

Financial Report

Lafourche ARC
Thibodaux, Louisiana

June 30, 2025



Financial Report

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Thibodaux, Louisiana

June 30, 2025

TABLE OF CONTENTS

Lafourche ARC Thibodaux, Louisiana

June 30, 2025 and 2024

Page Numbers

Financial Section

Independent Auditor's Report 1 - 4

Exhibits

A - Statements of Financial Position	5
B - Statements of Activities	6 - 7
C-1 - Statement of Functional Expenses For the year ended June 30, 2025	8 - 9
C-2 - Statement of Functional Expenses For the year ended June 30, 2024	10 - 11
D - Statements of Cash Flows	12
E - Notes to Financial Statements	13 - 24

Supplementary Information Section

Schedules

1 - Schedule of Program Financial Position	25 - 26
2 - Schedule of Program Activities	27 - 28
3 - Schedule of Program Services Expenses	29 - 30
4 - Schedule of Support Services Expenses	31 - 32
5 - Schedule of Revenues and Expenses For the Years Ended June 30, 2025, 2024, and 2023	33
6 - Graph of Revenues For the Years Ended June 30, 2025, 2024, and 2023	34
7 - Graph of Expenses For the Years Ended June 30, 2025, 2024, and 2023	35
8 - Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	36

TABLE OF CONTENTS
(Continued)

Page
Numbers

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 <i>Government Auditing Standards</i>	37 - 38
Schedule of Findings and Responses	39

Reports by Management

Schedule of Prior Year Findings and Responses	40
Management's Corrective Action Plan	41

Statewide Agreed-Upon Procedures

Independent Accountant's Report on Applying Agreed-Upon Procedures	42 - 43
Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures	44 - 52

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Lafourche ARC (the "Association"), a nonprofit organization, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Association as of June 30, 2025 and 2024, and the changes in net assets, functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently know information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in the Schedules 1 through 8 for the years ended June 30, 2025 and 2024 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements and the basic financial statements themselves, and other additional procedures in accordance with auditing procedures generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements for the years ended June 30, 2025 and 2024, taken as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the Statement of Financial Position of Lafourche ARC as of June 30, 2023, and the related Statement of Activities for the year ended June 30, 2023 (none of which are presented herein), and we expressed an unmodified opinion on those financial statements. That audit was conducted for purposes of forming an opinion on the basic financial statements as a whole. The information contained in Schedules 5 through 7 for the year ended June 30, 2023 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements as of and for the year ended June 30, 2023. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information presented in Schedules 5 through 7 for the year ended June 30, 2023 is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2025 on our consideration of Lafourche ARC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
December 16, 2025.

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

June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash	\$ 3,545,953	\$ 962,630
Investments	7,423,889	8,421,144
Due from State of Louisiana	1,312,263	842,947
Accounts receivable	236,943	497,801
Deposits and other assets	125,955	94,669
Buildings, furniture, and equipment, net	<u>3,598,348</u>	<u>3,601,862</u>
Totals	<u>\$ 16,243,351</u>	<u>\$ 14,421,053</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 591,831	\$ 605,992
Net Assets		
Without donor restrictions	<u>15,651,520</u>	<u>13,815,061</u>
Totals	<u>\$ 16,243,351</u>	<u>\$ 14,421,053</u>

See notes to financial statements.

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

For the years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Changes in Net Assets Without Donor Restrictions		
Support and Revenues		
Support:		
Group services:		
Habilitation services	\$ 6,814,413	\$ 6,480,277
Residential services	4,289,460	3,646,669
Governmental grants:		
Office for Citizens with Developmental Disabilities	67,265	75,375
State of Louisiana - hotel/motel tax	324,117	344,734
Department of Transportation and Development	206,532	431,646
Federal Emergency Management Agency	151,810	40,638
Lafourche Parish Government	-	350,000
South Central Human Services Authority	-	200,000
Client income	453,189	435,878
Sheltered workshop, net of \$192,405 (\$163,559 in 2024) of direct costs	89,138	11,950
Fundraising	119,656	108,644
Contributions	87,774	49,728
	<u>12,603,354</u>	<u>12,175,539</u>
Revenues:		
Investment income, net	644,856	604,790
Gain (loss) on sales of capital assets	1,700	(10,132)
Insurance proceeds	-	2,305
Employee Retention Credit	1,528,881	-
Miscellaneous	6,469	4,203
	<u>2,181,906</u>	<u>601,166</u>
Total revenues	<u>2,181,906</u>	<u>601,166</u>
Total support and revenues	<u>14,785,260</u>	<u>12,776,705</u>

**Exhibit B
(Continued)**

	<u>2025</u>	<u>2024</u>
Expenses		
Program services:		
Medical and nursing	55,282	90,410
Therapeutic and training	8,603,208	8,500,890
Recreational	4,028	4,946
Consultants	180,613	332,066
	<u>8,843,131</u>	<u>8,928,312</u>
Total program services		
Support services:		
Administrative and general	2,991,741	2,913,226
Plant operations and maintenance	522,831	265,334
Costs related to capital assets	399,912	392,606
Dietary	142,451	136,541
Laundry and linen	7,021	10,589
Housekeeping supplies	30,659	28,892
Personal client needs	11,055	11,523
	<u>4,105,670</u>	<u>3,758,711</u>
Total support services		
Total expenses	<u>12,948,801</u>	<u>12,687,023</u>
Increase in net assets without donor restrictions	1,836,459	89,682
Net Assets		
Beginning of year	<u>13,815,061</u>	<u>13,725,379</u>
End of year	<u>\$ 15,651,520</u>	<u>\$ 13,815,061</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2025

	Program Services				Totals
	Medical and Nursing	Therapeutic and Training	Recreational	Consultants	
Bed fees	\$ -	\$ -	\$ -	\$ -	\$ -
Clothing	-	-	-	-	-
Contracts - outside services	-	-	-	180,613	180,613
Depreciation	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Food	-	-	-	-	-
Insurance	-	-	-	-	-
Licenses	-	-	-	-	-
Linen and bedding	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Medical services	19,165	-	-	-	19,165
Other	11,006	-	-	-	11,006
Postage	-	-	-	-	-
Prescriptions	5,276	-	-	-	5,276
Professional fees	-	-	-	-	-
Rent	-	-	-	-	-
Salaries, payroll taxes, and benefits	-	8,601,356	-	-	8,601,356
Supplies	19,835	1,852	4,028	-	25,715
Telephone	-	-	-	-	-
Training-in-service	-	-	-	-	-
Travel and seminars	-	-	-	-	-
Utilities	-	-	-	-	-
Vehicles - gas, oil, and repairs	-	-	-	-	-
Total expenses	<u>\$ 55,282</u>	<u>\$ 8,603,208</u>	<u>\$ 4,028</u>	<u>\$ 180,613</u>	<u>\$ 8,843,131</u>

See notes to financial statements.

Supporting Services								
Administrative and General	Plant Operations and Maintenance	Costs Related to Capital Assets	Dietary	Laundry and Linen	Housekeeping Supplies	Personal Client Needs	Totals	Grand Totals
\$ 211,858	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,858	\$ 211,858
-	-	-	-	-	-	2,947	2,947	2,947
-	-	-	12,905	-	-	-	12,905	193,518
-	-	399,912	-	-	-	-	399,912	399,912
6,975	-	-	-	-	-	-	6,975	6,975
-	-	-	121,546	-	-	-	121,546	121,546
652,889	-	-	-	-	-	-	652,889	652,889
6,851	-	-	-	-	-	-	6,851	6,851
-	-	-	-	2,416	-	-	2,416	2,416
-	364,515	-	-	-	-	-	364,515	364,515
-	-	-	-	-	-	-	-	19,165
211,340	-	-	-	-	-	8,108	219,448	230,454
3,133	-	-	-	-	-	-	3,133	3,133
-	-	-	-	-	-	-	-	5,276
208,937	-	-	-	-	-	-	208,937	208,937
61,920	-	-	-	-	-	-	61,920	61,920
1,151,003	-	-	-	-	-	-	1,151,003	9,752,359
116,298	-	-	8,000	4,605	30,659	-	159,562	185,277
118,394	-	-	-	-	-	-	118,394	118,394
1,009	-	-	-	-	-	-	1,009	1,009
44,779	-	-	-	-	-	-	44,779	44,779
-	158,316	-	-	-	-	-	158,316	158,316
196,355	-	-	-	-	-	-	196,355	196,355
<u>\$ 2,991,741</u>	<u>\$ 522,831</u>	<u>\$ 399,912</u>	<u>\$ 142,451</u>	<u>\$ 7,021</u>	<u>\$ 30,659</u>	<u>\$ 11,055</u>	<u>\$ 4,105,670</u>	<u>\$ 12,948,801</u>

STATEMENT OF FUNCTIONAL EXPENSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2024

	<u>Program Services</u>				
	<u>Medical and Nursing</u>	<u>Therapeutic and Training</u>	<u>Recreational</u>	<u>Consultants</u>	<u>Totals</u>
Bed fees	\$ -	\$ -	\$ -	\$ -	\$ -
Clothing	-	-	-	-	-
Contracts - outside services	-	-	-	332,066	332,066
Depreciation	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Food	-	-	-	-	-
Insurance	-	-	-	-	-
Licenses	-	-	-	-	-
Linen and bedding	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Medical services	23,567	-	-	-	23,567
Other	10,513	-	-	-	10,513
Postage	-	-	-	-	-
Prescriptions	5,154	-	-	-	5,154
Professional fees	-	-	-	-	-
Rent	-	-	-	-	-
Salaries, payroll taxes, and benefits	-	8,497,272	-	-	8,497,272
Supplies	51,176	3,618	4,946	-	59,740
Telephone	-	-	-	-	-
Training-in-service	-	-	-	-	-
Travel and seminars	-	-	-	-	-
Utilities	-	-	-	-	-
Vehicles - gas, oil, and repairs	-	-	-	-	-
Total expenses	<u>\$ 90,410</u>	<u>\$ 8,500,890</u>	<u>\$ 4,946</u>	<u>\$ 332,066</u>	<u>\$ 8,928,312</u>

See notes to financial statements.

Supporting Services								
Administrative and General	Plant Operations and Maintenance	Costs Related to Capital Assets	Dietary	Laundry and Linen	Housekeeping Supplies	Personal Client Needs	Totals	Grand Totals
\$ 206,461	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206,461	\$ 206,461
-	-	-	-	-	-	4,809	4,809	4,809
-	-	-	9,580	-	-	-	9,580	341,646
-	-	392,606	-	-	-	-	392,606	392,606
12,000	-	-	-	-	-	-	12,000	12,000
-	-	-	116,679	-	-	-	116,679	116,679
628,533	-	-	-	-	-	-	628,533	628,533
11,470	-	-	-	-	-	-	11,470	11,470
-	-	-	-	4,659	-	-	4,659	4,659
-	134,083	-	-	-	-	-	134,083	134,083
-	-	-	-	-	-	-	-	23,567
189,341	-	-	-	-	-	6,714	196,055	206,568
3,961	-	-	-	-	-	-	3,961	3,961
-	-	-	-	-	-	-	-	5,154
267,621	-	-	-	-	-	-	267,621	267,621
40,447	-	-	-	-	-	-	40,447	40,447
1,015,011	-	-	-	-	-	-	1,015,011	9,512,283
110,380	-	-	10,282	5,930	28,892	-	155,484	215,224
126,752	-	-	-	-	-	-	126,752	126,752
7,015	-	-	-	-	-	-	7,015	7,015
58,006	-	-	-	-	-	-	58,006	58,006
-	131,251	-	-	-	-	-	131,251	131,251
236,228	-	-	-	-	-	-	236,228	236,228
<u>\$ 2,913,226</u>	<u>\$ 265,334</u>	<u>\$ 392,606</u>	<u>\$ 136,541</u>	<u>\$ 10,589</u>	<u>\$ 28,892</u>	<u>\$ 11,523</u>	<u>\$ 3,758,711</u>	<u>\$ 12,687,023</u>

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

For the years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Increase in net assets	\$ 1,836,459	\$ 89,682
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	399,912	392,606
Net realized and unrealized gain on investments	(492,668)	(405,199)
Loss (gain) on sales of capital assets	(1,700)	10,132
Decrease (increase) in operating assets:		
Receivables	(208,458)	(174,789)
Deposits and other assets	(31,286)	122,679
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(14,161)	59,721
Total adjustments	<u>(348,361)</u>	<u>5,150</u>
Net cash provided by operating activities	<u>1,488,098</u>	<u>94,832</u>
Cash Flows from Investing Activities		
Purchases of investments	(2,607,122)	(1,878,494)
Proceeds from maturity and sales of investments	4,097,045	2,264,205
Proceeds from sale of capital assets	1,700	43,400
Purchase of capital assets	<u>(396,398)</u>	<u>(737,660)</u>
Net cash provided by (used in) investing activities	<u>1,095,225</u>	<u>(308,549)</u>
Net increase (decrease) in cash	2,583,323	(213,717)
Cash		
Beginning of year	<u>962,630</u>	<u>1,176,347</u>
End of year	<u>\$ 3,545,953</u>	<u>\$ 962,630</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Lafourche ARC
Thibodaux, Louisiana**

June 30, 2025 and 2024

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

Lafourche ARC (the “Association”) operates six residential community homes (Country Club, Stevens, Chackbay, Richland, Narrow Street, and Peltier) and three day care facilities to provide intermediate care and habilitation for the mentally handicapped. All of the six residential community homes are owned by the Association. The Association also provides respite services to families of mentally handicapped individuals.

b. Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. The Association is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The Association had no net assets with donor restrictions as of June 30, 2025 and 2024.

c. Basis of Accounting

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

d. Use of Estimates

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Fair Value of Financial Instruments

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

f. Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Association considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Association had no cash equivalents as of June 30, 2025 and 2024.

g. Investments

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

Certificates of deposit with initial maturity longer than three months are stated at cost, which approximates fair market value. All other investments have readily determinable fair values in active markets.

h. Allowance for Credit Losses

The Association provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances which are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of June 30, 2025 and 2024, management considers accounts receivable to be fully collectible; accordingly, no allowance for credit losses of accounts receivable has been established.

As of June 30, 2025, 2024, and 2023 accounts receivable was \$236,943, \$497,801, and \$75,061, respectively.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Buildings, Furniture, and Equipment

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

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

j. Contributions and Revenue Recognition

In May 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, “*Revenue from Contracts with Customers*” (Topic 606). This ASU implements a single framework for revenue recognition, ensuring that revenue is recognized in a manner which reflects the consideration to which the entity expects to be entitled in exchange for goods and services.

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

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

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

k. Donated Services

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Compensated Absences

On July 1st, all full-time employees receive from 12 to 21 days of leave depending on years of service. These days are to cover both vacation and sick leave. Leave must be taken by September 1st of the next fiscal year, or the leave is lost. The Association has \$97,793 and \$89,121 of accumulated leave included in accounts payable and accrued liabilities as of June 30, 2025 and 2024, respectively.

m. Functional Expenses

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

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

n. Income Taxes

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

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosures of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. Tax years ended June 30, 2022 and later remain subject to examination by the taxing authorities. As of June 30, 2025, 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)

o. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 16, 2025, which is the date the financial statements were available to be issued.

Note 2 - INVESTMENTS

Investments as of June 30, 2025 and 2024 are as follows:

	2025		2024	
	Cost	Market	Cost	Market
U.S. Treasury Bonds	\$ 263,078	\$ 210,760	\$ 342,308	\$ 287,726
Federal Home Loan Mortgage Corporation Notes	225,979	205,427	275,142	239,845
Federal National Mortgage Association Notes	438,665	397,387	409,883	351,313
Equity securities/mutual funds	3,223,101	4,262,514	3,093,766	4,029,587
Private label securities	114,474	114,772	53,937	53,762
Fixed income mutual funds	1,143,528	1,151,622	848,492	825,235
Certificates of deposit and savings accounts	-	-	1,627,142	1,627,111
Municipal bonds	85,176	79,681	85,969	79,210
Corporate bonds	892,884	874,019	771,335	732,660
Money market funds	127,707	127,707	194,695	194,695
Totals	<u>\$ 6,514,592</u>	<u>\$ 7,423,889</u>	<u>\$ 7,702,669</u>	<u>\$ 8,421,144</u>

Note 2 - INVESTMENTS (Continued)

The following schedule summarizes the investment return and its classification in the Statements of Activities for the years ended June 30, 2025 and 2024:

	2025	2024
Excess of market over cost:		
End of year	\$ 909,297	\$ 718,475
Beginning of year	718,475	344,371
Unrealized gain	190,822	374,104
Net realized gain	301,846	31,095
Interest and dividends	236,297	274,829
Fees and expenses	(84,109)	(75,238)
Investment income, net	<u>\$ 644,856</u>	<u>\$ 604,790</u>

Note 3 - FAIR VALUE MEASUREMENTS

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

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

Note 3 - FAIR VALUE MEASUREMENTS (Continued)

Assets measured at fair value on a recurring basis as of June 30, 2025 and 2024 are comprised of and determined as follows:

	June 30, 2025			
	Total Assets Measured at Fair Value	Quoted Prices in Active Market for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual Funds:				
Emerging market	\$ 45,058	\$ 45,058	\$ -	\$ -
International markets	156,778	156,778	-	-
Large blend	519,899	519,899	-	-
Large cap value	160,917	160,917	-	-
Mid-cap blend	37,026	37,026	-	-
Multisector bonds	145,979	145,979	-	-
Short term bond	118,001	118,001	-	-
Small blend	90,189	90,189	-	-
Preferred stock	64,129	64,129	-	-
Real estate	42,283	42,283	-	-
Commodities focused	34,751	34,751	-	-
Equity market neutral	49,481	49,481	-	-
Fixed income mutual funds:				
Corporate bonds	92,182	92,182	-	-
Commodities broad basket	11,723	11,723	-	-
Emerging market	56,498	56,498	-	-
Global bond	68,461	68,461	-	-
High yield bonds	72,000	72,000	-	-
Intermediate term bonds	541,984	541,984	-	-
Multisector bonds	285,713	285,713	-	-
Ultrashort bond	23,061	23,061	-	-
Total mutual funds	<u>2,616,113</u>	<u>2,616,113</u>	<u>-</u>	<u>-</u>
Equity Shares:				
Chemicals	16,599	16,599	-	-
Consumer cyclical	180,688	180,688	-	-
Consumer defensive	204,910	204,910	-	-
Consumer services	64,497	64,497	-	-
Energy	85,258	85,258	-	-
Financials	711,214	711,214	-	-
Health care	356,126	356,126	-	-
Industrials	529,488	529,488	-	-
Information technology	218,768	218,768	-	-
Real estate	131,507	131,507	-	-
Technology	84,397	84,397	-	-
Telecommunication services	109,455	109,455	-	-
Utilities	105,116	105,116	-	-
Total equity shares	<u>2,798,023</u>	<u>2,798,023</u>	<u>-</u>	<u>-</u>
Government bonds and notes	813,574	813,574	-	-
Corporate bonds	874,019	874,019	-	-
Municipal bonds	79,681	79,681	-	-
Private label	114,772	114,772	-	-
Money market funds	127,707	127,707	-	-
Totals	<u>\$ 7,423,889</u>	<u>\$ 7,423,889</u>	<u>\$ -</u>	<u>\$ -</u>

Note 3 - FAIR VALUE MEASUREMENTS (Continued)

	June 30, 2024			
	Total Assets Measured at Fair Value	Quoted Prices in Active Market for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual Funds:				
Emerging market	\$ 52,730	\$ 52,730	\$ -	\$ -
Foreign large blend	40,969	40,969	-	-
International markets	39,585	39,585	-	-
Large blend	513,477	513,477	-	-
Large cap value	24,989	24,989	-	-
Mid-cap blend	47,409	47,409	-	-
Multisector bonds	106,590	106,590	-	-
Short term bond	139,723	139,723	-	-
Small blend	68,546	68,546	-	-
Preferred stock	73,955	73,955	-	-
Fixed income mutual funds:				
Commodities broad basket	46,423	46,423	-	-
Emerging market	82,286	82,286	-	-
Global bond	101,587	101,587	-	-
High yield bonds	108,163	108,163	-	-
Intermediate term bonds	168,683	168,683	-	-
Multisector bonds	245,858	245,858	-	-
Short term bonds	50,266	50,266	-	-
Ultrashort bond	21,969	21,969	-	-
Total mutual funds	<u>1,933,208</u>	<u>1,933,208</u>	<u>-</u>	<u>-</u>
Equity Shares:				
Chemicals	38,037	38,037	-	-
Consumer cyclical	188,294	188,294	-	-
Consumer defensive	201,073	201,073	-	-
Consumer services	73,259	73,259	-	-
Energy	163,823	163,823	-	-
Financials	675,475	675,475	-	-
Health care	317,631	317,631	-	-
Industrials	509,680	509,680	-	-
Information technology	166,800	166,800	-	-
Materials	15,176	15,176	-	-
Real estate	155,235	155,235	-	-
Technology	207,481	207,481	-	-
Telecommunication services	104,278	104,278	-	-
Utilities	105,372	105,372	-	-
Total equity shares	<u>2,921,614</u>	<u>2,921,614</u>	<u>-</u>	<u>-</u>
Government bonds and notes	878,884	878,884	-	-
Corporate bonds	732,660	732,660	-	-
Municipal bonds	79,210	79,210	-	-
Certificates of deposit	1,627,111	1,627,111	-	-
Private label	53,762	53,762	-	-
Money market funds	194,695	194,695	-	-
Totals	<u>\$ 8,421,144</u>	<u>\$ 8,421,144</u>	<u>\$ -</u>	<u>\$ -</u>

Note 4 - DUE FROM STATE OF LOUISIANA

Due from the State as of June 30, 2025, 2024, and 2023 consists of the following.

	2025	2024	2023
Department of Health and Hospitals - residential and habilitation services	\$ 1,312,263	\$ 842,947	\$ 1,090,898

Note 5 - BUILDINGS, FURNITURE, AND EQUIPMENT

Buildings, furniture, and equipment as of June 30, 2025 and 2024 consists of the following:

	2025	2024
Land	\$ 226,200	\$ 226,200
Buildings and improvements	4,572,149	4,515,759
Vehicles	2,399,604	2,194,615
Furniture and equipment	667,599	658,854
	7,865,552	7,595,428
Less: accumulated depreciation	(4,267,204)	(3,993,566)
Net buildings, furniture, and equipment	\$ 3,598,348	\$3,601,862

Depreciation expense for the years ended June 30, 2025 and 2024 was \$399,912 and \$392,606, respectively.

Note 6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued expenses as of June 30, 2025 and 2024 consist of the following:

	2025	2024
Vendors	\$ 57,728	\$ 82,866
Salaries and benefits	492,016	480,684
Other	42,087	42,442
Totals	\$ 591,831	\$605,992

Note 7 - AVAILABILITY OF FINANCIAL ASSETS

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

Occasionally, the Association designates a portion of any operating surplus for a particular purpose. The designated reserves can be changed and made available for immediate use in the event of an urgent liquidity need. The Association did not have any designated reserves as of June 30, 2025.

The following reflects the Association’s financial assets available for use as of June 30, 2025.

Financial assets:	
Cash	\$ 3,545,953
Investments	7,423,889
Due from State of Louisiana	1,312,263
Accounts receivable	<u>236,943</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$12,519,048</u></u>

Note 8 - CENTRAL OFFICE OVERHEAD

The central office was established to account for supporting expenses common to the programs. Each program reimburses the central office for its share. The amount allocated to each program, as supporting service-administrative and general is based upon time and level of efforts expended as measured by expenses per program compared to total expenses. The allocations are eliminated for presentation of the Statements of Activities and Statements of Functional Expenses. For the years ended June 30, 2025 and 2024, personal service and occupancy costs incurred at the central office amounting to \$224,928 and \$1,056,411, respectively, were allocated to the programs as follows:

	2025	2024
Community support services	\$ 107,075	\$ 547,682
Daycare services	56,653	231,923
Stevens Community Home	13,180	60,368
Chackbay Community Home	9,627	40,957
Country Club Community Home	9,293	39,360
Richland Community Home	9,853	45,162
Narrow Street Community Home	9,320	43,514
Peltier Community Home	9,927	47,445
Totals	\$ 224,928	\$ 1,056,411

Note 9 - ECONOMIC DEPENDENCY

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

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

Note 10 - RETIREMENT PLAN

The Association adopted a 401(k) retirement plan effective July 1, 1997. The plan covers all employees who have completed one or more years of service. The Association makes contributions to the plan at its discretion. No contributions were made for the year ending June 30, 2025. Contributions amounted to \$7,239 for the year ended June 30, 2024.

Note 11 - CONCENTRATION OF RISK

During the year ended June 30, 2025, the Association maintained its cash deposits and certificates of deposit with local banks. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash, certificates of deposit and money market funds at these institutions exceeded federally insured limits by approximately \$3,314,000 as of June 30, 2025.

Note 12 - RISK MANAGEMENT

The Association is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage during the year ended June 30, 2025.

SUPPLEMENTARY INFORMATION SECTION

SCHEDULE OF PROGRAM FINANCIAL POSITION

Lafourche ARC
Thibodaux, Louisiana

June 30, 2025

	Community Homes				
	Chackbay	Country Club	Peltier	Stevens	Narrow Street
Assets					
Cash	\$ 200	\$ 200	\$ 100	\$ 200	\$ 100
Investments	774,013	392,955	816,273	80,217	688,830
Due from State of Louisiana	95,247	91,948	100,958	91,362	87,108
Accounts receivable	255	38	600	548	531
Due from other programs	49,123	366,071	420,980	-	435,596
Deposits and other assets	9,035	1,655	4,225	5,437	405
Buildings, furniture, and equipment, net	139,761	68,613	298,932	72,286	110,915
Totals	<u>\$ 1,067,634</u>	<u>\$ 921,480</u>	<u>\$ 1,642,068</u>	<u>\$ 250,050</u>	<u>\$ 1,323,485</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 14,974	\$ 18,642	\$ 17,503	\$ 22,711	\$ 18,626
Due to other programs	1,246,399	115,135	1,619,493	693,447	81,570
Total liabilities	<u>1,261,373</u>	<u>133,777</u>	<u>1,636,996</u>	<u>716,158</u>	<u>100,196</u>
Net Assets (Deficit)					
Unrestricted	<u>(193,739)</u>	<u>787,703</u>	<u>5,072</u>	<u>(466,108)</u>	<u>1,223,289</u>
Totals	<u>\$ 1,067,634</u>	<u>\$ 921,480</u>	<u>\$ 1,642,068</u>	<u>\$ 250,050</u>	<u>\$ 1,323,485</u>

Community Homes					
Richland	Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
\$ 100	\$ -	\$ 34,573	\$ 3,510,480	\$ -	\$ 3,545,953
343,680	2,681,348	1,646,573	-	-	7,423,889
98,030	623,297	124,313	-	-	1,312,263
480	218,388	8,085	8,018	-	236,943
242,219	8,677,230	104,022	2,700,919	(12,996,160)	-
440	-	1,240	103,518	-	125,955
<u>52,379</u>	<u>1,131,276</u>	<u>1,147,151</u>	<u>577,035</u>	<u>-</u>	<u>3,598,348</u>
<u>\$ 737,328</u>	<u>\$ 13,331,539</u>	<u>\$ 3,065,957</u>	<u>\$ 6,899,970</u>	<u>\$ (12,996,160)</u>	<u>\$ 16,243,351</u>
\$ 18,972	\$ 307,088	\$ 99,040	\$ 74,275	\$ -	\$ 591,831
252,171	622,915	1,539,335	6,825,695	(12,996,160)	-
<u>271,143</u>	<u>930,003</u>	<u>1,638,375</u>	<u>6,899,970</u>	<u>(12,996,160)</u>	<u>591,831</u>
<u>466,185</u>	<u>12,401,536</u>	<u>1,427,582</u>	<u>-</u>	<u>-</u>	<u>15,651,520</u>
<u>\$ 737,328</u>	<u>\$ 13,331,539</u>	<u>\$ 3,065,957</u>	<u>\$ 6,899,970</u>	<u>\$ (12,996,160)</u>	<u>\$ 16,243,351</u>

SCHEDULE OF PROGRAM ACTIVITIES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2025

	Community Homes			
	Chackbay	Country Club	Peltier	Stevens
Changes in Net Assets Without Donor Restrictions				
Support and Revenues				
Support:				
Group services:				
Habilitation services	\$ -	\$ -	\$ -	\$ -
Residential services	478,557	460,209	565,297	530,113
Governmental Grants:				
Office for Citizens with Developmental Disabilities	-	-	-	-
State of Louisiana-hotel/motel tax	-	-	-	-
Department of Transportation and Development	-	-	-	-
Federal Emergency Management Agency	-	-	-	-
Client income	89,812	93,299	45,192	82,030
Sheltered workshop, net of \$192,405 of direct costs	-	-	-	-
Fundraising	-	-	-	-
Contributions	-	-	-	-
Total support without donor restrictions	568,369	553,508	610,489	612,143
Revenues:				
Investment income, net	65,508	33,258	69,098	6,803
Gain on sales of capital assets	-	-	-	500
Employee retention credit	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	65,508	33,258	69,098	7,303
Allocations	-	-	-	-
Total unrestricted support, revenues and net assets released from restrictions	633,877	586,766	679,587	619,446
Expenses				
Program services:				
Medical and nursing	6,331	5,812	10,212	12,883
Therapeutic and training	344,354	345,819	343,513	511,143
Recreational	73	370	597	1,028
Consultants	23,941	23,772	23,452	24,554
Total program services	374,699	375,773	377,774	549,608
Support services:				
Administrative and general	103,423	89,366	99,968	119,531
Plant operations and maintenance	13,742	19,666	16,614	16,944
Costs related to capital assets	7,749	5,140	13,589	8,977
Dietary	17,529	15,842	27,159	20,026
Laundry and linen	1,398	415	1,542	591
Housekeeping	1,385	1,499	2,311	1,562
Personal client needs	1,212	595	2,992	1,482
Total support services	146,438	132,523	164,175	169,113
Total expenses	521,137	508,296	541,949	718,721
Increase (Decrease) in Assets Without Donor Restrictions	112,740	78,470	137,638	(99,275)
Net Assets (Accumulated Deficit)				
Beginning of year	(306,479)	709,233	(132,566)	(366,833)
End of year	\$ (193,739)	\$ 787,703	\$ 5,072	\$ (466,108)

Homes		Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
Narrow Street	Richland					
\$ -	\$ -	\$ 6,744,571	\$ 69,842	\$ -	\$ -	\$ 6,814,413
464,436	525,366	237,034	1,791,189	-	(762,741)	4,289,460
-	-	-	67,265	-	-	67,265
-	-	-	324,117	-	-	324,117
-	-	-	206,532	-	-	206,532
-	-	-	-	151,810	-	151,810
71,872	70,984	-	-	-	-	453,189
-	-	-	89,138	-	-	89,138
-	-	-	-	119,656	-	119,656
-	-	-	87,774	-	-	87,774
<u>536,308</u>	<u>596,350</u>	<u>6,981,605</u>	<u>2,635,857</u>	<u>271,466</u>	<u>(762,741)</u>	<u>12,603,354</u>
58,327	29,101	243,367	139,394	-	-	644,856
-	-	-	1,200	-	-	1,700
-	-	-	-	1,528,881	-	1,528,881
-	-	6,157	-	312	-	6,469
<u>58,327</u>	<u>29,101</u>	<u>249,524</u>	<u>140,594</u>	<u>1,529,193</u>	<u>-</u>	<u>2,181,906</u>
-	-	-	-	224,928	(224,928)	-
<u>594,635</u>	<u>625,451</u>	<u>7,231,129</u>	<u>2,776,451</u>	<u>2,025,587</u>	<u>(987,669)</u>	<u>14,785,260</u>
6,978	8,586	1,442	3,038	-	-	55,282
325,185	341,874	5,413,855	1,740,206	-	(762,741)	8,603,208
758	1,028	-	174	-	-	4,028
24,547	25,318	35,029	-	-	-	180,613
<u>357,468</u>	<u>376,806</u>	<u>5,450,326</u>	<u>1,743,418</u>	<u>-</u>	<u>(762,741)</u>	<u>8,843,131</u>
89,579	100,132	315,449	611,792	1,687,429	(224,928)	2,991,741
19,142	21,764	2,475	133,686	278,798	-	522,831
7,916	5,126	58,754	233,415	59,246	-	399,912
27,361	27,118	3,688	3,728	-	-	142,451
1,091	1,928	-	56	-	-	7,021
2,177	3,383	193	18,035	114	-	30,659
1,925	2,149	-	700	-	-	11,055
<u>149,191</u>	<u>161,600</u>	<u>380,559</u>	<u>1,001,412</u>	<u>2,025,587</u>	<u>(224,928)</u>	<u>4,105,670</u>
<u>506,659</u>	<u>538,406</u>	<u>5,830,885</u>	<u>2,744,830</u>	<u>2,025,587</u>	<u>(987,669)</u>	<u>12,948,801</u>
87,976	87,045	1,400,244	31,621	-	-	1,836,459
<u>1,135,313</u>	<u>379,140</u>	<u>11,001,292</u>	<u>1,395,961</u>	<u>-</u>	<u>-</u>	<u>13,815,061</u>
<u>\$ 1,223,289</u>	<u>\$ 466,185</u>	<u>\$ 12,401,536</u>	<u>\$ 1,427,582</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,651,520</u>

SCHEDULE OF PROGRAM SERVICES EXPENSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2025

	Community Homes			
	Chackbay	Country Club	Peltier	Stevens
Medical and Nursing				
Medical services	\$ 2,231	\$ 3,225	\$ 3,563	\$ 3,315
Other	1,497	-	1,505	5,753
Prescriptions	602	629	1,365	981
Supplies	2,001	1,958	3,779	2,834
	<hr/>	<hr/>	<hr/>	<hr/>
Total medical and nursing	6,331	5,812	10,212	12,883
	<hr/>	<hr/>	<hr/>	<hr/>
Therapeutic and Training				
Habilitation	96,741	105,369	92,116	85,279
Salaries, payroll taxes, and benefits	247,613	240,450	251,397	425,864
Supplies	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total therapeutic and training	344,354	345,819	343,513	511,143
	<hr/>	<hr/>	<hr/>	<hr/>
Recreational				
Supplies	73	370	597	1,028
	<hr/>	<hr/>	<hr/>	<hr/>
Consultants				
Other	2,500	2,500	2,500	2,500
Pharmacist	1,628	1,345	1,795	2,307
Psychiatrist	1,635	1,885	1,115	1,705
Registered nurse	18,178	18,042	18,042	18,042
	<hr/>	<hr/>	<hr/>	<hr/>
Total consultants	23,941	23,772	23,452	24,554
	<hr/>	<hr/>	<hr/>	<hr/>
Total program services	<u>\$ 374,699</u>	<u>\$ 375,773</u>	<u>\$ 377,774</u>	<u>\$ 549,608</u>

Homes		Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
Narrow Street	Richland					
\$ 3,171	\$ 2,911	\$ -	\$ 749	\$ -	\$ -	\$ 19,165
366	1,633	-	252	-	-	11,006
704	995	-	-	-	-	5,276
2,737	3,047	1,442	2,037	-	-	19,835
6,978	8,586	1,442	3,038	-	-	55,282
99,640	100,159	-	-	-	(579,304)	-
225,545	241,715	5,413,834	1,738,375	-	(183,437)	8,601,356
-	-	21	1,831	-	-	1,852
325,185	341,874	5,413,855	1,740,206	-	(762,741)	8,603,208
758	1,028	-	174	-	-	4,028
2,500	2,500	34,719	-	-	-	49,719
2,241	2,177	180	-	-	-	11,673
1,775	2,610	130	-	-	-	10,855
18,031	18,031	-	-	-	-	108,366
24,547	25,318	35,029	-	-	-	180,613
<u>\$ 357,468</u>	<u>\$ 376,806</u>	<u>\$ 5,450,326</u>	<u>\$ 1,743,418</u>	<u>\$ -</u>	<u>\$ (762,741)</u>	<u>\$ 8,843,131</u>

SCHEDULE OF SUPPORT SERVICES EXPENSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2025

	Community Homes			
	Chackbay	Country Club	Peltier	Stevens
Administrative and General				
Bed fees	\$ 35,369	\$ 35,062	\$ 35,369	\$ 35,369
Central office	9,627	9,293	9,927	13,180
Dues and subscriptions	-	-	-	-
Insurance	39,973	33,412	37,007	50,680
Licenses	635	640	620	821
Other	550	211	253	81
Postage	-	-	-	-
Professional fees	700	290	5,105	1,088
Rent	-	291	-	-
Salaries, payroll taxes, and benefits	-	-	-	-
Supplies	989	322	734	699
Telephone	4,166	6,072	3,465	6,271
Training-in-service	-	-	-	-
Travel and seminars	302	95	250	321
Vehicles - gas, oil, and repairs	11,112	3,678	7,238	11,021
Total administrative and general	<u>103,423</u>	<u>89,366</u>	<u>99,968</u>	<u>119,531</u>
Plant Operations and Maintenance				
Maintenance and repairs	5,374	5,952	7,157	5,265
Utilities	8,368	13,714	9,457	11,679
Total plant operations and maintenance	<u>13,742</u>	<u>19,666</u>	<u>16,614</u>	<u>16,944</u>
Costs Related to Capital Assets				
Depreciation	7,749	5,140	13,589	8,977
Total costs related to capital assets	<u>7,749</u>	<u>5,140</u>	<u>13,589</u>	<u>8,977</u>
Dietary				
Contracts - dietician	2,051	2,202	2,088	2,264
Food	14,592	12,962	23,547	16,882
Supplies	886	678	1,524	880
Total dietary expenses	<u>17,529</u>	<u>15,842</u>	<u>27,159</u>	<u>20,026</u>
Laundry and Linen				
Linen and bedding	515	39	475	108
Supplies	883	376	1,067	483
Total laundry and linen	<u>1,398</u>	<u>415</u>	<u>1,542</u>	<u>591</u>
Housekeeping				
Supplies	1,385	1,499	2,311	1,562
Personal Client Needs				
Clothing	230	73	470	487
Other	982	522	2,522	995
Total personal client needs	<u>1,212</u>	<u>595</u>	<u>2,992</u>	<u>1,482</u>
Total support services	<u>\$ 146,438</u>	<u>\$ 132,523</u>	<u>\$ 164,175</u>	<u>\$ 169,113</u>

Homes		Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
Narrow Street	Richland					
\$ 35,320	\$ 35,369	\$ -	\$ -	\$ -	\$ -	\$ 211,858
9,320	9,853	107,075	56,653	-	(224,928)	-
-	-	100	-	6,875	-	6,975
39,091	37,081	124,389	247,273	43,983	-	652,889
666	689	1,390	1,140	250	-	6,851
72	277	7,299	30,414	172,183	-	211,340
-	-	16	302	2,815	-	3,133
-	1,232	-	3,730	196,792	-	208,937
-	-	6,931	45,017	9,681	-	61,920
-	-	-	-	1,151,003	-	1,151,003
509	2,823	4,242	50,841	55,139	-	116,298
1,054	6,883	13,436	31,508	45,539	-	118,394
-	-	1,009	-	-	-	1,009
303	82	32,603	7,654	3,169	-	44,779
3,244	5,843	16,959	137,260	-	-	196,355
<u>89,579</u>	<u>100,132</u>	<u>315,449</u>	<u>611,792</u>	<u>1,687,429</u>	<u>(224,928)</u>	<u>2,991,741</u>
7,518	9,066	2,475	80,731	240,977	-	364,515
<u>11,624</u>	<u>12,698</u>	<u>-</u>	<u>52,955</u>	<u>37,821</u>	<u>-</u>	<u>158,316</u>
<u>19,142</u>	<u>21,764</u>	<u>2,475</u>	<u>133,686</u>	<u>278,798</u>	<u>-</u>	<u>522,831</u>
<u>7,916</u>	<u>5,126</u>	<u>58,754</u>	<u>233,415</u>	<u>59,246</u>	<u>-</u>	<u>399,912</u>
<u>7,916</u>	<u>5,126</u>	<u>58,754</u>	<u>233,415</u>	<u>59,246</u>	<u>-</u>	<u>399,912</u>
306	306	3,688	-	-	-	12,905
25,312	25,289	-	2,962	-	-	121,546
<u>1,743</u>	<u>1,523</u>	<u>-</u>	<u>766</u>	<u>-</u>	<u>-</u>	<u>8,000</u>
<u>27,361</u>	<u>27,118</u>	<u>3,688</u>	<u>3,728</u>	<u>-</u>	<u>-</u>	<u>142,451</u>
599	671	-	9	-	-	2,416
<u>492</u>	<u>1,257</u>	<u>-</u>	<u>47</u>	<u>-</u>	<u>-</u>	<u>4,605</u>
<u>1,091</u>	<u>1,928</u>	<u>-</u>	<u>56</u>	<u>-</u>	<u>-</u>	<u>7,021</u>
<u>2,177</u>	<u>3,383</u>	<u>193</u>	<u>18,035</u>	<u>114</u>	<u>-</u>	<u>30,659</u>
812	875	-	-	-	-	2,947
<u>1,113</u>	<u>1,274</u>	<u>-</u>	<u>700</u>	<u>-</u>	<u>-</u>	<u>8,108</u>
<u>1,925</u>	<u>2,149</u>	<u>-</u>	<u>700</u>	<u>-</u>	<u>-</u>	<u>11,055</u>
<u>\$ 149,191</u>	<u>\$ 161,600</u>	<u>\$ 380,559</u>	<u>\$ 1,001,412</u>	<u>\$ 2,025,587</u>	<u>\$ (224,928)</u>	<u>\$ 4,105,670</u>

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

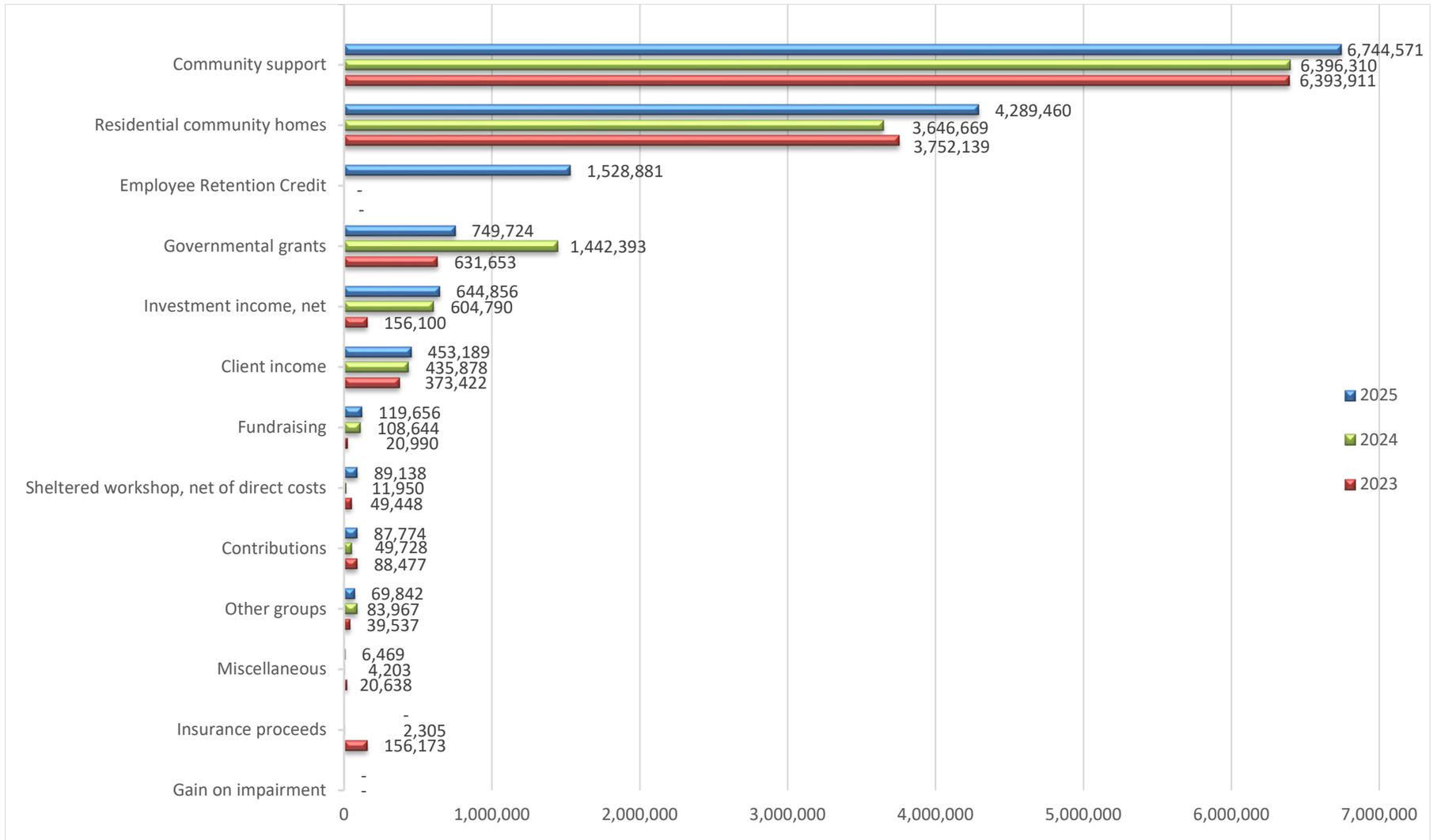
For the years ended June 30, 2025, 2024, and 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenues			
Community support	\$ 6,744,571	\$ 6,396,310	\$ 6,393,911
Residential community homes	4,289,460	3,646,669	3,752,139
Governmental grants	749,724	1,442,393	631,653
Client income	453,189	435,878	373,422
Investment income, net	644,856	604,790	156,100
Other groups	69,842	83,967	39,537
Sheltered workshop, net of direct costs	89,138	11,950	49,448
Contributions	87,774	49,728	88,477
Employee Retention Credit	1,528,881	-	-
Gain (loss) on sale of capital assets	1,700	(10,132)	8,154
Fundraising	119,656	108,644	20,990
Insurance proceeds	-	2,305	156,173
Miscellaneous	6,469	4,203	20,638
	<u>\$ 14,785,260</u>	<u>\$ 12,776,705</u>	<u>\$ 11,690,642</u>
Expenses			
Bed fees	\$ 211,858	\$ 206,461	\$ 204,945
Contracts - outside services	193,518	341,646	337,552
Depreciation	399,912	392,606	328,276
Food	121,546	116,679	93,749
Insurance	652,889	628,533	572,017
Maintenance and repairs	364,515	134,083	195,455
Other expenses	667,477	714,023	574,331
Salaries, payroll taxes, and benefits	9,752,359	9,512,283	9,452,152
Supplies	185,277	215,224	201,185
Travel and seminars	44,779	58,006	60,377
Utilities	158,316	131,251	113,575
Vehicles - gas, oil and repairs	196,355	236,228	154,623
	<u>\$ 12,948,801</u>	<u>\$ 12,687,023</u>	<u>\$ 12,288,237</u>

REVENUES

Lafourche ARC
Thibodaux, Louisiana

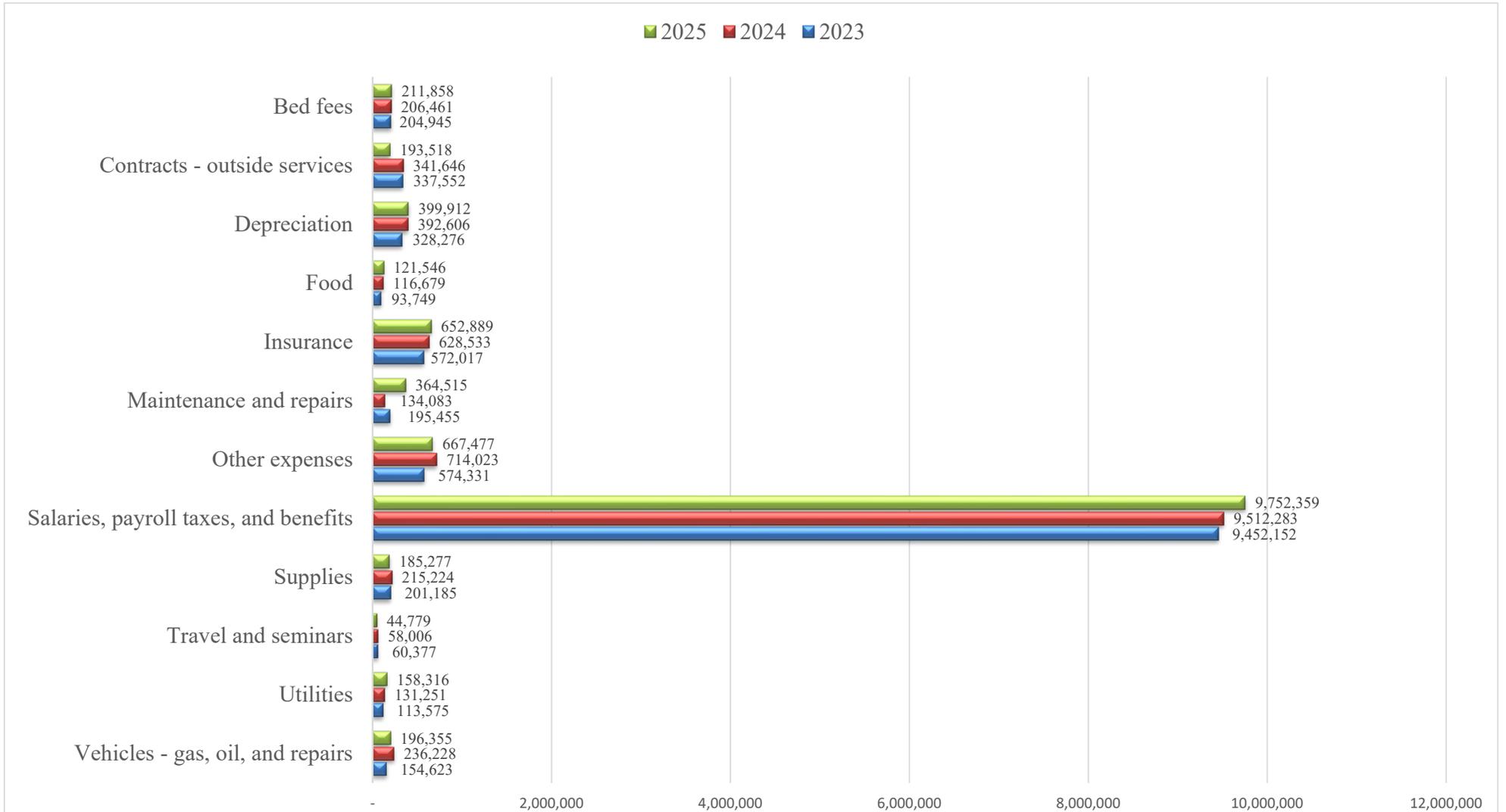
For the years ended June 30, 2025, 2024, and 2023



EXPENSES

Lafourche ARC
Thibodaux, Louisiana

For the years ended June 30, 2025, 2024, and 2023



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

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2025

Agency Head Name: Wendy Eschete, Executive Director

Purpose

Salary	\$ 109,817
Benefits - insurance	10,569
Benefits - retirement	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/>
	\$ 120,386
	<hr/>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Lafourche ARC (the “Association”), which comprise the Statement of Financial Position as of June 30, 2025, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated December 16, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Certified Public Accountants.

Houma, Louisiana,
December 16, 2025.

SCHEDULE OF FINDINGS AND RESPONSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2025

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ Yes X No

b) Federal Awards

Lafourche ARC did not expend any federal awards during the year ended June 30, 2025.

Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended June 30, 2025.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2025

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

Internal Control

No material weaknesses were reported during the audit for the year ended June 30, 2024.

No significant deficiencies were reported during the audit for the year ended June 30, 2024.

Compliance

No compliance findings material to the Statement of Financial Position were reported during the year ended June 30, 2024.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche ARC did not expend any federal awards during the year ended June 30, 2024.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2024.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2025

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

Internal Control

No material weaknesses were reported during the audit for the year ended June 30, 2025.

No significant deficiencies were reported during the audit for the year ended June 30, 2025.

Compliance

No compliance findings material to the Statement of Financial Position were reported during the year ended June 30, 2025.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche ARC did not expend any federal awards during the year ended June 30, 2025.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2025.

STATEWIDE AGREED-UPON PROCEDURES

**INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures described in Schedule 9 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2024 through June 30, 2025. Lafourche ARC (the “Association”) management is responsible for those C/C areas identified in the SAUPs.

The Association has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA’s SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 9.

We were engaged by the Association to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on these C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Houma, Louisiana,
December 16, 2025.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

Lafourche ARC
 Thibodaux, Louisiana

For the year ended June 30, 2025

The required procedures and our findings are as follows:

1. Procedures Performed on the Association's Written Policies and Procedures:

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

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

Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

Performance: Obtained and read the written policy for purchasing.

Exceptions: There was an exception noted due to the policy lacking provisions for how vendors are added to the vendor list.

iii. ***Disbursements***, including processing, reviewing, and approving.

Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Performance: Obtained and read the written policy for receipts/collections and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

1. Procedures Performed on the Association's Written Policies and Procedures: (Continued)

- v. Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

Performance: Obtained and read the written policy for payroll and personnel.

Exceptions: There was an exception noted for the policy lacking a provision on reviewing and approving time and attendance records.

- vi. Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Performance: Obtained and read the contracting policy and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- vii. Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- viii. Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Not applicable for nonprofit organizations.

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

Performance: Not applicable for nonprofit organizations.

1. Procedures Performed on the Association's Written Policies and Procedures: (Continued)

- xi. Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Performance: Obtained and read the written policy for information technology disaster recovery/business continuity.

Exceptions: There was an exception noted for the policy lacking a provision for identification of personnel, processes, and tools needed to recover operations after a critical event.

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

Performance: Not applicable for nonprofit organizations.

2. Procedures Performed on the Association's Board or Finance Committee:

Prior year testing resulted in no exceptions related to the board or finance committee. Therefore, testing is not required in the current year.

3. Procedures Performed on the Association's Bank Reconciliations:

Prior year testing resulted in no exceptions related to bank reconciliations. Therefore, testing is not required in the current year.

4. Procedures Performed on the Association's Collections (excluding electronic funds transfers):

Prior year testing resulted in no exceptions related to collections. Therefore, testing is not required in the current year.

5. Procedures Performed on the Association's Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases):

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Performance: Obtained a listing of locations that process payments for the fiscal period from management and received management's representation in a separate letter. The Association only has one location that processes payments.

Exceptions: There were no exceptions noted.

5. Procedures Performed on the Association's Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases): (Continued)

- B. For each location selected under procedure #5A, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions and reviewed written policies and procedures related to employee job duties. Observed if the job duties were properly segregated.

Exceptions: There were no exceptions noted.

- i. At least 2 employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

Performance: Obtained a listing of employees involved in initiating a purchase request, approving a purchasing, and placing an order/making a purchase. Observed that at least 2 employees are involved.

Exceptions: There were no exceptions noted.

- ii. At least 2 employees are involved in processing and approving payments to vendors;

Performance: Obtained a listing of employees involved in processing and approving payments to vendors. Observed at least 2 employees are involved.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of employees involved in processing payments to vendors. Observed if any employees involved are adding/modifying vendor files.

Exceptions: There were no exceptions noted.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

Performance: Obtained a listing of employees involved with signing and mailing checks.

Exceptions: There were no exceptions noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Performance: Obtained a listing of employees authorized to sign checks and inquired of management if these individuals are involved with approving electronic disbursements.

Exceptions: There were no exceptions noted.

5. Procedures Performed on the Association's Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases): (Continued)

C. For each location selected under procedure #5A, obtain the Association's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

Performance: Obtained the Association's non-payroll disbursement transaction population, selected 5 items for testing, and obtained management's representation that the population is complete.

Exceptions: There were no exceptions noted.

i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the Association.

Performance: Observed that the disbursements and the related original invoices agreed and evidence that the deliverables were received.

Exceptions: There were no exceptions noted.

ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B, as applicable.

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

D. Using the Association's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the Association's policy, and (b) approved by the required number of authorized signers per the Association's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

Performance: Randomly selected 5 disbursements and observed that selected disbursements were approved by authorized persons and required number of signers.

Exceptions: There were exceptions noted due to the lack of approval by the required number of authorized signers.

6. Procedures Performed on the Association's Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (cards): (Continued)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards from management and management's representation that the listing is complete.

Exceptions: There were no exceptions noted.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There were no exceptions noted.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

Performance: Observed that finance charges and/or late fees were not assessed on the selected statements.

Exceptions: There were no exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by:

- i. An original itemized receipt that identifies precisely what was purchased.

Performance: Observed whether the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.

Exceptions: There were exceptions noted as backup documentation could not be provided for 2 of the transactions selected.

6. Procedures Performed on the Association’s Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (cards): (Continued)

ii. Written documentation of the business/public purpose.

Performance: Observed whether the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There were exceptions noted as backup documentation could not be provided for 2 of the transactions selected.

iii. Documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Performance: Analyzed the transactions and observed proper documentation of meal charges.

Exceptions: There were no exceptions noted.

7. Procedures Performed on the Association’s Travel and Travel-Related Expense Reimbursements (excluding card transactions):

Prior year testing resulted in no exceptions related to travel and travel-related expense reimbursements. Therefore, testing is not required in the current year.

8. Procedures Performed on the Association’s Contracts:

Prior year testing resulted in no exceptions related to contracts. Therefore, testing is not required in the current year.

9. Procedures Performed on the Association’s Payroll and Personnel:

Prior year testing resulted in no exceptions related to payroll and personnel. Therefore, testing is not required in the current year.

10. Procedures Performed on the Association’s Ethics:

Not applicable to nonprofit organizations. Therefore, testing is not required.

11. Procedures Performed on the Association’s Debt Service:

Not applicable to nonprofit organizations. Therefore, testing is not required.

12. Procedures Performed on the Association’s Fraud Notice:

Prior year testing resulted in no exceptions related to fraud notice. Therefore, testing is not required in the current year.

**13. Procedures Performed on the Association's Information Technology Disaster Recovery/
Business Continuity:**

Prior year testing resulted in no exceptions related to information technology disaster recovery/business continuity. Therefore, testing is not required in the current year.

14. Procedures Performed on the Association's Prevention of Sexual Harassment:

Not applicable to nonprofit organizations. Therefore, testing is not required.

Management's Overall Response to Exceptions:

- 1)A(ii) Management will consider adding the required provisions to the existing purchasing policy.
- 1)A(v) Management will consider adding the required provision to the existing payroll policy.
- 1)A(xi) Management will consider adding the required provision to the existing information technology disaster recovery/business continuity policy.
- 5)D Management will ensure proper approvals are obtained for electronic disbursements.
- 6)C(i,ii) Management will ensure there is supporting documentation for all credit card charges.