

Financial Report

Lafourche ARC

Thibodaux, Louisiana

For the year ended June 30, 2018

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For the year ended June 30, 2018

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Lafourche ARC

For the year ended June 30, 2018

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Lafourche ARC (the "Association"), a nonprofit organization, which comprise the Statements of Financial Position as of June 30, 2018 and 2017 and the related Statements of Activities, Functional Expenses and Cash Flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was 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, 2018 and 2017 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements and the 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 financial statements for the years ended June 30, 2018 and 2017, 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, 2016, and the related Statement of Activities for the year ended June 30, 2016 (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 financial statements as a whole. The information contained in Schedules 5 through 7 for the year ended June 30, 2016 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements as of and for the year ended June 30, 2016. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information presented in the Schedules 5 through 7 for the year ended June 30, 2016 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 Governmental Auditing Standards, we have also issued a report dated December 21, 2018 on our consideration of the Association'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental 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 21, 2018.

STATEMENTS OF FINANCIAL POSITION**Lafourche ARC**

For the years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash	\$ 2,043,711	\$ 3,245,503
Investments	8,610,270	8,399,395
Due from State of Louisiana	1,143,721	1,199,870
Accounts receivable	139,839	117,106
Promises to give	140,542	100,878
Deposits and other assets	208,918	118,674
Buildings, furniture, and equipment, net	<u>3,072,267</u>	<u>3,068,272</u>
Totals	<u>\$ 15,359,268</u>	<u>\$ 16,249,698</u>
Liabilities		
Accounts payable and accrued liabilities	<u>\$ 532,727</u>	<u>\$ 542,675</u>
Net Assets		
Unrestricted	14,685,999	15,606,145
Temporarily restricted	<u>140,542</u>	<u>100,878</u>
Total net assets	<u>14,826,541</u>	<u>15,707,023</u>
Totals	<u>\$ 15,359,268</u>	<u>\$ 16,249,698</u>

See notes to financial statements.

STATEMENTS OF ACTIVITIES**Lafourche ARC**

For the years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Changes in Unrestricted Net Assets		
Support and Revenues		
Support:		
Group Services:		
Habilitation services	\$ 7,157,871	\$ 7,554,954
Residential services	3,159,374	3,207,192
Governmental Grants:		
Office for Citizens with Developmental Disabilities	32,900	40,355
State of Louisiana - Hotel/Motel Tax	344,734	800,000
Department of Transportation and Development	40,000	117,545
Client income	273,615	253,839
Sheltered workshop, net of \$201,821 (\$181,946 in 2017) of direct costs	(25,616)	13,438
Contributions	129,836	55,782
	<u>11,112,714</u>	<u>12,043,105</u>
Total unrestricted support		
Revenues:		
Investment return	214,848	401,216
Miscellaneous	-	50,612
	<u>214,848</u>	<u>451,828</u>
Total unrestricted revenue		
Net Assets Released from Restrictions		
Satisfaction of purpose restrictions	100,878	-
	<u>100,878</u>	<u>-</u>
Total unrestricted support, revenue, and net assets released from restrictions	<u>11,428,440</u>	<u>12,494,933</u>

**Exhibit B
(Continued)**

	2018	2017
Expenses		
Program services:		
Medical and nursing	70,220	68,553
Therapeutic and training	9,243,530	9,464,376
Recreational	3,658	3,785
Consultants	264,838	259,132
	9,582,246	9,795,846
Total program services		
Support services:		
Administrative and general	2,072,908	2,015,878
Plant operations and maintenance	264,736	440,144
Costs related to capital assets	281,668	265,808
Dietary	107,835	107,051
Laundry and linen	8,247	6,354
Housekeeping supplies	17,917	19,814
Personal client needs	13,029	20,632
	2,766,340	2,875,681
Total support services		
Total expenses	12,348,586	12,671,527
Decrease in unrestricted net assets	(920,146)	(176,594)
Support - State of Louisiana		
Department of Transportation and Development	140,542	100,878
Net assets released from restrictions:		
Satisfaction of purpose restrictions	(100,878)	-
Increase in temporarily restricted net assets	39,664	100,878
Decrease in net assets	(880,482)	(75,716)
Net Assets		
Beginning of year	15,707,023	15,782,739
End of year	\$ 14,826,541	\$ 15,707,023

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Lafourche ARC

For the year ended June 30, 2018

	<u>Program Services</u>				
	<u>Medical and Nursing</u>	<u>Therapeutic and Training</u>	<u>Recrea- tional</u>	<u>Consultants</u>	<u>Totals</u>
Bed fees	\$ -	\$ -	\$ -	\$ -	\$ -
Clothing	-	-	-	-	-
Contracts - outside services	-	-	-	264,838	264,838
Depreciation	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Food	-	-	-	-	-
Insurance	-	-	-	-	-
Lease	-	-	-	-	-
Licenses	-	-	-	-	-
Linen and bedding	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Medical services	22,519	-	-	-	22,519
Other	19,037	-	-	-	19,037
Postage	-	-	-	-	-
Prescriptions	21,465	-	-	-	21,465
Professional fees	-	-	-	-	-
Salaries, payroll taxes, and benefits	-	9,242,328	-	-	9,242,328
Supplies	7,199	1,202	3,658	-	12,059
Telephone	-	-	-	-	-
Travel and seminars	-	-	-	-	-
Utilities	-	-	-	-	-
Vehicles - gas, oil, and repairs	-	-	-	-	-
Total expenses	<u>\$ 70,220</u>	<u>\$ 9,243,530</u>	<u>\$ 3,658</u>	<u>\$ 264,838</u>	<u>\$ 9,582,246</u>

See notes to financial statements.

Supporting Services								Grand
Administrative and General	Plant Operations and Maintenance	Costs Related to Capital Assets	Dietary	Laundry and Linen	House- keeping Supplies	Personal Client Needs	Totals	Totals
\$ 205,268	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 205,268	\$ 205,268
-	-	-	-	-	-	3,775	3,775	3,775
-	-	-	6,075	-	-	-	6,075	270,913
-	-	262,468	-	-	-	-	262,468	262,468
12,000	-	-	-	-	-	-	12,000	12,000
-	-	-	94,668	-	-	-	94,668	94,668
780,325	-	-	-	-	-	-	780,325	780,325
-	-	19,200	-	-	-	-	19,200	19,200
4,905	-	-	-	-	-	-	4,905	4,905
-	-	-	-	2,584	-	-	2,584	2,584
-	138,279	-	-	-	-	-	138,279	138,279
-	-	-	-	-	-	-	-	22,519
76,843	-	-	-	-	-	9,254	86,097	105,134
4,373	-	-	-	-	-	-	4,373	4,373
-	-	-	-	-	-	-	-	21,465
38,221	-	-	-	-	-	-	38,221	38,221
623,088	-	-	-	-	-	-	623,088	9,865,416
84,080	-	-	7,092	5,663	17,917	-	114,752	126,811
47,789	-	-	-	-	-	-	47,789	47,789
84,614	-	-	-	-	-	-	84,614	84,614
-	126,457	-	-	-	-	-	126,457	126,457
111,402	-	-	-	-	-	-	111,402	111,402
<u>\$ 2,072,908</u>	<u>\$ 264,736</u>	<u>\$ 281,668</u>	<u>\$ 107,835</u>	<u>\$ 8,247</u>	<u>\$ 17,917</u>	<u>\$ 13,029</u>	<u>\$ 2,766,340</u>	<u>\$ 12,348,586</u>

STATEMENT OF FUNCTIONAL EXPENSES

Lafourche ARC

For the year ended June 30, 2017

	<u>Program Services</u>				
	<u>Medical and Nursing</u>	<u>Therapeutic and Training</u>	<u>Recrea- tional</u>	<u>Consultants</u>	<u>Totals</u>
Bed fees	\$ -	\$ -	\$ -	\$ -	\$ -
Clothing	-	-	-	-	-
Contracts - outside services	-	-	-	259,132	259,132
Depreciation	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Food	-	-	-	-	-
Insurance	-	-	-	-	-
Lease	-	-	-	-	-
Licenses	-	-	-	-	-
Linen and bedding	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Medical services	28,805	-	-	-	28,805
Other	8,207	-	-	-	8,207
Postage	-	-	-	-	-
Prescriptions	21,378	-	-	-	21,378
Professional fees	-	-	-	-	-
Salaries, payroll taxes, and benefits	-	9,463,277	-	-	9,463,277
Supplies	10,163	1,099	3,785	-	15,047
Telephone	-	-	-	-	-
Training-in-service	-	-	-	-	-
Travel and seminars	-	-	-	-	-
Utilities	-	-	-	-	-
Vehicles - gas, oil, and repairs	-	-	-	-	-
Total expenses	<u>\$ 68,553</u>	<u>\$ 9,464,376</u>	<u>\$ 3,785</u>	<u>\$ 259,132</u>	<u>\$ 9,795,846</u>

See notes to financial statements.

Supporting Services								
Administrative and General	Plant Operations and Maintenance	Costs Related to Capital Assets	Dietary	Laundry and Linen	House-keeping Supplies	Personal Client Needs	Totals	Grand Totals
\$ 203,508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 203,508	\$ 203,508
-	-	-	-	-	-	9,978	9,978	9,978
-	-	-	6,137	-	-	-	6,137	265,269
-	-	246,608	-	-	-	-	246,608	246,608
12,000	-	-	-	-	-	-	12,000	12,000
-	-	-	91,986	-	-	-	91,986	91,986
777,231	-	-	-	-	-	-	777,231	777,231
-	-	19,200	-	-	-	-	19,200	19,200
4,945	-	-	-	-	-	-	4,945	4,945
-	-	-	-	2,169	-	-	2,169	2,169
-	323,819	-	-	-	-	-	323,819	323,819
-	-	-	-	-	-	-	-	28,805
81,212	-	-	-	-	-	10,654	91,866	100,073
4,185	-	-	-	-	-	-	4,185	4,185
-	-	-	-	-	-	-	-	21,378
31,570	-	-	-	-	-	-	31,570	31,570
608,493	-	-	-	-	-	-	608,493	10,071,770
83,430	-	-	8,928	4,185	19,814	-	116,357	131,404
52,118	-	-	-	-	-	-	52,118	52,118
36	-	-	-	-	-	-	36	36
79,376	-	-	-	-	-	-	79,376	79,376
-	116,325	-	-	-	-	-	116,325	116,325
77,774	-	-	-	-	-	-	77,774	77,774
<u>\$ 2,015,878</u>	<u>\$ 440,144</u>	<u>\$ 265,808</u>	<u>\$ 107,051</u>	<u>\$ 6,354</u>	<u>\$ 19,814</u>	<u>\$ 20,632</u>	<u>\$ 2,875,681</u>	<u>\$ 12,671,527</u>

STATEMENTS OF CASH FLOWS**Lafourche ARC**

For the years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Decrease in net assets	\$ (880,482)	\$ (75,716)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities:		
Depreciation	262,468	246,608
Net realized and unrealized (gains) losses on investments	(93,041)	(232,715)
Gain on sales of capital assets	-	(10,820)
Decrease (increase) in operating assets:		
Receivables	33,416	(89,461)
Promises to give	(39,664)	(100,878)
Deposits and other assets	(90,244)	154,903
Increase (decrease) in operating liabilities:		
Accounts payable	(9,948)	(23,432)
Total adjustments	<u>62,987</u>	<u>(55,795)</u>
Net cash used in operating activities	<u>(817,495)</u>	<u>(131,511)</u>
Cash Flows from Investing Activities		
Purchases of investments	(1,373,733)	(2,403,697)
Proceeds from maturity and sales of investments	1,255,899	1,240,901
Proceeds from sale of capital assets	-	10,820
Purchase of capital assets	(266,463)	(188,874)
Net cash used in investing activities	<u>(384,297)</u>	<u>(1,340,850)</u>
Net decrease in cash	(1,201,792)	(1,472,361)
Cash		
Beginning of year	<u>3,245,503</u>	<u>4,717,864</u>
End of year	<u>\$ 2,043,711</u>	<u>\$ 3,245,503</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Lafourche ARC**

June 30, 2018 and 2017

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 is rented. The Association also provides respite services to families of mentally handicapped individuals.

b) Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. The Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Association had no permanently restricted net assets as of June 30, 2018 and 2017.

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, 2018 and 2017.

g) Investments

Investments are comprised of certificates of deposit, equity securities, U.S. government debt 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 \$58,387 and \$54,743 were incurred for the years ended June 30, 2018 and 2017, 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) Promises to Give

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Promises to give are recognized as assets and revenues. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Promises to Give (Continued)

Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions, if any, are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

The Association provides for estimated uncollectible promises to give based on prior years' experience and management's analysis of specific promises made.

j) 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, Furniture, and Equipment

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

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 \$45,456 and \$66,216 of accumulated leave included in accounts payable and accrued liabilities as of June 30, 2018 and 2017, 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. Accordingly, certain costs have been allocated among the services and activities benefited. 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, 2015 and later remain subject to examination by the taxing authorities. As of June 30, 2018, management of the Association believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Note 2 - INVESTMENTS

Investments June 30, 2018 and 2017 are as follows:

	2018		2017	
	Cost	Market	Cost	Market
U.S. Treasury Notes	\$ 56,563	\$ 54,763	\$ 43,800	\$ 43,013
U.S. Treasury Bonds	81,909	79,056	62,861	62,341
Federal Home Loan Mortgage Corporation Notes	119,355	78,063	60,092	48,647
Federal National Mortgage Association Notes	698,401	354,289	382,551	295,127
Equity shares/mutual funds	2,033,157	2,494,218	2,115,673	2,542,743
Fixed income mutual funds	1,445,042	1,421,052	1,388,247	1,390,689
Certificates of deposit and Savings accounts	3,254,500	3,254,500	3,223,843	3,223,843
Municipal Bonds	106,273	112,771	70,225	78,319
Corporate bonds	697,537	678,182	535,467	546,687
Money market funds	83,376	83,376	167,986	167,986
Totals	<u>\$ 8,576,113</u>	<u>\$ 8,610,270</u>	<u>\$ 8,050,745</u>	<u>\$ 8,399,395</u>

Note 2 - INVESTMENTS (Continued)

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2018 and 2017:

	2018	2017
Excess of market over (under) cost:		
End of year	\$ 34,157	\$ 348,650
Beginning of year	348,650	240,835
Unrealized gain (loss)	(314,493)	107,815
Net realized gain	407,534	172,834
Interest and dividends	180,194	175,310
Fees and expenses	(58,387)	(54,743)
Investment return	\$ 214,848	\$ 401,216

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 include: Level 1, unadjusted quoted prices in active markets for identical assets or liabilities; Level 2, directly or indirectly observable inputs other than quoted prices for the asset or liability, such as quoted market prices for similar assets or liabilities; and Level 3, unobservable inputs for use when little or no market data exists, therefore requiring an entity to develop its own assumptions.

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

Note 3 - FAIR VALUE MEASUREMENTS (Continued)

Assets measured at fair value on a recurring basis as of June 30, 2018 and 2017 are comprised of and determined as follows:

	June 30, 2018			
	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	\$ 71,599	\$ 71,599	\$ -	\$ -
Energy	6,075	6,075	-	-
Financial	8,456	8,456	-	-
International markets	65,043	65,043	-	-
Large blend	57,717	57,717	-	-
Mid-Cap blend	37,008	37,008	-	-
Real estate	6,273	6,273	-	-
Small blend	58,629	58,629	-	-
Trading inverse equity	59,452	59,452	-	-
Fixed income mutual funds				
Commodities broad basket	62,764	62,764	-	-
Emerging market bond	50,265	50,265	-	-
High yield bond	383,434	383,434	-	-
Intermediate term bond	625,885	625,885	-	-
Multisector bond	222,156	222,156	-	-
Municipal bond	51,607	51,607	-	-
Short term bond	24,941	24,941	-	-
Total mutual fund	<u>1,791,304</u>	<u>1,791,304</u>	<u>-</u>	<u>-</u>
Equity Shares				
Consumer cyclical	272,968	272,968	-	-
Consumer defensive	104,932	104,932	-	-
Energy	224,033	224,033	-	-
Financials	533,537	533,537	-	-
Health care	335,401	335,401	-	-
Industrials	77,800	77,800	-	-
Information technology	272,402	272,402	-	-
Materials	63,717	63,717	-	-
Real estate	85,454	85,454	-	-
Telecommunication services	126,368	126,368	-	-
Utilities	27,354	27,354	-	-
Total equity shares	<u>2,123,966</u>	<u>2,123,966</u>	<u>-</u>	<u>-</u>
Government bonds	566,171	566,171	-	-
Corporate bonds	678,182	678,182	-	-
Municipal bonds	112,771	112,771	-	-
Certificates of deposit and savings accounts	3,254,500	3,254,500	-	-
Cash and cash equivalents	83,376	83,376	-	-
Totals	<u>\$ 8,610,270</u>	<u>\$ 8,610,270</u>	<u>\$ -</u>	<u>\$ -</u>

Note 3 - FAIR VALUE MEASUREMENTS (Continued)

	2017			
	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	\$ 91,158	\$ 91,158	\$ -	\$ -
Energy	5,193	5,193	-	-
Financial	7,845	7,845	-	-
International markets	47,768	47,768	-	-
Large blend	51,149	51,149	-	-
Mid-Cap blend	33,051	33,051	-	-
Real estate	6,075	6,075	-	-
Small blend	58,298	58,298	-	-
Trading inverse equity	30,927	30,927	-	-
Fixed income mutual funds				
Commodities broad basket	53,652	53,652	-	-
Emerging market bond	61,384	61,384	-	-
High yield bond	489,439	489,439	-	-
Intermediate term bond	518,316	518,316	-	-
Multisector bond	215,512	215,512	-	-
Municipal bond	52,385	52,385	-	-
Total mutual fund	<u>1,722,153</u>	<u>1,722,153</u>	<u>-</u>	<u>-</u>
Equity Shares				
Consumer cyclical	211,340	211,340	-	-
Consumer defensive	186,978	186,978	-	-
Energy	186,253	186,253	-	-
Financials	509,343	509,343	-	-
Health care	274,442	274,442	-	-
Industrials	222,540	222,540	-	-
Information technology	285,350	285,350	-	-
Materials	26,667	26,667	-	-
Real estate	101,837	101,837	-	-
Telecommunication services	144,571	144,571	-	-
Utilities	61,958	61,958	-	-
Total equity shares	<u>2,211,279</u>	<u>2,211,279</u>	<u>-</u>	<u>-</u>
Government bonds	449,128	449,128	-	-
Corporate bonds	546,687	546,687	-	-
Municipal bonds	78,319	78,319	-	-
Certificates of deposit and savings accounts	3,223,843	3,223,843	-	-
Cash and cash equivalents	167,986	167,986	-	-
Totals	<u>\$ 8,399,395</u>	<u>\$ 8,399,395</u>	<u>\$ -</u>	<u>\$ -</u>

Note 4 - DUE FROM STATE OF LOUISIANA

Amounts receivable for residential and habilitation services charged to the State of Louisiana Department of Health and Hospitals are \$1,143,721 and \$1,199,870 as of June 30, 2018 and 2017 respectively.

Note 5 - RESTRICTIONS ON ASSETS

Temporarily restricted net assets are restricted by the donor for specific purposes or are available for subsequent periods. Restricted net assets total \$140,542 as of June 30, 2018 and \$100,878 as of June 30, 2017. Restrictions of net assets as of June 30, 2018 and 2017 relate to purpose of use restrictions. Temporarily restricted net assets are promises to give from the Louisiana Department of Transportation and Development for the purchase of new vehicles.

Note 6 - BUILDINGS, FURNITURE, AND EQUIPMENT

Buildings, furniture, and equipment as of June 30, 2018 and 2017 consist of the following:

	2018	2017
Land	\$ 226,200	\$ 226,200
Buildings and improvements	4,126,600	4,126,600
Vehicles	1,436,581	1,257,992
Furniture and equipment	460,150	372,273
	6,249,531	5,983,065
Less: accumulated depreciation	(3,177,264)	(2,914,793)
Net buildings, furniture, and equipment	\$ 3,072,267	\$ 3,068,272

Note 7 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses as of June 30, 2018 and 2017 consisted of the following:

	2018	2017
Vendors	\$ 43,678	\$ 61,447
Salaries and benefits	448,845	442,400
Other	40,204	38,828
Total	\$ 532,727	\$ 542,675

Note 8 - LEASE COMMITMENTS

As of June 30, 2018, the Diplomat Way Community Home is leased under a month-to-month operating lease beginning October 1, 2015 for monthly rent of \$1,600. Rental expenses incurred amounted to \$19,200 for the years ended June 30, 2018 and 2017, respectively.

Note 9 - 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 Functional Expenses. For the years ended June 30, 2018 and 2017, personal service and occupancy costs incurred at the central office amounting to \$796,180 and \$852,670, respectively, were allocated to the programs as follows:

	2018	2017
Chackbay Community Home	\$ 26,650	\$ 27,925
Country Club Community Home	21,490	23,907
Diplomat Way Community Home	30,916	33,439
Stevens Community Home	32,946	33,554
Narrow Street Community Home	20,847	22,038
Richland Community Home	26,008	28,112
Community Support Services	473,776	521,236
Daycare Services	163,547	162,459
Totals	\$ 796,180	\$ 852,670

Note 10 - 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.

Note 10 - ECONOMIC DEPENDENCY (Continued)

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 11 - 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 \$5,862 and \$6,089 for the years ended June 30, 2018 and 2017, respectively.

Note 12 - CONCENTRATION OF RISK

During the year ended June 30, 2018, 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 mutual funds at this institution exceeded federally insured limits by approximately \$3,530,000 as of June 30, 2018.

Note 13 - 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, 2018.

Note 14 - CONTINGENCY

Programs funded by Medicare and Medicaid fiscal intermediaries are subject to audits performed by the State of Louisiana - Department of Health and Hospitals (the State). Audits conducted by the State for the period January 2, 2001 through February 2, 2003 and July 1, 2008 through March 31, 2010. The Association is in dispute with the State for approximately \$88,500 and \$69,690, respectively, of questioned costs. In management's opinion, the Association believes it will be successful in providing the necessary documentation to defend these claims made by the State of Louisiana and any final determinations will not be material to the financial statements.

Note 16 - 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 effect the financial statements. Subsequent events have been evaluated through December 21, 2018, which is the date the financial statements are available to be issued.

SUPPLEMENTARY INFORMATION SECTION

SCHEDULE OF PROGRAM FINANCIAL POSITION

Lafourche ARC

June 30, 2018

	Community Homes				
	Chackbay	Country Club	Diplomat Way	Stevens	Narrow Street
Assets					
Cash	\$ 200	\$ 200	\$ 100	\$ 200	\$ 100
Investments	558,913	283,751	589,385	57,879	497,309
Due from State of Louisiana	26,393	22,886	28,420	36,979	30,962
Accounts receivable	217	-	-	1,050	-
Due from other programs	49,123	257,017	50,969	-	403,187
Promises to give	-	-	-	-	-
Deposits	4,407	4,494	4,139	4,823	4,507
Buildings, furniture, and equipment, net of accumulated depreciation, \$2,914,793	142,534	59,679	12,121	100,762	148,626
Totals	<u>\$ 781,787</u>	<u>\$ 628,027</u>	<u>\$ 685,134</u>	<u>\$ 201,693</u>	<u>\$ 1,084,691</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 9,336	\$ 9,190	\$ 11,917	\$ 12,250	\$ 10,600
Due to other programs	927,893	20,000	971,990	400,477	-
Total liabilities	<u>937,229</u>	<u>29,190</u>	<u>983,907</u>	<u>412,727</u>	<u>10,600</u>
Net Assets					
Unrestricted	(155,442)	598,837	(298,773)	(211,034)	1,074,091
Temporarily restricted	-	-	-	-	-
Total net assets	<u>(155,442)</u>	<u>598,837</u>	<u>(298,773)</u>	<u>(211,034)</u>	<u>1,074,091</u>
Totals	<u>\$ 781,787</u>	<u>\$ 628,027</u>	<u>\$ 685,134</u>	<u>\$ 201,693</u>	<u>\$ 1,084,691</u>

<u>Community Homes Richland</u>	<u>Community Support</u>	<u>Day Care Services</u>	<u>Central Office</u>	<u>Eliminations</u>	<u>Grand Totals</u>
\$ 100	\$ 1,467,679	\$ 470	\$ 574,662	\$ -	\$ 2,043,711
248,126	4,625,628	1,749,279	-	-	8,610,270
26,630	882,997	88,454	-	-	1,143,721
29	26,456	112,087	-	-	139,839
207,135	2,046,477	592,909	1,734,294	(5,341,111)	-
-	-	140,542	-	-	140,542
4,545	10,489	49,101	122,413	-	208,918
<u>75,073</u>	<u>1,248,379</u>	<u>811,159</u>	<u>473,934</u>	<u>-</u>	<u>3,072,267</u>
<u>\$ 561,638</u>	<u>\$ 10,308,105</u>	<u>\$ 3,544,001</u>	<u>2,905,303</u>	<u>\$ (5,341,111)</u>	<u>\$ 15,359,268</u>
\$ 11,256	\$ 366,320	\$ 67,306	\$ 34,552	\$ -	\$ 532,727
150,000	-	-	2,870,751	(5,341,111)	-
<u>161,256</u>	<u>366,320</u>	<u>67,306</u>	<u>2,905,303</u>	<u>(5,341,111)</u>	<u>532,727</u>
400,382	9,941,785	3,336,153	-	-	14,685,999
-	-	140,542	-	-	140,542
<u>400,382</u>	<u>9,941,785</u>	<u>3,476,695</u>	<u>-</u>	<u>-</u>	<u>14,826,541</u>
<u>\$ 561,638</u>	<u>\$ 10,308,105</u>	<u>\$ 3,544,001</u>	<u>\$ 2,905,303</u>	<u>\$ (5,341,111)</u>	<u>\$ 15,359,268</u>

SCHEDULE OF PROGRAM ACTIVITIES

Lafourche ARC

For the year ended June 30, 2018

	Community Homes				
	Chackbay	Country Club	Diplomat Way	Stevens	Narrow Street
Changes in Unrestricted Net Assets					
Support and Revenues					
Support:					
Group Services:					
Habilitation services					
Residential services	\$ 348,500	\$ 306,634	\$ 358,810	\$ 456,373	\$ 273,127
Governmental Grants:					
Office for Citizens with					
Developmental Disabilities	-	-	-	-	-
State of Louisiana-Hotel/Motel Tax	-	-	-	-	-
Lafourche Parish	-	-	-	-	-
Department of Transportation and Development	-	-	-	-	-
Client income	56,556	50,599	34,899	45,997	44,816
Sheltered workshop, net of \$310,176					
of direct costs	-	-	-	-	-
Contributions	-	-	-	-	-
Total unrestricted support	<u>405,056</u>	<u>357,233</u>	<u>393,709</u>	<u>502,370</u>	<u>317,943</u>
Revenues:					
Investment return	18,727	9,508	19,755	1,945	16,675
Miscellaneous	-	-	-	-	-
	<u>18,727</u>	<u>9,508</u>	<u>19,755</u>	<u>1,945</u>	<u>16,675</u>
Allocations	-	-	-	-	-
Total unrestricted support, revenue and					
net assets released from restrictions	<u>423,783</u>	<u>366,741</u>	<u>413,464</u>	<u>504,315</u>	<u>334,618</u>
Expenses					
Program services:					
Medical and nursing	11,193	9,526	17,540	13,876	8,170
Therapeutic and training	298,535	224,948	322,633	386,522	221,866
Recreational	436	409	605	427	1,247
Consultants	14,992	15,947	13,874	15,061	13,040
Total program services	<u>325,156</u>	<u>250,830</u>	<u>354,652</u>	<u>415,886</u>	<u>244,323</u>
Support services:					
Administrative and general	99,673	86,791	98,619	111,859	78,876
Plant operations and maintenance	8,967	10,330	11,034	14,806	8,993
Costs related to capital assets	11,314	3,689	28,252	13,700	5,867
Dietary	17,261	14,459	19,855	20,726	16,348
Laundry and linen	1,441	742	1,747	897	612
Housekeeping	3,550	2,022	2,360	3,869	2,368
Personal client needs	2,452	1,103	2,436	3,266	2,419
Total support services	<u>144,658</u>	<u>119,136</u>	<u>164,303</u>	<u>169,123</u>	<u>115,483</u>
Total expenses	<u>469,814</u>	<u>369,966</u>	<u>518,955</u>	<u>585,009</u>	<u>359,806</u>
Increase (decrease) in unrestricted assets	(46,031)	(3,225)	(105,491)	(80,694)	(25,188)
Changes in Temporarily Restricted Assets					
Support - State of Louisiana					
Department of Transportation and Development	-	-	-	-	-
Increase (decrease) in Net Position	(46,031)	(3,225)	(105,491)	(80,694)	(25,188)
Net Assets					
Beginning of year	<u>(109,411)</u>	<u>602,062</u>	<u>(193,282)</u>	<u>(130,340)</u>	<u>1,099,279</u>
End of year	<u>\$ (155,442)</u>	<u>\$ 598,837</u>	<u>\$ (298,773)</u>	<u>\$ (211,034)</u>	<u>\$ 1,074,091</u>

Community Homes	Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
Richland					
\$ 385,838	\$ 6,942,034 189,604	\$ 215,837 1,092,934		\$ (252,446)	\$ 7,157,871 3,159,374
-	-	32,900		-	32,900
-	-	344,734		-	344,734
-	-	-		-	-
-	-	40,000		-	40,000
40,748	-	-		-	273,615
-	-	(25,616)		-	(25,616)
1,025	-	15,500	\$ 113,311	-	129,836
427,611	7,131,638	1,716,289	113,311	(252,446)	11,112,714
8,319	92,542	47,377	-	-	214,848
-	-	-	-	-	-
8,319	92,542	47,377	-	-	214,848
-	-	-	796,180	(796,180)	-
435,930	7,224,180	1,763,666	909,491	(1,048,626)	11,327,562
6,593	3,322	-	-	-	70,220
301,959	6,297,535	1,441,978	-	(252,446)	9,243,530
534	-	-	-	-	3,658
15,220	176,704	-	-	-	264,838
324,306	6,477,561	1,441,978	-	(252,446)	9,582,246
92,503	968,553	503,171	829,043	(796,180)	2,072,908
11,295	25	162,273	37,013	-	264,736
4,486	41,633	129,292	43,435	-	281,668
19,186	-	-	-	-	107,835
2,808	-	-	-	-	8,247
3,748	-	-	-	-	17,917
1,353	-	-	-	-	13,029
135,379	1,010,211	794,736	909,491	(796,180)	2,766,340
459,685	7,487,772	2,236,714	909,491	(1,048,626)	12,348,586
(23,755)	(263,592)	(473,048)	-	-	(1,021,024)
-	-	140,542	-	-	140,542
(23,755)	(263,592)	(332,506)	-	-	(880,482)
424,137	10,205,377	3,809,201	-	-	15,707,023
\$ 400,382	\$ 9,941,785	\$ 3,476,695	\$ -	\$ -	\$ 14,826,541

SCHEDULE OF PROGRAM SERVICES EXPENSES

Lafourche ARC

For the year ended June 30, 2018

	Community Homes				
	Chackbay	Country Club	Diplomat Way	Stevens	Narrow Street
Medical and Nursing					
Medical services	\$ 2,780	\$ 6,618	\$ 2,192	\$ 3,844	\$ 5,088
Other	2,812	132	11,185	2,252	679
Prescriptions	3,181	2,456	3,312	6,693	2,100
Supplies	2,420	320	851	1,087	303
Total medical and nursing	<u>11,193</u>	<u>9,526</u>	<u>17,540</u>	<u>13,876</u>	<u>8,170</u>
Therapeutic and Training					
Habilitation	30,312	30,312	30,312	30,312	30,312
Salaries, payroll taxes, and benefits	268,223	194,636	292,321	356,210	191,554
Supplies	-	-	-	-	-
Total therapeutic and training	<u>298,535</u>	<u>224,948</u>	<u>322,633</u>	<u>386,522</u>	<u>221,866</u>
Recreational					
Supplies	436	409	605	427	1,247
Consultants					
Other	1,643	1,643	1,643	1,643	1,643
Pharmacist	1,525	1,854	1,554	1,167	942
Psychiatrist	2,007	2,633	860	2,434	638
Registered nurse	9,817	9,817	9,817	9,817	9,817
Total consultants	<u>14,992</u>	<u>15,947</u>	<u>13,874</u>	<u>15,061</u>	<u>13,040</u>
Total program services	<u>\$ 325,156</u>	<u>\$ 250,830</u>	<u>\$ 354,652</u>	<u>\$ 415,886</u>	<u>\$ 244,323</u>

Schedule 3

Community Homes				
Richland	Community Support	Day Care Services	Eliminations	Grand Totals
\$ 1,997				\$ 22,519
185	\$ 1,792			19,037
3,718	5			21,465
693	1,525			7,199
<u>6,593</u>	<u>3,322</u>			<u>70,220</u>
30,312			\$ (181,872)	-
271,647	6,296,985	\$ 1,441,326	(70,574)	9,242,328
-	550	652	-	1,202
<u>301,959</u>	<u>6,297,535</u>	<u>1,441,978</u>	<u>(252,446)</u>	<u>9,243,530</u>
<u>534</u>				<u>3,658</u>
1,643	31,170			41,028
1,479	-			8,521
2,281	202			11,055
9,817	145,332			204,234
<u>15,220</u>	<u>176,704</u>			<u>264,838</u>
<u>\$ 324,306</u>	<u>\$ 6,477,561</u>	<u>\$ 1,441,978</u>	<u>\$ (252,446)</u>	<u>\$ 9,582,246</u>

SCHEDULE OF SUPPORT SERVICES EXPENSES**Lafourche ARC**

For the year ended June 30, 2018

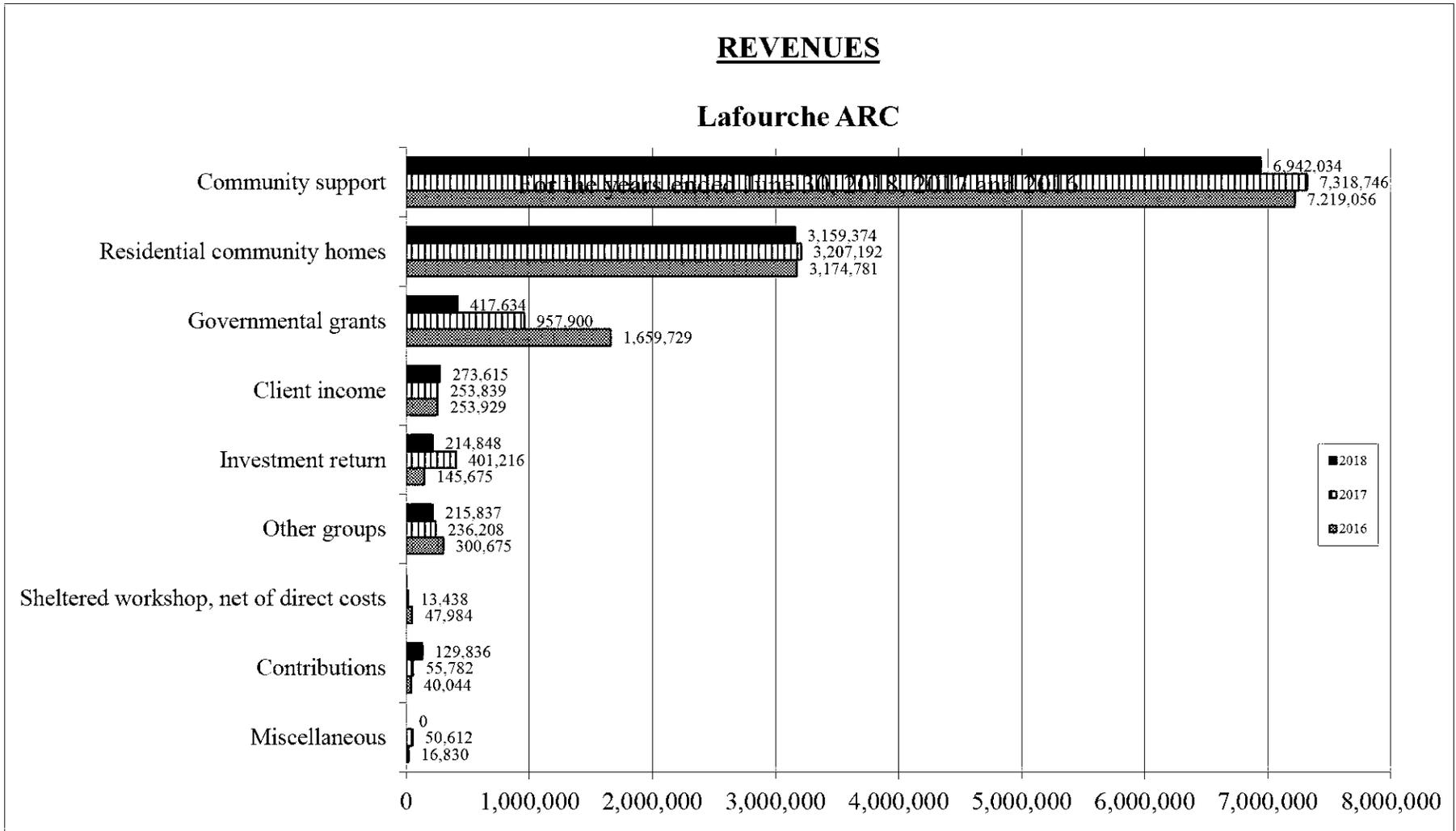
	Community Homes				
	Chackbay	Country Club	Diplomat Way	Stevens	Narrow Street
Administrative and General					
Bed fees	\$ 35,369	\$ 35,369	\$ 35,369	\$ 35,369	\$ 30,184
Central office	26,650	21,490	30,916	32,946	20,847
Dues and subscriptions	-	-	-	-	-
Insurance	30,617	22,109	23,329	30,335	22,038
Licenses	615	620	615	620	620
Other	-	53	-	132	125
Postage	-	-	-	4	2
Professional fees	-	-	-	-	-
Salaries, payroll taxes and benefits	-	-	-	-	-
Supplies	748	526	556	700	856
Telephone	225	1,655	2,718	2,497	38
Travel and seminars	1,601	622	360	2,585	2,220
Vehicles - gas, oil, and repairs	3,848	4,347	4,756	6,671	1,946
Total administrative and general	<u>99,673</u>	<u>86,791</u>	<u>98,619</u>	<u>111,859</u>	<u>78,876</u>
Plant Operations and Maintenance					
Maintenance and repairs	3,292	2,028	3,389	5,344	1,826
Utilities	5,675	8,302	7,645	9,462	7,167
Total plant operations and maintenance	<u>8,967</u>	<u>10,330</u>	<u>11,034</u>	<u>14,806</u>	<u>8,993</u>
Costs Related to Capital Assets					
Depreciation	11,314	3,689	9,052	13,700	5,867
Lease	-	-	19,200	-	-
Total costs related to capital assets	<u>11,314</u>	<u>3,689</u>	<u>28,252</u>	<u>13,700</u>	<u>5,867</u>
Dietary					
Contracts - dietician	1,500	1,500	1,500	1,575	-
Food	14,990	11,722	17,269	17,104	15,606
Supplies	771	1,237	1,086	2,047	742
Total dietary expenses	<u>17,261</u>	<u>14,459</u>	<u>19,855</u>	<u>20,726</u>	<u>16,348</u>
Laundry and Linen					
Linen and bedding	60	75	398	257	152
Supplies	1,381	667	1,349	640	460
Total laundry and linen	<u>1,441</u>	<u>742</u>	<u>1,747</u>	<u>897</u>	<u>612</u>
Housekeeping					
Supplies	3,550	2,022	2,360	3,869	2,368
Personal Client Needs					
Clothing	266	460	621	1,020	958
Other	2,186	643	1,815	2,246	1,461
Total personal client needs	<u>2,452</u>	<u>1,103</u>	<u>2,436</u>	<u>3,266</u>	<u>2,419</u>
Total support services	<u>\$ 144,658</u>	<u>\$ 119,136</u>	<u>\$ 164,303</u>	<u>\$ 169,123</u>	<u>\$ 115,483</u>

Community Homes	Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
Richland					
\$ 33,608					\$ 205,268
26,008	\$ 473,776	\$ 163,547		\$ (796,180)	-
-	-	-	\$ 12,000	-	12,000
23,760	359,635	213,291	55,211	-	780,325
615	1,200	-	-	-	4,905
27	25,465	10,560	40,481	-	76,843
19	2,322	-	2,026	-	4,373
-	320	-	37,901	-	38,221
-	-	-	623,088	-	623,088
1,179	21,191	16,977	41,347	-	84,080
2,516	12,067	13,577	12,496	-	47,789
1,848	64,165	6,720	4,493	-	84,614
2,923	8,412	78,499	-	-	111,402
<u>92,503</u>	<u>968,553</u>	<u>503,171</u>	<u>829,043</u>	<u>(796,180)</u>	<u>2,072,908</u>
3,562	25	108,385	10,428		138,279
7,733	-	53,888	26,585		126,457
<u>11,295</u>	<u>25</u>	<u>162,273</u>	<u>37,013</u>		<u>264,736</u>
4,486	41,633	129,292	43,435		262,468
-	-	-	-		19,200
<u>4,486</u>	<u>41,633</u>	<u>129,292</u>	<u>43,435</u>		<u>281,668</u>
-					6,075
17,977					94,668
1,209					7,092
<u>19,186</u>					<u>107,835</u>
1,642					2,584
1,166					5,663
<u>2,808</u>					<u>8,247</u>
<u>3,748</u>					<u>17,917</u>
450					3,775
903					9,254
<u>1,353</u>					<u>13,029</u>
<u>\$ 135,379</u>	<u>\$ 1,010,211</u>	<u>\$ 794,736</u>	<u>\$ 909,491</u>	<u>\$ (796,180)</u>	<u>\$ 2,766,340</u>

SCHEDULE OF REVENUES AND EXPENSES**Lafourche ARC**

For the year ended June 30, 2018, 2017, and 2016

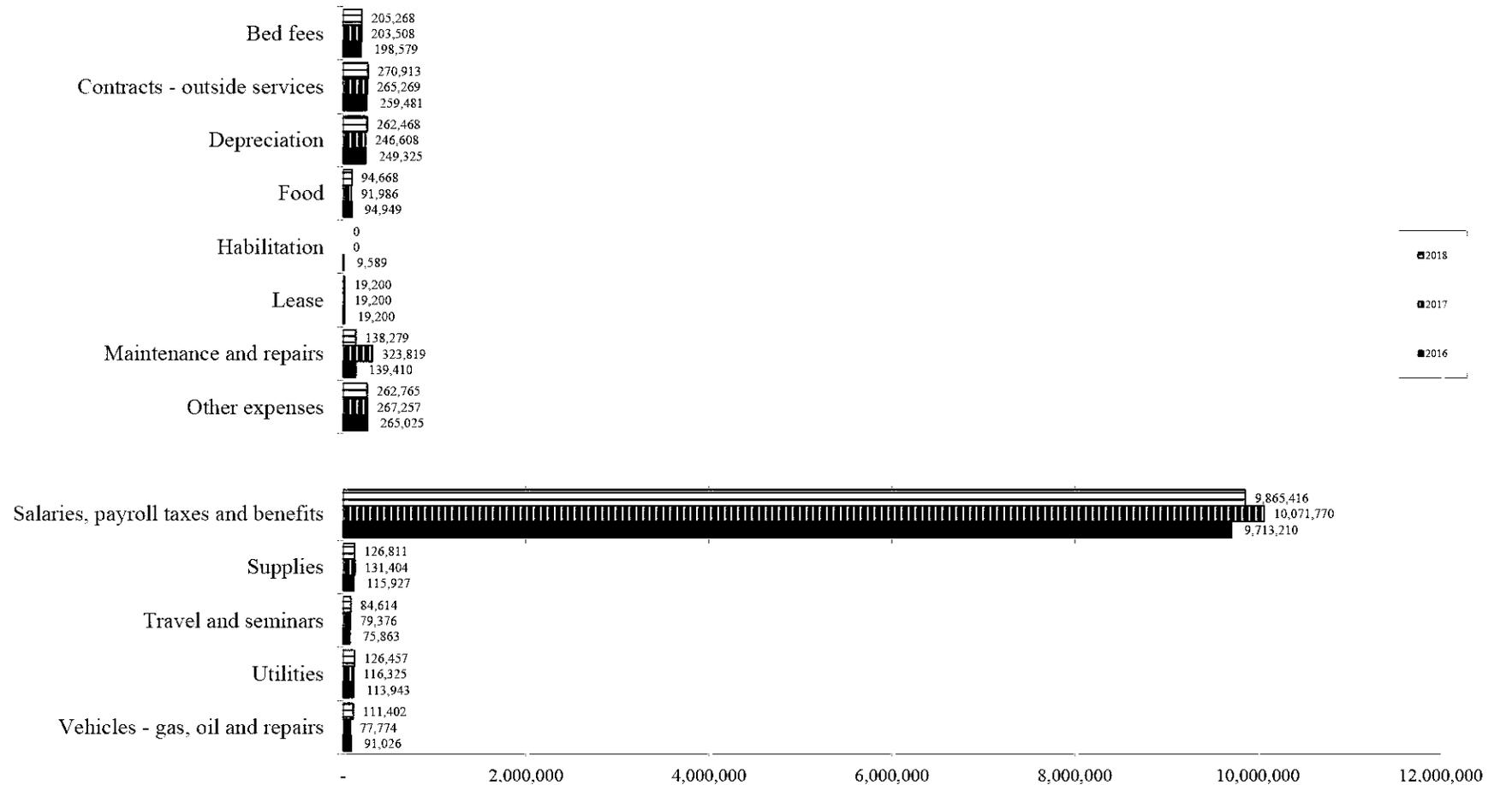
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues			
Community support	\$ 6,942,034	\$ 7,318,746	\$ 7,219,056
Residential community homes	3,159,374	3,207,192	3,174,781
Governmental grants	417,634	957,900	1,659,729
Other:			
Client income	273,615	253,839	253,929
Investment return	214,848	401,216	145,675
Other groups	215,837	236,208	300,675
Sheltered workshop, net of direct costs	(25,616)	13,438	47,984
Contributions	129,836	55,782	40,044
Miscellaneous	-	50,612	16,830
	<u>\$ 11,327,562</u>	<u>\$ 12,494,933</u>	<u>\$ 12,858,703</u>
Expenses			
Bed fees	\$ 205,268	\$ 203,508	\$ 198,579
Contracts - outside services	270,913	265,269	259,481
Depreciation	262,468	246,608	249,325
Food	94,668	91,986	94,949
Habilitation	-	-	9,589
Insurance	780,325	777,231	678,276
Lease	19,200	19,200	19,200
Maintenance and repairs	138,279	323,819	139,410
Other expenses	262,765	267,257	265,025
Salaries, payroll taxes and benefits	9,865,416	10,071,770	9,713,210
Supplies	126,811	131,404	115,927
Travel and seminars	84,614	79,376	75,863
Utilities	126,457	116,325	113,943
Vehicles - gas, oil and repairs	111,402	77,774	91,026
	<u>\$ 12,348,586</u>	<u>\$ 12,671,527</u>	<u>\$ 12,023,803</u>



EXPENSES

Lafourche ARC

For the years ended June 30, 2018, 2017 and 2016



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

Lafourche ARC

For the year ended June 30, 2018

Agency Head Name: Wendy Eschete

Purpose	<u>Amount</u>
Salary	\$ 91,695
Benefits - insurance	4,608
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	-
	<u>\$ 96,303</u>

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, 2018, and the related Statements of Activities, and Cash Flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated December 21, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Association'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 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 have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
December 21, 2018.

SCHEDULE OF FINDINGS AND RESPONSES

Lafourche ARC

For the year ended June 30, 2018

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 no
- Significant deficiency(ies) identified that are not
 considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

b) Federal Awards

Lafourche ARC did not expend federal awards during the year ended June 30, 2018.

Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended June 30, 2018.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Lafourche ARC

For the year ended June 30, 2018

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, 2017.

No significant deficiencies were reported during the audit for the year ended June 30, 2017.

Compliance

No compliance findings material to the statements of financial position were noted during the year ended June 30, 2017.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche ARC did not expend federal awards during the year ended June 30, 2017.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2017.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche ARC

For the year ended June 30, 2018

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, 2018.
No significant deficiencies were reported during the audit for the year ended June 30, 2018.

Compliance

No compliance findings material to the statements of financial position were noted during the year ended June 30, 2018.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche ARC did not expend federal awards during the year ended June 30, 2018.

Section III Management Letter

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