

**GULF COAST TEACHING  
FAMILY SERVICES, INC.  
d/b/a GULF COAST SOCIAL  
SERVICES AND AFFILIATE  
(A NONPROFIT ORGANIZATION)  
COMBINED FINANCIAL REPORT AND  
SUPPLEMENTARY INFORMATION**

**JUNE 30, 2019 AND 2018**

**GULF COAST TEACHING FAMILY SERVICES, INC.**  
**d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE**

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**GULF COAST TEACHING FAMILY SERVICES, INC.  
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE**

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**BERNARD & FRANKS**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

NICHOLAS W. LAFRANZ III, C.P.A.

JAMES L. WHITE, C.P.A.

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Gulf Coast Teaching Family Services, Inc.  
d/b/a Gulf Coast Social Services and Affiliate  
New Orleans, Louisiana

### Report on the Financial Statements

We have audited the accompanying combined financial statements of Gulf Coast Teaching Family Services, Inc., d/b/a Gulf Coast Social Services and Affiliate (a nonprofit organization), which comprise of the combined statements of financial position as of June 30, 2019 and 2018, and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Gulf Coast Teaching Family Services, Inc., d/b/a Gulf Coast Social Services and Affiliate's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

Gulf Coast Teaching Family Services, Inc., d/b/a Gulf Coast Social Services and Affiliate's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Gulf Coast Teaching Family Services, Inc. d/b/a Gulf Coast Social Services and Affiliate as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of a Matter**

As discussed in Note 15 to the combined financial statements, the Organization implemented the Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not for-Profit Entities*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying schedules of the Combined Statement of Revenues and Expenses by Cost Report Category Grouping (Schedule 1) and Combined Statement of Expenses by Program/Fund (Schedule 2 and Schedule of Compensation, Benefits and Other Payments to the Chief Executive Officer (Schedule 3) is presented for purposes of additional analysis and is not a required part of the combined financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U. S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2019, on our consideration of Gulf Coast Teaching Family Services, Inc., d/b/a Gulf Coast Social Services and Affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Gulf Coast Teaching Family Services, Inc., d/b/a Gulf Coast Social Services and Affiliate'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 Gulf Coast Teaching Family Services, Inc., d/b/a Gulf Coast Social Services and Affiliate's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Bernard & Franks".

December 19, 2019

**GULF COAST TEACHING FAMILY SERVICES, INC.**  
**d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE**  
**(A NONPROFIT ORGANIZATION)**  
**COMBINED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**

ASSETS	2019	2018
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 728,632	\$ 707,193
Certificates of deposit	453,522	198,269
Investments		204,589
Program receivables (less allowance for doubtful accounts of \$40,000 and \$50,000)	1,497,332	1,137,368
Prepaid expenses	124,509	116,474
Total current assets	\$ 2,803,995	\$ 2,363,893
 <b>PROPERTY AND EQUIPMENT - AT COST</b>		
Land	\$ 527,282	\$ 527,282
Building and improvements	2,937,799	2,904,601
Software	275,301	267,302
Leasehold improvements	82,093	82,093
Furniture and equipment	934,167	934,167
Transportation equipment	146,676	125,471
	4,903,318	4,840,916
Less accumulated depreciation and amortization	(2,768,745)	(2,625,184)
	\$ 2,134,573	\$ 2,215,732
 <b>OTHER ASSETS</b>		
Deposits	\$ 20,175	\$ 19,479
Restricted cash and investments	607,559	600,000
Total other assets	\$ 627,734	\$ 619,479
 Total Assets	 \$ 5,566,302	 \$ 5,199,104

See Notes to Financial Statements.

LIABILITIES AND NET ASSETS

	<u>2019</u>	<u>2018</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 82,981	\$ 59,511
Accrued liabilities	<u>787,970</u>	<u>744,329</u>
Total current liabilities	<u>\$ 870,951</u>	<u>\$ 803,840</u>
COMMITMENTS AND CONTINGENCIES	<u>\$ -</u>	<u>\$ -</u>
<b>NET ASSETS</b>		
Without donor restrictions	<u>\$ 4,695,351</u>	<u>\$ 4,395,264</u>
Total Liabilities and Net Assets	<u><u>\$ 5,566,302</u></u>	<u><u>\$ 5,199,104</u></u>

**GULF COAST TEACHNING FAMILY SERVICES, INC.**  
**d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE**  
**(A NONPROFIT ORGANIZATION)**  
**COMBINED STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2019 AND 2018**

WITHOUT DONOR RESTRICTIONS

	2019	2018
REVENUE, GAINS, AND SUPPORT:		
Grants and fees for services	\$ 13,842,639	\$ 13,112,201
Contributions	21,206	4,097
Investment income	26,310	14,190
Other income	4,287	9,983
<b>TOTAL UNRESTRICTED REVENUES, GAINS AND SUPPORT</b>	<b>\$ 13,894,442</b>	<b>\$ 13,140,471</b>
EXPENSES:		
Program services		
Foster Care/Professional Care	\$ 540,618	\$ 399,743
Personal care attendants	4,182,604	4,680,463
Supervised independent living	3,887,078	4,436,273
Respite services	137,900	105,442
Homeless/Housing	77,458	104,961
Elderly Services	128,895	106,148
Others, in total	1,668,517	1,437,806
Total program expenses	\$ 10,623,070	\$ 11,270,836
Support services		
Administrative and general	\$ 2,971,285	\$ 2,435,424
Total support services	\$ 2,971,285	\$ 2,435,424
<b>TOTAL EXPENSES</b>	<b>\$ 13,594,355</b>	<b>\$ 13,706,260</b>
Change in net assets	\$ 300,087	\$ (565,789)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>4,395,264</b>	<b>4,961,053</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 4,695,351</b>	<b>\$ 4,395,264</b>

See Notes to Financial Statements.

**GULF COAST TEACHING**  
**d/b/a GULF COAST SOCIAL**  
**(A NONPROFIT ORGANIZATION)**

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2019**

	Program Services				
	Professional Foster Care	Personal Care Attendants	Supervised Independent Living	Respite Services	Housing/ Homeless
Salaries and wages	\$ 127,927	\$ 3,659,607	\$ 3,394,962	\$ 113,934	\$ 22,826
Employee benefits	3,517	22,096	21,835	269	35
Payroll taxes	9,096	276,878	256,218	8,604	1,736
Workmen's compensation	3,062	96,214	86,754	3,053	576
Total payroll cost	<u>\$ 143,602</u>	<u>\$ 4,054,795</u>	<u>\$ 3,759,769</u>	<u>\$ 125,860</u>	<u>\$ 25,173</u>
Office supplies	\$ -	\$ 2,480	\$ 2,563	\$ -	\$ -
Advertising	2,567	745	822	-	-
Bad debts	-	1,780	1,537	-	-
Telephone	2,972	7,381	7,692	43	478
Training	2,406	212	224	-	-
Travel	2,630	45,877	43,510	6,905	251
HUD supporting services	-	-	-	-	16,841
Professional services	-	159	-	-	11,958
Insurance	-	-	-	-	-
Repairs and maintenance	-	1,129	959	-	-
Depreciation	-	-	-	-	-
Interest	-	-	-	-	-
Lease expense	576	33,041	23,755	32	213
HUD rental assistance	-	-	-	-	-
Client needs	5,694	609	(2,336)	-	22,267
Room and board	130,458	-	-	-	-
Contractual services	236,177	-	-	-	-
Utilities	-	2,492	2,700	-	-
Consultants	-	5,300	20,768	-	-
Computer expense	-	380	159	-	-
Recognition expense	3,231	1,726	4,584	25	-
Care facilities fees	-	-	-	-	-
Food	-	-	-	-	-
Life skills training	-	-	-	-	-
Medical supplies	-	5,068	4,296	-	-
Others, in total	10,305	19,430	16,076	5,035	277
Total direct expenses	<u>\$ 540,618</u>	<u>\$ 4,182,604</u>	<u>\$ 3,887,078</u>	<u>\$ 137,900</u>	<u>\$ 77,458</u>

See Notes to Financial Statements.

Program Services			Supporting Services		
Elderly Services	Other Programs	Total Program Services	Administrative and General	Total Supporting	Total
\$ 96,599	\$ 1,257,776	\$ 8,673,631	\$ 1,630,981	\$ 1,630,981	\$ 10,304,612
1,147	12,040	60,939	26,471	26,471	87,410
7,174	93,358	653,064	126,813	126,813	779,877
2,049	28,859	220,567	8,176	8,176	228,743
<u>\$ 106,969</u>	<u>\$ 1,392,033</u>	<u>\$ 9,608,201</u>	<u>\$ 1,792,441</u>	<u>\$ 1,792,441</u>	<u>\$ 11,400,642</u>
\$ 366	\$ 3,139	\$ 8,548	\$ 43,874	\$ 43,874	\$ 52,422
25	3,864	8,023	8,431	8,431	16,454
-	-	3,317	4,765	4,765	8,082
566	9,138	28,270	83,773	83,773	112,043
-	50	2,892	6,857	6,857	9,749
3,158	100,203	202,534	19,747	19,747	222,281
-	-	16,841	-	-	16,841
-	51,691	63,808	266,159	266,159	329,967
-	20,848	20,848	158,927	158,927	179,775
226	20,081	22,395	84,674	84,674	107,069
-	767	767	142,795	142,795	143,562
-	-	-	-	-	-
1,886	13,083	72,586	144,328	144,328	216,914
-	-	-	-	-	-
-	15,772	42,006	1,603	1,603	43,609
-	-	130,458	-	-	130,458
-	-	236,177	-	-	236,177
169	3,346	8,707	43,262	43,262	51,969
-	2,597	28,665	-	-	28,665
-	233	772	22,704	22,704	23,476
-	155	9,721	37,180	37,180	46,901
-	-	-	-	-	-
9,738	-	9,738	-	-	9,738
-	-	-	-	-	-
75	203	9,642	1,036	1,036	10,678
5,717	31,314	88,154	108,729	108,729	196,883
<u>\$ 128,895</u>	<u>\$ 1,668,517</u>	<u>\$ 10,623,070</u>	<u>\$ 2,971,285</u>	<u>\$ 2,971,285</u>	<u>\$ 13,594,355</u>

**GULF COAST TEACHING FAMILY SERVICES, INC.**  
**d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE**  
**(A NONPROFIT ORGANIZATION)**

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2018**

	Program Services				
	Professional Foster Care	Personal Care Attendants	Supervised Independent Living	Respite Services	Housing/ Homeless
Salaries and wages	\$ 121,874	\$ 4,022,347	\$ 3,802,615	\$ 84,768	\$ 45,555
Employee benefits	2,403	24,065	24,766	149	276
Payroll taxes	8,886	305,109	286,628	6,446	3,375
Workmen's compensation	3,409	114,942	108,055	2,599	533
Total payroll cost	<u>\$ 136,572</u>	<u>\$ 4,466,463</u>	<u>\$ 4,222,064</u>	<u>\$ 93,962</u>	<u>\$ 49,739</u>
Office supplies	\$ 233	\$ 8,712	\$ 9,615	\$ 36	\$ -
Advertising	256	691	1,242	-	-
Bad debts	50	3,380	12,228	2,721	-
Telephone	4,383	11,435	13,320	60	340
Training	330	982	662	330	-
Travel	1,302	45,495	48,861	5,205	454
HUD supporting services	-	-	-	-	14,583
Professional services	-	269	20	-	10,253
Insurance	-	-	-	-	-
Repairs and maintenance	-	3,090	3,184	-	-
Depreciation	-	-	-	-	-
Interest	-	-	-	-	-
Lease expense	2,106	94,071	66,902	-	1,776
HUD rental assistance	-	-	-	-	-
Client needs	4,586	593	1,683	-	26,976
Room and board	78,136	-	-	-	-
Contractual services	155,982	-	-	-	-
Utilities	418	6,130	6,793	-	-
Consultants	-	5,634	12,563	-	-
Computer expense	-	453	28	-	-
Recognition expense	75	4,111	5,800	-	-
Care facilities fees	-	-	-	-	-
Rental expenses	-	50	50	-	-
Food	-	-	52	-	-
Life skills training	-	-	-	-	-
Medical supplies	-	5,593	5,659	-	-
Others, in total	15,314	23,311	25,547	3,128	840
Total direct expenses	<u>\$ 399,743</u>	<u>\$ 4,680,463</u>	<u>\$ 4,436,273</u>	<u>\$ 105,442</u>	<u>\$ 104,961</u>

See Notes to Financial Statements.

Program Services			Supporting Services		
Elderly Services	Other Programs	Total Program Services	Administrative and General	Total Supporting	Total
\$ 83,280	\$ 984,918	\$ 9,145,357	\$ 1,329,174	\$ 1,329,174	\$ 10,474,531
1,130	9,065	61,854	21,781	21,781	83,635
6,145	72,709	689,298	115,811	115,811	805,109
2,247	25,056	256,841	4,834	4,834	261,675
<u>\$ 92,802</u>	<u>\$ 1,091,748</u>	<u>\$ 10,153,350</u>	<u>\$ 1,471,600</u>	<u>\$ 1,471,600</u>	<u>\$ 11,624,950</u>
\$ 519	\$ 3,725	\$ 22,840	\$ 25,287	\$ 25,287	\$ 48,127
260	70,054	72,503	9,178	9,178	81,681
106	7,120	25,605	75	75	25,680
488	9,572	39,598	73,925	73,925	113,523
4	982	3,290	5,950	5,950	9,240
2,856	41,237	145,410	14,467	14,467	159,877
-	-	14,583	-	-	14,583
-	68,923	79,465	258,155	258,155	337,620
-	19,657	19,657	159,974	159,974	179,631
394	17,271	23,939	82,380	82,380	106,319
-	1,075	1,075	157,232	157,232	158,307
-	-	-	-	-	-
4,648	15,593	185,096	27,064	27,064	212,160
-	-	-	-	-	-
-	11,205	45,043	-	-	45,043
-	-	78,136	-	-	78,136
-	-	155,982	-	-	155,982
355	3,293	16,989	40,184	40,184	57,173
-	315	18,512	-	-	18,512
15	1,197	1,693	17,234	17,234	18,927
136	461	10,583	19,747	19,747	30,330
-	-	-	-	-	-
-	-	100	295	295	395
-	-	52	-	-	52
-	-	-	-	-	-
184	310	11,746	47	47	11,793
3,381	74,068	145,589	72,630	72,630	218,219
<u>\$ 106,148</u>	<u>\$ 1,437,806</u>	<u>\$ 11,270,836</u>	<u>\$ 2,435,424</u>	<u>\$ 2,435,424</u>	<u>\$ 13,706,260</u>

**GULF COAST TEACHING  
d/b/a GULF COAST SOCIAL  
(A NONPROFIT ORGANIZATION)  
COMBINED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease ) in unrestricted net assets	\$ 300,086	\$ (565,789)
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities:		
Depreciation	143,562	161,669
Unrealized (gain) loss on investments	(10,770)	(11,627)
Loss on sale of investments	14,618	27,978
Changes in assets and liabilities:		
(Increase) decrease in program receivables	(359,964)	27,021
(Increase) decrease in prepaid expenses	(8,035)	7,403
Increase (decrease) in accounts payable and accrued liabilities	67,111	(51,745)
Net cash provided by (used in) operating activities	\$ 146,608	\$ (405,090)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	\$ 200,090	\$ 653,100
Purchase of certificates of deposit	(401,618)	(198,840)
Redemption of certificates of deposit	147,015	-
Purchase of investments	-	(17,433)
Increase in restricted cash	(7,559)	(106,123)
Purchases of property and equipment	(62,401)	(41,316)
Deposits (made) returned	(696)	(8,490)
Net cash used in investing activities	\$ (125,169)	\$ 280,898
Net increase (decrease) in cash and cash equivalents	\$ 21,439	\$ (124,192)
Cash and cash equivalents, beginning of year	707,193	831,385
Cash and cash equivalents, end of year	\$ 728,632	\$ 707,193

See Notes to Financial Statements

**GULF COAST TEACHING FAMILY SERVICES, INC.**  
**d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 1 – ORGANIZATION**

Gulf Coast Teaching Family Services, Inc. d/b/a Gulf Coast Social Services and Affiliate is a nonprofit organization organized exclusively for charitable, religious, educational and scientific purposes. The Organization maintains group homes, child and family centers and other related programs for the youth and their families and provides a program, which will give the young people and their families an opportunity to become normalized, independent, productive and respected citizens of the community. These services are provided in the South Louisiana area.

Gulf Coast's Affiliate is Independent Living Properties, Inc. which is a nonprofit corporation organized under the State of Louisiana. The Affiliate was formed to hold the real property of Gulf Coast.

The Organization's major programs include the following:

Professional Care Program - This program provides foster homes in the community for abused, neglected or troubled children and adolescents, emotionally disturbed children and children and adults with physical and/or mental disabilities. The program also locates and serves runaways and homeless youth through prevention, crisis intervention and follows up services.

Personal Care Attendant Services (PCA) - PCA provides assistance for adults or children with mental or physical disabilities in performing the activities of daily living that they might otherwise not be able to perform alone.

Supported Independent Living (SIL) - The SIL program works with individuals with mental and/or physical disabilities and for older adolescents in need of extra support, assistance and monitoring.

Respite Services - Respite Services are offered to parents with children or adults with physical/mental illness and is designed to offer relief from the demanding care for their special needs.

Housing/Homeless – Supportive Housing and services to assist the homeless transition into temporary housing and later to permanent housing. Services include but are not limited to assistance in finding housing, acquiring necessary furnishings, integration into the community and establishing community supports. Management Information Systems are also established and maintained for present and future assistance to the homeless.

**GULF COAST TEACHING FAMILY SERVICES, INC.**  
**d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 1 – ORGANIZATION (Continued)**

Elderly – This type of service covers all needs of the elderly such as general hygiene needs, assisting with grocery shopping, meal planning and preparation, teaching and assisting with activities, finding resources and encouraging interactions with other persons with similar interest.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies used in the preparation of the accompanying financial statements follows:

**1. Basis of Accounting**

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other assets and liabilities.

**2. Financial Statement Presentation**

The Organization follows the financial statement presentation recommended by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic 958, Not-for-Profit Entities. The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. The governing board has not designated, from net assets without donor restrictions, net assets for an operating reserve and a board-designated endowment. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Financial Statement Presentation (Continued)**

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

The Organization's unspent contributions are reported in net assets with donor contributions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. As of June 30, 2019 and 2018, the Organization has not received any contributions with donor-imposed restrictions that would result in donor restricted net assets.

**3. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**4. Income Taxes**

The Organization is a nonprofit organization and exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Code as other than a private foundation. The Organization believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to financial statements. The Organization's Federal Exempt Information Returns (Form 990) for 2016, 2017 and 2018 are subject to examination by the IRS, generally for three years after they were filed.

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Cash and Cash Equivalents**

Cash, which is held in interest bearing accounts, consists of unrestricted balances. Unrestricted cash balances represent cash available for general operating purposes.

For the purpose of statements of cash flows, the Organization considers all highly liquid investments available for current use and no restrictions with a maturity of three months or less to be cash equivalents.

The Organization maintains cash balances at several financial institutions located in Louisiana. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. At June 30, 2019 and 2018 \$327,308 and \$359,349, respectively, of cash was in excess of the FDIC insured limits, respectively.

**6. Allowance For Doubtful Accounts**

The Organization has established an allowance for doubtful accounts in order to allow for corrections and billing adjustments that may be related to accounts receivable balances at June 30, 2019 and 2018.

Actual billing adjustments and bad debts, if any, are charged to the specific fund or programs as determined by management. Bad debt expense for the years ended June 30, 2019 and 2018 was \$8,082 and \$25,680, respectively.

**7. Depreciation and Amortization**

Property and equipment are carried at cost. Depreciation and amortization are calculated using the straight-line method. Depreciable lives for most assets in the class are as follows: buildings, 20-25 years; leasehold improvements, 10 years or lease term if shorter; furniture and fixtures, 10 years; computers and related equipment, 3 to 5 years; transportation equipment, 3 to 5 years.

When assets are retired or disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. Donated property is capitalized at fair value. Depreciation and amortization expense amounted to \$143,562 and \$158,307 for the years ended June 30, 2019 and 2018, respectively.

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**8. Compensated Absences**

Accumulated paid time off is payable upon termination of employment and is accrued. Gulf Coast's obligation as of June 30, 2019 and 2018 totaled \$320,673 and \$312,142, respectively, which is included in accrued expenses on the Statement of Financial Position.

**9. Program Revenues**

Program revenues earned under reimbursement type contracts are recorded as revenues in the appropriate program when the related expenses are incurred.

Program revenues earned on fee for service and per-diem contracts are recorded as revenues when services are provided.

**10. Allocated Costs**

Expenses are charged to each program directly when the charge is identified to the program. Program expenditures which cannot be directly identified to a program are allocated based on square footage, usage statistics and ratio of program payroll expenses to total payroll expenses as appropriate. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide the overall support and direction of the Organization.

For management analysis purposes, the Organization allocated administrative costs of the central and regional offices in the amount of \$2,954,058 and \$2,328,367 to the various programs it administered during the years ended June 30, 2019 and 2018, respectively. Directly identifiable expenses are charged to programs and supporting services. The allocation is based on proportion of direct program cost to total direct program costs. These allocated costs are included in Administrative and General Expenses in the Statement of Activities.

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**11. Donated Property and Equipment**

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. To date, all contributions of property have been included as increases to the without donor restrictions support.

**12. In Kind - Matching**

Some grant agreements require that the Organization provide matching funds in the form of cash, in-kind contributions, or a combination of cash and in-kind contributions. A cash match represents cash contributed by the Organization or expenditures paid by the Organization from funds from sources other than the grants. In-kind match grant requirements primarily consisted of donated materials, equipment, rental space and services usable by the Organization.

In-kind match contributions are recorded as in-kind contributions in the general ledger and an equal amount is recorded as in-kind expense. The revenues and expenses are eliminated in the financial statements. The HUD programs require a 25 percent cash match. These match requirements are reported to HUD in the Organization's monthly reports but are not included in the financial statements.

**13. Certificates of Deposit**

Certificates of deposit held for investment that does not secure debt or were legally restricted are included in "Certificates of Deposit" on the Statement of Financial Position. The Certificates of Deposit are carried at cost. The certificates of deposit have remaining maturity dates less than one year and are classified as short-term.

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**14. Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investments income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**15. Fair Value Measurement Standard**

Accounting Standard Codification (ASC) *Fair Value Measurements* establishes a framework for measuring fair value in accordance with Generally Accepted Accounting Principles (GAAP) and disclosures about the fair value measurements. The valuation hierarchy is based upon the reliability of inputs to the valuation of an asset or liability on the measurement date. The three levels of the fair value hierarchy are described below:

LEVEL 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

LEVEL 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

LEVEL 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Assets and liabilities measured at fair value are based on one or more of three valuation techniques noted in the standard. The three valuation techniques are as follows:

- Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Cost approach – Amount that would be required to replace the service capacity of an asset (i.e. replacement cost); and

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**15. Fair Value Measurement Standard (Continued)**

- Income approach – Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

**16. Principles of Combination**

The combined financial statements include the accounts of Gulf Coast Teaching Family Services, Inc., d/b/a Gulf Coast Social Services and its wholly controlled Affiliate, Independent Living Properties, Inc. All significant intercompany accounts and transactions have been eliminated in combination.

**NOTE 3 – RESTRICTED CASH AND LINE OF CREDIT**

The Organization had restricted cash and investments of \$607,559 and \$600,000 for the years ended June 30, 2019 and 2018, respectively.

In accordance with the requirements of the Unemployment Insurance Fund Plan, the Organization maintained a restricted reserve balance of \$250,000 and \$250,000 for the years ended June 30, 2019 and 2018, respectively. The reserved funds are available for future unemployment claims if such claims arise in the future.

The Organization also maintains a cash reserve that secures a line of credit required by governmental funders in the amount of \$350,000. The line of credit was unused for the years ended June 30, 2019 and 2018.

**NOTE 4 – CERTIFICATE OF DEPOSIT**

The certificates of deposit balance at June 30, 2019 and 2018, held with various financial institutions, was \$453,522 and \$198,269, respectively.

The Organization holds several certificates of deposit with maturity dates from July 2019 through April 2020 bearing annual interest rates ranging from 1.75% to 2.90%.

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**NOTE 5 – INVESTMENT SECURITIES**

Investment securities at June 30, 2019 and 2018 consist of the following:

As of June 30, 2019:

Recurring fair value instruments:		Quoted Prices Active Markets (Level 1)	Realized Loss	Unrealized (Gain) Loss
Description	Cost			
Vanguard-GNMA-Admiral Cl	\$ -	\$ -	\$ (12,807)	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,807)</u>	<u>\$ -</u>
Description	Cost	(Level 1)	Loss	(Gain) Loss
Fidelity GNMA Fund	\$ -	\$ -	\$ (10,803)	\$ -
Vanguard-GNMA-Admiral Cl	215,748	204,589	(17,174)	(11,159)
	<u>\$ 215,748</u>	<u>\$ 204,589</u>	<u>\$ (27,977)</u>	<u>\$ (11,159)</u>

Interest income for the years ended June 30, 2019 and 2018 was \$26,310 and \$14,190, respectively.

**NOTE 6 – PROGRAM RECEIVABLES**

Program receivables consist of reimbursements for expenses incurred or revenue earned on fee for service and per-diem contracts. Program receivables consist of the following as of June 30, 2019 and 2018:

	2019	2018
Department of Health and Human Services	\$ 22,399	\$ 32,086
Medicaid	938,559	828,437
U.S. Department of Housing and Urban Development	46,695	13,556
U.S. Department of Juvenile Justice and Delinquency Prevention	26,202	22,688
State of Louisiana:		
Office of Mental Health	62,585	41,406
Office of Community Services	118,033	79,227
Office of Citizens with Developmental Disabilities	-	-
Other:		
Capital Area Agency on Aging	-	12,402

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**NOTE 6 – PROGRAM RECEIVABLES (Continued)**

	<u>2019</u>	<u>2018</u>
Terrebonne Parish Consolidated Government	38,519	28,348
South Central LA Human Services	166,251	68,621
Private	7,518	16,230
LRS – LA	600	956
Veterans Affairs	109,686	35,198
Other	<u>285</u>	<u>8,214</u>
Subtotal	\$ 1,537,332	\$ 1,187,368
Less: Allowance for Doubtful Accounts	<u>(40,000)</u>	<u>(50,000)</u>
Total, net	<u>\$ 1,497,332</u>	<u>\$ 1,137,368</u>

**NOTE 7 – SUBSEQUENT EVENTS**

Management of the Organization has evaluated subsequent events affecting the Organization through the date the financial statements were issued which was December 16, 2019. All disclosures considered necessary are made in these financial statements.

**NOTE 8 – ACCRUED LIABILITIES**

Accrued liabilities consist of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Accrued salaries and payroll taxes	\$ 444,104	\$ 411,850
Compensated absences	320,673	312,142
Other	<u>23,193</u>	<u>20,337</u>
Total	<u>\$ 787,970</u>	<u>\$ 744,329</u>

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**NOTE 9 – LEASES**

The Organization leases facilities and equipment under operating leases expiring through the year 2024. Rental expense related to these leases was \$216,914 and \$212,160 for the years ended June 30, 2019 and 2018, respectively. Minimum future rental payments due under these leases as of June 30, 2019 are as follows:

Year Ending <u>June 30,</u>	Minimum <u>rental payments</u>
2020	\$ 45,198
2021	17,935
2022	10,935
2023	4,615
2024	<u>385</u>
Total	<u>\$ 78,731</u>

Management expects that in the normal course of business leases will be renewed or replaced by other leases.

**NOTE 10 – UNEMPLOYMENT INSURANCE FUND**

Effective July 1, 1992, the Organization became self-insured for employee unemployment compensation claims through the establishment of an Organization unemployment insurance fund.

Actual payments to the State for Unemployment benefits paid totaled \$8,959 in 2019 and \$22,150 in 2018.

All known claims as of June 30, 2019 have been recorded in the financial statements.

**NOTE 11 – ECONOMIC DEPENDENCY**

The Organization receives a majority of its revenue (99% in 2019 and 2018) from funds provided through programs administered by the State of Louisiana. The program amounts are appropriated each year by the federal and state governments. If significant budget cuts are effected at the federal and/or state level, the amount of the funds the Organization receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Organization will receive in the next fiscal year.

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**NOTE 12 – CONTINGENCIES**

Programs administered by the Organization are subject to review and audit by the various funding agencies. Accordingly, any disallowed payments which may arise as a result of these audits, may be recovered by the funding agencies in subsequent years.

**NOTE 13 – PENSION PLAN**

Effective January 1, 2005, the Organization established the GCTFS Matching Retirement Plan. The new Plan is a 403(b) plan with an employer matching provision. The Plan is open to all employees who are 21 years of age or older, and who completed one year of service during which they worked at least 1000 hours of service. The Plan is on a calendar year end and has two entry dates – January 1 and July 1. Employees are allowed to make a salary deferral election up to the IRS limits allowed. The Plan has a discretionary matching contribution equal to a uniform percentage of the salary deferral amount with a six (6) percent limit. The Organization did not make an employer matching contribution for the years ended June 30, 2019 and 2018.

**NOTE 14 – LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Organization had the following financial assets available at June 30, 2019 within one year of the statement of financial position date for general expenditures:

Cash and cash equivalents	\$	728,632
Certificates of deposit		453,522
Program receivables		1,497,332
	<b>\$</b>	<b>2,679,486</b>

The Organization has \$2,679,486 of financial assets available to meet cash needs for general expenditures as noted above. None of the financial assets listed above are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Most of the Organization's expenditures are for fee for service arrangements under contracts with governmental agencies in which the services are completed and the vendor fee is billed subsequent to the service. Other governmental grants are cost reimbursement arrangements

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**NOTE 14 – LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)**

in which the costs budgeted under the grant are expended and a request for reimbursement is made at the end of the month of expenditure. The majority of program expenses will only be incurred if a contract or grant is obtained to provide fee-for service revenue for the expenses or in accordance with a grant which will reimburse the Organization for the expenditure.

The Organization also maintains a \$350,000 line of credit with the bank to be used for working capital emergencies. The line of credit is secured by restricted cash and investments and is required by a governmental funder. The line of credit was unused as of June 30, 2019.

**NOTE 15 – IMPLEMENTATION OF NEW ACCOUNTING STANDARD**

In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not for-Profit Entities*, which simplifies and improves how a nonprofit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance and cash flows. Among other changes, the ASU replaced the three current classes of net assets with two new classes, net assets with donor restrictions and net assets without donor restrictions, and expands disclosures about the nature and amount of any donor restrictions. Implementation did not result in any quantitative changes to the financial position, activities, cash flows or net assets.

**NOTE 16 - PENDING ACCOUNTING PRONOUNCEMENTS**

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires that lessees to recognize right-of-use assets and lease liabilities for all leases with terms longer than 12 months. The ASU is effective for the Organization for periods beginning after December 15, 2020. The adoption of this standard is expected to result in the Organization's recognizing right-of-use assets and lease liabilities for some leases currently accounted for as operating leases under the legacy lease accounting guidance. Management is evaluating the impact of this standard on the Organization's financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU amends the existing accounting standards for revenue recognition, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method.

**SUPPLEMENTARY INFORMATION**

**GULF COAST TEACHING FAMILY SERVICES, INC.**  
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**(A NONPROFIT ORGANIZATION)**  
**SCHEDULE 1 - COMBINED STATEMENT OF REVENUES**  
**AND EXPENSES BY COST REPORT GROUPING**  
**YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
<b>REVENUE</b>		
Programs	\$ 13,842,639	\$ 13,112,201
Donations	21,206	4,097
Interest income	26,310	14,190
Other income	4,287	9,983
	<u>\$ 13,894,442</u>	<u>\$ 13,140,471</u>
 <b>EXPENSES</b>		
Administrative and general	\$ 5,807,770	\$ 5,579,885
Plant operation and maintenance	502,254	521,162
Dietary, laundry, and linen	11,470	1,248
Personal client needs	43,609	45,043
Therapeutic and training	7,164,317	7,511,691
Medical and nursing	10,678	11,793
Recreational	25,592	16,926
Consultants	28,665	18,512
	<u>\$ 13,594,355</u>	<u>\$ 13,706,260</u>
 <b>INCREASE (DECREASE)</b>		
<b>IN WITHOUT DONOR RESTRICTIONS</b>	<u>\$ 300,087</u>	<u>\$ (565,789)</u>

GULF COAST TEACHING FAMILY SERVICES, INC.  
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SCHEDULE 2 - COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND  
YEAR ENDED JUNE 30, 2019

	Foster Care				PCA				
	20-105 Regular Foster Care Baton Rouge TIPS # 020008014	40-105 Regular Foster Care Houma TIPS	60-105 Foster Care New Orleans TIPS Provider # 010007819	Subtotal Foster Care	20-101 Personal Care Attendant Baton Rouge Provider # 1912913	20-108 ROW- PCA Baton Rouge	20-119 PCS Baton Rouge Provider # 1173703	30-101 Personal Care Attendant Hammond Provider # 1690082	
Administrative and General	\$ 25,381	\$ 15,062	\$ 117,957	\$ 158,400	\$ 110,480	\$ 2,078	\$ 824	\$ 66,674	
Plant operation and capital asset costs	96	106	375	577	1,765	-	-	6,817	
Dietary, laundry & linen, and housekeeping	-	-	-	-	-	-	-	-	
Personal client needs	499	-	5,195	5,694	-	36	-	-	
Medical and nursing	-	-	-	-	1,161	-	29	235	
Therapeutic and training	127,389	3,910	244,262	375,561	576,107	4,463	26,065	246,487	
Recreational	-	-	388	386	-	-	-	-	
Consultants	-	-	-	-	165	-	-	2,637	
Subtotal programs	<u>\$ 153,365</u>	<u>\$ 19,078</u>	<u>\$ 368,177</u>	<u>\$ 540,618</u>	<u>\$ 689,678</u>	<u>\$ 6,577</u>	<u>\$ 26,918</u>	<u>\$ 322,850</u>	
Administrative costs - allocated	\$ 58,942	\$ 4,395	\$ 92,550	\$ 155,887	\$ 262,040	\$ 2,463	\$ 11,289	\$ 107,019	
Totals	<u>\$ 212,307</u>	<u>\$ 23,473</u>	<u>\$ 460,727</u>	<u>\$ 696,505</u>	<u>\$ 951,718</u>	<u>\$ 9,040</u>	<u>\$ 38,207</u>	<u>\$ 429,869</u>	

GULF COAST TEACHING FAMILY SERVICES, INC.  
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SCHEDULE 2 - COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND  
YEAR ENDED JUNE 30, 2019

	Personal Care Attendants						
	30-119 PCS Hammond Provider # 1173789	40-101 Personal Care Attendant Houma TIPS Provider # 1935166	40-102 Children's Choice Waiver Houma Provider # 2179870	40-108 ROW PCA Houma	40-117 EPSDT Houma	40-119 PCS Houma Provider # 1173720	40-412 SCLHSA PCA Houma
Administrative and General	\$ 3,318	\$ 119,763	\$ 8,115	\$ 2,869	\$ 7,272	\$ 35,082	\$ 11,811
Plant operation and capital asset costs	752	6,031	213	-	85	851	426
Dietary, laundry & linen, and housekeeping	-	-	-	-	-	-	-
Personal client needs	-	-	-	-	-	-	-
Medical and nursing	8	1,074	-	-	-	-	-
Therapeutic and training	8,474	772,694	49,169	14,996	29,699	143,714	61,022
Recreational	-	-	-	-	-	-	-
Consultants	-	-	-	-	-	-	-
Subtotal programs	<u>\$ 12,552</u>	<u>\$ 899,562</u>	<u>\$ 57,497</u>	<u>\$ 17,865</u>	<u>\$ 37,056</u>	<u>\$ 179,647</u>	<u>\$ 73,259</u>
Administrative costs - allocated	<u>\$ 4,161</u>	<u>\$ 207,225</u>	<u>\$ 13,245</u>	<u>\$ 4,115</u>	<u>\$ 8,536</u>	<u>\$ 41,384</u>	<u>\$ 16,876</u>
Totals	<u><u>\$ 16,713</u></u>	<u><u>\$ 1,106,787</u></u>	<u><u>\$ 70,742</u></u>	<u><u>\$ 21,980</u></u>	<u><u>\$ 45,592</u></u>	<u><u>\$ 221,031</u></u>	<u><u>\$ 90,135</u></u>

GULF COAST TEACHING FAMILY SERVICES, INC.  
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SCHEDULE 2 - COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND  
YEAR ENDED JUNE 30, 2019

	Personal Care Attendants										Subtotal Personal Care Attendant
	50-101 Personal Care Attendants Lafayette TIPS #1910384	50-108 ROW PCA Lafayette	51-101 Personal Care Attendant Alexandria Provider # 1910384	52-101 PCA Lake Charles Provider # 1984205	60-101 Personal Care Attendant New Orleans Provider # 1910686	60-102 Children's Choice Waiver New Orleans Provider # 2182277	60-108 ROW PCA New Orleans	60-115 Traumatic Brain Injury New Orleans	60-117 EPSDT New Orleans Provider # 1912913	60-119 PCS New Orleans Provider # 1173754	
Administrative and General	\$ 126,043	\$ 664	\$ 15,796	\$ 84,320	\$ 71,850	\$ 6,230	\$ 9	\$ 125	\$ 1,752	\$ 4,171	\$ 679,246
Plant operation and capital asset costs	12,899	-	368	5,795	587	-	-	-	42	28	36,659
Dietary, laundry & linen, and housekeeping	-	-	-	-	-	-	-	-	-	-	-
Personal client needs	276	-	14	283	-	-	-	-	-	-	609
Medical and nursing	1,946	-	130	485	-	-	-	-	-	-	5,068
Therapeutic and training	602,496	3,706	184,964	298,761	357,384	19,433	(17)	4,275	8,492	42,761	3,455,145
Recreational	18	-	263	297	-	-	-	-	-	-	577
Consultants	1,277	-	-	1,221	-	-	-	-	-	-	5,300
Subtotal programs	\$ 744,955	\$ 4,370	\$ 201,535	\$ 391,162	\$ 429,821	\$ 25,663	\$ (8)	\$ 4,400	\$ 10,286	\$ 46,960	\$ 4,182,604
Administrative costs - allocated	\$ 187,597	\$ 1,100	\$ 63,906	\$ 107,660	\$ 108,287	\$ 6,362	\$ (2)	\$ 1,091	\$ 2,657	\$ 11,723	\$ 1,168,734
Totals	\$ 932,552	\$ 5,470	\$ 265,441	\$ 498,822	\$ 538,108	\$ 32,025	\$ (10)	\$ 5,491	\$ 12,943	\$ 58,683	\$ 5,351,338

GULF COAST TEACHING FAMILY SERVICES, INC.  
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE  
(A NONPROFIT ORGANIZATION)

SCHEDULE 2 - COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND  
YEAR ENDED JUNE 30, 2019

	Supervised Independent Living								
	20-103 Supervised Living Title XIX Baton Rouge Provider # 1912913	30-103 SIL- Title XIX Hammond Provider # 1690082	40-103 SIL Title XIX Houma Provider # 1935166	50-103 SIL-Title XIX Lafayette Provider # 1910384	51-103 SIL- Title XIX Alexandria Provider # 1690538	52-103 SIL- Title XIX Alexandria Provider # 1984205	60-103 SIL- Title XIX New Orleans Provider # 1910686	60-604 Non- Medicaid SIL Vendor # 294	Subtotal Supervised Independent Living
Administrative and General	\$ 131,594	\$ 21,480	\$ 93,287	\$ 150,372	\$ 220,341	\$ 99,864	\$ 53,518	\$ 10	\$ 770,466
Plant operation and capital asset costs	2,425	2,327	3,335	11,812	1,104	5,795	527	8	27,333
Dietary, laundry & linen, and housekeeping	-	-	-	-	-	-	-	-	-
Personal client needs	(192)	-	-	(459)	(263)	(1,440)	18	-	(2,336)
Medical and nursing	1,289	78	149	1,387	908	485	-	-	4,296
Therapeutic and training	375,027	79,648	528,415	634,320	909,640	282,967	255,882	135	3,066,034
Recreational	-	-	-	25	498	-	-	-	517
Consultants	1,720	-	11,045	5,484	1,913	606	-	-	20,768
Subtotal programs	<u>\$ 511,863</u>	<u>\$ 103,533</u>	<u>\$ 636,231</u>	<u>\$ 802,941</u>	<u>\$ 1,134,141</u>	<u>\$ 388,277</u>	<u>\$ 309,945</u>	<u>\$ 153</u>	<u>\$ 3,887,078</u>
Administrative costs - allocated	<u>\$ 194,832</u>	<u>\$ 34,320</u>	<u>\$ 146,563</u>	<u>\$ 202,221</u>	<u>\$ 352,671</u>	<u>\$ 106,866</u>	<u>\$ 78,528</u>	<u>\$ 63</u>	<u>\$ 1,116,064</u>
Totals	<u><u>\$ 706,695</u></u>	<u><u>\$ 137,853</u></u>	<u><u>\$ 782,794</u></u>	<u><u>\$ 1,005,162</u></u>	<u><u>\$ 1,486,812</u></u>	<u><u>\$ 495,143</u></u>	<u><u>\$ 388,473</u></u>	<u><u>\$ 216</u></u>	<u><u>\$ 5,003,142</u></u>

GULF COAST TEACHING FAMILY SERVICES, INC.  
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE  
(A NONPROFIT ORGANIZATION)

SCHEDULE 2 - COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND  
YEAR ENDED JUNE 30, 2019

	Respite			Homeless Housing			Elderly Services	
	20-426 Short Term Respite Baton Rouge	60-426 Short Term Respite New Orleans	Subtotal Respite	40-600 HUD The Network Houma	40-602 HUD Moving Upward (Match) Houma	40-605 The Network II Homeless Shelter Houma	Subtotal Homeless Housing	30-120 Service for the Elderly Northshore
Administrative and General	\$ 35,135	\$ 100,603	\$ 135,738	\$ 53,553	\$ -	\$ 1,424	\$ 54,977	\$ 8,133
Plant operation and capital asset costs	32	-	32	213	-	-	214	631
Dietary, laundry & linen, and housekeeping	-	-	-	-	-	-	-	-
Personal client needs	-	-	-	20,422	-	1,845	22,267	-
Medical and nursing	-	-	-	-	-	-	-	21
Therapeutic and training	-	-	-	-	-	-	-	9,457
Recreational	-	2,127	2,130	-	-	-	-	-
Consultants	-	-	-	-	-	-	-	-
Subtotal programs	\$ 35,167	\$ 102,730	\$ 137,900	\$ 74,188	\$ -	\$ 3,269	\$ 77,458	\$ 18,242
Administrative costs - allocated	\$ 15,473	\$ 25,468	\$ 40,941	\$ 17,090	\$ -	753	\$ 17,843	\$ 6,047
Totals	\$ 50,640	\$ 128,198	\$ 178,841	\$ 91,278	\$ -	\$ 4,022	\$ 95,301	\$ 24,289

GULF COAST TEACHING FAMILY SERVICES, INC.  
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE  
(A NONPROFIT ORGANIZATION)

SCHEDULE 2 - COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND  
YEAR ENDED JUNE 30, 2019

	Elderly Services				Other Programs				
	30-121 Elderly Services Northshore	30-124 St. Tammany Council on Aging Northshore	40-413 Houma Senior Center Houma	Subtotal Elderly Services	20-114 Private Contracts Baton Rouge	20-312 Dept. of Veterans Affairs Baton Rouge	20-626 Client Assistance Fund Baton Rouge	20-710 Adult Day Habilitation Baton Rouge	20-711 Adult Day Habilitation Baton Rouge
Administrative and General	\$ 5,692	\$ 23,291	\$ 38,822	\$ 75,938	\$ 1,788	\$ 2,707	\$ -	\$ 107,962	\$ 7,201
Plant operation and capital asset costs	653	997	-	2,281	-	-	-	2,988	194
Dietary, laundry & linen, and housekeeping	-	-	9,738	9,738	-	-	-	1,732	-
Personal client needs	-	-	-	-	165	-	(30)	-	-
Medical and nursing	21	33	-	75	-	-	-	83	-
Therapeutic and training	11,559	9,804	6,814	37,634	17,918	1,306	-	34,733	73
Recreational	-	-	3,231	3,229	-	-	-	948	-
Consultants	-	-	-	-	-	433	-	-	-
Subtotal programs	\$ 17,925	\$ 34,125	\$ 58,605	\$ 128,895	\$ 19,871	\$ 4,446	\$ (30)	\$ 148,446	\$ 7,468
Administrative costs - allocated	\$ 5,942	\$ 11,312	\$ 13,500	\$ 36,801	\$ 7,442	\$ 1,665	\$ -	\$ 62,381	\$ 2,797
Totals	\$ 23,867	\$ 45,437	\$ 72,105	\$ 165,696	\$ 27,313	\$ 6,111	\$ (30)	\$ 210,827	\$ 10,265

GULF COAST TEACHING FAMILY SERVICES, INC.  
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE  
(A NONPROFIT ORGANIZATION)

SCHEDULE 2 - COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND  
YEAR ENDED JUNE 30, 2019

	Other Programs							
	30-106 OJJ/YS Trackers Northshore	30-312 Dept. of Veterans Affairs Northshore	40-106 OJJ/YS Trackers Houma	40-114 Private Pay Houma	40-312 Dept. of Veterans Affairs Houma	40-400 SCLHSA Mental Health Houma	40-402 SCLHSA Clinic Staffing II Houma	40-415 Le Cirque Mentoring Houma
Administrative and General	\$ 80,666	\$ 14,667	\$ 106,904	\$ 6,106	\$ 6,009	\$ 469,512	\$ 69,364	\$ 98,637
Plant operation and capital asset costs	88	506	-	-	-	3,600	-	4,338
Dietary, laundry & linen, and housekeeping	-	-	-	-	-	-	-	-
Personal client needs	-	-	-	-	-	-	-	-
Medical and nursing	-	17	-	-	-	-	-	-
Therapeutic and training	-	33,728	80	37,666	8,458	-	-	10,733
Recreational	-	-	-	-	-	-	-	17,697
Consultants	-	1,361	-	-	-	-	-	-
Subtotal programs	<u>\$ 80,754</u>	<u>\$ 50,279</u>	<u>\$ 106,984</u>	<u>\$ 43,772</u>	<u>\$ 14,467</u>	<u>\$ 473,112</u>	<u>\$ 69,364</u>	<u>\$ 131,405</u>
Subtotal administrative and general								
Administrative costs - allocated	<u>\$ 26,768</u>	<u>\$ 16,669</u>	<u>\$ 24,645</u>	<u>\$ 10,084</u>	<u>\$ 3,333</u>	<u>\$ 108,987</u>	<u>\$ 15,979</u>	<u>\$ 30,271</u>
Totals	<u><u>\$ 107,522</u></u>	<u><u>\$ 66,948</u></u>	<u><u>\$ 131,629</u></u>	<u><u>\$ 53,856</u></u>	<u><u>\$ 17,800</u></u>	<u><u>\$ 582,099</u></u>	<u><u>\$ 85,343</u></u>	<u><u>\$ 161,676</u></u>

GULF COAST TEACHING FAMILY SERVICES, INC.  
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE  
(A NONPROFIT ORGANIZATION)

SCHEDULE 2 - COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND  
YEAR ENDED JUNE 30, 2019

	Other Programs							
	40-418 SCLHSA Life Skills Houma	40-430 Crime Victim's Assistance Houma	50-106 OJJ/YS Trackers Lafayette	50-114 Private Pay Lafayette	50-229 Intensive Consumer Care Lafayette	50-609 CART Lafayette	50-612 ROW Host Home Res. Opt. Lafayette	51-114 Private Pay Alexandria
Administrative and General	\$ 40,568	\$ 3,814	\$ 90,879	\$ 6	\$ 106,890	\$ 106,149	\$ 58,421	\$ 1,668
Plant operation and capital asset costs	-	-	677	-	2,001	1,863	1,003	-
Dietary, laundry & linen, and housekeeping	-	-	-	-	-	-	-	-
Personal client needs	-	-	-	-	15,441	-	196	-
Medical and nursing	-	-	-	-	-	-	-	-
Therapeutic and training	2,597	-	502	155	-	-	-	2,037
Recreational	-	-	-	-	-	-	-	100
Consultants	-	-	-	-	-	-	563	-
Subtotal programs	<u>\$ 43,165</u>	<u>\$ 3,814</u>	<u>\$ 92,058</u>	<u>\$ 161</u>	<u>\$ 124,332</u>	<u>\$ 108,012</u>	<u>\$ 60,183</u>	<u>\$ 3,805</u>
Administrative costs - allocated	<u>\$ 9,943</u>	<u>\$ 878</u>	<u>\$ 23,174</u>	<u>\$ 20</u>	<u>\$ 31,298</u>	<u>\$ 27,189</u>	<u>\$ 15,150</u>	<u>\$ 1,172</u>
Totals	<u><u>\$ 53,108</u></u>	<u><u>\$ 4,692</u></u>	<u><u>\$ 115,232</u></u>	<u><u>\$ 181</u></u>	<u><u>\$ 155,630</u></u>	<u><u>\$ 135,201</u></u>	<u><u>\$ 75,333</u></u>	<u><u>\$ 4,977</u></u>

GULF COAST TEACHING FAMILY SERVICES, INC.  
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE  
(A NONPROFIT ORGANIZATION)

SCHEDULE 2 - COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND  
YEAR ENDED JUNE 30, 2019

	Other Programs						Total Programs	
	51-312 Dept. of Veterans Affairs Alexandria	52-114 Private Contracts Lake Charles	52-312 Dept. of Veterans Affairs Lake Charles	60-114 Private Pay New Orleans	60-312 Dept. of Veterans Affairs New Orleans	60-601 MHSD (Match) Mentor New Orleans	Subtotal Other Programs	Total Programs
Administrative and General	\$ 3,459	\$ 1,150	\$ 4,049	\$ 114	\$ 231	\$ 1,124	\$ 1,390,045	\$ 3,264,810
Plant operation and capital asset costs	-	-	-	-	-	9	17,267	84,363
Dietary, laundry & linen, and housekeeping	-	-	-	-	-	-	1,732	11,470
Personal client needs	-	-	-	-	-	-	15,772	42,006
Medical and nursing	8	-	95	-	-	-	203	9,642
Therapeutic and training	45,409	833	11,653	-	3,341	10,931	222,153	7,156,527
Recreational	-	-	-	-	-	-	18,748	25,587
Consultants	-	135	-	-	105	-	2,597	28,665
Subtotal programs	<u>\$ 48,876</u>	<u>\$ 2,118</u>	<u>\$ 15,797</u>	<u>\$ 114</u>	<u>\$ 3,677</u>	<u>\$ 12,064</u>	<u>\$ 1,668,517</u>	<u>\$10,623,070</u>
Administrative costs - allocated	<u>\$ 15,053</u>	<u>\$ 583</u>	<u>\$ 4,348</u>	<u>\$ 28</u>	<u>\$ 912</u>	<u>\$ 3,048</u>	<u>\$ 443,817</u>	<u>\$ 2,980,087</u>
Totals	<u><u>\$ 63,929</u></u>	<u><u>\$ 2,701</u></u>	<u><u>\$ 20,145</u></u>	<u><u>\$ 142</u></u>	<u><u>\$ 4,589</u></u>	<u><u>\$ 15,112</u></u>	<u><u>\$ 2,112,334</u></u>	<u><u>\$13,603,157</u></u>

GULF COAST TEACHING FAMILY SERVICES, INC.  
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE  
(A NONPROFIT ORGANIZATION)

SCHEDULE 2 - COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND  
YEAR ENDED JUNE 30, 2019

Administrative and General									
	10-198 Admin. Central	20-198 Admin. Baton Rouge	30-198 Admin. Hammond	40-198 Admin. Houma	50-198 Admin. Lafayette	51-198 Admin. Alexandria	52-198 Admin. Lake Charles	60-198 Admin. New Orleans	Subtotal General and Administrative
Administrative and General	\$ 1,296,148	\$ 293,194	\$ 98,775	\$ 243,851	\$ 190,549	\$ 203,503	\$ 90,024	\$ 126,916	\$ 2,542,960
Plant operation and capital asset costs	126,721	104,519	24,513	58,784	44,857	29,810	22,551	6,136	417,891
Dietary, laundry & linen, and housekeeping	-	-	-	-	-	-	-	-	-
Personal client needs	-	-	-	-	-	-	1,603	-	1,603
Medical and nursing	-	-	698	323	-	-	15	-	1,036
Therapeutic and training	-	107	2	2,171	719	5,781	-	(990)	7,790
Recreational	-	-	-	-	-	-	-	7	5
Consultants	-	-	-	-	-	-	-	-	-
Subtotal programs	<u>\$ 1,422,869</u>	<u>\$ 397,820</u>	<u>\$ 123,988</u>	<u>\$ 305,129</u>	<u>\$ 236,125</u>	<u>\$ 239,094</u>	<u>\$ 114,193</u>	<u>\$ 132,069</u>	<u>\$ 2,971,285</u>
Administrative costs - allocated	<u>\$ (1,417,431)</u>	<u>\$ (384,025)</u>	<u>\$ (123,988)</u>	<u>\$ (302,914)</u>	<u>\$ (236,939)</u>	<u>\$ (242,185)</u>	<u>\$ (114,200)</u>	<u>\$ (132,376)</u>	<u>\$ (2,954,058)</u>
Totals	<u>\$ 5,438</u>	<u>\$ 13,795</u>	<u>\$ -</u>	<u>\$ 2,215</u>	<u>\$ (814)</u>	<u>\$ (3,091)</u>	<u>\$ (7)</u>	<u>\$ (307)</u>	<u>\$ 17,227</u>

GULF COAST TEACHING FAMILY SERVICES, INC.  
d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE  
(A NONPROFIT ORGANIZATION)

SCHEDULE 2 - COMBINED STATEMENT OF EXPENSES BY PROGRAM AND FUND  
YEAR ENDED JUNE 30, 2019

	Totals-Program, Administrative and General Funds
Administrative and General	\$ 5,807,770
Plant operation and capital asset costs	502,254
Dietary, laundry & linen, and housekeeping	11,470
Personal client needs	43,609
Medical and nursing	10,678
Therapeutic and training	7,164,317
Recreational	25,592
Consultants	28,665
Subtotal programs	\$ 13,594,355
Subtotal administrative and general	
Administrative costs - allocated	
Totals	<u>\$ 13,594,355</u>

**GULF COAST TEACHING FAMILY SERVICES, INC.**  
**d/b/a GULF COAST SOCIAL**  
**(A NONPROFIT ORGANIZATION)**  
**SCHEDULE 3 - SCHEDULE OF COMPENSATION**  
**YEARS ENDED JUNE 30, 2019**

Agency Head Name: Mr. Willie Green Jr., Chief Executive Officer

<u>Purpose:</u>	<u>Total</u>
Salary	\$ 146,162
Benefits-car allowance	2,168
Benefits-medical insurance	3,973
Benefits-dental insurance	150
Benefits-flex spending plan	300
Benefits-retirement plan	8,125
Cell phone	880
Total	<u>\$ 161,758</u>

**SPECIAL REPORTS OF INDEPENDENT AUDITOR**



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

To the Board of Directors  
Gulf Coast Teaching Family Services, Inc.  
d/b/a Gulf Coast Social Services and Affiliate  
New Orleans, 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 combined financial statements of Gulf Coast Teaching Family Services, Inc. d/b/a Gulf Coast Social Services (both nonprofit organizations) and its Affiliate, which comprise the combined statement of financial position as of June 30, 2019 and 2018, and the related combined statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the combined financial statements, we considered Gulf Coast Teaching Family Services, Inc. d/b/a Gulf Coast Social Services and its Affiliate's internal control over financial reporting (internal control) to determine 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 Gulf Coast Teaching Family Services, Inc. d/b/a Gulf Coast Social Services and its Affiliate's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

This report is intended for the information of the Board of Directors, management, the State of Louisiana, the Legislative Auditor for the State of Louisiana, Federal Awarding Agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



December 19, 2019



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Governing Board of  
Gulf Coast Teaching Family Services, Inc.  
d/b/a Gulf Coast Social Services  
New Orleans, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited Gulf Coast Teaching Family Services, Inc., d/b/a Gulf Coast Social Services and Affiliates' compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2019. Gulf Coast Teaching Family Services, Inc., d/b/a Gulf Coast Social Services and Affiliates' major programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Gulf Coast Teaching Family Services, Inc., d/b/a Gulf Coast Social Services and Affiliates' compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Gulf Coast Teaching Family Services, Inc., d/b/a Gulf Coast Social Services and Affiliate compiled, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### **Report on Internal Control over Compliance**

Management of Gulf Coast Teaching Family Services, Inc., d/b/a Gulf Coast Social Services and Affiliates' is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we consider Gulf Coast Teaching Family Services, Inc., d/b/a Gulf Coast Social Services and Affiliates' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Gulf Coast Teaching Family Services, Inc., d/b/a Gulf Coast Social Services and Affiliates' internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bernard & Franks*

December 19, 2019  
Metairie, Louisiana

**GULF COAST TEACHING FAMILY SERVICES, INC.**  
**d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE**  
**(A NONPROFIT ORGANIZATION)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL**  
**AWARDS FOR THE YEAR ENDED JUNE 30, 2019**  
**AND RELATED NOTES**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
U.S. Department of Housing and Urban Development Program: The Network	14.267	LA0145L6H091811	\$ 72,935
U.S. Department of Health and Human Services South Central Louisiana Human Services Authority Programs:			
Mental Health Staffing Services	93.788,93.150	PO# 2000358021	510,622
PCA	93.958	PO# 2000357979	101,805
Life Skills	93.959	PO# 2000357964	73,095
Acadiana Area Human Services Department Programs:			
Intensive Care Management	93.958	PO# 2000355499-CART	134,514
CART- Children Adolescents and Response Teams	93.958	PO# 2000355516-FCM/CCR	117,863
TOTAL-DHHS			<u>937,899</u>
U.S. Department of Justice LA Commission on Law Enforcement Program: Crime Victim's Assistance			<u>1,006</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 1,011,840</u></u>

See accompanying notes to schedule of expenditures of federal awards.

**GULF COAST TEACHING FAMILY SERVICES, INC.**  
**d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE**  
**NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 1. – SCOPE OF AUDIT PURSUANT TO GOVERNMENT AUDITING STANDARDS AND TITLE 2 U. S. CODE OF FEDERAL REGULATIONS PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COSTS PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS (UNIFORM GUIDANCE)**

All federal grant operations of Gulf Coast Teaching Family Services, Inc., d/b/a Gulf Coast Social Services and Affiliate are included in the scope of the single audit. Those programs which were major grants and selected for specific testing were:

Department of Health and Human Services –Staffing Grant  
Passed through South Central Louisiana Human Services (CFDA No. 93.788)

**NOTE 2. – FISCAL PERIOD OF THE AUDIT**

Single audit testing procedures were performed for the program transactions occurring during the year ended June 30, 2019.

**NOTE 3. – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the Organization under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**2. Financial Statement Presentation**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, *Cost Principles for Non-profit Organizations* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**GULF COAST TEACHING FAMILY SERVICES, INC.**  
**d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE**  
**NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 3. – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)**

**2. Indirect Cost Rate**

The Organization did not elect to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**GULF COAST TEACHING FAMILY SERVICES, INC.**  
**d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2019**

**Section I – Summary of Auditor’s Reports**

1. The auditor's report expresses an unmodified opinion on the financial statements of Gulf Coast Teaching Family Services, Inc., d/b/a Gulf Coast Social Services and Affiliate were prepared in accordance with generally accepted accounting principles.
2. No significant deficiencies or material weaknesses in internal control were disclosed during the audit of the financial statements were reported in the Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Gulf Coast Teaching Family Services, Inc., d/b/a Gulf Coast Social Services and Affiliate were disclosed in the Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in accordance with *Government Auditing Standards*.
4. No significant deficiencies or material weaknesses relating to internal control over major federal award programs disclosed during the audit are reported in the Independent Auditors’ Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance
5. The auditor's report on compliance for the major federal award programs Gulf Coast Teaching Family Services, Inc., d/b/a Gulf Coast Social Services and Affiliate expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) in this Schedule.
7. No management letter was issued for the year ended June 30, 2019
8. The programs tested as major programs were: Department of Health and Human Services –Staffing Grant, passed through South Central Louisiana Human Services (CFDA No. 93.788)
9. The threshold for distinguishing Types A and B programs was \$750,000.

**GULF COAST TEACHING FAMILY SERVICES, INC.**  
**d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2019**

**Section I – Summary of Auditor’s Reports (Continued)**

10. Gulf Coast Teaching Family Services, Inc., d/b/a Gulf Coast Social Services and Affiliate was not determined to be a low-risk auditee.

**Section II – Findings - Financial Statement Audit**

There were no findings related to the financial statements noted during the audit for the year ended June 30, 2019.

**Section III - Findings and Questioned Costs – Major Federal Awards**

There were no findings related to major federal award programs during the audit for the year ended June 30, 2019.

**REPORTS BY MANAGEMENT**

**GULF COAST TEACHING FAMILY SERVICES, INC.**  
**d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE**  
**SUMMARY SCHEDULE OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2019**

**Section I – Internal Control over Financial Reporting and Compliance and Other Matters  
Material to the Basic Financial Statements**

**Internal Control over Financial Reporting**

There were no findings regarding internal controls over financial reporting reported during the audit for the financial statements for the year June 30, 2018.

**Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit for the financial statements for the year June 30, 2018.

**Section II - Internal Control and Compliance Material to Federal Awards**

There were no findings of internal control and compliance during the audit regarding federal awards for the year ended June 30, 2018.

**Section III - Management Letter**

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2018.

**GULF COAST TEACHING FAMILY SERVICES, INC.**  
**d/b/a GULF COAST SOCIAL SERVICES AND AFFILIATE**  
**MANAGEMENT'S CORRECTIVE ACTION PLAN**  
**YEAR ENDED JUNE 30, 2019**

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

**Internal Control over Financial Reporting**

No material weaknesses were reported during the audit of the financial statements for the year ended June 30, 2019.

No significant deficiencies were reported during the audit of the financial statements for the year ended June 30, 2019.

**Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2019.

**Section II - Internal Control and Compliance Material to Federal Awards**

No findings or questioned costs were reported for the year ended June 30, 2019.

**Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended June 30, 2019.

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-public Agencies)**

\_\_\_\_\_ (Date Transmitted)  
Bernard & Franks, A Corporation of CPA's (CPA Firm Name)  
4141 Veterans Blvd, Ste. 313 (CPA Firm Address)  
Metairie, LA 70002 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2019 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Federal, State, and Local Awards**

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes  No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes  No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes  No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes  No

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to the open meetings law.**

Yes  No

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes  No

**Reporting**

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes  No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes  No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes  No

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Not Applicable

Yes  No

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes  No

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes  No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes  No

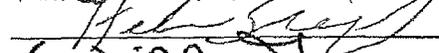
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes  No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes  No

The previous responses have been made to the best of our belief and knowledge.

	Secretary	10/4/19	Date
	Treasurer	10/4/19	Date
	President	10/4/19	Date