 4,020,935**	**$ 54,196**	**$ -**

		Based on:		
2020	Total Assets Measured at Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Common Stocks	$ 799,459	$ 799,459	$ -	$ -
Equity Mutual Funds	295,265	295,265	-	-
Corporate Bonds	302,406	302,406	-	-
Bond Mutual Funds	276,161	276,161	-	-
Total	$ 1,673,291	$ 1,673,291	$ -	$ -

Note 14. Significant Contracts and Grants

For the years ended June 30, 2021 and 2020, approximately $6,175,000 and $6,328,000, respectively, of contract revenue was from the State of Louisiana Department of Health and Hospitals acting as a Medicaid fiscal intermediary, and approximately $1,499,000 and $1,592,000, respectively, of contract revenue was from the State of Louisiana Department of Health and Hospitals acting as a pass-through entity for federal grants. The State of Louisiana (the State) provides annual contracts to the Organization which grant the State the right to audit program accounts and activities. The State, acting as the Medicaid intermediary for Medicaid patients, reimburses services rendered to Medicaid program beneficiaries under an allowable cost reimbursement formula that is subject to audit and retroactive adjustments. Management believes that the Organization is in compliance with the provisions of these contracts and grants and that the findings of an audit, if any, would not have a material impact on the financial statements.

Note 15. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The expense accounts that are allocated are insurance and depreciation. Allocation for these accounts is pro-rata based on functional expense totals before insurance and depreciation.

Note 16. Operating Leases

The Organization leases certain office facilities and equipment in New Orleans, Shreveport, Covington, Monroe, Alexandria, and Thibodaux. The payments on the leases range from $175 to $11,480 per month. Rent expense related to operating leases was approximately $745,000 and $837,000 for the years ended June 30, 2021 and 2020, respectively.

The future minimum lease payments under the above-described non-cancelable leases are as follows:

Year Ending June 30,	Amount
2022	$ 485,484
2023	333,983
2024	298,361
2025	174,890
2026	130,140
Total	$ 1,422,858

Note 17. Pension Plan

The Organization sponsors a defined contribution profit sharing plan covering substantially all employees of the Organization who have one year of eligible service. The plan provided for contributions by the Organization equal to 2% of eligible compensation for each eligible employee for the years ended June 30, 2021 and 2020. The Organization incurred contribution expense of $136,048 and $117,472 for the years ended June 30, 2021 and 2020, respectively.

Note 18. Concentrations of Credit Risk

The Organization periodically maintains cash in bank accounts in excess of the insured limit of $250,000 provided for by the U.S. Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses and does not believe that significant credit risk exists as a result of this practice. At June 30, 2021 and 2020, the Organization held approximately $6,096,000 and $2,812,000, respectively, in excess of FDIC limits.

Investments are exposed to various risks such as interest rate, market, and credit risks. Future changes in financial markets could affect the value of the investment securities and future earnings of the Organization.

Note 19. Related-Party Transactions

The Organization is affiliated with Easter Seals, Inc. (Easter Seals) and pays an annual membership fee. For the years ended June 30, 2021 and 2020, the fee was $50,617 and $52,128, respectively. Easter Seals provides supplies for certain campaigns and charges the Organization for those supplies. Easter Seals also remits to the Organization contributions collected on behalf of the Organization. There was $-0- due to the Organization as of June 30, 2021 and 2020.

Note 20. Risk Management

The Organization 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 years ended June 30, 2021 and 2020.

Note 21. Uncertain Tax Positions

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Organization believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

Note 22. Paycheck Protection Program Grant Income

In April 2020, the Organization entered into a loan with a financial institution for the principal amount of $1,477,300 pursuant to the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). The PPP contains events of default and other conditions customary for a loan of this type. Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loan granted under the PPP, subject to limitations, based on the use of the proceeds for payment of payroll costs, rent and mortgage obligations, and covered utility payments, if any.

Currently there is no authoritative guidance under U.S. GAAP that addresses accounting and reporting by a not-for-profit entity, that receives a forgivable loan from a government. However, U.S. GAAP guides not-for-profit entities to analogize to ASC 958-605, *Not-for-Profit Entities - Revenue Recognition*, if a not-for-profit entity expects to meet the PPP's eligibility criteria and concludes that the PPP loan represents, in substance, a grant that is expected to be forgiven.

Under ASC 958-605, if a contribution is conditional, it is not recognized until the conditions are either explicitly waived or substantially met. Once the conditions have been substantially met or have been explicitly waived (qualifying cost expenditures are made and eligibility and forgiveness criteria deemed to be met), recognition of the contribution as income occurs.

The Organization asserted that it completed the conditional activities by utilizing PPP proceeds for payroll and other qualified expenditures during the prescribed time period and as calculated in accordance with the terms of the CARES Act. The Organization applied for loan forgiveness with the financial institution and, in November 2020, received forgiveness of the PPP loan in the amount of $1,477,300. Accordingly, the Organization has recognized PPP grant income for the amount of the PPP loan proceeds, $1,477,300, in the statement of activities and changes in net assets.

Note 23. Risks and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates.

Note 23. Risks and Uncertainties (Continued)

During the year ended June 30, 2021, the Organization experienced lower than expected bingo income. It is unknown how long these and any other adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the Organization.

Note 24. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 27, 2021, and determined that no events occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

EASTER SEALS LOUISIANA, INC.
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2021

Louisiana Revised Statute (R.S.) 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees, be reported as a supplemental report within the financial statements of local governmental and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that receive public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

Agency Head
Tracy Garner, Chief Executive Officer

Purpose	Compensation and Benefits Funded by Use of Public Funds
Salary	$0
Benefits - Insurance	$0
Benefits - Retirement	$0
Benefits - Cell and Data Plan	$0
Car Allowance	$0
Vehicle Provided by Government	$0
Per Diem	$0
Reimbursements	$0
Mileage	$0
Registration Fees	$0
Conference Travel	$0
Professional Dues/ Memberships	$0
Continuing Professional Education Fees	$0
Housing	$0
Unvouchered Expenses	$0
Special Meals	$0

See independent auditor’s report.

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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*

Independent Auditor's Report

To the Board of Directors
Easter Seals Louisiana, Inc.

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 Easter Seals Louisiana, Inc. (the Organization) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, 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 September 27, 2021.

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

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

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

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

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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A Professional Accounting Corporation

Covington, LA
September 27, 2021

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the Board of Directors
Easter Seals Louisiana, Inc.

Report on Compliance for Each Major Federal Program
We have audited Easter Seals Louisiana, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2021. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program
In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

LaPorte

A Professional Accounting Corporation

Covington, LA
September 27, 2021

EASTER SEALS LOUISIANA, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/ Pass-Through Entity/ Program Title	Assistance Listing Number	Pass-Through Award Number	Federal Expenditures
United States Department of Housing and Urban Development			
Direct			
Continuum of Care - Pathways	14.267	N/A	$ 169,226
Continuum of Care - ICE	14.267	N/A	299,769
Total Continuum of Care			468,995
Emergency Solutions - Unity	14.231	N/A	8,921
Emergency Solutions - Monroe	14.231	N/A	56,272
Emergency Solutions - Shreveport	14.231	N/A	30,016
Total Emergency Solutions			95,209
Total United States Department of Housing and Urban Development			564,204
United States Department of Education			
Passed through the Louisiana Department of Health and Hospitals			
Special Education - Grants for Infants and Families with Disabilities	84.181	2000122759	555,268
	84.181	2000126731	454,357
	84.181	2000126711	425,756
Total United States Department of Education			1,435,381
United States Department of Health and Human Services			
Direct			
Block Grants for Community Mental Health Services	93.958	N/A	25,264
Projects for Assistance in Transition from Homelessness	93.150	N/A	17,496
COVID-19 - Provider Relief Fund	93.498	N/A	140,013
Total United States Department of Health and Human Services			182,773
Total Expenditures of Federal Awards			$ 2,182,358

See independent auditor’s report and notes to schedule of expenditures of federal awards.

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Easter Seals Louisiana, Inc. (the Organization) and is prepared in accordance with the accrual method of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Payments to Subrecipients

There were no payments to subrecipients for the year ended June 30, 2021.

Note 2. De Minimis Cost Rate

The Organization uses the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

EASTER SEALS LOUISIANA, INC.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

Assistance Listing Number	Name of Federal Program
14.267	Continuum of Care

Dollar threshold used to determine Type A Programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II. FINANCIAL STATEMENT FINDINGS

None.

Section III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

None.