THE ARC OF LOUISIANA
Baton Rouge, Louisiana

AUDITED FINANCIAL STATEMENTS
June 30, 2026 and 2025



TWRU
CPAs & Financial Advisors

527 East Airport Ave., Baton Rouge, LA 70806 | 225.926.1050 | www.twru.com

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS:	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7
SUPPLEMENTAL SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD, POLITICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER	12
INDEPENDENT AUDITORS' 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*	13
SCHEDULE OF FINDINGS AND RESPONSES	15
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES	16

TWRU
CPAs & Financial Advisors

TWRU
CPAs & Financial Advisors

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Arc of Louisiana
Baton Rouge, Louisiana

Opinion

We have audited the financial statements of The Arc of Louisiana (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating 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 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 Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 GAAS 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 GAAS, 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 Organization'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, that raise substantial doubt about the Organization'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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, reimbursements, benefits, and other payments to agency head, political subdivision head, or chief executive officer, as required by Louisiana Revised Statute 24:513(A)(3), is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements 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 October 9, 2026, on our consideration of the Arc of Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Arc of Louisiana's internal control over financial reporting and compliance.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
October 9, 2026

TWRU
CPAs & Financial Advisors

The Arc of Louisiana
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

STATEMENTS OF FINANCIAL POSITION
(See Notes to Financial Statements)
June 30, 2026 and 2025

ASSETS

	2026	2025
CURRENT ASSETS		
Cash and Cash Equivalents - Unrestricted	$ 956,618	$ 667,358
Restricted Cash - Agency Fund	7,577	9,984
Contracts Receivable	180,836	338,090
Due from Foundation	16,019	38,546
Receivables - Other	22,229	22,336
Prepaid Expenses	3,973	2,796
TOTAL CURRENT ASSETS	1,187,252	1,079,110
BENEFICIAL INTEREST IN THE FOUNDATION	2,258,594	2,055,899
FURNITURE AND EQUIPMENT		
Furniture and Equipment	76,545	76,545
Less: Accumulated Depreciation	(76,545)	(74,720)
Net Furniture and Equipment	-	1,825
TOTAL ASSETS	$ 3,445,846	$ 3,136,834

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts & Credit Cards Payable	$ 16,683	$ 33,322
Payroll Liabilities	50,892	37,342
Other Liabilities - Agency Fund	7,577	9,984
TOTAL CURRENT LIABILITIES	75,152	80,648
LONG-TERM LIABILITIES		
Micro-enterprise Loan	15,715	15,715
TOTAL LIABILITIES	90,867	96,363
NET ASSETS:		
Without Donor Restrictions		
Unrestricted	2,135,769	1,821,261
Board Designated Endowment	1,219,210	1,219,210
Total Without Donor Restrictions	3,354,979	3,040,471
TOTAL NET ASSETS	3,354,979	3,040,471
TOTAL LIABILITIES AND NET ASSETS	$ 3,445,846	$ 3,136,834

The Arc of Louisiana
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

STATEMENTS OF ACTIVITIES
(See Notes to Financial Statements)
For the Years Ended June 30, 2026 and 2025

	2026		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Public Support	$ 42,333	$ -	$ 42,333
Contract Revenue	1,412,055	-	1,412,055
Program Service Revenue	90,477	-	90,477
Interest Income	5,401	-	5,401
Change in Net Assets of the Foundation	202,695	-	202,695
Miscellaneous	135,040	-	135,040
Total Support and Revenue	1,888,001	-	1,888,001
Net Assets Released From Restrictions	-	-	-
Total Unrestricted Revenues and Support	1,888,001	-	1,888,001
EXPENSES			
Program Services	1,085,204	-	1,085,204
Management and General	488,289	-	488,289
Total Expenses	1,573,493	-	1,573,493
Changes in Net Assets	314,508	-	314,508
Net Assets - Beginning of Year	3,040,471	-	3,040,471
Net Assets - End of Year	$ 3,354,979	$ -	$ 3,354,979

TWRU
CPAs & Financial Advisors

2025		
Without Donor Restrictions	With Donor Restrictions	Total
$ 57,161	$ -	$ 57,161
1,392,544	-	1,392,544
94,625	-	94,625
122	-	122
97,164	-	97,164
141,691	-	141,691
1,783,307	-	1,783,307
-	-	-
1,783,307	-	1,783,307
1,092,164	-	1,092,164
472,867	-	472,867
1,565,031	-	1,565,031
218,276	-	218,276
2,822,195	-	2,822,195
$ 3,040,471	$ -	$ 3,040,471

The Arc of Louisiana
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

STATEMENTS OF FUNCTIONAL EXPENSES
(See Notes to Financial Statements)
For the Years Ended June 30, 2026 and 2025

	2026			
	Program Services	Management and General	Fundraising	Total
EXPENSES				
Conventions	$ 8,164	$ -	$ -	$ 8,164
Depreciation and Amortization	1,369	456	-	1,825
Direct Program Services	880,571	-	-	880,571
Dues and Subscriptions	163	11,417	-	11,580
Employee Benefits	13,543	27,497	-	41,040
Insurance Expense	1,692	2,380	-	4,072
Janitorial Services	-	2,239	-	2,239
Meetings	-	94	-	94
Miscellaneous	-	1,480	-	1,480
Payroll Taxes	6,880	19,693	-	26,573
Postage	-	370	-	370
Professional Services	16,224	135,780	-	152,004
Rental Expense	18,361	18,362	-	36,723
Repairs and Maintenance	1,476	3,959	-	5,435
Salaries	111,919	222,497	-	334,416
Supplies and Printing	5,732	5,729	-	11,461
Telephone	2,160	2,161	-	4,321
Travel	12,592	29,819	-	42,411
Utilities	4,358	4,356	-	8,714
	$ 1,085,204	$ 488,289	$ -	$ 1,573,493

TWRU
CPAs & Financial Advisors

2025			
Program Services	Management and General	Fundraising	Total
$ 7,106	$ -	$ -	$ 7,106
1,369	456	-	1,825
884,909	-	-	884,909
231	16,216	-	16,447
15,191	30,842	-	46,033
3,096	2,380	-	5,476
-	2,191	-	2,191
-	399	-	399
-	2,386	-	2,386
8,406	24,063	-	32,469
-	253	-	253
12,437	104,084	-	116,521
19,260	19,260	-	38,520
1,187	3,184	-	4,371
108,917	216,528	-	325,445
6,806	6,803	-	13,609
2,055	2,056	-	4,111
15,038	35,612	-	50,650
6,156	6,154	-	12,310
$ 1,092,164	$ 472,867	$ -	$ 1,565,031

TWRU
CPAs & Financial Advisors

The Arc of Louisiana
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

STATEMENTS OF CASH FLOWS
(See Notes to Financial Statements)
For the Years Ended June 30, 2026 and 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	$ 314,508	$ 218,276
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	1,825	1,825
Change in Beneficial Interest of Foundation	(202,695)	(97,164)
(Increase) Decrease in Operating Assets:		
Contracts Receivable	157,254	(51,359)
Due from the Foundation	22,527	(2,918)
Receivables - Other	107	(18,047)
Prepaid Expenses	(1,177)	-
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Other Accrued Liabilities	(3,089)	(8,031)
Net Cash Provided by Operating Activities	289,260	42,582
NET INCREASE IN CASH AND CASH EQUIVALENTS	289,260	42,582
BEGINNING CASH AND CASH EQUIVALENTS	667,358	624,776
ENDING CASH AND CASH EQUIVALENTS	$ 956,618	$ 667,358

THE ARC OF LOUISIANA
(A not-for-profit organization)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2026 and 2025

NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - The Arc of Louisiana (the Organization) is an organization that advocates with and for all people with intellectual and developmental disabilities and their families so that they shall live to their fullest potential.

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

Basis of Presentation – The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity. Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. The Organization does not have any net assets with donor restrictions as of June 30, 2026 and 2025.

Revenue Recognition – The Organization accounts for contributions as increases in net assets with donor restrictions or net assets without donor restrictions, depending on the existence or nature of any donor restrictions. When the stipulated time restriction or purpose restriction ends, net assets with donor restrictions are reclassified to net assets without donor restrictions as a release from restrictions. Revenue that is received and expended in the same fiscal year is recorded as an increase in net assets without donor restrictions.

Donated Assets – Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation. There were no donated assets for the years ended June 30, 2026 and 2025.

Donated Services – Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provide services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. A significant portion of the Organization's functions are conducted by unpaid volunteers. There were no donated services for the years ended June 30, 2026 and 2025.

Donated Property and Equipment – Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. There were no donated property and equipment for the years ended June 30, 2026 and 2025.

THE ARC OF LOUISIANA
(A not-for-profit organization)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2026 and 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates – Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Cash and Cash Equivalents – For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, unless the investments are held for meeting restrictions for purchase of property and equipment, payment of long-term debt, or endowment.

Contracts Receivable – Contracts receivable represents amounts owed to the Organization for costs incurred under various contracts which are reimbursable to the Organization. Contracts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on contracts receivable using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of contractors to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible contracts receivable when management determines the receivable will not be collected. Management feels that all receivables are collectible, and as such, no allowance for doubtful accounts has been established as of June 30, 2026 and 2025.

Furniture and Equipment – All acquisitions of furniture and equipment in excess of $1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Furniture and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation of furniture and equipment is computed using the straight-line method based upon the estimated useful lives of the assets, which range from 3 to 7 years. Depreciation expense was $1,825 and $1,825 for the years ended June 30, 2026 and 2025.

Membership Dues – The Organization receives quarterly membership dues from 22 Arc chapters throughout Louisiana. These dues are recognized as revenue in the applicable membership period.

Advertising – The Organization uses advertising to promote its programs. The costs of advertising are expensed as incurred. During the years ended June 30, 2026 and 2025, no advertising expenses were recorded.

Functional Allocation of Expenses – The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the Statements of Activities and the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and the supporting services that benefited.

Income Taxes – The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization has no unrelated business income for the fiscal years ended June 30, 2026 and 2025. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

THE ARC OF LOUISIANA
(A not-for-profit organization)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2026 and 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (continued) – The Organization may recognize the tax benefit from a tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The Organization has analyzed its tax positions taken for filings with the Internal Revenue Service. The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse on the Organization's financial condition, results of operations, or cash flows. The Organization's tax returns are subject to review for the years ended June 30, 2023, 2024, and 2025. The June 30, 2026, tax return will be filed in November 2026.

NOTE 2: BENEFICIAL INTEREST IN THE ARC OF LOUISIANA FOUNDATION

The Organization has a beneficial interest in the Arc of Louisiana Foundation (the Foundation). The Organization recognizes the beneficial interest in the Foundation using the equity method of accounting. As of June 30, 2026 and 2025, the beneficial interest in the Foundation was $2,258,594 and $2,055,899, respectively.

The activity in the beneficial interest in the Foundation consisted of the following for the years ended June 30, 2026 and 2025:

	2026	2025
Balance at Beginning of Year	$ 2,055,899	$ 1,958,735
Add: Support and Revenue	264,600	158,368
Less: Operating Expenses	(61,905)	(61,204)
Balance at End of Year	$ 2,258,594	$ 2,055,899

The board-designated endowment funds of the Foundation are measured at fair value. The following table sets forth a summary of changes in the fair value of the Level 1 and 2 assets for the year end June 30, 2026 and 2025:

	2026	2025
Balance at Beginning of Year	$ 1,802,675	$ 1,715,934
Add: Support and Revenue	201,024	104,929
Less: Withdrawals	-	-
Less: Operating Expenses	(19,188)	(18,188)
Balance at End of Year	$ 1,984,511	$ 1,802,675

For the years ended June 30, 2026 and 2025, $1,219,210 is board-designated as the principal/corpus amount of the endowment. The endowment funds are invested in a portfolio of equity and debt securities, which is structured for long-term total return consisting of 70% stocks and 30% bonds. Appropriation of the endowment principal for spending shall require a two-thirds favorable vote of both the Foundation Board and the Organization's Board.

NOTE 3: PENSION CONTRIBUTION

The Organization offers its employees the opportunity to enroll in a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. This plan allows employees, at their option, to make contributions using payroll deductions. The Organization contributes 6% of the employee's eligible compensation. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish. Total plan expenses for the years ended June 30, 2026 and 2025 were $14,532 and $19,635, respectively.

THE ARC OF LOUISIANA
(A not-for-profit organization)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2026 and 2025

NOTE 4: RESTRICTIONS ON NET ASSETS

The Organization's board of directors has chosen to designate $1,219,210 as the principal/corpus of the endowment fund (See Note 2).

NOTE 5: RELATED PARTY TRANSACTIONS

The Organization and the Arc of Louisiana Foundation (the Foundation) are affiliated organizations. Some board members of the Organization also serve on the board of the Foundation. The Foundation owns the facility in which the organizations share office space and accounting personnel. The Organization includes $36,000 in public support and $36,000 in rental expense for each of the years ended June 30, 2026 and 2025. There is no lease on the facility as the organizations periodically determine an agreed-upon annual rent.

In addition, the Organization and the Foundation share the costs of some joint activities. The types of expenses that are incurred by both organizations include salaries, payroll taxes, office supplies, telephone, postage, and printing. The organizations allocate expenses based on actual costs and an estimate of usage. The Organization recognized $6,000 of income from the Foundation for these joint costs for each of the years ended June 30, 2026 and 2025 and is included in public support.

As of June 30, 2026 and 2025, the Organization has a receivable from the Foundation of $16,019 and $38,546, respectively. The Organization paid for $16,019 and $22,527 in primarily insurance, audit, improvements, and maintenance and repair expenses for the Foundation for the years ended June 30, 2026 and 2025, respectively. During the years ended June 30, 2026, and 2025, the Foundation reimbursed the Organization for $38,546 and $0, respectively, for prior expenditures. The Foundation also paid the Organization $6,000 for amounts representing joint expense reimbursements for the years ended June 30, 2026, and 2025.

NOTE 6: CONCENTRATIONS

Custodial Credit Risk – The Organization maintains its cash balances in three financial institutions located in Baton Rouge, Louisiana. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000 at each institution. At various times of the year, the Organization may have cash in banks in excess of these federally insured amounts.

Revenue – During the years ended June 30, 2026 and 2025, the Organization received approximately 69% and 77%, respectively, of its total contract revenue from one contract.

NOTE 7: LIQUIDITY AND AVAILABILITY

The following reflects the Organization's financial assets as of June 30, 2026 and 2025.

	2026	2025
Cash - unrestricted	$ 955,154	$ 667,358
Contracts Receivable	180,836	338,090
Due from Foundation	16,019	38,546
Other Receivables	22,229	22,336
Financial Assets Available to Meet Cash Needs for General Expenditures within one Year	$ 1,174,238	$ 1,066,330

THE ARC OF LOUISIANA
(A not-for-profit organization)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2026 and 2025

NOTE 8: SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 9, 2026, the date the financial statements were available to be issued and determined that no additional disclosures are necessary. No events occurring after this date have been evaluated for inclusion in these financial statements.

The Arc of Louisiana
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD, POLITICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER
(See Independent Auditors' Report)
For the Year Ended June 30, 2026

Agency Head: Kelly Monroe, Executive Director

Agency head's compensation was funded 100% by operating revenues other than state generated funds.

Board Members were not paid in non-employee or employee compensation for attending board meetings.

TWRU
CPAs & Financial Advisors

INDEPENDENT AUDITORS' 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 of
The Arc of Louisiana
Baton Rouge, Louisiana

We have 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 financial statements of The Arc of Louisiana (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2026, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements and have issued our report thereon dated October 8, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
October 9, 2026

THE ARC OF LOUISIANA
(A not-for-profit organization)
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2026

SUMMARY OF AUDITORS' REPORTS

Financial Statements:

Type of report issued the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified Opinion

Internal Control over Financial Reporting:

Material Weakness(es) Identified	No
Significant Deficiency(ies) Identified	No
Noncompliance Material to Financial Statements Noted	No

FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED *GOVERNMENT AUDITING STANDARDS*

None

THE ARC OF LOUISIANA
(A not-for-profit organization)
Baton Rouge, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
June 30, 2025

SUMMARY OF AUDITORS' REPORTS

Financial Statements:

Type of report issued the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified Opinion

Internal Control over Financial Reporting:

Material Weakness(es) Identified	No
Significant Deficiency(ies) Identified	No
Noncompliance Material to Financial Statements Noted	No

FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED *GOVERNMENT AUDITING STANDARDS*

None

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of The Arc of Louisiana and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2025, through June 30, 2026. The Arc of Louisiana's management is responsible for those C/C areas identified in the SAUPs.

The Arc of Louisiana 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 LLA's SAUPs for the fiscal period July 1, 2025, through June 30, 2026. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. 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 are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

A. Obtain and inspect the entity'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.
No Exception 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.
No Exception Noted.

iii. ***Disbursements***, including processing, reviewing, and approving.
No Exception 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).
No Exception Noted.

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(s) rate of pay or approval and maintenance of pay rate schedules.
No Exception Noted.

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.
No Exception Noted.

vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
No Exception Noted.

viii. ***Credit Cards (and debit cards, fuel cards, P-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).
No Exception 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 entity's ethics policy.
No Exception Noted.

x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Not Applicable.

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.
No Exception Noted.

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.
No Exception Noted.

2) Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws or other equivalent document.
No Exception Noted.

ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
No Exception Noted.

iii. For governmental entities, **obtain the prior year audit report and observe the unassigned fund balance in the general fund**. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
Not Applicable.

iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.
No Exception Noted.

3) Bank Reconciliations

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged).
No Exception Noted.

ii. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
No Exception Noted.

iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.
No Exception Noted.

4) Collections (excluding electronic funds transfers)

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

   i. Employees responsible for cash collections do not share cash drawers/registers.
   No Exception Noted.

   ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
   No Exception Noted.

   iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
   No Exception Noted.

   iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
   No Exception Noted.

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
No Exception Noted.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

   i. Observe that receipts are sequentially pre-numbered.
   No Exceptions Noted.

   ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
   No Exceptions Noted.

   iii. Trace the deposit slip total to the actual deposit per the bank statement.
   No Exception Noted.

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

   i. Employees responsible for cash collections do not share cash drawers/registers.
   No Exception Noted.

   ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
   No Exception Noted.

   iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
   No Exception Noted.

   iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
   No Exception Noted.

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
No Exception Noted.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

   i. Observe that receipts are sequentially pre-numbered.
   No Exceptions Noted.

   ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
   No Exceptions Noted.

   iii. Trace the deposit slip total to the actual deposit per the bank statement.
   No Exception Noted.

ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.
No Exception Noted.

D. Using the entity'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 entity's policy, and (b) approved by the required number of authorized signers per the entity'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.
No Exception Noted.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.
No Exception 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., original 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 cardholder.
No Exception Noted.

ii. Observe that finance charges and late fees were not assessed on the selected statements.
No Exception Noted.

C. Using the monthly statements or combined statements selected under #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 (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Exception Noted: One transaction did not have an itemized receipt and we could not determine the business purpose.

Management's Response: Management will require supporting documentation for credit card transactions, including itemized receipts and documentation of the business purpose. Management will ensure that credit card transactions are reviewed for the required supporting documentation before approval.

D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.
No Exception Noted.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
Not Applicable.

ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
No Exception Noted.

iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1A).
No Exception Noted.

iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
No Exception Noted.

8) Contracts

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
Not Applicable.

ii. Observe whether the contract was approved by the governing body/board, if required by policy or law.
No Exceptions Noted.

iii. If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
No Exceptions Noted.

iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.
No Exceptions Noted.

9) Payroll and Personnel

A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
No Exception Noted.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:

i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
No Exception Noted.

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.
No Exception Noted.

iii. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
No Exception Noted.

iv. Observe the rates paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
No Exception Noted.

C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employees' or officials' cumulative leave records, agree the pay rates to the employees' or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
Not Applicable.

D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.
No Exception Noted.

10) Ethics

A. Using the 5 randomly selected employees/officials from "Payroll and Personnel" procedure #9A above obtain ethics documentation from management, and:

i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period as required by R.S. 42:1170.

Exception Noted: None of the five employees reviewed had evidence of completing the required hour of ethics training.

Management's Response: Employees completed the training in September 2026. Management will ensure that employees and officials required to complete ethics training complete the required training and that documentation evidencing completion is maintained.

ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
Not Applicable.

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.
No Exception Noted.

11) Debt Service

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission's approval was obtained for each debt instrument issued.
Not Applicable – no debt service.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).
Not Applicable – no debt service.

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
No Exception Noted.

B. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exception Noted: The fraud notice was not posted on the website.

Management's Response: Management will post the required fraud notice on the entity's website. Management will also ensure that the required notice remains posted going forward.

13) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures,

A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
We performed the procedure and discussed the results with management.

B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
We performed the procedure and discussed the results with management.

C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
We performed the procedure and discussed the results with management.

D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
We performed the procedure and discussed the results with management.

E. Using 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. that requires employees hired before 6/9/2020 to have completed the training and the employees hired after 6/9/2020 to have completed the training within 30 days of initial service or employment.
We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
Not Applicable.

B. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
Not Applicable.

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

i. Number and percentage of public servants in the agency who have completed the training requirements.
Not Applicable.

ii. Number of sexual harassment complaints received by the agency.
Not Applicable.

iii. Number of complaints which resulted in a finding that sexual harassment occurred.
Not Applicable.

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
Not Applicable.

v. Amount of time it took to resolve each complaint.
Not Applicable.

We were engaged by The Arc of Louisiana to perform this agreed-upon procedures engagement and conducted our engagement in accordance with 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 those 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 Arc of Louisiana 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 results 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.

CPAs & Financial Advisors
Baton Rouge, Louisiana
October 9, 2026