

**THE ARC OF ACADIANA, INC.**

Audits of Consolidated Financial Statements

June 30, 2018 and 2017



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## Independent Auditor's Report

To the Board of Directors  
The Arc of Acadiana, Inc.  
New Iberia, Louisiana

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The Arc of Acadiana, Inc. and its subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, 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 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 audits to obtain reasonable assurance about whether the financial statements are free from 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 fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 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 financial statements referred to above present fairly, in all material respects, the financial position of The Arc of Acadiana, Inc. and its subsidiaries as of June 30, 2018 and 2017, 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.

**Other Matter**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating and other supplementary information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated 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 consolidated financial statements. The consolidating and other supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 4, 2018 on our consideration of The Arc of Acadiana, Inc.'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 The Arc of Acadiana, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Arc of Acadiana, Inc.'s internal control over financial reporting and compliance.



A Professional Accounting Corporation

Metairie, LA  
December 4, 2018

**THE ARC OF ACADIANA, INC.**  
**Consolidated Statements of Financial Position**  
**June 30, 2018 and 2017**

	2018	2017
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 13,593,463	\$ 8,295,902
Investments	11,255,296	12,330,406
Receivables	88,042	67,060
Due from Other Agencies, Net	2,073,168	2,484,304
Prepaid Expenses	180,692	106,296
Other Current Assets	26,922	26,922
	<hr/>	<hr/>
<b>Total Current Assets</b>	<b>27,217,583</b>	<b>23,310,890</b>
	<hr/>	<hr/>
<b>Fixed Assets</b>		
Property and Equipment, Net	9,745,597	9,986,488
Equipment Under Capital Lease, Net	7,192	59,612
	<hr/>	<hr/>
<b>Total Fixed Assets</b>	<b>9,752,789</b>	<b>10,046,100</b>
	<hr/>	<hr/>
<b>Other Assets</b>		
Deposits Held for Others	313,507	357,306
Other Assets	6,336	13,031
	<hr/>	<hr/>
<b>Total Other Assets</b>	<b>319,843</b>	<b>370,337</b>
	<hr/>	<hr/>
<b>Total Assets</b>	<b>\$ 37,290,215</b>	<b>\$ 33,727,327</b>
	<hr/>	<hr/>

The accompanying notes are an integral part of these consolidated financial statements.

**THE ARC OF ACADIANA, INC.**  
**Consolidated Statements of Financial Position (Continued)**  
**June 30, 2018 and 2017**

	2018	2017
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities Payable from Current Assets</b>		
Accounts Payable	\$ 455,762	\$ 444,911
Accrued Liabilities	860,770	832,655
Accrued Compensated Absences	357,896	343,052
	<hr/>	
<b>Total Current Liabilities Payable from Current Assets</b>	<b>1,674,428</b>	<b>1,620,618</b>
	<hr/>	
<b>Current Liabilities Payable from Restricted Assets</b>		
Current Portion of Capital Lease Obligations	7,761	59,130
	<hr/>	
<b>Total Current Liabilities</b>	<b>1,682,189</b>	<b>1,679,748</b>
	<hr/>	
<b>Other Liabilities</b>		
Capital Lease Obligations, Less Current Portion	-	9,650
Deposits Held for Others	313,507	357,306
Deferred Revenue	3,900	-
	<hr/>	
<b>Total Other Liabilities</b>	<b>317,407</b>	<b>366,956</b>
	<hr/>	
<b>Total Liabilities</b>	<b>1,999,596</b>	<b>2,046,704</b>
	<hr/>	
<b>Net Assets</b>		
Unrestricted	34,754,304	31,121,202
Temporarily Restricted	536,315	559,421
	<hr/>	
<b>Total Net Assets</b>	<b>35,290,619</b>	<b>31,680,623</b>
	<hr/>	
<b>Total Liabilities and Net Assets</b>	<b>\$ 37,290,215</b>	<b>\$ 33,727,327</b>
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The accompanying notes are an integral part of these consolidated financial statements.

**THE ARC OF ACADIANA, INC.**  
**Consolidated Statement of Activities**  
**For the Year Ended June 30, 2018**

	Unrestricted	Temporarily Restricted	Total
<b>Revenues, Gains, and Other Support</b>			
Program Revenue	\$ 26,553,449	\$ -	\$ 26,553,449
Contributions	658,357	152,747	811,104
Miscellaneous Revenue	318,494	-	318,494
Investment Income, Net	231,237	-	231,237
Membership Revenue	15,468	-	15,468
Gain on Sale of Assets	112,590	-	112,590
	<hr/>		
<b>Total Unrestricted Revenues, Gains, and Other Support</b>	<b>27,889,595</b>	<b>152,747</b>	<b>28,042,342</b>
	<hr/>		
<b>Net Assets Released from Restrictions</b>			
Expiration of Time Restrictions	175,853	(175,853)	-
	<hr/>		
<b>Total Revenues, Gains, and Other Support</b>	<b>28,065,448</b>	<b>(23,106)</b>	<b>28,042,342</b>
	<hr/>		
<b>Expenses</b>			
Program Expenses			
Employment Services	5,280,260	-	5,280,260
Community Services	7,343,179	-	7,343,179
Residential Services	9,695,057	-	9,695,057
General and Administrative Expenses	2,113,850	-	2,113,850
	<hr/>		
<b>Total Expenses</b>	<b>24,432,346</b>	<b>-</b>	<b>24,432,346</b>
	<hr/>		
<b>Change in Net Assets</b>	<b>3,633,102</b>	<b>(23,106)</b>	<b>3,609,996</b>
	<hr/>		
<b>Net Assets, Beginning of Year</b>	<b>31,121,202</b>	<b>559,421</b>	<b>31,680,623</b>
	<hr/>		
<b>Net Assets, End of Year</b>	<b>\$ 34,754,304</b>	<b>\$ 536,315</b>	<b>\$ 35,290,619</b>
	<hr/> <hr/>		

The accompanying notes are an integral part of these consolidated financial statements.

**THE ARC OF ACADIANA, INC.**  
**Consolidated Statement of Activities**  
**For the Year Ended June 30, 2017**

	Unrestricted	Temporarily Restricted	Total
<b>Revenues, Gains, and Other Support</b>			
Program Revenue	\$ 27,129,998	\$ -	\$ 27,129,998
Medical Services	19,149	-	19,149
Contributions	599,015	93,361	692,376
Miscellaneous Revenue	376,407	-	376,407
Investment Income, Net	129,854	-	129,854
Membership Revenue	13,608	-	13,608
Loss on Sale of Assets	(4,522)	-	(4,522)
	<u>28,263,509</u>	<u>93,361</u>	<u>28,356,870</u>
<b>Net Assets Released from Restrictions</b>			
Expiration of Time Restrictions	213,676	(213,676)	-
	<u>28,477,185</u>	<u>(120,315)</u>	<u>28,356,870</u>
<b>Expenses</b>			
Program Expenses			
Employment Services	5,139,246	-	5,139,246
Community Services	7,113,597	-	7,113,597
Residential Services	10,468,580	-	10,468,580
General and Administrative Expenses	2,105,285	-	2,105,285
	<u>24,826,708</u>	<u>-</u>	<u>24,826,708</u>
<b>Change in Net Assets</b>	3,650,477	(120,315)	3,530,162
<b>Net Assets, Beginning of Year</b>	<u>27,470,725</u>	<u>679,736</u>	<u>28,150,461</u>
<b>Net Assets, End of Year</b>	<u>\$ 31,121,202</u>	<u>\$ 559,421</u>	<u>\$ 31,680,623</u>

The accompanying notes are an integral part of these consolidated financial statements.

**THE ARC OF ACADIANA, INC.**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended June 30, 2018 and 2017**

	2018	2017
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 3,609,996	\$ 3,530,162
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	708,312	855,919
Realized and Unrealized Gain on Investments, Net	(34,974)	(30,329)
(Gain) Loss on Sale of Fixed Assets	(112,590)	4,522
Donated Fixed Assets	(152,747)	(93,361)
Decrease (Increase) in Assets		
Receivables	(20,982)	91,714
Due from Other Agencies	411,136	296,549
Inventory and Prepaid Expenses	(74,396)	165,216
Other Current Assets	-	21,983
Deposits Held for Others and Other Assets	50,494	192,163
Increase (Decrease) in Liabilities		
Accounts Payable	10,851	6,049
Accrued Liabilities	28,115	(432,613)
Accrued Compensated Absences	14,844	(4,310)
Deposits Held for Others	(43,799)	(192,403)
Deferred Revenue	3,900	-
<b>Net Cash Provided by Operating Activities</b>	<b>4,398,160</b>	<b>4,411,261</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets	(342,709)	(336,971)
Proceeds from Sale of Fixed Assets	193,045	3,156
Purchase of Investments	(5,234,215)	(12,994,708)
Proceeds from Sale of Investments	6,344,299	5,624,641
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>960,420</b>	<b>(7,703,882)</b>
<b>Cash Flows from Financing Activities</b>		
Principal Payments Under Capital Lease Obligations	(61,019)	(106,054)
<b>Net Cash Used in Financing Activities</b>	<b>(61,019)</b>	<b>(106,054)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>5,297,561</b>	<b>(3,398,675)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>8,295,902</b>	<b>11,694,577</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 13,593,463</b>	<b>\$ 8,295,902</b>

The accompanying notes are an integral part of these consolidated financial statements.

**THE ARC OF ACADIANA, INC.**  
**Consolidated Statements of Cash Flows (Continued)**  
**For the Years Ended June 30, 2018 and 2017**

	2018	2017
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash Paid for Interest	<u>\$ 10,987</u>	<u>\$ 20,771</u>

The accompanying notes are an integral part of these consolidated financial statements.

## THE ARC OF ACADIANA, INC.

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Organization and Summary of Significant Accounting Policies

##### Nature of Organization

The accompanying consolidated financial statements include the accounts of The Arc of Acadiana, Inc. (Arc), a Louisiana nonprofit corporation originally chartered in August 1954, Lafayette Family Healthcare, Inc. (LFH), a nonprofit corporation, incorporated in August 2013, and Opelousas Family Healthcare, Inc. (OFH), a nonprofit corporation, incorporated in June 2015, collectively referred to as "the Entities". During the year ended June 30, 2017, LFH and OFH closed, wherein all of OFH's assets were moved to LFH. During the year ended June 30, 2018, all of LFH's assets were moved to Arc. Arc's purpose is to promote the general welfare of developmentally disabled physically handicapped and incapacitated citizens in the Acadiana area and to aid their parents and families. LFH and OFH offered medical and counseling services to Arc clients, as well as the general public. The following is a description of the various programs:

##### Employment Services

Employment Services is a day program for citizens of the community who are developmentally disabled. The day program operates in New Iberia, Lafayette, Iota, and Opelousas, Louisiana. Employment Services also operates several used clothing stores with locations in New Iberia, Lafayette, Eunice, and Opelousas, Louisiana. Sales from these stores account for approximately 3% of program revenue for each of the years ended June 30, 2018 and 2017.

##### Community Services

The programs listed below are consolidated into one program. These programs operate in New Iberia, Lafayette, Crowley, and Opelousas, Louisiana.

Independent Living - Arc supervises adults who are developmentally disabled that live in their own home or apartment.

Personal Care Assistance (PCA) and Individual Family Support (IFS) - The PCA and IFS programs provide the services to the Independent Living program on more of a "one-on-one" basis. These programs are administered completely out of the clients' homes.

##### Residential Services

Residential Services provides homes in the Lafayette, New Iberia, Iota, and Bossier City, Louisiana areas for adults who are developmentally disabled.

##### Medical and Counseling Services

During parts of the year ended June 30, 2017, LFH and OFH provided standard medical services as well as mental health services to Arc's clients as well as the general public. These services were not provided during the year ended June 30, 2018.

##### Operating Fund

The operating fund is used to account for all general and administrative expenses of the Entities.

## THE ARC OF ACADIANA, INC.

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

##### **Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of The Arc of Acadiana, Inc. and its wholly-owned subsidiary, Lafayette Family Healthcare, Inc. All material intercompany accounts and transactions have been eliminated. Due to the lack of activity of Opelousas Family Healthcare, Inc., this wholly-owned subsidiary is not included in the consolidating statements of financial position or activities.

##### **Basis of Accounting**

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

##### **Cash and Cash Equivalents**

For the purposes of the consolidated statements of cash flows, the Entities consider all highly liquid investments (including restricted assets) with an original maturity of three months or less to be cash equivalents.

##### **Investments**

Investments in certificates of deposit are presented in the consolidated financial statements at cost which approximates fair market value. Investments in equity securities with readily determinable fair values and investments in debt securities are reported at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities. Gains, losses, and investment income are accounted for as unrestricted, temporarily restricted, or permanently restricted based on restrictions, if any, imposed by donors.

##### **Allowance for Doubtful Accounts**

Arc considers amounts due from other agencies to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded.

##### **Property and Equipment**

Purchased property and equipment in excess of \$5,000 is capitalized and recorded at cost at the date of acquisition. Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor stipulations regarding how long the contributed assets must be used, the Entities have adopted a policy of implying a time restriction on contributions of such assets which expire over the assets' useful lives. As a result, all contributions of property and equipment, and of assets contributed to acquire property and equipment, are recorded as restricted support.

**Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)**

**Property and Equipment (Continued)**

Depreciation and amortization is computed by the straight-line method at rates based on the following estimated useful lives:

Furniture and Equipment	5 - 20 Years
Building and Improvements	8 - 30 Years
Transportation Equipment	3 - 5 Years

Interest on debt issued to finance the renovations to the Walton Street building and Redwood Street administrative building have been capitalized as part of the projects.

**Impairment of Long-Lived Assets**

The Entities review long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is present when the sum of undiscounted estimated future cash flows expected to result from use of the assets is less than carrying value. If impairment is present, the carrying value of the impaired asset is reduced to its fair value. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets. During the years ended June 30, 2018 and 2017, there were no impairment losses recognized for long-lived assets.

**Support and Expenses**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. There were no permanently restricted net assets as of June 30, 2018 and 2017.

When a donor 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 in the consolidated statements of activities as net assets released from restrictions. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

**Donated Services**

The Entities receive donated services from unpaid volunteers who assist in program services during the year; however, these donated services are not reflected in the consolidated statements of activities because the criteria for recognition have not been satisfied.

**Compensated Absences**

Employees of the Entities earn annual leave per month depending on years of service at a minimum of twelve days per fiscal year. Annual leave is cumulative from one year to the next, up to a maximum of 240 hours.

Upon resignation or termination of employment for cause, an employee may be paid for the value of any accrued leave up to a maximum of 240 hours.

**Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)**

**Non-Direct Response Advertising**

The Entities expense advertising costs as incurred. Advertising expense charged to operations totaled \$91,258 and \$84,162, for the years ended June 30, 2018 and 2017, respectively.

**Income Taxes**

Arc qualifies for an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code. LFH and OFH are exempt from income taxes under Arc's Internal Revenue Service group exemption letter. Therefore, no provision for income taxes is made in the accompanying consolidated financial statements.

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Entities believe that they have appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the consolidated financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

**Use of Estimates**

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

**Fair Value of Financial Instruments**

Investments in equity securities with readily determinable fair values and investments in debt securities are measured at fair value in the consolidated statements of financial position.

The Entities follow the *Fair Value Measurement* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under this Topic, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This Topic establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

**Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)**

**Fair Value of Financial Instruments (Continued)**

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date.

Investments whose values are based on quoted market prices in active markets, and are therefore classified as Level 1, include but are not limited to actively traded equities and certain money market securities.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, as of the reporting date.

Investments classified as Level 2 trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These generally include certain U.S. government and sovereign obligations, most government agency securities, investment grade corporate bonds, less liquid listed equities, state, municipal and principal obligations, and most physical commodities. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Level 3 - Valuations based on inputs that are unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement (see Note 4).

**Insurance Programs**

Through December 31, 2017, Arc purchased workers' compensation insurance coverage with a large deductible/self-insured retention limit. Arc records a liability for claims when the claim is known, the amount of the claim can be estimated, and the loss is probable. Historical experience indicates some degree of inherent variability in assessing the ultimate amount of losses for such claims. Arc continually evaluates loss estimates associated with these insurance claims. Assumptions used in preparing estimates are based on factors such as claim settlement patterns, prior claim history, expert valuations, and other factors. Arc uses a "best estimate" to project ultimate claim loss. Effective January 1, 2018, Arc changed its insurance program and became fully insured.

**Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)**

**Recent Accounting Pronouncements**

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit 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 replaces 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. ASU 2016-14 is effective for annual periods beginning after December 15, 2017 and interim periods within fiscal years beginning after December 15, 2018, with early adoption permitted. The Entities are currently evaluating the impact the adoption of this guidance will have on its consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, 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. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. The Entities have not yet selected a transition method and are currently evaluating the effect that the standard will have on the consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Entities are currently evaluating the impact of our pending adoption of the new standard on our consolidated financial statements.

**Reclassification**

Certain amounts on the consolidated statement of financial position as of June 30, 2017, have been reclassified, with no effect on change in net assets, to be consistent with the classifications adopted for the year ended June 30, 2018.

# THE ARC OF ACADIANA, INC.

## Notes to Consolidated Financial Statements

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### Note 2. Due from Other Agencies, Net

Due from other agencies, net at June 30, 2018 and 2017, consisted of the following:

	2018	2017
Due from Medicaid, Net	\$ 1,989,345	\$ 2,395,389
Due from Other Facilities, Net	71,675	80,840
Due from O.C.D.D.	9,770	4,734
Due from Louisiana Rehabilitation Services, Net	2,378	3,341
<b>Total</b>	<b>\$ 2,073,168</b>	<b>\$ 2,484,304</b>

### Note 3. Investments

As more fully described in Note 1, investments are presented in the consolidated financial statements at fair value and are composed of the following for the years ended June 30, 2018 and 2017:

	2018	2017
Cash - Money Market and Certificate of Deposit	\$ 8,010,917	\$ 11,443,712
Equity Securities	2,839,563	598,086
Debt Securities	404,816	288,608
<b>Total</b>	<b>\$ 11,255,296</b>	<b>\$ 12,330,406</b>

Investment income, net is composed of the following for the years ended June 30, 2018 and 2017:

	2018	2017
Dividends and Interest	\$ 210,704	\$ 102,894
Realized Gain	9,220	9,623
Unrealized Gain	25,754	20,706
Investment Fees	(14,441)	(3,369)
<b>Total</b>	<b>\$ 231,237</b>	<b>\$ 129,854</b>

THE ARC OF ACADIANA, INC.

Notes to Consolidated Financial Statements

**Note 4. Fair Value Measurements**

The Entities' assets recorded at fair value have been categorized based upon a fair value hierarchy with the *Fair Value Measurement* Topic of the FASB ASC. See Note 1 for a description of the Entities' policies and valuation techniques.

The valuation of the Entities' assets measured at fair value on a recurring basis at June 30, 2018 and 2017, is as follows:

June 30, 2018	Level 1	Level 2	Level 3	Net Balance
<b>Cash - Money Market and Certificate of Deposit</b>	\$ 7,526,742	\$ 484,175	\$ -	\$ 8,010,917
<b>Corporate Fixed Income</b>	151,233	-	-	151,233
<b>Corporate Stocks and ETFs</b>	516,421	-	-	516,421
<b>Corporate Trusts</b>	103,520	-	-	103,520
<b>Open End Mutual Funds</b>	2,323,142	-	-	2,323,142
<b>U.S. Government Obligations</b>	150,063	-	-	150,063
<b>Total</b>	<b>\$ 10,771,121</b>	<b>\$ 484,175</b>	<b>\$ -</b>	<b>\$ 11,255,296</b>

June 30, 2017	Level 1	Level 2	Level 3	Net Balance
<b>Cash - Money Market and Certificate of Deposit</b>	\$ 9,461,272	\$ 1,982,440	\$ -	\$ 11,443,712
<b>Corporate Fixed Income</b>	143,145	-	-	143,145
<b>Corporate Stocks and ETFs</b>	486,193	-	-	486,193
<b>Open End Mutual Funds</b>	111,893	-	-	111,893
<b>U.S. Government Obligations</b>	145,463	-	-	145,463
<b>Total</b>	<b>\$ 10,347,966</b>	<b>\$ 1,982,440</b>	<b>\$ -</b>	<b>\$ 12,330,406</b>

**Note 5. Property and Equipment, Net**

Property and equipment, net at June 30, 2018 and 2017, consisted of the following:

June 30, 2018	Purchased		Total
	Assets Historical Cost	Donated Value	
<b>Land</b>	\$ 1,490,369	\$ 20,800	\$ 1,511,169
<b>Building and Improvements</b>	9,800,329	196,376	9,996,705
<b>Furniture and Equipment</b>	1,293,730	42,300	1,336,030
<b>Vehicles</b>	1,230,015	2,256,210	3,486,225
<b>Construction in Progress</b>	100,723	-	100,723
	13,915,166	2,515,686	16,430,852
<b>Less: Accumulated Depreciation</b>	(4,853,453)	(1,831,802)	(6,685,255)
<b>Net Property and Equipment</b>	<b>\$ 9,061,713</b>	<b>\$ 683,884</b>	<b>\$ 9,745,597</b>

THE ARC OF ACADIANA, INC.

Notes to Consolidated Financial Statements

**Note 5. Property and Equipment, Net (Continued)**

June 30, 2017	Purchased Assets Historical Cost	Donated Value	Total
Land	\$ 1,366,652	\$ 20,800	\$ 1,387,452
Building and Improvements	9,951,358	196,376	10,147,734
Furniture and Equipment	1,332,758	42,300	1,375,058
Vehicles	1,309,311	2,154,303	3,463,614
Construction in Progress	17,250	-	17,250
	13,977,329	2,413,779	16,391,108
Less: Accumulated Depreciation	(4,715,950)	(1,688,670)	(6,404,620)
Net Property and Equipment	\$ 9,261,379	\$ 725,109	\$ 9,986,488

Total depreciation expense for the years ended June 30, 2018 and 2017 was \$656,157 and \$766,327, respectively, of which \$175,853 and \$213,676, respectively, was related to donated assets.

**Note 6. Capital Leases**

The Entities lease certain equipment used in its operations under agreements that are classified as capital leases. The carrying amount of such equipment approximates the lesser of the present value of the associated minimum lease payments or the fair market value at the start of the lease. All of the equipment leases expire within the next year. The lease obligations are secured by the leased equipment.

In most circumstances, management expects that these leases will not be renewed or replaced by other leases.

The following is an analysis of the leased equipment under capital leases by major class as of June 30, 2018 and 2017:

	2018	2017
<b>Equipment Under Capital Lease</b>		
Furniture and Equipment	\$ 90,710	\$ 437,898
	90,710	437,898
<b>Less: Accumulated Amortization</b>	(83,518)	(378,286)
<b>Net Equipment Under Capital Lease</b>	\$ 7,192	\$ 59,612

Amortization expense related to capital lease obligations was \$52,155 and \$89,592, for years ended June 30, 2018 and 2017, respectively.

THE ARC OF ACADIANA, INC.

Notes to Consolidated Financial Statements

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**Note 6. Capital Leases (Continued)**

Future minimum lease payments and the present value of the minimum lease payments under all of the capital lease obligations discussed above are as follows as of June 30, 2018:

<b>Year Ending June 30:</b>	<b>Amount</b>
2019	\$ 8,626
Total Minimum Lease Payments	8,626
Less: Amount Representing Interest (a)	(865)
Present Value of Minimum Lease Payments	7,761
Less: Current Maturities of Capital Lease Obligations	(7,761)
Long-Term Capital Lease Obligations	\$ -

(a) Amount necessary to reduce net minimum lease payments to present value calculated at the Entities' incremental borrowing rate at lease inception.

Interest expense under capital lease obligations was \$10,987 and \$19,879, for years ended June 30, 2018 and 2017, respectively.

**Note 7. Operating Leases**

The Entities lease facilities and equipment under operating leases, some of which include renewal options. Rental expenses under long-term operating leases of property and equipment for the years ended June 30, 2018 and 2017, was \$99,730 and \$97,545, respectively.

Future minimum lease commitments as of June 30, 2018, are payable as follows:

<b>Years</b>	<b>Amount</b>
2019	\$ 74,100
2020	54,050
2021	14,550
<b>Total</b>	<b>\$ 142,700</b>

THE ARC OF ACADIANA, INC.

Notes to Consolidated Financial Statements

**Note 8. Detail of Program Revenue**

Program revenue included the following for the years ended June 30, 2018 and 2017:

June 30, 2018	Total	Program		
		Employment Services	Community Services	Residential Services
Medicaid	\$ 24,045,515	\$ 2,966,585	\$ 8,269,939	\$ 12,808,991
Office of Citizens with Developmental Disabilities	97,239	63,350	30,459	3,430
Louisiana Rehab Services	26,250	26,250	-	-
Sales	883,803	882,283	-	1,520
Client Billings	1,089,162	36,182	128,826	924,154
Other Residential Facilities	411,480	411,480	-	-
<b>Total Program Revenue</b>	<b>\$ 26,553,449</b>	<b>\$ 4,386,130</b>	<b>\$ 8,429,224</b>	<b>\$ 13,738,095</b>

June 30, 2017	Total	Program		
		Employment Services	Community Services	Residential Services
Medicaid	\$ 24,587,846	\$ 2,859,939	\$ 8,018,115	\$ 13,709,792
Office of Citizens with Developmental Disabilities	64,885	33,495	31,390	-
Louisiana Rehab Services	6,600	6,600	-	-
Sales	898,505	897,144	-	1,361
Client Billings	1,091,202	39,242	117,232	934,728
Other Residential Facilities	480,960	480,960	-	-
<b>Total Program Revenue</b>	<b>\$ 27,129,998</b>	<b>\$ 4,317,380</b>	<b>\$ 8,166,737</b>	<b>\$ 14,645,881</b>

**Note 9. Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following periods or purposes as of June 30, 2018 and 2017:

	2018	2017
<b>Remaining Net Book Value of Contributed Property and Equipment</b>		
Employment Services Program	<b>\$ 536,315</b>	<b>\$ 559,421</b>

## THE ARC OF ACADIANA, INC.

### Notes to Consolidated Financial Statements

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#### Note 10. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or the expiration of time for the years ended June 30<sup>th</sup>:

	2018	2017
<b>Time Restriction Expired</b>		
Expired Portion of Net Book Value of Contributed Property and Equipment	<u>\$ 175,853</u>	<u>\$ 213,676</u>

#### Note 11. Fiduciary Funds

Arc acts as a fiduciary agent for several of its resident clients. The balance of the reconciled checking accounts maintained by Arc totaled \$209,511 and \$227,559, for the years ended June 30, 2018 and 2017, respectively.

The Community Services Program, through its Independent Living Program, also acts as fiduciary agent for several of its clients. Checking accounts are maintained for each client, as applicable. Deposits include the client's social security benefits, their payroll checks, if employed, and miscellaneous gifts from family members. Disbursements consist of day-to-day living expenses and are based on the individual client's needs. The balance in these reconciled checking accounts at June 30, 2018 and 2017, was \$103,996 and \$129,747, respectively.

#### Note 12. Retirement Plan

Arc offers a 401(k) retirement plan to all employees who have met the eligibility requirement of 1 year of service. Participants may elect to contribute portions of their eligible compensation, up to the maximum allowed by law. Arc contributes a basic matching contribution equal to the sum of 100% of the amount of the participant's salary deferral (including catch-up contributions), up to 3% of the participant's eligible compensation, plus 50% of the amount of the participant's salary deferral between 3% and 5% of the participant's eligible compensation. Alternatively, Arc may choose to make an enhanced matching contribution equal to the sum of 100% of the participant's salary deferral (including catch-up contributions), up to 4% of the participant's eligible compensation, or a non-elective contribution equal to 3% of the participant's eligible compensation. Participants become fully vested in employer matching contributions after 6 years of service. Arc's matching contributions for the years ended June 30, 2018 and 2017, were \$174,318 and \$170,364, respectively.

## THE ARC OF ACADIANA, INC.

### Notes to Consolidated Financial Statements

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#### Note 13. Concentration of Credit Risk

The Entities periodically maintain cash and time deposit balances in excess of Federal Deposit Insurance Corporation (FDIC) coverage at its banks. A large majority of funds held on deposit by the Entities are transferred each night to a repurchase account and collateralized with direct U.S. Government obligations, U.S. Government Agency obligations, or collateralized mortgage obligations. As of June 30, 2018 and 2017, amounts over FDIC coverage totaled \$12,646,529 and \$8,537,417, respectively.

The Entities also receive a considerable amount of its total support and revenues from Medicaid for payments for services provided to clients. During the years ended June 30, 2018 and 2017, the Entities received \$24,045,515 and \$24,587,846, respectively, from Medicaid, which was 86% and 87% of total revenues, respectively.

#### Note 14. Pending Litigation

The Entities are a part to various legal actions arising in the ordinary course of operations. In the opinion of management, all such matters are adequately covered by insurance and, if not so covered, are without merit or are of such kind, or involve such amounts as would not have a significant effect on the financial position or results of operations of the Entities if disposed of unfavorably.

#### Note 15. Related Party Transactions

As of June 30, 2018 and 2017, Arc held investments with a company managed by a member of their Board of Directors.

Certain management employees of Arc also spent part of their time working for LFH. As such, these salaries were allocated to LFH. During the year ended June 30, 2017, total salaries of \$6,043 was allocated to LFH as salaries and wages. This amount has been eliminated in the accompanying consolidated financial statements. Clinic operations ceased during the years ended June 30, 2017, thus no expenses were allocated during the year ended June 30, 2018.

During the year ended June 30, 2017, LFH paid rent for office space at \$2,000 a month to Arc, totaling \$6,000. No formal rent agreement was in place. The agreement was terminated as of September 30, 2016. This amount has been eliminated in the accompanying consolidated financial statements.

#### Note 16. Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, which was December 4, 2018, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

## **SUPPLEMENTARY INFORMATION**

**THE ARC OF ACADIANA, INC.**  
**Consolidating Statement of Financial Position**  
**June 30, 2018**

**Schedule I**

	<b>The Arc of Acadiana, Inc.</b>	<b>Lafayette Family Healthcare, Inc.</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 13,593,463	\$ -	\$ -	\$ 13,593,463
Investments	11,255,296	-	-	11,255,296
Receivables	88,042	-	-	88,042
Due from Other Agencies, Net	2,073,168	-	-	2,073,168
Prepaid Expenses	180,692	-	-	180,692
Other Current Assets	26,922	-	-	26,922
<b>Total Current Assets</b>	<b>27,217,583</b>	<b>-</b>	<b>-</b>	<b>27,217,583</b>
<b>Fixed Assets</b>				
Property and Equipment, Net	9,745,597	-	-	9,745,597
Equipment Under Capital Lease, Net	7,192	-	-	7,192
<b>Total Fixed Assets</b>	<b>9,752,789</b>	<b>-</b>	<b>-</b>	<b>9,752,789</b>
<b>Other Assets</b>				
Deposits Held for Others	313,507	-	-	313,507
Other Assets	6,336	-	-	6,336
<b>Total Other Assets</b>	<b>319,843</b>	<b>-</b>	<b>-</b>	<b>319,843</b>
<b>Total Assets</b>	<b>\$ 37,290,215</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,290,215</b>

See independent auditor's report.

**THE ARC OF ACADIANA, INC.**  
**Consolidating Statement of Financial Position (Continued)**  
**June 30, 2018**

**Schedule I**

	The Arc of Acadiana, Inc.	Lafayette Family Healthcare, Inc.	Eliminations	Consolidated
<b>Current Liabilities Payable from Current Assets</b>				
Accounts Payable	\$ 455,762	\$ -	\$ -	\$ 455,762
Accrued Liabilities	860,770	-	-	860,770
Accrued Compensated Absences	357,896	-	-	357,896
<b>Total Current Liabilities Payable from Current Assets</b>	<b>1,674,428</b>	<b>-</b>	<b>-</b>	<b>1,674,428</b>
<b>Current Liabilities Payable from Restricted Assets</b>				
Current Portion of Capital Lease Obligations	7,761	-	-	7,761
<b>Total Current Liabilities</b>	<b>1,682,189</b>	<b>-</b>	<b>-</b>	<b>1,682,189</b>
<b>Other Liabilities</b>				
Deposits Held for Others	313,507	-	-	313,507
Deferred Revenue	3,900	-	-	3,900
<b>Total Other Liabilities</b>	<b>317,407</b>	<b>-</b>	<b>-</b>	<b>317,407</b>
<b>Total Liabilities</b>	<b>1,999,596</b>	<b>-</b>	<b>-</b>	<b>1,999,596</b>
<b>Net Assets</b>				
Unrestricted	34,754,304	-	-	34,754,304
Temporarily Restricted	536,315	-	-	536,315
<b>Total Net Assets</b>	<b>35,290,619</b>	<b>-</b>	<b>-</b>	<b>35,290,619</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 37,290,215</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,290,215</b>

See independent auditor's report.

**THE ARC OF ACADIANA, INC.**  
**Consolidating Statement of Activities**  
**For the Year Ended June 30, 2018**

**Schedule II**

	<b>The Arc of Acadiana, Inc.</b>	<b>Lafayette Family Healthcare, Inc.</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Revenues, Gains, Losses, and Other Support</b>				
Program Revenue	\$26,553,449	\$ -	\$ -	\$ 26,553,449
Contributions	658,357	-	-	658,357
Miscellaneous Revenue	318,494	-	-	318,494
Investment Income, Net	231,237	-	-	231,237
Membership Revenue	15,468	-	-	15,468
Gain on Sale of Assets	112,590	-	-	112,590
Writeoff of Related Party Payable/Receivable	81,352	(81,352)	-	-
Loss from Subsidiary	(81,352)	-	81,352	-
<b>Total Unrestricted Revenues, Gains, Losses, and Other Support</b>	<b>27,889,595</b>	<b>(81,352)</b>	<b>81,352</b>	<b>27,889,595</b>
<b>Net Assets Released from Restrictions</b>				
Expiration of Time Restrictions	175,853	-	-	175,853
<b>Total Revenues, Gains, Losses, and Other Support</b>	<b>28,065,448</b>	<b>(81,352)</b>	<b>81,352</b>	<b>28,065,448</b>
<b>Expenses</b>				
Program Expenses				
Employment Services	5,280,260	-	-	5,280,260
Community Services	7,343,179	-	-	7,343,179
Residential Services	9,695,057	-	-	9,695,057
General and Administrative Expenses	2,113,850	-	-	2,113,850
<b>Total Expenses</b>	<b>24,432,346</b>	<b>-</b>	<b>-</b>	<b>24,432,346</b>
<b>Change in Unrestricted Net Assets</b>	<b>3,633,102</b>	<b>(81,352)</b>	<b>81,352</b>	<b>3,633,102</b>
Contributions	152,747	-	-	152,747
Net Assets Released from Restriction	(175,853)	-	-	(175,853)
<b>Change in Temporarily Restricted Net Assets</b>	<b>(23,106)</b>	<b>-</b>	<b>-</b>	<b>(23,106)</b>
<b>Change in Net Assets</b>	<b>3,609,996</b>	<b>(81,352)</b>	<b>81,352</b>	<b>3,609,996</b>
<b>Net Assets, Beginning of Year</b>	<b>31,680,623</b>	<b>81,352</b>	<b>(81,352)</b>	<b>31,680,623</b>
<b>Net Assets, End of Year</b>	<b>\$35,290,619</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,290,619</b>

See independent auditor's report.

**THE ARC OF ACADIANA, INC.**  
**Schedule of Compensation, Benefits, and Other Payments to**  
**Agency Head or Chief Executive Officer**  
**For the Year Ended June 30, 2018**

**Schedule III**

Louisiana Revised Statute 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees be reported as a supplemental report within the financial statement of local government and quasi-public auditees. In 2016, Act 462 of the 2016 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that receive public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

**Agency Head**  
 Kenny Patton, Chief Executive Officer

<b>Purpose</b>	<b>Compensation and Benefits Funded by Use of Public Funds</b>
Salary	\$270,027
Benefits - Insurance	\$2,400
Benefits - Retirement	\$9,611
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$728
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$395

See independent auditor's report.

**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**

Independent Auditor's Report

To the Board of Directors  
The Arc of Acadiana, Inc.  
New Iberia, 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 The Arc of Acadiana, Inc., which comprise the consolidated statement of financial position as of June 30, 2018, the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 4, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered The Arc of Acadiana, Inc.'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Arc of Acadiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Arc of Acadiana, Inc.'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 consolidated 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 Arc of Acadiana, Inc.'s consolidated 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Board of Directors, others within the organization, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Metairie, LA  
December 4, 2018

**THE ARC OF ACADIANA, INC.  
Schedule of Findings and Responses  
For the Year Ended June 30, 2018**

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**Part I - Summary of Auditor's Results**

Financial Statements

- |  |               |
|--|---------------|
| 1. Type of auditor's report issued:                          | Unmodified    |
| 2. Internal control over financial reporting:                |               |
| a. Material weaknesses identified?                           | None          |
| b. Significant deficiencies identified?                      | None Reported |
| c. Noncompliance material to the financial statements noted? | None          |

Federal Awards - Not applicable

**Part II - Financial Statement Findings**

None.

**THE ARC OF ACADIANA, INC.**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2018**

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None.