

Financial Report

Lafourche ARC

Thibodaux, Louisiana

June 30, 2023



Financial Report

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June 30, 2023

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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, 2023 and 2022, 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, 2023 and 2022, 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, that 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, 2023 and 2022 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, 2023 and 2022, 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, 2021, and the related Statement of Activities for the year ended June 30, 2021 (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, 2021 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, 2021. 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, 2021 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 26, 2023 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 26, 2023.

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

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash	\$ 1,176,347	\$ 858,134
Investments	8,401,656	8,864,261
Due from State of Louisiana	1,090,898	1,782,471
Accounts receivable	75,061	461,502
Deposits and other assets	217,348	102,320
Buildings, furniture, and equipment, net	<u>3,310,340</u>	<u>3,002,544</u>
Totals	<u>\$ 14,271,650</u>	<u>\$ 15,071,232</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 546,271	\$ 748,258
Net Assets		
Without donor restrictions	<u>13,725,379</u>	<u>14,322,974</u>
Totals	<u>\$ 14,271,650</u>	<u>\$ 15,071,232</u>

See notes to financial statements.

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

For the years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Changes in Net Assets Without Donor Restrictions		
Support and Revenues		
Support:		
Group services:		
Habilitation services	\$ 6,433,448	\$ 5,952,250
Residential services	3,752,139	2,937,544
Governmental grants:		
Office for Citizens with Developmental Disabilities	42,529	24,387
State of Louisiana - hotel/motel tax	344,734	344,734
State of Louisiana - Department of the Treasury	-	250,000
Department of Transportation and Development	-	205,250
Federal Emergency Management Agency	244,390	-
Client income	373,422	232,833
Sheltered workshop, net of \$164,165 (\$281,915 in 2022) of direct costs	49,448	50,185
Fundraising	20,990	-
Contributions	88,477	214,532
	<u>11,349,577</u>	<u>10,211,715</u>
Revenues:		
Investment income (loss), net	156,100	(447,159)
Gain on impairment	-	917,739
Gain on sales of capital assets	8,154	918
Insurance proceeds	156,173	-
Miscellaneous	20,638	167,882
	<u>341,065</u>	<u>639,380</u>
Total support, revenues, and net assets released from restrictions	<u>11,690,642</u>	<u>10,851,095</u>

**Exhibit B
(Continued)**

	<u>2023</u>	<u>2022</u>
Expenses		
Program services:		
Medical and nursing	72,796	60,264
Therapeutic and training	8,507,701	8,656,832
Recreational	4,173	2,953
Consultants	<u>329,552</u>	<u>326,252</u>
Total program services	<u>8,914,222</u>	<u>9,046,301</u>
Support services:		
Administrative and general	2,584,851	2,182,865
Plant operations and maintenance	309,030	402,866
Costs related to capital assets	328,276	315,893
Dietary	112,241	89,059
Laundry and linen	5,566	7,090
Housekeeping supplies	22,267	9,077
Personal client needs	<u>11,784</u>	<u>8,728</u>
Total support services	<u>3,374,015</u>	<u>3,015,578</u>
Total expenses	<u>12,288,237</u>	<u>12,061,879</u>
Decrease in net assets without donor restrictions	(597,595)	(1,210,784)
Net Assets		
Beginning of year	<u>14,322,974</u>	<u>15,533,758</u>
End of year	<u><u>\$ 13,725,379</u></u>	<u><u>\$ 14,322,974</u></u>
See notes to financial statements.		

STATEMENT OF FUNCTIONAL EXPENSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2023

	<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	-	-	-	329,552	329,552
Depreciation	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Food	-	-	-	-	-
Insurance	-	-	-	-	-
Licenses	-	-	-	-	-
Linen and bedding	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Medical services	14,053	-	-	-	14,053
Other	13,261	-	-	-	13,261
Postage	-	-	-	-	-
Prescriptions	15,710	-	-	-	15,710
Professional fees	-	-	-	-	-
Salaries, payroll taxes, and benefits	-	8,498,333	-	-	8,498,333
Supplies	29,772	9,368	4,173	-	43,313
Telephone	-	-	-	-	-
Training-in-service	-	-	-	-	-
Travel and seminars	-	-	-	-	-
Utilities	-	-	-	-	-
Vehicles - gas, oil, and repairs	-	-	-	-	-
Total expenses	<u>\$ 72,796</u>	<u>\$ 8,507,701</u>	<u>\$ 4,173</u>	<u>\$ 329,552</u>	<u>\$ 8,914,222</u>

See notes to financial statements.

Supporting Services								
Administrative and General	Plant Operations and Maintenance	Costs Related to Capital Assets	Dietary	Laundry and Linen	Housekeeping Supplies	Personal Client Needs	Totals	Grand Totals
\$ 204,945	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,945	\$ 204,945
-	-	-	-	-	-	3,774	3,774	3,774
-	-	-	8,000	-	-	-	8,000	337,552
-	-	328,276	-	-	-	-	328,276	328,276
12,000	-	-	-	-	-	-	12,000	12,000
-	-	-	93,749	-	-	-	93,749	93,749
572,017	-	-	-	-	-	-	572,017	572,017
6,581	-	-	-	-	-	-	6,581	6,581
-	-	-	-	1,924	-	-	1,924	1,924
-	195,455	-	-	-	-	-	195,455	195,455
-	-	-	-	-	-	-	-	14,053
73,153	-	-	-	-	-	8,010	81,163	94,424
1,812	-	-	-	-	-	-	1,812	1,812
-	-	-	-	-	-	-	-	15,710
293,713	-	-	-	-	-	-	293,713	293,713
953,819	-	-	-	-	-	-	953,819	9,452,152
121,471	-	-	10,492	3,642	22,267	-	157,872	201,185
128,426	-	-	-	-	-	-	128,426	128,426
1,914	-	-	-	-	-	-	1,914	1,914
60,377	-	-	-	-	-	-	60,377	60,377
-	113,575	-	-	-	-	-	113,575	113,575
154,623	-	-	-	-	-	-	154,623	154,623
<u>\$ 2,584,851</u>	<u>\$ 309,030</u>	<u>\$ 328,276</u>	<u>\$ 112,241</u>	<u>\$ 5,566</u>	<u>\$ 22,267</u>	<u>\$ 11,784</u>	<u>\$ 3,374,015</u>	<u>\$ 12,288,237</u>

STATEMENT OF FUNCTIONAL EXPENSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2022

	<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	-	-	-	326,252	326,252
Depreciation	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Food	-	-	-	-	-
Insurance	-	-	-	-	-
Lease	-	-	-	-	-
Licenses	-	-	-	-	-
Linen and bedding	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Medical services	17,933	-	-	-	17,933
Other	4,456	-	-	-	4,456
Postage	-	-	-	-	-
Prescriptions	14,886	-	-	-	14,886
Professional fees	-	-	-	-	-
Salaries, payroll taxes, and benefits	-	8,652,682	-	-	8,652,682
Supplies	22,989	4,150	2,953	-	30,092
Telephone	-	-	-	-	-
Training-in-service	-	-	-	-	-
Travel and seminars	-	-	-	-	-
Utilities	-	-	-	-	-
Vehicles - gas, oil, and repairs	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 60,264</u>	<u>\$ 8,656,832</u>	<u>\$ 2,953</u>	<u>\$ 326,252</u>	<u>\$ 9,046,301</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
\$ 195,432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195,432	\$ 195,432
-	-	-	-	-	-	4,351	4,351	4,351
-	-	-	7,420	-	-	-	7,420	333,672
-	-	307,893	-	-	-	-	307,893	307,893
12,000	-	-	-	-	-	-	12,000	12,000
-	-	-	72,138	-	-	-	72,138	72,138
508,363	-	-	-	-	-	-	508,363	508,363
-	-	8,000	-	-	-	-	8,000	8,000
4,435	-	-	-	-	-	-	4,435	4,435
-	-	-	-	2,761	-	-	2,761	2,761
-	273,369	-	-	-	-	-	273,369	273,369
-	-	-	-	-	-	-	-	17,933
249,564	-	-	-	-	-	4,377	253,941	258,397
1,147	-	-	-	-	-	-	1,147	1,147
-	-	-	-	-	-	-	-	14,886
86,940	-	-	-	-	-	-	86,940	86,940
725,747	-	-	-	-	-	-	725,747	9,378,429
123,200	-	-	9,501	4,329	9,077	-	146,107	176,199
112,332	-	-	-	-	-	-	112,332	112,332
2,152	-	-	-	-	-	-	2,152	2,152
58,132	-	-	-	-	-	-	58,132	58,132
-	129,497	-	-	-	-	-	129,497	129,497
103,421	-	-	-	-	-	-	103,421	103,421
<u>\$ 2,182,865</u>	<u>\$ 402,866</u>	<u>\$ 315,893</u>	<u>\$ 89,059</u>	<u>\$ 7,090</u>	<u>\$ 9,077</u>	<u>\$ 8,728</u>	<u>\$ 3,015,578</u>	<u>\$ 12,061,879</u>

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

For the years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Decrease in net assets	\$ (597,595)	\$ (1,210,784)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities:		
Depreciation	328,276	307,893
Net realized and unrealized loss (gain) on investments	(268)	592,563
Gain on impairment of capital assets	-	(917,739)
Gain on sales of capital assets	(8,154)	(918)
Decrease (increase) in operating assets:		
Receivables	1,078,014	(1,131,674)
Deposits and other assets	(115,028)	(76,046)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(201,987)	119,968
Total adjustments	<u>1,080,853</u>	<u>(1,105,953)</u>
Net cash provided by (used in) operating activities	<u>483,258</u>	<u>(2,316,737)</u>
Cash Flows from Investing Activities		
Purchases of investments	(3,259,908)	(1,837,064)
Proceeds from maturity and sales of investments	3,722,781	1,692,805
Proceeds from insurance	-	1,093,603
Proceeds from sale of capital assets	40,277	80,546
Purchase of capital assets	(668,195)	(645,327)
Net cash provided by (used in) investing activities	<u>(165,045)</u>	<u>384,563</u>
Net increase (decrease) in cash	318,213	(1,932,174)
Cash		
Beginning of year	<u>858,134</u>	<u>2,790,308</u>
End of year	<u>\$ 1,176,347</u>	<u>\$ 858,134</u>

See notes to financial statements.

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

June 30, 2023 and 2022

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

Lafourche ARC (the “Association”) operates six residential community homes and three day care facilities to provide intermediate care and habilitation for the mentally handicapped. Five (Country Club, Stevens, Chackbay, Richland and Narrow Street) of the six residential community homes operated are owned by the Association while Diplomat Way Community Home was rented. This home was closed on August 29, 2021 as a result of damage caused by Hurricane Ida. The Association also provides respite services to families of mentally handicapped individuals. On November 16, 2021, the Association purchased property to become the location of Peltier Home, which became operational in July 2022.

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, 2023 and 2022.

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, 2023 and 2022.

g) Investments

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

Certificates of deposit with initial maturity longer than three months are stated at cost, which approximates fair market value. All other investments have readily determinable fair values in active markets. Investment expenses of \$70,791 and \$70,532 were incurred for the years ended June 30, 2023 and 2022, respectively.

h) Accounts Receivable

The financial statements of the Association contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position.

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 \$99,231 and \$115,140 of accumulated leave included in accounts payable and accrued liabilities as of June 30, 2023 and 2022, respectively.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2020 and later remain subject to examination by the taxing authorities. As of June 30, 2023, management of the Association believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

o) Recently Issued Accounting Standards

Leases

In February 2016, the FASB issued ASU No. 2016-02, "*Leases*" (Topic 842). ASU No. 2016-02 requires that a lease liability and related right-of-use asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the Statements of Activities and the Statements of Cash Flows will be substantially unchanged from the existing lease accounting guidance. This adoption of this standard did not affect the Association's financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Recently Issued Accounting Standards (Continued)

Leases (Continued)

In November 2021, the FASB issued ASU No. 2021-09, “*Leases*” (Topic 842) “*Discount Rate for Lessees That Are Not Public Business Entities*” (ASU No. 2021-09). This ASU currently provides lessees that are not public business entities with a practical expedient that allows them to elect, as an accounting policy, to use a risk-free rate as the discount rate for all leases. The amendments in this update allow those lessees to make the risk-free election by class of the underlying asset, rather than at the entity-wide level. An entity that makes the risk-free rate election is required to disclose which asset classes it has elected to apply a risk-free rate. The amendments require that when the rate implicit in the lease is readily determinable for any individual lease, the lessee use that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of whether it has made the risk-free election. Entities that have not yet adopted Topic 842 as of November 11, 2021, are required to adopt the amendments in this update at the same time that they adopt Topic 842. This adoption of this standard did not affect the Association’s financial statements.

p) Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 26, 2023, which is the date the financial statements were available to be issued.

Note 2 - INVESTMENTS

Investments as of June 30, 2023 and 2022 are as follows:

	2023		2022	
	Cost	Market	Cost	Market
U.S. Treasury Bonds	\$ 405,026	\$ 348,109	\$ 349,647	\$ 377,199
Federal Home Loan Mortgage Corporation Notes	287,880	250,289	310,546	196,686
Federal National Mortgage Association Notes	449,558	385,947	577,038	409,547
Equity securities/mutual funds	2,812,137	3,430,506	2,055,800	2,597,089
Fixed income mutual funds	937,061	889,047	1,651,749	1,533,047
Certificates of deposit and savings accounts	2,151,245	2,151,244	2,753,061	2,753,061
Municipal bonds	110,439	102,783	89,405	104,325
Corporate bonds	735,359	675,151	631,314	678,184
Money market funds	168,580	168,580	215,123	215,123
Totals	<u>\$ 8,057,285</u>	<u>\$ 8,401,656</u>	<u>\$ 8,633,683</u>	<u>\$ 8,864,261</u>

The following schedule summarizes the investment return and its classification in the Statements of Activities for the years ended June 30, 2023 and 2022:

	2023	2022
Excess of market over cost:		
End of year	\$344,371	\$ 230,578
Beginning of year	230,578	891,688
Unrealized gain (loss)	113,793	(661,110)
Net realized gain (loss)	(113,525)	68,547
Interest and dividends	226,623	215,936
Fees and expenses	(70,791)	(70,532)
Investment (loss) income, net	<u>\$156,100</u>	<u>\$(447,159)</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.

Note 3 - FAIR VALUE MEASUREMENTS (Continued)

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.

Assets measured at fair value on a recurring basis as of June 30, 2023 and 2022 are comprised of and determined as follows:

	June 30, 2023			
	Total Assets Measured at Fair Value	Quoted Prices in Active Market for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual Funds:				
Emerging market	\$ 54,023	\$ 54,023	\$ -	\$ -
Foreign large blend	118,637	118,637	-	-
International markets	22,045	22,045	-	-
Large blend	465,240	465,240	-	-
Mid-cap blend	20,657	20,657	-	-
Short term bond	96,555	96,555	-	-
Small blend	65,462	65,462	-	-
Preferred stock	65,943	65,943	-	-
Fixed income mutual funds:				
Commodities broad basket	21,918	21,918	-	-
Corporate bonds	43,148	43,148	-	-
High yield bonds	110,662	110,662	-	-
Intermediate term bonds	344,110	344,110	-	-
Multisector bonds	217,430	217,430	-	-
Short term bonds	60,161	60,161	-	-
US Treasury bond	31,956	31,956	-	-
Ultrashort bond	59,663	59,663	-	-
Total mutual funds	<u>1,797,610</u>	<u>1,797,610</u>	<u>-</u>	<u>-</u>
Equity Shares:				
Chemicals	38,187	38,187	-	-
Consumer cyclical	217,886	217,886	-	-
Consumer defensive	214,272	214,272	-	-
Consumer services	82,296	82,296	-	-
Energy	191,961	191,961	-	-
Financials	481,487	481,487	-	-
Health care	411,881	411,881	-	-
Industrials	336,326	336,326	-	-
Information technology	174,239	174,239	-	-
Real estate	164,386	164,386	-	-
Technology	39,034	39,034	-	-
Telecommunication services	96,226	96,226	-	-
Utilities	73,762	73,762	-	-
Total equity shares	<u>2,521,943</u>	<u>2,521,943</u>	<u>-</u>	<u>-</u>
Government bonds and notes	984,345	984,345	-	-
Corporate bonds	675,151	675,151	-	-
Municipal bonds	102,783	102,783	-	-
Certificates of deposit	2,151,244	2,151,244	-	-
Money market funds	168,580	168,580	-	-
Totals	<u>\$ 8,401,656</u>	<u>\$ 8,401,656</u>	<u>\$ -</u>	<u>\$ -</u>

Note 3 - FAIR VALUE MEASUREMENTS (Continued)

	June 30, 2022			
	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	\$ 50,780	\$ 50,780	\$ -	\$ -
Foreign large blend	61,322	61,322	-	-
International markets	15,489	15,489	-	-
Large blend	99,960	99,960	-	-
Mid-cap blend	21,492	21,492	-	-
Real estate	28,908	28,908	-	-
Small blend	12,845	12,845	-	-
Large value	120,063	120,063	-	-
Fixed income mutual funds:				
Commodities broad basket	44,719	44,719	-	-
High yield bonds	302,162	302,162	-	-
Inflation-protection bonds	60,599	60,599	-	-
Intermediate term bonds	730,465	730,465	-	-
Multisector bonds	282,530	282,530	-	-
Short term bonds	112,570	112,570	-	-
Total mutual funds	<u>1,943,904</u>	<u>1,943,904</u>	<u>-</u>	<u>-</u>
Equity Shares:				
Chemicals	42,441	42,441	-	-
Consumer cyclical	170,026	170,026	-	-
Consumer defensive	171,622	171,622	-	-
Consumer services	64,858	64,858	-	-
Energy	209,683	209,683	-	-
Financials	459,020	459,020	-	-
Health care	368,798	368,798	-	-
Industrials	219,874	219,874	-	-
Information technology	175,194	175,194	-	-
Materials	20,466	20,466	-	-
Real estate	77,495	77,495	-	-
Technology	19,432	19,432	-	-
Telecommunication services	119,991	119,991	-	-
Utilities	67,332	67,332	-	-
Total equity shares	<u>2,186,232</u>	<u>2,186,232</u>	<u>-</u>	<u>-</u>
Government bonds and notes	983,432	983,432	-	-
Corporate bonds	678,184	678,184	-	-
Municipal bonds	104,325	104,325	-	-
Certificates of deposit and savings accounts	2,753,061	2,753,061	-	-
Money market funds	215,123	215,123	-	-
Totals	<u>\$ 8,864,261</u>	<u>\$ 8,864,261</u>	<u>\$ -</u>	<u>\$ -</u>

Note 4 - DUE FROM STATE OF LOUISIANA

Due from the State as of June 30, 2023, 2022, and 2021 consists of the following.

	2023	2022	2021
Department of Health and Hospitals - residential and habilitation services	\$ 1,090,898	\$ 1,187,737	\$ 992,738
Department of Revenue - hotel/motel tax	-	344,734	33,716
Department of the Treasury - Act 119 of 2021 State Aid to Local Government Entities	-	250,000	-
Totals	\$ 1,090,898	\$ 1,782,471	\$ 1,026,454

Note 5 - BUILDINGS, FURNITURE, AND EQUIPMENT

Buildings, furniture, and equipment as of June 30, 2023 and 2022 consists of the following:

	2023	2022
Land	\$ 226,200	\$ 226,200
Buildings and improvements	4,454,208	3,880,304
Vehicles	1,767,751	1,754,846
Furniture and equipment	591,226	567,601
	7,039,385	6,428,951
Less: accumulated depreciation	(3,729,045)	(3,426,407)
Net buildings, furniture, and equipment	\$ 3,310,340	\$ 3,002,544

Depreciation expense for the years ended June 30, 2023 and 2022 was \$328,276 and \$307,893, respectively.

On August 29, 2021, Hurricane Ida severely impacted the Association. Numerous capital assets were heavily damaged and are still being repaired or replaced. The ultimate financial effect of the hurricane has yet to be determined. The Association has reviewed the various capital assets (a) to determine potential impairments from Hurricane Ida through inspection of physical damage and (b) to test for impairment to determine if the magnitude of the decline in service utility is significant and whether the decline in service utility is not part of the normal life cycle of the capital asset. For those components that are impaired, a portion of historical cost of the asset and associated accumulated depreciation, will be written off using the Restoration Cost Approach which states that the amount of impairment is derived from the estimated costs to restore the utility of the capital asset.

Note 5 - BUILDINGS, FURNITURE, AND EQUIPMENT (Continued)

During the year ended June 30, 2022, the Association realized insurance recoveries which are reported net of write offs. The following table identifies insurance proceeds related to impaired assets.

<u>Capital Assets</u>	<u>Insurance Proceeds</u>	<u>Costs of Assets</u>	<u>Accumulated Depreciation Assets</u>	<u>Book Value Assets</u>	<u>Impairment Gain</u>
Buildings	<u>\$ 1,093,603</u>	<u>\$683,676</u>	<u>\$507,812</u>	<u>\$175,864</u>	<u>\$917,739</u>

Note 6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued expenses as of June 30, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Vendors	\$ 77,104	\$ 73,792
Salaries and benefits	426,871	614,329
Other	<u>42,296</u>	<u>60,137</u>
Totals	<u>\$546,271</u>	<u>\$748,258</u>

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, 2023.

Note 7 - AVAILABILITY OF FINANCIAL ASSETS (Continued)

The following reflects the Association's financial assets available for use as of June 30, 2023.

Financial assets:	
Cash	\$ 1,176,347
Investments	8,401,656
Due from State of Louisiana	1,090,898
Accounts receivable	<u>75,061</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 10,743,962</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, 2023 and 2022, personal service and occupancy costs incurred at the central office amounting to \$1,261,563 and \$621,213, respectively, were allocated to the programs as follows:

	2023	2022
Community support services	\$ 655,870	\$ 375,897
Daycare services	272,327	126,906
Diplomat Way Community Home	-	32,235
Stevens Community Home	70,951	20,822
Chackbay Community Home	49,572	18,917
Country Club Community Home	47,311	13,474
Richland Community Home	55,347	17,134
Narrow Street Community Home	50,626	16,151
Peltier Community Home	<u>59,559</u>	<u>(323)</u>
Totals	<u><u>\$ 1,261,563</u></u>	<u><u>\$ 621,213</u></u>

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. Contributions amounted to \$8,168 and \$9,189 for the years ended June 30, 2023 and 2022, respectively.

Note 11 - CONCENTRATION OF RISK

During the year ended June 30, 2023, 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 \$1,840,000 as of June 30, 2023.

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, 2023.

SUPPLEMENTARY INFORMATION SECTION

SCHEDULE OF PROGRAM FINANCIAL POSITION

Lafourche ARC
Thibodaux, Louisiana

June 30, 2023

	<u>Community Homes</u>				
	<u>Chackbay</u>	<u>Country Club</u>	<u>Peltier</u>	<u>Stevens</u>	<u>Narrow Street</u>
Assets					
Cash	\$ 200	\$ 200	\$ 100	\$ 200	\$ 100
Investments	651,971	330,995	687,543	67,543	580,166
Due from State of Louisiana	46,236	29,684	27,660	35,637	41,788
Accounts receivable	110	71	23	212	40
Due from other programs	49,123	440,048	420,980	45,215	494,812
Deposits and other assets	7,245	1,403	2,047	2,098	405
Buildings, furniture, and equipment, net	<u>147,488</u>	<u>63,253</u>	<u>326,111</u>	<u>93,112</u>	<u>116,519</u>
Totals	<u><u>\$ 902,373</u></u>	<u><u>\$ 865,654</u></u>	<u><u>\$ 1,464,464</u></u>	<u><u>\$ 244,017</u></u>	<u><u>\$ 1,233,830</u></u>
Liabilities					
Accounts payable and accrued liabilities	\$ 13,288	\$ 12,215	\$ 13,121	\$ 20,702	\$ 13,949
Due to other programs	<u>1,237,614</u>	<u>111,553</u>	<u>1,547,502</u>	<u>442,686</u>	<u>75,231</u>
Total liabilities	<u>1,250,902</u>	<u>123,768</u>	<u>1,560,623</u>	<u>463,388</u>	<u>89,180</u>
Net Assets					
Unrestricted	<u>(348,529)</u>	<u>741,886</u>	<u>(96,159)</u>	<u>(219,371)</u>	<u>1,144,650</u>
Totals	<u><u>\$ 902,373</u></u>	<u><u>\$ 865,654</u></u>	<u><u>\$ 1,464,464</u></u>	<u><u>\$ 244,017</u></u>	<u><u>\$ 1,233,830</u></u>

Community Homes					
Richland	Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
\$ 100	\$ -	\$ 470	\$ 1,174,977	\$ -	\$ 1,176,347
289,465	3,822,019	1,971,954	-	-	8,401,656
36,350	724,546	148,997	-	-	1,090,898
762	56,844	13,646	3,353	-	75,061
296,160	5,838,792	104,022	2,619,527	(10,308,679)	-
440	13,200	70,695	119,815	-	217,348
<u>62,632</u>	<u>1,238,138</u>	<u>656,386</u>	<u>606,701</u>	<u>-</u>	<u>3,310,340</u>
<u>\$ 685,909</u>	<u>\$ 11,693,539</u>	<u>\$ 2,966,170</u>	<u>\$ 4,524,373</u>	<u>\$ (10,308,679)</u>	<u>\$ 14,271,650</u>
\$ 13,733	\$ 288,189	\$ 77,472	\$ 93,602	\$ -	\$ 546,271
274,414	508,194	1,680,714	4,430,771	(10,308,679)	-
<u>288,147</u>	<u>796,383</u>	<u>1,758,186</u>	<u>4,524,373</u>	<u>(10,308,679)</u>	<u>546,271</u>
<u>397,762</u>	<u>10,897,156</u>	<u>1,207,984</u>	<u>-</u>	<u>-</u>	<u>13,725,379</u>
<u>\$ 685,909</u>	<u>\$ 11,693,539</u>	<u>\$ 2,966,170</u>	<u>\$ 4,524,373</u>	<u>\$ (10,308,679)</u>	<u>\$ 14,271,650</u>

SCHEDULE OF PROGRAM ACTIVITIES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2023

	Community Homes				
	Chackbay	Country Club	Diplomat Way	Peltier	Stevens
Changes in Net Assets Without Donor Restrictions					
Support and Revenues					
Support:					
Group services:					
Habilitation services	\$ -	\$ -	\$ -	\$ -	\$ -
Residential services	317,567	423,401	-	506,923	554,968
Governmental Grants:					
Office for Citizens with					
Developmental Disabilities	-	-	-	-	-
State of Louisiana-hotel/motel tax	-	-	-	-	-
Federal Emergency Management Agency	-	-	-	-	-
Client income	42,821	80,358	-	58,393	89,503
Sheltered workshop, net of \$164,165					
of direct costs	-	-	-	-	-
Fundraising	-	-	-	-	-
Contributions	20,000	25,000	-	25,000	-
Total support without donor restrictions	<u>380,388</u>	<u>528,759</u>	<u>-</u>	<u>590,316</u>	<u>644,471</u>
Revenues:					
Investment income, net	14,478	7,350	-	15,271	1,503
Gain on sales of capital assets	-	-	-	-	-
Insurance proceeds	-	9,040	-	-	12,047
Miscellaneous	-	-	-	-	-
Total revenues	<u>14,478</u>	<u>16,390</u>	<u>-</u>	<u>15,271</u>	<u>13,550</u>
Allocations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total unrestricted support, revenues and net assets released from restrictions	<u>394,866</u>	<u>545,149</u>	<u>-</u>	<u>605,587</u>	<u>658,021</u>
Expenses					
Program services:					
Medical and nursing	10,768	5,948	-	15,215	14,910
Therapeutic and training	307,110	309,078	-	377,712	484,622
Recreational	194	65	-	1,433	275
Consultants	21,263	22,280	-	23,482	22,364
Total program services	<u>339,335</u>	<u>337,371</u>	<u>-</u>	<u>417,842</u>	<u>522,171</u>
Support services:					
Administrative and general	121,515	114,808	-	134,234	157,556
Plant operations and maintenance	19,094	14,245	-	14,284	16,253
Costs related to capital assets	7,281	3,576	-	13,149	11,418
Dietary	15,542	12,657	-	22,156	15,647
Laundry and linen	886	175	-	1,120	507
Housekeeping	1,737	975	-	3,304	996
Personal client needs	1,958	399	-	3,476	1,603
Total support services	<u>168,013</u>	<u>146,835</u>	<u>-</u>	<u>191,723</u>	<u>203,980</u>
Total expenses	<u>507,348</u>	<u>484,206</u>	<u>-</u>	<u>609,565</u>	<u>726,151</u>
Increase (Decrease) in Assets Without Donor Restrictions	<u>(112,482)</u>	<u>60,943</u>	<u>-</u>	<u>(3,978)</u>	<u>(68,130)</u>
Net Assets (Accumulated Deficit)					
Beginning of year	(236,047)	680,943	(279,056)	186,875	(151,241)
Transfer in/out	-	-	279,056	(279,056)	-
End of year	<u>\$ (348,529)</u>	<u>\$ 741,886</u>	<u>\$ -</u>	<u>\$ (96,159)</u>	<u>\$ (219,371)</u>

Homes		Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
Narrow Street	Richland					
\$ -	\$ -	\$ 6,393,911	\$ 39,537	\$ -	\$ -	\$ 6,433,448
411,224	538,581	178,470	1,435,074	-	(614,069)	3,752,139
-	-	-	42,529	-	-	42,529
-	-	-	344,734	-	-	344,734
-	-	-	-	244,390	-	244,390
47,208	55,139	-	-	-	-	373,422
-	-	-	49,448	-	-	49,448
-	-	-	-	20,990	-	20,990
-	-	-	18,477	-	-	88,477
<u>458,432</u>	<u>593,720</u>	<u>6,572,381</u>	<u>1,929,799</u>	<u>265,380</u>	<u>(614,069)</u>	<u>11,349,577</u>
12,891	6,432	64,841	32,651	683	-	156,100
-	-	6,654	1,500	-	-	8,154
-	-	-	114,412	20,674	-	156,173
-	-	351	1	20,286	-	20,638
<u>12,891</u>	<u>6,432</u>	<u>71,846</u>	<u>148,564</u>	<u>41,643</u>	<u>-</u>	<u>341,065</u>
-	-	-	-	1,261,563	(1,261,563)	-
<u>471,323</u>	<u>600,152</u>	<u>6,644,227</u>	<u>2,078,363</u>	<u>1,568,586</u>	<u>(1,875,632)</u>	<u>11,690,642</u>
12,348	11,022	1,717	492	376	-	72,796
320,329	351,686	5,542,848	1,428,373	12	(614,069)	8,507,701
469	515	-	846	376	-	4,173
21,234	23,216	195,713	-	-	-	329,552
<u>354,380</u>	<u>386,439</u>	<u>5,740,278</u>	<u>1,429,711</u>	<u>764</u>	<u>(614,069)</u>	<u>8,914,222</u>
117,913	129,557	916,563	706,536	1,447,732	(1,261,563)	2,584,851
16,263	16,318	1,375	153,413	57,785	-	309,030
6,001	5,126	54,804	171,038	55,883	-	328,276
18,893	22,549	162	1,960	2,675	-	112,241
942	1,885	-	34	17	-	5,566
1,605	2,482	25	7,413	3,730	-	22,267
2,131	2,099	60	58	-	-	11,784
<u>163,748</u>	<u>180,016</u>	<u>972,989</u>	<u>1,040,452</u>	<u>1,567,822</u>	<u>(1,261,563)</u>	<u>3,374,015</u>
518,128	566,455	6,713,267	2,470,163	1,568,586	(1,875,632)	12,288,237
<u>(46,805)</u>	<u>33,697</u>	<u>(69,040)</u>	<u>(391,800)</u>	<u>-</u>	<u>-</u>	<u>(597,595)</u>
1,191,455	364,065	10,966,196	1,599,784	-	-	14,322,974
-	-	-	-	-	-	-
<u>\$ 1,144,650</u>	<u>\$ 397,762</u>	<u>\$ 10,897,156</u>	<u>\$ 1,207,984</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,725,379</u>

SCHEDULE OF PROGRAM SERVICES EXPENSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2023

	Community Homes				
	Chackbay	Country Club	Diplomat Way	Peltier	Stevens
Medical and Nursing					
Medical services	\$ 2,215	\$ 103	\$ -	\$ 5,401	\$ 3,517
Other	3,309	975	-	285	829
Prescriptions	881	1,188	-	3,054	6,602
Supplies	4,363	3,682	-	6,475	3,962
Total medical and nursing	<u>10,768</u>	<u>5,948</u>	<u>-</u>	<u>15,215</u>	<u>14,910</u>
Therapeutic and Training					
Habilitation	71,601	92,525	-	79,317	81,258
Salaries, payroll taxes, and benefits	235,509	216,553	-	298,395	403,319
Supplies	-	-	-	-	45
Total therapeutic and training	<u>307,110</u>	<u>309,078</u>	<u>-</u>	<u>377,712</u>	<u>484,622</u>
Recreational					
Supplies	<u>194</u>	<u>65</u>	<u>-</u>	<u>1,433</u>	<u>275</u>
Consultants					
Other	2,000	2,000	-	2,500	2,167
Pharmacist	1,411	1,397	-	1,692	1,413
Psychiatrist	960	1,991	-	1,829	1,892
Registered nurse	16,892	16,892	-	17,461	16,892
Total consultants	<u>21,263</u>	<u>22,280</u>	<u>-</u>	<u>23,482</u>	<u>22,364</u>
Total program services	<u>\$ 339,335</u>	<u>\$ 337,371</u>	<u>\$ -</u>	<u>\$ 417,842</u>	<u>\$ 522,171</u>

Homes		Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
Narrow Street	Richland					
\$ 536	\$ 2,281	\$ -	\$ -	\$ -	\$ -	\$ 14,053
5,445	2,174	229	15	-	-	13,261
1,536	2,449	-	-	-	-	15,710
4,831	4,118	1,488	477	376	-	29,772
<u>12,348</u>	<u>11,022</u>	<u>1,717</u>	<u>492</u>	<u>376</u>	<u>-</u>	<u>72,796</u>
82,271	91,467	-	-	-	(498,439)	-
238,058	260,219	5,542,166	1,419,740	4	(115,630)	8,498,333
-	-	682	8,633	8	-	9,368
<u>320,329</u>	<u>351,686</u>	<u>5,542,848</u>	<u>1,428,373</u>	<u>12</u>	<u>(614,069)</u>	<u>8,507,701</u>
469	515	-	846	376	-	4,173
2,000	1,833	35,252	-	-	-	47,752
1,532	1,573	-	-	-	-	9,018
810	2,918	65	-	-	-	10,465
16,892	16,892	160,396	-	-	-	262,317
<u>21,234</u>	<u>23,216</u>	<u>195,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>329,552</u>
<u>\$ 354,380</u>	<u>\$ 386,439</u>	<u>\$ 5,740,278</u>	<u>\$ 1,429,711</u>	<u>\$ 764</u>	<u>\$ (614,069)</u>	<u>\$ 8,914,222</u>

SCHEDULE OF SUPPORT SERVICES EXPENSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2023

	Community Homes				
	Chackbay	Country Club	Diplomat Way	Peltier	Stevens
Administrative and General					
Bed fees	\$ 30,750	\$ 35,369	\$ -	\$ 35,078	\$ 35,837
Central office	49,572	47,311	-	59,559	70,951
Dues and subscriptions	-	-	-	-	-
Insurance	26,448	22,019	-	25,707	30,298
Licenses	615	620	-	1,269	770
Other	-	(108)	-	(56)	-
Postage	-	-	-	-	-
Professional fees	750	490	-	1,715	650
Salaries, payroll taxes, and benefits	-	-	-	-	-
Supplies	488	589	-	3,501	676
Telephone	6,730	4,550	-	2,887	6,503
Training-in-service	-	-	-	-	-
Travel and seminars	630	301	-	1,132	597
Vehicles - gas, oil, and repairs	5,532	3,667	-	3,442	11,274
Total administrative and general	<u>121,515</u>	<u>114,808</u>	<u>-</u>	<u>134,234</u>	<u>157,556</u>
Plant Operations and Maintenance					
Maintenance and repairs	11,746	4,161	-	7,659	3,912
Utilities	7,348	10,084	-	6,625	12,341
Total plant operations and maintenance	<u>19,094</u>	<u>14,245</u>	<u>-</u>	<u>14,284</u>	<u>16,253</u>
Costs Related to Capital Assets					
Depreciation	7,281	3,576	-	13,149	11,418
Total costs related to capital assets	<u>7,281</u>	<u>3,576</u>	<u>-</u>	<u>13,149</u>	<u>11,418</u>
Dietary					
Contracts - dietician	1,920	1,760	-	2,400	1,920
Food	12,532	10,507	-	18,393	12,273
Supplies	1,090	390	-	1,363	1,454
Total dietary expenses	<u>15,542</u>	<u>12,657</u>	<u>-</u>	<u>22,156</u>	<u>15,647</u>
Laundry and Linen					
Linen and bedding	245	5	-	219	35
Supplies	641	170	-	901	472
Total laundry and linen	<u>886</u>	<u>175</u>	<u>-</u>	<u>1,120</u>	<u>507</u>
Housekeeping					
Supplies	1,737	975	-	3,304	996
Personal Client Needs					
Clothing	947	72	-	939	37
Other	1,011	327	-	2,537	1,566
Total personal client needs	<u>1,958</u>	<u>399</u>	<u>-</u>	<u>3,476</u>	<u>1,603</u>
Total support services	<u>\$ 168,013</u>	<u>\$ 146,835</u>	<u>\$ -</u>	<u>\$ 191,723</u>	<u>\$ 203,980</u>

Homes		Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
Narrow Street	Richland					
\$ 32,542	\$ 35,369	\$ -	\$ -	\$ -	\$ -	\$ 204,945
50,626	55,347	655,870	272,327	-	(1,261,563)	-
-	-	-	-	12,000	-	12,000
26,962	26,251	135,403	214,584	64,345	-	572,017
620	770	1,225	359	333	-	6,581
179	521	21,563	14,448	36,606	-	73,153
-	-	603	94	1,115	-	1,812
294	1,501	2,584	47,919	237,810	-	293,713
-	-	-	-	953,819	-	953,819
1,686	360	17,027	22,159	74,985	-	121,471
1,183	6,558	18,175	18,481	63,359	-	128,426
-	-	1,217	321	376	-	1,914
1,521	657	49,703	2,852	2,984	-	60,377
2,300	2,223	13,193	112,992	-	-	154,623
<u>117,913</u>	<u>129,557</u>	<u>916,563</u>	<u>706,536</u>	<u>1,447,732</u>	<u>(1,261,563)</u>	<u>2,584,851</u>
5,772	6,288	1,375	126,547	27,995	-	195,455
10,491	10,030	-	26,866	29,790	-	113,575
<u>16,263</u>	<u>16,318</u>	<u>1,375</u>	<u>153,413</u>	<u>57,785</u>	<u>-</u>	<u>309,030</u>
6,001	5,126	54,804	171,038	55,883	-	328,276
<u>6,001</u>	<u>5,126</u>	<u>54,804</u>	<u>171,038</u>	<u>55,883</u>	<u>-</u>	<u>328,276</u>
-	-	-	-	-	-	8,000
17,038	18,957	129	1,553	2,367	-	93,749
1,855	3,592	33	407	308	-	10,492
<u>18,893</u>	<u>22,549</u>	<u>162</u>	<u>1,960</u>	<u>2,675</u>	<u>-</u>	<u>112,241</u>
272	1,148	-	-	-	-	1,924
670	737	-	34	17	-	3,642
<u>942</u>	<u>1,885</u>	<u>-</u>	<u>34</u>	<u>17</u>	<u>-</u>	<u>5,566</u>
1,605	2,482	25	7,413	3,730	-	22,267
1,108	599	60	12	-	-	3,774
1,023	1,500	-	46	-	-	8,010
<u>2,131</u>	<u>2,099</u>	<u>60</u>	<u>58</u>	<u>-</u>	<u>-</u>	<u>11,784</u>
<u>\$ 163,748</u>	<u>\$ 180,016</u>	<u>\$ 972,989</u>	<u>\$ 1,040,452</u>	<u>\$ 1,567,822</u>	<u>\$ (1,261,563)</u>	<u>\$ 3,374,015</u>

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

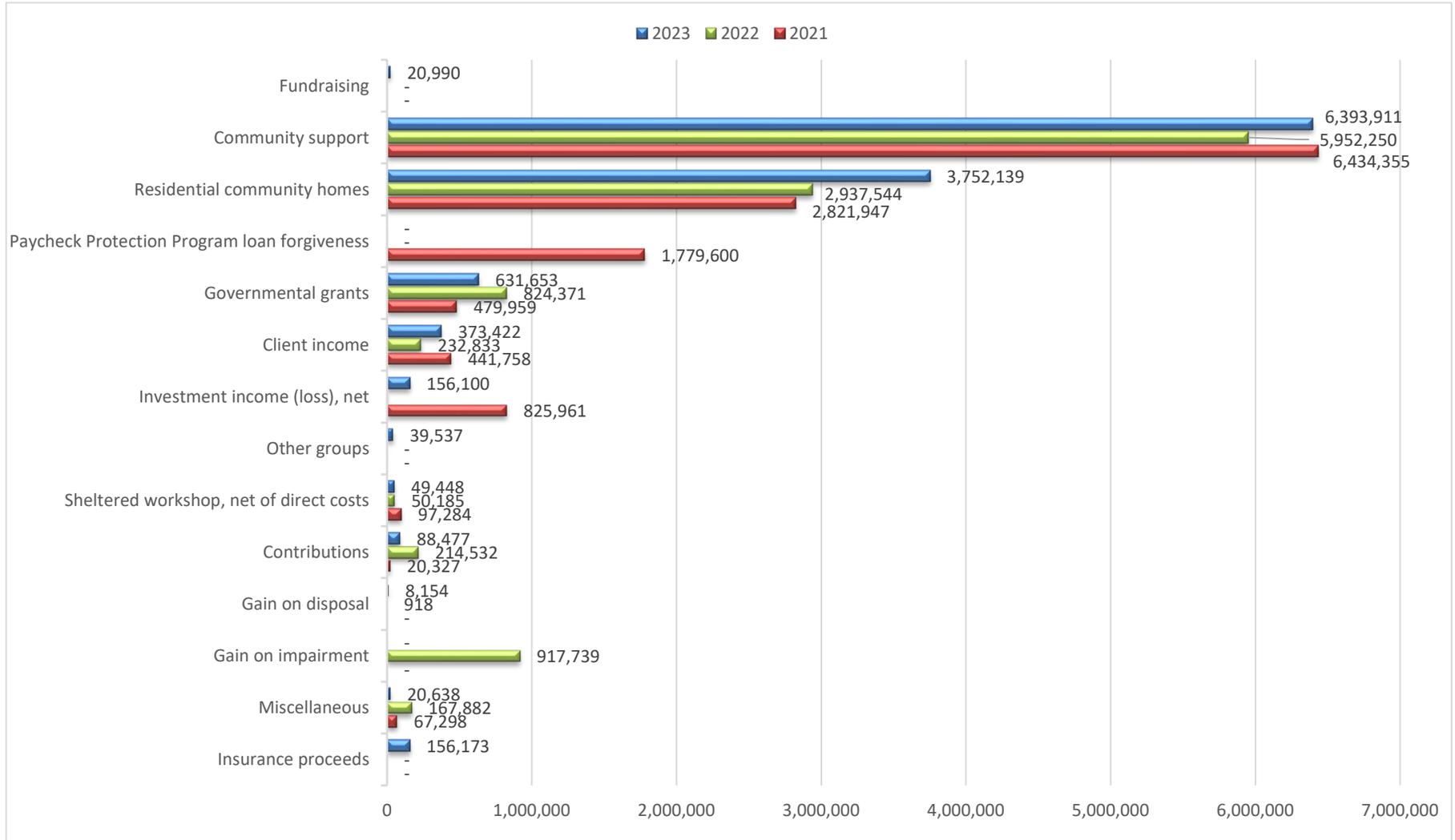
For the years ended June 30, 2023, 2022, and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues			
Community support	\$ 6,393,911	\$ 5,952,250	\$ 6,434,355
Residential community homes	3,752,139	2,937,544	2,821,947
Governmental grants	631,653	824,371	479,959
Other:			
Client income	373,422	232,833	441,758
Investment income (loss), net	156,100	(447,159)	825,961
Other groups	39,537	-	-
Sheltered workshop, net of direct costs	49,448	50,185	97,284
Contributions	88,477	214,532	20,327
Paycheck Protection Program loan forgiveness	-	-	1,779,600
Gain on impairment	-	917,739	-
Gain on sale of capital assets	8,154	918	-
Fundraising	20,990	-	-
Insurance proceeds	156,173	-	-
Miscellaneous	20,638	167,882	67,298
	<u>\$ 11,690,642</u>	<u>\$ 10,851,095</u>	<u>\$ 12,968,489</u>
Expenses			
Bed fees	\$ 204,945	\$ 195,432	\$ 204,154
Contracts - outside services	337,552	333,672	302,771
Depreciation	328,276	307,893	287,152
Food	93,749	72,138	75,704
Insurance	572,017	508,363	629,400
Lease	-	8,000	19,200
Maintenance and repairs	195,455	273,369	221,218
Other expenses	574,331	517,334	314,123
Salaries, payroll taxes, and benefits	9,452,152	9,378,429	9,247,522
Supplies	201,185	176,199	173,495
Travel and seminars	60,377	58,132	53,762
Utilities	113,575	129,497	118,828
Vehicles - gas, oil and repairs	154,623	103,421	46,836
	<u>\$ 12,288,237</u>	<u>\$ 12,061,879</u>	<u>\$ 11,694,165</u>

REVENUES

Lafourche ARC
Thibodaux, Louisiana

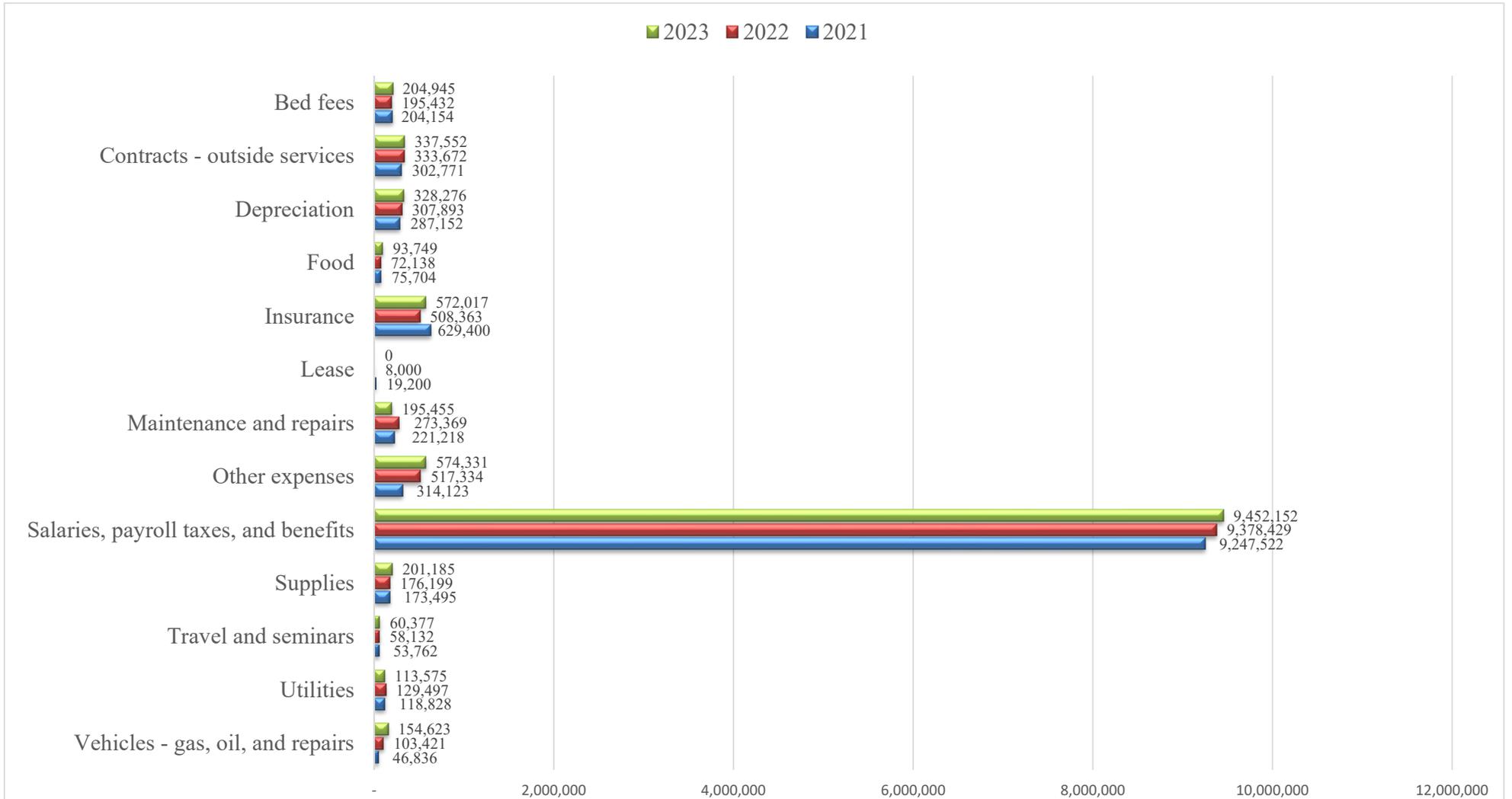
For the years ended June 30, 2023, 2022, and 2021



EXPENSES

Lafourche ARC
Thibodaux, Louisiana

For the years ended June 30, 2023, 2022, and 2021



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

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2023

Agency Head Name: Wendy Eschete, Executive Director

Purpose

Salary	\$ 93,305
Benefits - insurance	6,829
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/>
	\$ 100,134

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, 2023, 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 26, 2023.

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 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 26, 2023.

SCHEDULE OF FINDINGS AND RESPONSES

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2023

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, 2023.

Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended June 30, 2023.

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, 2023

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, 2022.

No significant deficiencies were reported during the audit for the year ended June 30, 2022.

Compliance

No compliance findings material to the Statement of Financial Position were noted during the year ended June 30, 2022.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche ARC did not expend any federal awards during the year ended June 30, 2022.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2022.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche ARC
Thibodaux, Louisiana

For the year ended June 30, 2023

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, 2023.

No significant deficiencies were reported during the audit for the year ended June 30, 2023.

Compliance

No compliance findings material to the Statement of Financial Position were noted during the year ended June 30, 2023.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche ARC did not expend any federal awards during the year ended June 30, 2023.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2023.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners,
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, 2022 through June 30, 2023 (the “the fiscal period”). 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, 2022 through June 30, 2023. 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 26, 2023.

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

Lafourche ARC

For the year ended June 30, 2023

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 that they address each of the following categories and subcategories if applicable to public funds and the Association's operations:
- i. Budgeting, including preparing, adopting, monitoring, and amending the budget.
Performance: Obtained and read the written policy for budgeting.
Exceptions: There was an exception noted due to the policy lacking a provision on amending the budget.
 - 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 a provision on 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 each type of revenue or Association fund additions.
Performance: Obtained and read the written policy for receipts 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(s) rate of pay or approval and maintenance of pay rate schedules.
Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.
Exceptions: There were no exceptions 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.
Performance: Obtained and read the contracting policy.
Exceptions: There were exceptions noted due to the policy lacking provisions for legal review and the monitoring process.

- 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, 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).
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 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Association's ethics policy.
Performance: Not applicable to 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 to 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 due to the policy not containing 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 to nonprofit organizations.

2) Procedures Performed on the Association's Board:

- A. Obtain and inspect the board 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 met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Performance: Obtained and read the written minutes of the Board meetings. All meetings were held with a quorum.

Exceptions: There were no exceptions 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 and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Performance: Not applicable to nonprofit organizations.

- 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 unrestricted fund balance in the general fund.

Performance: Not applicable to nonprofit organizations.

2) Procedures Performed on the Association's Board: (Continued)

- 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.

Performance: Obtained and read the prior year's audit report. There were no findings.

Exceptions: There were no exceptions noted.

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

- A. Obtain a listing of the Association's bank accounts from management and management's representation that the listing is complete. Ask management to identify the main operating account. Select the Association's main operating account and 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:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter. The Association has 3 bank accounts.

Exceptions: There were no exceptions noted.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Performance: Obtained monthly bank reconciliation for the month of June for the main operating bank account and 2 additional accounts. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.

- ii. Bank reconciliations include evidence that a member of management who does not manage cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Performance: Inspected the Association's documentation for the June bank reconciliation for the 3 bank accounts.

Exceptions: There were no exceptions noted.

- iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement's closing date, if applicable.

Performance: Inquired about documents for items outstanding for more than 12 months. There were no items outstanding more than 12 months.

Exceptions: There were no exceptions noted.

4) Procedures Performed on the Association's Collections (Excluding Electronic Funds Transfers):

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (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).

Performance: Obtained the listing of deposit sites from management and received management's representation in a separate letter.

Exceptions: There were no exceptions 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 (e.g., 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:

Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter. The Association only has one deposit site.

Exceptions: There were no exceptions noted.

- i. Employees that are responsible for cash collections do not share cash drawers/registers.

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless other employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions 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.

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions 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 verifies the reconciliation.

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

4) Procedures Performed on the Association's Collections (Excluding Electronic Funds Transfers): (Continued)

- 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 enforced during the fiscal period.

Performance: Obtained a listing of all employees who have access to cash and obtained a copy of the insurance policy for theft that covers all employees who have access to cash.

Exceptions: There were no exceptions noted.

- D. Randomly select 2 deposit dates for each of the Association's 3 bank accounts selected for procedures #3 under "Procedures Performed on the Association's Bank Reconciliations" (select the next deposit date chronologically if no deposits were made on the dates selected and randomly select a deposit if multiple deposits were made on the same day). Obtain supporting documentation for each of the deposits selected and:

- i. Observe that receipts are sequentially pre-numbered.

Performance: Obtained supporting documentation for the selected deposits and observed that receipts were kept chronologically.

Exceptions: There were no exceptions noted.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

Performance: Traced deposit slip total to actual deposit per bank statement.

Exceptions: There were no exceptions noted.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Performance: Observed if the deposits tested were made within one business day of receipt.

Exceptions: There were exceptions noted due to deposits being made once per week.

- v. Trace the actual deposit per the bank statement to the general ledger.

Performance: Traced the actual deposit per the bank statement to the general ledger.

Exceptions: There were no exceptions noted.

5) Procedures Performed on the Association's Non-Payroll Disbursements (Excluding Card Purchases/Payments, 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.

- 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 Association has no written policies and procedures, 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 two employees are involved in initiating a purchase request, approving a purchase, and placing an order/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 at least two 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 employees responsible for processing payments are 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.

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

Exceptions: There were no exceptions noted.

5) Procedures Performed on the Association's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

- 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 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.

- 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 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 was an exception noted due to lack of documentation indicating the deliverables were received on one of the invoices received.

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

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

Exceptions: There was an exception noted due to lack of evidence of segregation of duties on one of the disbursements tested.

- 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.

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 amount of authorized signers.

6) Procedures Performed on the Association's 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.

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-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, rotating cards each year. Select one monthly statement or combined statement for each card (for a debit card, 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) was reviewed and approved, in writing, by someone other than the authorized card holder.

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

Exceptions: There were exceptions noted due to the lack of evidence that someone reviewed and approved the statements tested for all 5 test items.

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

Performance: Observed 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, excluding fuel cards, 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, report whether the transaction is supported by:

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

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

Exceptions: There were no exceptions noted.

6) Procedures Performed on the Association's Credit Cards, Debit Cards, Fuel Cards, P-Cards: (Continued)

- ii. Written documentation of the business/public purpose.
Performance: Observed the transactions from the monthly statements were supported with written documentation of the business/public purpose.
Exceptions: There were no exceptions noted.
- iii. Documentation of the individuals participating in meals (for meal charges only).
Performance: Analyzed the transactions to determine if any were for meal charges.
Exceptions: There was an exception noted due to one meal charge not including documentation of individuals who participated.

7) Procedures Performed on the Association's 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:
 - Performance: Randomly selected 5 reimbursements, obtained general ledger for travel and travel-related expense reimbursements and management's representation in a separate letter.
 - Exceptions: There were no exceptions noted.
- i. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - Performance: None of the 5 reimbursements used a per diem rate.
 - Exceptions: There were no exceptions noted.
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - Performance: Observed reimbursement supported by an original itemized receipt.
 - Exceptions: There were no exceptions 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 (procedures #1A(vii)).
 - Performance: Observed each reimbursement was supported by documentation of the business/public purpose and other documentation required by written policy.
 - Exceptions: There was an exception noted due to one meal charge not including the names of individuals participating.

7) Procedures Performed on the Association's Travel and Travel-Related Expense Reimbursements (Excluding Card Transactions): (Continued)

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Performance: Observed each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Exceptions: There were no exceptions noted.

8) Procedures Performed on the Association's 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. 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:

Performance: Obtained 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, randomly selected 5 contracts, and obtained management's representation that the listing is complete.

Exceptions: There were no exceptions noted.

- i. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Performance: Not applicable for nonprofit organizations.

- ii. Observe that the contract was approved by the governing body/District Council, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Performance: One of the contracts selected required Board approval as required in the Association's policy and we noted the Board approval.

Exceptions: There were no exceptions noted.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (i.e., if approval is required for any amendment, the documented approval).

Performance: Observed the contracts selected and noted no amendments.

Exceptions: There were 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 that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Inspected payments for each of the 5 contracts, obtained supporting invoices, agreed invoiced to the contract terms, and observed invoices related to the payment agreed to terms and conditions of the contract.

Exceptions: There were no exceptions noted.

9) Procedures Performed on the Association's Payroll and Personnel:

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Select 5 employees/officials, paid salaries, and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Obtained the listing of employees and their related salaries from management, selected 5 employees and obtained management's representations that the listing is complete.

Exceptions: There were no exceptions noted.

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

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Performance: Obtained management's representation of the timely filing of payroll forms and timely payments and selected one pay period to test leave taken during that period. Inspected all daily attendance and leave record for proper documentation.

Exceptions: There were no exceptions noted.

- ii. Observe that supervisors approved the attendance and leave of the selected employees/officials.

Performance: Inspected the approval of attendance and leave by the supervisors for the selected employee/officials.

Exceptions: There were no exceptions noted.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the Association's cumulative leave records.

Performance: Inspected any leave accrued or taken during the pay period was reflected in the cumulative leave records.

Exceptions: There were no exceptions noted.

- iv. Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Performance: Inspected and agreed the rate paid to employees to the authorized pay rate in the personnel files.

Exceptions: There were no exceptions noted.

9) Procedures Performed on the Association's Payroll and Personnel: (Continued)

- C. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the Association's policy on termination payments. Agree the hours to the employees'/officials' cumulative leave records, agree the pay rates to the employees'/officials' authorized pay rates in the employees'/officials' personnel files, and agree the termination payment to the Association's policy.

Performance: Inquired of management of those employees/officials that terminated during the fiscal period and management's representation that the list is complete and randomly selected 2 employees. Agreed the hours to the employees' cumulative leave records, agreed the pay rates to the employees' authorized rates in the employees' personnel file and agreed the termination payment to the Association's policy for the 2 employees selected.

Exceptions: There were no exceptions noted.

- D. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Performance: Obtained management's representation of the timely filing of payroll forms and timely payments and inspected payroll reporting forms to confirm that all payments were submitted to the applicable agencies by the required deadlines.

Exceptions: There were no exceptions noted.

10) Procedures Performed on the Association's Ethics:

- A. Using the 5 selected employees/officials from procedure #9 under "Procedures Performed on the Association's Payroll and Personnel", obtain ethics compliance documentation from management and:

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

Performance: Note applicable for nonprofit organizations.

- ii. Observe whether the Association maintains documentation which demonstrates each employee and official were notified of any changes to the Association's ethics policy during the fiscal period, as applicable.

Performance: Performance: Not applicable for nonprofit organizations.

- B. Inquire and/or observe whether the Association has appointed an ethics designee as required by R.S. 42:1170.

Performance: Not applicable for nonprofit organizations.

11) Procedures Performed on the Association’s 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 that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Performance: Not applicable for nonprofit organizations.

- 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.

Performance: Not applicable for nonprofit organizations.

12) Procedures Performed on the Association’s 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 Association reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Association is domiciled as required by R.S. 24:523.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period and management’s representation in a separate letter that there were none.

Exceptions: There were no exceptions noted.

- B. Observe the Association 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.

Performance: Inspected the fraud notice posted on the premises concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. The Association does not have a website.

Exceptions: There were no exceptions noted.

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

- A. Perform the following procedures, verbally discuss the results with management, and report “We performed the procedure and discussed the results with management”.

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

- i. Obtain and inspect the Association's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personal responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the Association's local server or network, and (c) was encrypted.

Performance: We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the Association'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.

Performance: We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the Association'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.

Performance: We performed the procedure and discussed the results with management.

- A. Randomly select 5 terminated employees (or all terminated employees if less than 5) using a list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Performance: We performed the procedure and discussed the results with management.

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

- A. Using the 5 randomly selected employees/officials from "Procedures Performed on the Association's Payroll and Personnel" #9A, 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 as required by R.S. 42:343.

Performance: Examined sexual harassment training documentation for the 5 employees tested.

Exceptions: There were no exceptions noted.

14) Procedures Performed on the Association's Prevention of Sexual Harassment: (Continued)

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

Performance: Inspected the sexual harassment policy and complaint procedure posted on its premises. The Association does not have a website.

Exceptions: There were no exceptions noted.

- C. Obtain the Association'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:

Performance: Not applicable for nonprofit organizations.

- i. Number and percentage of public servants in the agency who have completed the training requirements.

Performance: Not applicable for nonprofit organizations.

- ii. Number of sexual harassment complaints received by the agency.

Performance: Not applicable for nonprofit organizations.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred.

Performance: Not applicable for nonprofit organizations.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.

Performance: Not applicable for nonprofit organizations.

- v. Amount of time it took to resolve each complaint.

Performance: Not applicable for nonprofit organizations.

Management's Overall Response to Exceptions:

1)A(i) Management will consider adding the required provision to the existing budgeting policy.

1)A(ii) Management will consider adding the required provision to the existing purchasing policy.

1)A(vi) Management will consider adding the required provisions to the existing contracting policy.

1)A(xi) Management will consider adding the required provision to the existing information technology disaster recovery/business continuity policy.

4)D(iv) Management will consider making bank deposits more frequently.

Management's Overall Response to Exceptions: (Continued)

- 5)C(i) Management will ensure that all supporting documentation includes evidence that items were received.
- 5)C(ii) Management will ensure that all supporting documentation includes evidence of segregation of duties.
- 5)D Management has begun documenting the segregation of duties on electronic disbursements.
- 6)B(i) Management has begun documenting the approval of credit card statements.
- 6)C(iii) Management will ensure that documentation is kept for all individuals participating in meals.
- 7)A(iii) Management will ensure that documentation is kept for all individuals participating in meals.