Financial Report

Terrebonne ARC
Houma, Louisiana

June 30, 2021

"Creating Opportunities"

Bourgeois Bennett
CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS
A LIMITED LIABILITY COMPANY

Financial Report

Terrebonne ARC

Houma, Louisiana

June 30, 2021

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Terrebonne ARC,
Houma, Louisiana.

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Terrebonne ARC (the "Association"), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

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 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 presentation of the financial statements.

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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 governmental activities and the General Fund of the Terrebonne ARC as of June 30, 2021, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries with management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Association's financial statements as a whole. The accompanying Combining Governmental Fund Balance Sheet - General Fund Departments as of June 30, 2021, the Combining Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance - General Fund Departments and the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer for the year then ended, are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying Combining Governmental Fund Balance Sheet - General Fund Departments as of June 30, 2021, the Combining Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance - General Fund Departments and the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer for the year then ended are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2022 on our consideration of the Terrebonne ARC internal control over financial reporting and 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, compliance and the results of that testing. It does not provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit and performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
January 26, 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne ARC

June 30, 2021

This section of the Association's financial report presents our discussion and analysis of the Association's financial performance during the year ended June 30, 2021. This document focuses on the current year's activities, resulting changes and currently known facts. Please read it in conjunction with the basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Association's assets exceeded its liabilities as of June 30, 2021 by $24,355,288 (net position), which represents an 8.9% increase from last year. Of this amount, $14,499,746 (unrestricted net position) may be used to meet the Association's ongoing obligations.

- Intergovernmental revenues increased by $146,260, or 2.8%, due to an increase in the amount received from Terrebonne Parish Consolidated Government. Charges for service revenues decreased by $44,764, or 1.0%, due to decreases in services provided because of the Coronavirus (COVID-19) pandemic. The Association received loan forgiveness for a $1,216,500 loan from South Louisiana Bank under the Paycheck Protection Program. Miscellaneous revenues decreased by $218,029, or 50.7%, primarily due to a dividend received from the Louisiana Workers' Compensation Corporation in the prior year and a decrease in interest rates. Total revenues increased by $1,105,197, or 11.1%.

- The Association's total expenses decreased by $441. Personal services decreased by $126,861, or 1.9% due to salary cost decreases because of the COVID-19 pandemic. Supplies and materials increased by $36,991, or 9.7%, primarily due to a temporary closure of vocational programming because of the COVID-19 pandemic in the previous year. Other services and charges increased by $62,884, or 5.8%, due to increases in insurance rates for vehicles and flood insurance premiums on buildings, expenses related to increased sales and costs related to the opening of a new restaurant. Repairs and maintenance decreased by $53,476, or 20.6%, due to an abundance of repairs, especially to vehicles, in the prior year while vehicles and buildings were not being utilized as a result of the temporary closure of vocational programming and transportation services due to the COVID-19 pandemic. Depreciation increased $58,530, or 10.8%, due to the purchase of new building, vehicles and equipment.

FINANCIAL HIGHLIGHTS (Continued)

- The Association's governmental fund reported that total assets decreased by $729,596, or 4.6%, while total liabilities decreased by $1,624,500, or 84.2%. Assets exceeded liabilities as of June 30, 2021 by $14,705,493 (fund balance) with an increase of $894,904, or 6.5%. Of this nearly $15 million in fund balance, $156,410 is non-spendable, $7,032,516 is committed for dedicated emergencies and contingencies, $3,803,653 is assigned for next year's budget deficit and $322,620 received from donations is assigned for designated expenditures. Unassigned fund balance amounted to $3,390,294 as of June 30, 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements focus on the Association as a whole (government-wide) and the major individual fund. Both perspectives (government-wide and major fund) allow the reader to address relevant questions, broaden a basis for comparison (year to year or government to government) and should enhance the Association's accountability. The Statement of Net Position and the Statement of Activities provide information about the activities of the Association as a whole and present a longer-term view of the Association's finances. For governmental activities, fund financial statements tell how these services were financed in the short term as well as what remains for future spending.

Reporting the Association as a Whole

One of the most important questions asked about the Association's finances is, "Is the Association as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Association as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most not-for-profit organizations and private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Association's net position and changes in it. You can think of the Association's net position - the difference between assets and liabilities - as one way to measure the Association's financial health, or financial position. Over time, increases or decreases in the Association's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Association's local, state and federal programs, to assess the overall health of the Association.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Reporting the Association as a Governmental Fund

The Association's services are reported in a governmental fund, which focuses on how money flows into and out of the fund and the balance left at year-end that is available for spending. This fund is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Association's general operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Association's programs. We describe the relationship (or differences) between activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental fund in reconciliations, which are reflected on the page following each governmental fund statement (see Exhibits D and F).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table reflects the condensed Statement of Net Position as of June 30, 2021, with comparative figures as of June 30, 2020:

Condensed Statement of Net Position

	June 30,		Dollar	Total Percent
	2021	2020	Change	Change
Current and other assets	$ 15,010,711	$ 15,740,307	$ (729,596)	-4.6%
Capital assets	9,855,542	8,779,280	1,076,262	12.3%
Total assets	24,866,253	24,519,587	346,666	1.4%
Other liabilities	285,955	713,218	(427,263)	-59.9%
Paycheck Protection Program loan payable	-	1,216,500	(1,216,500)	-100.0%
Due to other governmental units	19,263	-	19,263	100.0%
Long-term liabilities	205,747	216,511	(10,764)	-5.0%
Total liabilities	510,965	2,146,229	(1,635,264)	-76.2%
Net position:				
Net investment in capital assets	9,855,542	8,779,280	1,076,262	12.3%
Unrestricted	14,499,746	13,594,078	905,668	6.7%
Total net position	$ 24,355,288	$ 22,373,358	$ 1,981,930	8.9%

For more detailed information see Exhibit A, Statement of Net Position.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Approximately 40.47% of the Association's net position as of June 30, 2021, reflect the Association's net investment in capital assets (land, buildings, office furniture and machinery and equipment less accumulated depreciation). The Association uses these capital assets to provide services to the individuals with intellectual and other developmental disabilities; consequently, these assets are not available for future spending. The remaining 59.53% of net position, referred to as unrestricted, may be used to meet the ongoing obligations of the Association.

The following table provides a summary of the changes in net position for the year ended June 30, 2021, with comparative figures for the year ended June 30, 2020:

Condensed Statement of Activities

	For the year ended June 30, 2021	For the year ended June 30, 2020	Dollar Change	Total Percent Change
Revenues:				
Intergovernmental	$ 5,326,861	$ 5,180,601	$ 146,260	2.8%
Paycheck Protection Program loan forgiveness	1,216,500	-	1,216,500	100.0%
Charges for services	4,333,303	4,378,067	(44,764)	-1.0%
Grants	6,000	770	5,230	679.2%
Miscellaneous	211,792	429,821	(218,029)	-50.7%
Total revenues	11,094,456	9,989,259	1,105,197	11.1%
Expenses:				
Health and welfare	9,112,526	9,112,967	(441)	0.0%
Change in net position	1,981,930	876,292	1,105,638	126.2%
Beginning net position	22,373,358	21,497,066	876,292	4.1%
Ending net position	$ 24,355,288	$ 22,373,358	$ 1,981,930	8.9%

The Association's net position increased by $1,981,930 during the current year, due to loan forgiveness for a $1,216,500 loan under the Paycheck Protection Program and drawdowns received from the Terrebonne Parish Consolidated Government from the proceeds of a parish-wide ad valorem tax dedicated for the habilitation and welfare services of individuals with intellectual and other developmental disabilities.

FINANCIAL ANALYSIS OF THE ASSOCIATION'S FUND

Revenues for the Association's General Fund for the year ended June 30, 2021 were approximately $11.1 million. There are four funding categories: intergovernmental (48.0%), charges for services (39.05%), grants (0.05%) loan forgiveness (11%), and miscellaneous (1.9%). The largest single funding source is local funding from the Terrebonne Parish Consolidated Government, as described above, (intergovernmental category) at 46.4% of total revenues. Medicaid Waiver funds at 11.4%, Title XIX funds at 10.0%, and community work contracts at 15.4% are included in the charges for services category, which represents 39.1% of total revenues. Increases in intergovernmental revenues were a result of an increase in the amount received from Terrebonne Parish Consolidated Government. Decreases in charges for services revenue were a result of decreases in services provided because of the COVID-19 pandemic. Grant revenue consists of a grant received for the reimbursement of training costs and a grant received as an unrestricted contribution. The Association received loan forgiveness for a $1,216,500 loan from South Louisiana Bank under the Paycheck Protection Program. The Association's miscellaneous revenues decreased due to a dividend received from the Louisiana Workers' Compensation Corporation in the prior year and a decrease in interest rates.

General Fund expenditures were approximately $10.2 million for the year ended June 30, 2021. There are five categories of expenditures classified as Current Expenditures and Capital Outlay. Since the Association is a provider of human services, the personal services category is the largest expense category at 65.4%. The other categories are supplies and materials at 4.1%, other services and charges at 11.3%, and repairs and maintenance at 2.0%. Capital outlay, which exhibits the most variance from year to year, represented 17.2% of total expenditures for the year ended June 30, 2021.

There was a decrease in personal services costs this year due to salary cost decreases because of a decrease in services provided as a result of the COVID-19 pandemic. An increase in supplies and materials also resulted from temporary program closures in the prior year caused by the COVID-19 pandemic. Other services and charges increased due to increases in insurance rates for vehicles and flood insurance premiums on buildings, expenses related to increased sales and costs related to the opening of a new restaurant. Repairs and maintenance decreased due to an abundance of repairs, especially to vehicles, in the prior year while vehicles and buildings were not being utilized as a result of the temporary closure of vocational programming and transportation services due to the COVID-19 pandemic. Capital outlay decreased due to the costs associated with the construction of a new restaurant in the prior year.

The Association's financial position has improved over the past several years with an increase this year due to an excess of revenue over expenditures of $894,904. Factors, which will affect the Association's results of future operations follow. The Association constantly faces the possibility of funding cuts from state and federal funding sources. As in past years, the Medicaid funding challenge at the state and federal levels will continue to threaten the reimbursement rate for programs providing Medicaid Waiver services. Since the Association will now have to evacuate when tropical storms threaten the area, evacuation costs could increase significantly. The recent

FINANCIAL ANALYSIS OF THE ASSOCIATION'S FUND (Continued)

global outbreak of COVID-19 has resulted in the Louisiana Department of Health (LDH) mandating the temporary closure of several of the Association's programs for varying time periods beginning in March of 2020. While some of the programs have since re-opened, many of the individuals served have not returned due to concerns regarding COVID-19. The total financial effect of these factors, if any, will not be known until the end of next fiscal year.

Departmental Analysis

General Operating Department

General Operating Department revenue increased due to loan forgiveness under the Paycheck Protection Program and an increase in the amount received from Terrebonne Parish Consolidated Government. Personal services costs decreased due to staff turnover as a result of the COVID-19 pandemic. Supplies and materials costs decreased due to temporary program closures caused by the COVID-19 pandemic. Other services and charges decreased due to the elimination of the cafeteria program and decreased costs related to professional services. Repairs and maintenance decreased due to an abundance of repairs in the prior year. Capital outlay costs increased due to the purchase of a residential home to be rented by individuals in the Association's Supervised Independent Living program.

Besides the administration of all programs our General Operating Department includes transportation to and from work for adult individuals served throughout Terrebonne Parish. The Association's specialized services include family support, advocacy and nursing. Family support services assist families and individuals in coping with simple to highly complex problems. Services are provided by a licensed professional counselor and include individual and family counseling, behavior training, psychological counseling, vocational counseling, vocation assessments, anger management, social counseling and resource referral. The advocacy services offer family assistance in obtaining services and networking with needed support services. The Association's nursing staff consists of a Registered Nurse (RN) and a Licensed Practical Nurse (LPN) whom administer daily medications and handle emergency medical situations.

Adult Workshop Department

The Association's Adult Workshop Department revenues increased this year due to an increase in donations, the sales of surplus assets and insurance reimbursements. Expenditures for personal services decreased as a result of temporary program closures caused by the COVID-19 pandemic. Supplies and materials increased due to increased sales and costs related to the opening of a new restaurant. Other services and charges increased due to increases in vehicle insurance premiums, expenses related to increased sales and costs related to the opening of a new restaurant. Repairs and maintenance decreased due to an abundance of repairs in the prior year. Capital outlay expenses decreased due to the construction costs for a new restaurant in the prior year. Day habilitation services are provided through this department where individuals served receive training

FINANCIAL ANALYSIS OF THE ASSOCIATION'S FUND (Continued)

Departmental Analysis (Continued)

Adult Workshop Department (Continued)

and hands-on work experience in manufacturing and providing services for the community. Sheltered workshop employment consists of prevocational habilitation and day habilitation for severe and profound individuals by training our individuals served to provide services and to work in a variety of different settings such as: arts and crafts, salsa and pepper jelly production, Mardi Gras beads, candy, screen printing, bakery, thrift store and restaurant. The Association's mobile crews are trained to provide janitorial and lawn maintenance services to businesses in the community. In the Supported Employment Program, our individuals served are trained and placed in a job in the community. With the Association's continued training and support, these individuals are able to work in normal work settings.

Residential Departments

Residential services provide for habilitation and care through our Community Homes, Center-Based and In-Home Respite (including personal care attendant, PCA) and Supervised Independent Living (SIL) departments. The three community homes provide skills training in the areas of household chores, grooming, exercise, meal preparation, laundry skills and daily routines. SIL offers an array of services to assist our individuals in living as independently as possible in the community and include training, consultation, day and night companions and behavior companions. Respite and PCA services assist with activities of daily living and offers parents and/or guardians a time of rest.

Respite/Personal Care Attendant (PCA) Department

The Association's Respite/PCA department provides care of individuals to aid the primary care giver. Revenue and expenses decreased this year due to staff turnover and the closure of the respite program in March 2020 because of the COVID-19 pandemic.

Supervised Independent Living (SIL) Department

Supervised Independent Living provides assistance to individuals served with daily living. Revenue in the program increased due to an increase in the number of individuals served. Expenses in the program increased primarily due to increased salaries and benefit costs.

FINANCIAL ANALYSIS OF THE ASSOCIATION'S FUND (Continued)

Departmental Analysis (Continued)

Residential Departments (Continued)

Dixie Community Home Department

Dixie Community Home revenues increased due to an increase in the number of individuals served and an increase in the reimbursement rate in the current year. Expenses increased due to an increase in the number of individuals served, an increase in salaries and benefits costs and replacement of a shower. Expenses also increased as a result of staffing the home during the day Monday through Friday while individuals were not able to attend vocational programs due to program closures or concerns related to COVID-19 exposures.

Wellington Community Home Department

Wellington Community Home revenues increased due to an increase in reimbursement rates. Expenses increased as a result of staffing the home during the day Monday through Friday while individuals were not able to attend vocational programs due to program closures or concerns related to COVID-19 exposures. Capital outlay expenses decreased due to the replacement of the home's generator and roof, installation of security cameras and interior home repairs in the prior year.

Lillian Marie Community Home Department

Lillian Marie Community Home revenues increased due to an increase in reimbursement rates. Expenses increased as a result of staffing the home during the day Monday through Friday while individuals were not able to attend vocational programs due to program closures or concerns related to COVID-19 exposures.

BUDGETARY HIGHLIGHTS

Budget adjustments are made mid-year to account for any significant deviation from beginning year projections. Only if there is a substantial budget deviation will the annual budget be adjusted in the second half of the year. During the current year, the budget was amended to reflect a decrease in services provided due to closures and decreased attendance related to COVID-19, an unanticipated grant, an increase in funding from Terrebonne Parish Consolidated Government, loan forgiveness under the Paycheck Protection Program and a decrease in investment earnings. The budget amendment reflects a decrease in personal services due to individuals served, salaries and worker's compensation insurance being less than anticipated due to closures and decreased attendance related to COVID-19. The budget amendment reflects a decrease in supplies and materials due to decreases in fuel, food and training supplies as a result of program closures and decreased attendance related to COVID-19. The budget was also amended to reflect a decrease in

BUDGETARY HIGHLIGHTS (Continued)

other services and charges due to insurance costs being less than anticipated and a decrease in bank service charges, travel and certification fees due to closures and decreased attendance related to COVID-19. The budget amendment reflects an increase in repairs and maintenance due to more than anticipated equipment and building repairs. Capital outlay costs were decreased for construction and equipment purchases for the new restaurant that were completed in the prior year and other projects budgeted that were eliminated or will be completed in the next fiscal year. All other adjustments were made to prevent significant unfavorable variances in budgeted revenues and expenditures. The total difference of the change in fund balance between the original budget and the amended budget was a change of $1,761,144 from a deficit of $5,063,455 to a deficit of $3,302,311. This increase was the result of an increase in revenues of $712,381 and a net decrease in expenditures of $1,048,762. There was a 8.5% favorable budget variance in revenues principally due to a retainage payment received from the state for lost waiver services revenue due to COVID-19, the receipt of two grant vehicles from the Department of Transportation, dividends received from the Louisiana Workers' Compensation Corporation and insurance reimbursements. Expenditures were less than budget by 24.6% since salaries are budgeted as being fully staffed when several positions were vacant for part of the year. Expenditures were also less than anticipated as a result of temporary program closures and decreased attendance caused by the COVID-19 pandemic beginning in March of 2020. The budget includes the cost of two shuttle vehicles purchased through state grants that were not received and planned renovation projects did not begin during the fiscal year ended June 30, 2021. Various items budgeted as possible needs were not needed during the fiscal year. Consequently, the result of operations, which was projected as a deficit of approximately $3.3 million, resulted in a surplus of $894,904.

CAPITAL ASSET ADMINISTRATION

The Association's net investment in capital assets as of June 30, 2021 totaled $9,855,542 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, office furniture, machinery and equipment as shown in the following table. This amount represents a net increase of $1,076,262, or approximately 12.6%, due to capital additions exceeding depreciation and deletions.

	June 30,		Dollar	Total Percent
	2021	2020	Change	Change
Land	$ 478,615	$ 478,615	$ -	0.0%
Construction in progress	94,001	1,763,213	(1,669,212)	-94.7%
Buildings	7,995,280	5,321,565	2,673,715	50.2%
Office furniture, equipment, and fixtures	531,309	513,294	18,015	3.5%
Machinery and equipment	756,337	702,593	53,744	7.6%
Totals	$ 9,855,542	$ 8,779,280	$ 1,076,262	12.3%

CAPITAL ASSET ADMINISTRATION (Continued)

This year's capital improvements included the following:

Completion of new restaurant	$1,054,052
Construction-in-progress for beads renovation	$94,001
Purchase of residential home	$159,316
Building/land improvements	$75,352
Vehicles	$238,237
Computers/office equipment	$18,654
Machinery and equipment	$113,230

The reduction in the costs of capital assets during the current year included the following:

Disposal of vehicles	$283,084
Disposal of air conditioning	$35,782
Disposal of old improvements	$111,598
Disposal of computers/office equipment	$48,747
Disposal of machinery and equipment	$104,643

The Association's fiscal year 2022 capital budget includes $1,195,745 for capital expenditures, principally for major renovations to two existing buildings. Capital expenditures also include the purchase of equipment for expansion in programs or replacement of old equipment; flooring and roof replacements; one new vehicle; and Department of Transportation grants for two shuttles for which grant applications have been submitted. The Association has no plans to issue debt to finance these projects; rather, the Association will use available resources. More detailed information about the Association's capital assets is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Association's Board of Directors and management considered many factors when setting the fiscal year 2022 budget. These factors include any unusual conditions, one-time expenditures and changes in rates or fees that occurred during the 2021 fiscal year or whose effects are determinable at the time of budget preparations for the 2022 fiscal year. Accordingly, any possible Medicaid funding reductions or increased evacuation expenditures discussed on page 8 have not been incorporated into the budget for 2022.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (Continued)

Revenues and other sources for fiscal year 2022 are projected to be $9,457,125, $1,637,331 less than 2021. Budgeted expenditures are expected to rise approximately 31.8% from the year ended June 30, 2021 to $13,260,788. The most significant increases are in personal services as a result of all positions being budgeted at full time status with pay increases, anticipated increases in insurance premiums and an overall increase in costs as programs return to normal operations. The Association's fund balance is expected to decrease by $3,803,653.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Association's finances for all those with an interest in the Association's finances. If you have any questions about this report or need additional financial information, contact Terrebonne ARC, Director of Finance, 1 McCord Road, Houma, Louisiana 70363.

Exhibit A

STATEMENT OF NET POSITION

Terrebonne ARC

June 30, 2021

Assets	
Cash and cash equivalents	$ 12,108,983
Investments	2,500,000
Receivables:	
Accounts	60,244
Other	14,065
Due from other governmental units	160,412
Inventories	130,375
Prepaid insurance	26,035
Deposits	10,597
Capital assets:	
Non-depreciable	572,616
Depreciable, net of accumulated depreciation	9,282,926
Total assets	24,866,253
Liabilities	
Accounts payable and accrued expenditures	285,955
Due to other governmental units	19,263
Long-term liabilities -	
Due after one year	205,747
Total liabilities	510,965
Net Position	
Net investment in capital assets	9,855,542
Unrestricted	14,499,746
Total net position	$ 24,355,288

See notes to financial statements.

Exhibit B

STATEMENT OF ACTIVITIES

Terrebonne ARC

For the year ended June 30, 2021

Functions/Programs	Direct Expenses	Indirect Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities				
Health, welfare, and social services:				
Adult Workshop	$ 4,670,009	$ 1,652,723	$ 2,459,125	$ (3,863,607)
Residential	1,677,392	809,842	1,874,171	(613,063)
Administrative	2,765,125	(2,462,565)	7	(302,553)
Total governmental activities	$ 9,112,526	$ -	$ 4,333,303	(4,779,223)
General Revenues				
Grants and contributions not restricted to specific programs				5,332,861
Paycheck Protection Program loan forgiveness				1,216,500
Miscellaneous				211,792
Total general revenues				6,761,153
Change in net position				1,981,930
Net Position				
Beginning of year				22,373,358
Ending of year				$ 24,355,288

See notes to financial statements.

GOVERNMENTAL FUND BALANCE SHEET

Terrebonne ARC

June 30, 2021

Assets	
Cash and cash equivalents	$ 12,108,983
Investments	2,500,000
Receivables:	
Accounts	60,244
Other	14,065
Due from other governmental units	160,412
Inventories	130,375
Prepaid insurance	26,035
Deposits	10,597
Total assets	$ 15,010,711
Liabilities	
Accounts payable and accrued expenditures	$ 285,955
Due to other governmental units	19,263
Total liabilities	305,218
Fund Balance	
Nonspendable:	
Inventories	130,375
Prepaid insurance	26,035
Committed:	
Dedicated emergencies and contingency fund	7,032,516
Assigned:	
Subsequent years' expenditures:	
Next year's budget deficit	3,803,653
Donations	322,620
Unassigned	3,390,294
Total fund balance	14,705,493
Total liabilities and fund balance	$ 15,010,711

See notes to financial statements.

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION

Terrebonne ARC

June 30, 2021

		General Fund
Fund Balances - Governmental Fund		$ 14,705,493
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		
Governmental capital assets	$ 16,862,074	
Less accumulated depreciation	(7,006,532)	9,855,542
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund.		
Compensated absences payable		(205,747)
Net Position of Governmental Activities		$ 24,355,288

See notes to financial statements.

STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

Terrebonne ARC

For the year ended June 30, 2021

	General Fund
Revenues	
Intergovernmental:	
Terrebonne Parish Consolidated Government	$ 5,151,903
State of Louisiana:	
Department of Transportation	169,665
Other	5,293
Charges for services	4,333,303
Grants	6,000
Paycheck Protection Program loan forgiveness	1,216,500
Miscellaneous	211,792
Total revenues	11,094,456
Expenditures	
Health and welfare:	
Current:	
Personal services	6,673,553
Supplies and materials	418,763
Other services and charges	1,147,984
Repairs and maintenance	206,409
Capital outlay	1,752,843
Total expenditures	10,199,552
Excess of Revenues Over Expenditures	894,904
Fund Balance	
Beginning of year	13,810,589
End of year	$ 14,705,493

See notes to financial statements.

RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

Terrebonne ARC

For the year ended June 30, 2021

Net Change in Fund Balance - Governmental Fund		$ 894,904
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	$ 1,752,843	
Depreciation expense	(601,014)	
Excess of capital outlay over depreciation expense		1,151,829
The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins and donations, is to decrease net assets.		(75,567)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental fund.		
Decrease in compensated absences payable		10,764
Change in Net Position of Governmental Activities		$ 1,981,930

See notes to financial statements.

Exhibit G

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

Terrebonne ARC

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues				
Intergovernmental:				
Terrebonne Parish Consolidated Government	$ 4,910,000	$ 5,151,000	$ 5,151,903	$ 903
State of Louisiana:				
Department of Transportation	40,000	40,000	169,665	129,665
Other	2,900	4,700	5,293	593
Charges for services	4,447,933	3,701,893	4,333,303	631,410
Grants	-	5,000	6,000	1,000
Paycheck Protection Program loan forgiveness	-	1,216,500	1,216,500	-
Miscellaneous	112,500	106,621	211,792	105,171
Total revenues	9,513,333	10,225,714	11,094,456	868,742
Expenditures				
Health and welfare:				
Current:				
Personal services	9,258,695	9,042,181	6,673,553	2,368,628
Supplies and materials	538,631	455,506	418,763	36,743
Other services and charges	1,431,463	1,352,077	1,147,984	204,093
Repairs and maintenance	394,224	422,724	206,409	216,315
Capital outlay	2,953,775	2,255,537	1,752,843	502,694
Total expenditures	14,576,788	13,528,025	10,199,552	3,328,473
Net Change in Fund Balance	(5,063,455)	(3,302,311)	894,904	4,197,215
Fund Balance				
Beginning of year	13,810,589	13,810,589	13,810,589	-
End of year	$ 8,747,134	$ 10,508,278	$ 14,705,493	$ 4,197,215

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Terrebonne ARC

June 30, 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne ARC (the "Association") conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

Terrebonne ARC was organized as a nonprofit corporation on March 21, 1962. The Association administers programs to provide for the needs of individuals with intellectual and other developmental disabilities. Tax exempt status has been granted under Internal Revenue Code Section 501(c)3.

The Association is fiscally dependent upon the Terrebonne Parish Consolidated Government (the "Parish") for a significant amount of its intergovernmental revenue, accordingly the Association is a component unit of the Parish and as such, these component unit financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ending December 31, 2021.

GASB No. 14, "*The Financial Reporting Entity*", GASB No. 39, "*Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14*", and GASB No. 61, "*The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34*" established the criterion for determining which component units should be considered part of the Association for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.

2. Whether the governing authority appoints a majority of the board members of the potential component unit.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Reporting Entity (Continued)

3. Fiscal interdependency between the Association and the potential component unit.
4. Imposition of will by the Association on the potential component unit.
5. Financial benefit/burden relationship between the Association and the potential component unit.

The Association has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

b) Basis of Presentation

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Association. The government-wide presentation focuses primarily on the sustainability of the Association as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

Fund Financial Statements:

The fund financial statements are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The following is the governmental fund of the Association:

General Fund - The General Fund is the general operating fund of the Association. It is used to account for and report all financial resources except those that are required to be accounted for in another fund.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. The Association's definition of available means expected to be received within sixty days of the end of the fiscal year. The Association's inter-governmental funding's are described in Note 3. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the Association because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is accumulated unpaid vacation and sick pay which is recognized when paid. Allocations of cost such as depreciation are not recognized in the governmental funds.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

e) Operating Budgetary Data

The Association is a quasi-governmental entity which is contractually required by the Parish to adopt an operating budget and follow certain state laws generally limited to local governments. The budget for the General Fund is adopted by the Board of Directors of the Association and submitted to the Parish Council for approval. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end. The budget was amended once during the year. Budget amendments are approved by the Board of Directors. Budgets are adopted on a basis materially consistent with generally accepted accounting principles.

f) Cash, Cash Equivalents, and Investments

Cash includes amounts in regular and money market accounts.

Cash and cash equivalents include certificates of deposit and securities with maturities of three months or less when purchased and deposits in the Louisiana Asset Management Pool (LAMP).

Investments are reported at fair value except for: (1) certificates of deposit, which are reported at cost, approximates fair value, and (2) LAMP investment, which is a local government 2a7-like pool administered by a non-profit corporation organized under State of Louisiana Law, which is permitted to be carried at amortized cost.

Investment policies are governed by a contract with the Parish (state statutes).

g) Accounts Receivable

The financial statements of the Association contain no allowance for uncollectible accounts. 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 or operations of the Association.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Inventories

Inventories consist of expendable materials, supplies and products held for sale. Inventories are valued at the lower of cost (first-in, first-out) or net realizable value. The cost is recorded as an expenditure at the time the individual inventory items are sold or used utilizing the consumption method.

i) Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of $500 or more are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Capital assets with an estimated historical cost totaled $559,395, or 3.48% of the total cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	10 - 40 years
Office furniture, equipment, and fixtures	3 - 20 years
Machinery and equipment	5 - 25 years

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Long-Term Obligations

The accounting treatment of long-term obligations depends on whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist of accrued compensated absences: vacation and sick leave.

Fund Financial Statements:

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements.

k) Vacation and Sick Leave

The Association's policies regarding vacation and sick leave, accrued prior to November 9, 1993, permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a long-term obligation in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

Vacation benefits accrue each year on the employee's full-time anniversary date. The Association grants paid vacation time to regular, full-time employees who work at least 240 days per year according to their continuous length of service with the Association. The length of paid vacation time is as follows:

Years of Service	Paid Vacation Allowance
Less than 1 year	None
1 year to 3 years	5 days
4 years to 9 years	10 days
10 years and above	15 days

The Association's policy regarding vacation time for employees hired prior to November 12, 2019, grants 20 days of paid vacation time to regular, full-time employees who work at least 240 days per year and have 20 or more years of service.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Vacation and Sick Leave (Continued)

Employees are not allowed to carry forward more than 30 days per year.

All part-time employees are eligible for personal hour's equivalent to the number of hours normally worked within a work week, not to exceed a maximum of 40 paid hours to be given on the employee's anniversary date after one year of consecutive employment. Hours that are not used during the year will be accruable up to a maximum of 60 hours.

All regular full-time employees who work 240 days or more per year are eligible for eight days of paid sick time each year. Employees may accumulate a maximum of up to 60 days of paid sick time.

Upon resignation or termination, employees are paid for all accumulated vacation leave and one-half of unused sick time accrued by employees prior to November 9, 1993. Payment for accrued sick time will be based on the employee's rate of pay on November 9, 1993. Employees are not paid for sick time earned after November 9, 1993. Personal hours are not paid to employees upon termination.

l) Allocation of Expenditures

The Association allocates all general and administrative costs to the various programs based upon total expenditures before the allocation in each department at the end of its fiscal year.

m) 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.

The Association's policies provide for financial statement recognition, measurement, and disclosures of uncertain tax positions recognized in the Association's financial statements. It requires the Association to recognize the financial statement impact of a tax position when it is more likely than not that the position will not 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Fund Equity

Government-wide Statements:

Equity is classified as net position and displayed in three components:

a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any. As of June 30, 2021, the Association had no outstanding borrowings.

b. Restricted net position - Consists of assets less liabilities (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position - All other net assets that do not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the Association's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements:

Governmental fund balances are classified as follows:

a. Non-spendable - Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.

b. Restricted - Amounts for which constraints have been placed on the use by externally imposed donors, grantors, creditors or government laws and regulations, or imposed by law through constitutional provisions or enabling legislation.

c. Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Association's Board of Directors.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Fund Equity (Continued)

Fund Financial Statements: (Continued)

Governmental fund balances are classified as follows: (Continued)

d. Assigned - Amounts that are constrained by the Association's intent to be used for a specific purpose but do not meet the criteria for restricted or committed. Assigned amounts may be established, modified or removed by majority vote of the Board of Directors or by the Chief Financial Officer under the authorization of the Executive Director.

e. Unassigned - All other spendable amounts.

For the classification of governmental fund balances, the Association considers an expenditure to be made from the most restrictive first when more than one classification is available. Committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred from purposes for which amount in any of those unrestricted fund balance classifications could be used.

The Association's fund balance was classified as non-spendable, committed, assigned and unassigned as of June 30, 2021.

Assigned for subsequent year's expenditures are amounts in next year's budget that represents deficiencies of revenues over expenditures. Other assignments are made for specific indicated purposes included in the title and require a Board of Directors' appropriation in subsequent years.

o) New GASB Statements

During the year ending June 30, 2021, the Association implemented the following GASB Statements:

Statement No. 84, "*Fiduciary Activities*" improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This statement also provides for recognition of a liability to

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. This statement did not affect the Association's financial statements.

Statement No. 90, "*Majority Equity Interest*" improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method. This statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and therefore, the government should report that organization as a component unit. This statement did not affect the Association's financial statements.

The GASB has issued the following statements which will become effective in future years as shown below:

Statement No. 87, *"Leases"* increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*" establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*", which are superseded by this statement. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business type activity or enterprise fund. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. Management has not yet determined the effect of this statement on the financial statements.

Statement No. 91, *"Conduit Debt Obligations"* provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. Management has not yet determined the effect of this statement on the financial statements.

Statement No. 92, *"Omnibus 2020"* establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this statement apply to all financial statements of all state and local governments at dates varying from upon issuance to fiscal periods beginning after June 15, 2021. Management has not yet determined the effect of this statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

Statement No. 93, *"Replacement of Interbank Offered Rates"* some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. This statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this statement on the financial statements.

Statement No. 94, *"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"* improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for the years beginning after June 15, 2022. Management has not yet determined the effect of this statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

Statement No. 96, *"Subscription-based Information Technology Arrangements"* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for the years beginning after June 15, 2022. Management has not yet determined the effect of this statement on the financial statements.

Statement No. 97, *"Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32"* provides objectives to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement are effective for the years beginning after June 15, 2021. Management has not yet determined the effect of this statement on the financial statements.

Note 2 - DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investments contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Note 2 DEPOSITS AND INVESTMENTS (Continued)

State law requires deposits (cash and certificates of deposits) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision.

Bank Deposits:

The balances of deposits as of June 30, 2021 are as follows:

	Bank Balance	Reported Amount
Cash	$ 2,428,536	$ 2,399,106
Certificates of Deposit	2,500,000	2,500,000
Totals	$ 4,928,536	$ 4,899,106

Custodial credit risk is the risk that in the event of a bank failure, the Association's deposits may not be returned to it. The Association has a written policy for custodial credit risk. As of June 30, 2021, approximately $4,178,536 of the Association's bank balances of $4,928,536 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, and are deemed to be held in the Association's name by state statues.

As of June 30, 2021, cash and certificates of deposits were adequately collateralized in accordance with state law by securities held by unaffiliated banks for the account of the Association. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Investments:

State statutes authorize the Association to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and LAMP.

As a means of limiting its exposure to fair value losses arising from interest rates, the Association's investment policy limits investments to securities with less than six months from the date of purchase unless the investment is matched to a specific cash flow.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Association's investment policy requires the application of the prudent-person rule. The policy states, investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of such funds in an effort to minimize risk while earning maximum returns. The Association's investment policy limits investments to those discussed earlier in this note. LAMP has a Standard & Poor's Rating of AAA.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Association will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Investments: (Continued)

restricted to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Investments in LAMP as of June 30, 2021 amounted to $9,705,827 and are included on the Statement of Net Position as "cash equivalents".

A reconciliation of deposits and investments as shown on the Statement of Net Position is as follows:

Cash on hand	$ 4,050
Reported amount of deposits	4,899,106
Reported amount of investments	9,705,827
Total	$ 14,608,983
Cash and cash equivalents	$ 12,108,983
Investments	2,500,000
Total	$ 14,608,983

Note 3 - FUNDING POLICIES

The Association receives federal and state funding on a per diem per individual served/unit basis and on a reimbursement for services performed. Funding from the Office of Citizens with Developmental Disabilities (adult care) is received on a per diem/unit basis. In addition, the Association performs prescribed habilitation services and residential care and housing services (charges for services) for assigned rates by Title XIX passed through the Office of Family Security.

Note 3 - FUNDING POLICIES (Continued)

The Association receives contributions from the Parish. Monies from the Parish are from a 5.21 mill parish-wide ad valorem tax for the purpose of operating, maintaining and constructing facilities for the people with intellectual and other developmental disabilities. Funding from the Parish is included in intergovernmental revenue and amounted to $5,151,903, net of $48,097 withheld by the Parish for administrative expenses, during the year ended June 30, 2021. The Association receives its funding from the Parish subject to the terms of a contract which requires the Association to follow certain state laws generally limited to local governments. The contract term is for as long as the Parish collects the ad valorem tax, which is currently through 2027.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of June 30, 2021 consisted of the following:

State of Louisiana -	
Department of Health:	
Office of Family Security:	
Title XIX - Per Diem	$ 28,453
Office for Citizens with	
Developmental Disabilities:	
Adult Workshop	88,841
Supervised Independent Living	5,400
Respite	37,718
Total	$ 160,412

Note 5 - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2021 follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets not being depreciated:				
Land	$ 478,615	$ -	$ -	$ 478,615
Construction in progress	1,763,213	1,148,053	(2,817,265)	94,001
Total capital assets not being depreciated	2,241,828	1,148,053	(2,817,265)	572,616
Capital assets being depreciated:				
Buildings	9,775,902	3,042,532	(111,598)	12,706,836
Office furniture, equipment, and fixtures	1,579,789	126,256	(189,172)	1,516,873
Machinery and equipment	2,104,969	243,864	(283,084)	2,065,749
Total capital assets being depreciated	13,460,660	3,412,652	(583,854)	16,289,458
Less accumulated depreciation for:				
Buildings	(4,454,337)	(328,637)	71,418	(4,711,556)
Office furniture, equipment, and fixtures	(1,066,495)	(94,941)	175,872	(985,564)
Machinery and equipment	(1,402,376)	(177,436)	270,400	(1,309,412)
Total accumulated depreciation	(6,923,208)	(601,014)	517,690	(7,006,532)
Total capital assets being depreciated, net	6,537,452	2,811,638	(66,164)	9,282,926
Total capital assets, net	$8,779,280	$3,959,691	$(2,883,429)	$9,855,542

Depreciation expense for the year ended June 30, 2021 was charged to the following governmental activities:

Governmental Activity	
Administrative	$ 156,175
Adult Workshop	370,918
Residential	73,921
Total	$ 601,014

Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures as of June 30, 2021 consisted of the following:

Vendors	$108,423
Salaries and benefits	177,532
Total	$285,955

Note 7 - LONG-TERM OBLIGATIONS

The following is a summary of the changes in long-term obligations of the Association for the year ended June 30, 2021:

Long-term obligations, July 1, 2020	$216,511
Net decrease in accumulated unpaid vacation and sick leave	(10,764)
Long-term obligations, June 30, 2021	$205,747

Note 8 - DUE TO OTHER GOVERNMENTAL UNITS

Due to other governmental units as of June 30, 2021 consisted of the following:

State of Louisiana -	
Department of Health:	
Office of Family Security:	
Title XIX - Per Diem	$19,263

Note 9 - PAYCHECK PROTECTION PROGRAM LOAN

On May 6, 2020, the Association received a $1,216,500 loan from South Louisiana 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). During the year ended June 30, 2021, the loan was repaid by the SBA (Forgiven). The forgiveness is reported as revenue for the year ended June 30, 2021.

Note 10 - RISK MANAGEMENT

The Association is exposed to various risks of loss related to group health benefits; workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Association carries commercial insurance. No settlements were made during the year that exceeded the Association's insurance coverage.

Note 11 - RETIREMENT PLAN

The Association established a Cash or Deferred Profit-Sharing Plan (the "Plan"), under Internal Revenue Code Section 403 (b), for its eligible employees as of January 1, 1994. The Plan is administered by the Association.

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Association's Board of Directors. Under this plan participating employees are permitted to make elective deferrals of their compensation that is within the limits of Code Sections 403 (b) and 402 (g) from 1% to 20% of compensation. The Association will match a discretionary amount equal to 50% of the amount contributed, not to exceed 8% of employee compensation. For the year ended June 30, 2021, employee contributions totaled $208,831 and the Association recognized a pension expense of $96,402.

Employees are fully vested immediately upon participating in the Plan.

Note 12 - COMMITMENT

The Association entered into a contract for the renovation of an existing building for Buy-U-Beads totaling approximately $436,000. As of June 30, 2021, approximately $40,000 of the construction costs have been incurred.

Note 13 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year ended June 30, 2021.

Note 14 - 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 Office for Citizens with Developmental Disabilities and 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 or state level the amount of services the Association performs could be reduced and declines in revenues would have an adverse impact on operations.

Note 15 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through January 26, 2022, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION SECTION

DEPARTMENTS

Terrebonne ARC

June 30, 2021

Operating - To account for and report all financial resources used to provide for the needs of individuals with intellectual and other developmental disabilities except those accounted for in another department.

Adult Workshop - To account for and report various day programs for individuals with intellectual and other developmental disabilities.

Respite/Personal Care Attendant - To account for and report the care of persons served on a temporary basis.

Supervised Independent Living - To account for and report on persons served with daily living needs.

Dixie Community Home - To account for and report the needs of the residents of the Dixie Community Home.

Wellington Community Home - To account for and report the needs of the residents of the Wellington Community Home.

Lillian Marie Community Home - To account for and report the needs of the residents of the Lillian Marie Community Home.

COMBINING GOVERNMENTAL FUND BALANCE SHEET - GENERAL FUND DEPARTMENTS

Terrebonne ARC

June 30, 2021

	Operating	Adult Workshop
Assets		
Cash and cash equivalents	$ 12,105,633	$ 2,450
Investments	2,500,000	-
Receivables:		
Accounts	7,828	52,416
Other	9,582	3,598
Due from other governmental units	-	88,841
Due from/(to) other departments	27,697	(21,478)
Inventories	7,989	122,386
Prepaid insurance	5,298	16,002
Deposits	641	9,420
Total assets	$ 14,664,668	$ 273,635
Liabilities		
Accounts payable and accrued expenditures	$ 81,561	$ 151,249
Due to other governmental units	-	-
Total liabilities	81,561	151,249
Fund Balance		
Nonspendable:		
Inventories	7,989	122,386
Prepaid insurance	26,035	-
Committed:		
Dedicated emergencies and contingency fund	7,032,516	-
Assigned:		
Subsequent years' expenditures next year's budgeted deficit	3,803,653	-
Donations	322,620	-
Unassigned	3,390,294	-
Total fund balance	14,583,107	122,386
Total liabilities and fund balance	$ 14,664,668	$ 273,635

Respite/ Personal Care Attendant	Supervised Independent Living	Dixie Community Home	Wellington Community Home	Lillian Marie Community Home	Totals
$ -	$ -	$ 300	$ 300	$ 300	$ 12,108,983
-	-	-	-	-	2,500,000
-	-	-	-	-	60,244
164	71	141	266	243	14,065
37,718	5,400	28,453	-	-	160,412
(26,550)	(1,778)	(10,484)	17,973	14,620	-
-	-	-	-	-	130,375
1,277	200	1,310	966	982	26,035
-	-	80	141	315	10,597
$ 12,609	$ 3,893	$ 19,800	$ 19,646	$ 16,460	$ 15,010,711
$ 12,609	$ 3,893	$ 19,800	$ 7,541	$ 9,302	$ 285,955
-	-	-	12,105	7,158	19,263
12,609	3,893	19,800	19,646	16,460	305,218
-	-	-	-	-	130,375
-	-	-	-	-	26,035
-	-	-	-	-	7,032,516
-	-	-	-	-	3,803,653
-	-	-	-	-	322,620
-	-	-	-	-	3,390,294
-	-	-	-	-	14,705,493
$ 12,609	$ 3,893	$ 19,800	$ 19,646	$ 16,460	$ 15,010,711

COMBINING STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND DEPARTMENTS

Terrebonne ARC

For the year ended June 30, 2021

	Operating	Adult Workshop
Revenues		
Intergovernmental:		
Terrebonne Parish		
Consolidated Government	$ 5,151,903	$ -
State of Louisiana:		
Department of Transportation	169,665	-
Other	5,293	-
Charges for services	7	2,459,125
Grants	-	6,000
Paycheck Protection Program loan forgiveness	1,216,500	-
Miscellaneous:		
Interest	39,468	-
Donations and dues	17,457	10,150
Other	112,338	32,379
Total revenues	6,712,631	2,507,654
Expenditures		
Health and welfare:		
Current:		
Personal services	2,137,339	3,206,487
Supplies and materials	55,062	302,284
Other services and charges	290,756	660,528
Repairs and maintenance	111,797	87,885
Central administration and services	(2,462,565)	1,652,723
Capital outlay	374,037	1,352,673
Total expenditures	506,426	7,262,580
Excess (deficiency) of revenues over expenditures (carry forward)	6,206,205	(4,754,926)

Schedule 2

Respite/ Personal Care Attendant	Supervised Independent Living	Dixie Community Home	Wellington Community Home	Lillian Marie Community Home	Totals
$ -	$ -	$ -	$ -	$ -	$ 5,151,903
-	-	-	-	-	169,665
-	-	-	-	-	5,293
514,347	67,123	533,561	343,413	415,727	4,333,303
-	-	-	-	-	6,000
-	-	-	-	-	1,216,500
-	-	-	-	-	39,468
-	-	-	-	-	27,607
-	-	-	-	-	144,717
514,347	67,123	533,561	343,413	415,727	11,094,456
541,756	133,925	331,645	146,748	175,653	6,673,553
55	192	19,245	19,553	22,372	418,763
16,058	979	66,196	51,260	62,207	1,147,984
-	-	2,129	2,268	2,330	206,409
283,327	68,612	212,908	111,646	133,349	-
8,427	3,534	7,300	699	6,173	1,752,843
849,623	207,242	639,423	332,174	402,084	10,199,552
(335,276)	(140,119)	(105,862)	11,239	13,643	894,904

	Operating	Adult Workshop
Excess (deficiency) of revenues over expenditures (brought forward)	6,206,205	(4,754,926)
Other Financing Sources (Uses)		
Operating transfers in:		
Operating	-	4,382,493
Dixie Community Home	-	86,824
Wellington Community Home	-	141,651
Lillian Marie Community Home	-	157,290
Operating transfers out:		
Adult Workshop	(4,382,493)	-
Respite/Personal Care Attendant	(335,276)	-
Supervised Independent Living	(140,119)	-
Dixie Community Home	(192,686)	-
Wellington Community Home	(130,412)	-
Lillian Marie Community Home	(143,647)	-
Total other financing sources (uses)	(5,324,633)	4,768,258
Net Change in Fund Balances	881,572	13,332
Fund Balance		
Beginning of year	13,701,535	109,054
End of year	$ 14,583,107	$ 122,386

Schedule 2
(Continued)

Respite/ Personal Care Attendant	Supervised Independent Living	Dixie Community Home	Wellington Community Home	Lillian Marie Community Home	Totals
(335,276)	(140,119)	(105,862)	11,239	13,643	894,904
335,276	140,119	192,686	130,412	143,647	5,324,633
-	-	-	-	-	86,824
-	-	-	-	-	141,651
-	-	-	-	-	157,290
-	-	(86,824)	(141,651)	(157,290)	(4,768,258)
-	-	-	-	-	(335,276)
-	-	-	-	-	(140,119)
-	-	-	-	-	(192,686)
-	-	-	-	-	(130,412)
-	-	-	-	-	(143,647)
335,276	140,119	105,862	(11,239)	(13,643)	-
-	-	-	-	-	894,904
-	-	-	-	-	13,810,589
$ -	$ -	$ -	$ -	$ -	$ 14,705,493

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

Terrebonne ARC

For the year ended June 30, 2021

Agency Head Name: Mary Lynn Bisland, Executive Director

Purpose	
Salary	$ 157,597
Benefits - insurance	18,768
Benefits - retirement	6,271
Benefits - other	679
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Membership fees	200
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	$ 183,515

Note:

Mary Lynn Bisland is the Executive Director and functions as the Chief Executive Officer.

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,
Terrebonne ARC,
Houma, 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 the Terrebonne ARC (the "Association"), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended June 30, 2021, which collectively compromise the Association's financial statements and have issued our report thereon dated **January 26, 2022**.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, 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 opinions 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 over financial reporting.

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Association'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 are less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

The purpose of this report is 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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
January 26, 2022.

SCHEDULE OF FINDINGS AND RESPONSES

Terrebonne ARC

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

The Association did not expend more than $750,000 in federal awards during the year ended June 30, 2021, and therefore, is exempt from the audit requirements under *Uniform Guidance*.

Section II Financial Statement Findings

No financial statement findings were reported 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

Terrebonne ARC

For the year ended June 30, 2021

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

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 and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2020.

Section II - Internal Control and Compliance Material to Federal Awards

The Association did not expend more than $750,000 in federal awards during the year ended June 30, 2020, and therefore, is exempt from the audit requirements under *Uniform Guidance*.

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

Terrebonne ARC

For the year ended June 30, 2021

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

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 and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2021.

Section II - Internal Control and Compliance Material to Federal Awards

The Association did not expend more than $750,000 in federal awards during the year ended June 30, 2021, and therefore, is exempt from the audit requirements under *Uniform Guidance*.

Section III - Management Letter

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