

**THE ARC – IBERVILLE, INC.
PLAQUEMINE, LOUISIANA
ANNUAL FINANCIAL REPORT**

JUNE 30, 2019

**THE ARC – IBERVILLE, INC.
PLAQUEMINE, LOUISIANA
TABLE OF CONTENTS
JUNE 30, 2019**

	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT	1-2
FINANCIAL STATEMENTS	3
Statement of Financial Position	4
Statement of Activities and Changes in Net Assets	5
Schedule of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8-14
SUPPLEMENTARY INFORMATION	15
Schedule 1: Schedule of Compensation of Board Members	16
Schedule 2: Schedule of Compensation, Benefits, and Other Payments to Agency Head	17
OTHER REPORTS	18
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 <i>Government Auditing Standards</i>	19-20
Schedule of Findings and Responses	21
Schedule of Prior Year Findings	22

BAXLEY AND ASSOCIATES, LLC

P. O. Box 482
58225 Belleview Drive
Plaquemine, Louisiana 70764
Phone (225) 687-6630 Fax (225) 687-0365

Margaret A. Pritchard, CPA/CGMA
Matthew L. Berthelot, CPA

Staci H. Joffrion, CPA/CGMA

Hugh F. Baxley, CPA/CGMA/CVA – Retired

INDEPENDENT AUDITOR’S REPORT

Board of Directors
The Arc – Iberville, Inc.
Plaquemine, Louisiana

We have audited the accompanying financial statements of The Arc – Iberville, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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.

INDEPENDENT AUDITOR'S REPORT, Continued

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 – Iberville, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of compensation of board members and schedule of compensation, benefits, and other payments to agency head on pages 16 through 17 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2019 on our consideration of The Arc – Iberville Inc.'s internal control over financial reporting and 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 *Government Auditing Standards* in considering The Arc – Iberville, Inc.'s internal control over financial reporting and compliance.

Baxley & Associates, LLC

Plaquemine, Louisiana
December 17, 2019

FINANCIAL STATEMENTS

**THE ARC - IBERVILLE, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019**

ASSETS

Current Assets	
Cash and cash equivalents	\$ 672,252
Certificates of deposit	431,813
Due from other agencies	152,415
Prepaid expense	9,104
Total Current Assets	<u>1,265,584</u>
Property and Equipment	
Vehicles	103,369
Furniture and fixtures	19,937
Buildings	10,609
	<u>133,915</u>
Less accumulated depreciation	<u>(110,334)</u>
Total Property and Equipment	<u>23,581</u>
Other Assets	
Utility deposit	400
TOTAL ASSETS	<u><u>\$ 1,289,565</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 1,460
Payroll taxes withheld and accrued	8,829
Total Current Liabilities	<u>10,289</u>
Long-term liabilities	
Line of credit - Plaquemine Bank and Trust Co.	<u>50,000</u>
Total Liabilities	<u>60,289</u>
Net Assets:	
Without donor restrictions	<u>1,229,276</u>
Total Net Assets	<u>1,229,276</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,289,565</u></u>

The accompanying notes are an integral part of this statement.

THE ARC - IBERVILLE, INC.
 STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Without Donor Restrictions</u>
REVENUES AND OTHER SUPPORT	
Public Support:	
Medicaid	\$ 849,020
Iberville Parish Council	30,000
Office of Community Services, Div. of Rehabilitation Services	15,350
Capital Area United Way Allocation	55,561
Structured Work Program	3,918
CAHSD	2,479
Contributions	13,381
Other Revenues:	
Dues	920
Interest Income	6,830
Vending Machines	1,013
In-Kind	45,896
Miscellaneous Income	244
TOTAL REVENUES AND OTHER SUPPORT	1,024,612
EXPENSES	
Program Services:	
Supervised Living/PCA & Respite	507,368
Vocational Services	289,872
Supporting Services:	
Management and General	251,007
TOTAL EXPENSES	1,048,247
Change in Net Assets	(23,635)
Net Assets at Beginning of Year	1,252,911
Net Assets at End of Year	\$ 1,229,276

The accompanying notes are an integral part of this statement.

THE ARC - IBERVILLE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Services		Supporting Services	Total
	Supervised Living/ PCA & Respite	Vocational Services	Management and General	
Salaries	447,083	223,542	100,208	770,833
Payroll taxes	34,262	17,131	7,679	59,072
Repairs and maintenance	2,168	3,613	12,283	18,064
Professional fees	1,420	1,420	14,912	17,752
Advertising	36	36	378	450
Supplies	1,115	3,027	3,824	7,966
Telephone	2,086	2,477	1,955	6,518
Postage	3	23	262	288
Automobile and travel	199	19,503	199	19,901
Dues and subscriptions	320	380	487	1,187
Licenses	64	37	818	919
Insurance	12,147	12,147	43,188	67,482
Security	240	361	735	1,336
Training and workshops	4,707	1,597	2,101	8,405
In-kind	-	-	45,896	45,896
Rent	533	4,444	948	5,925
Miscellaneous	985	134	3,357	4,476
Total Expenses Before Depreciation	507,368	289,872	239,230	1,036,470
Depreciation of buildings and equipment	-	-	11,777	11,777
TOTAL EXPENSES	\$ 507,368	\$ 289,872	\$ 251,007	\$ 1,048,247

The accompanying notes are an integral part of this statement.

**THE ARC - IBERVILLE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (23,635)
Adjustments to reconcile net assets to net cash provided by operating activities:	
Depreciation	11,777
(Increase) in accounts receivable	(29,166)
(Increase) in prepaid expense	(3,455)
Increase in payroll taxes withheld and accrued	<u>1,615</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(42,864)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of capital assets	(1,117)
Purchase of certificates of deposit	<u>(5,651)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(6,768)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(49,632)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>721,884</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 672,252</u></u>
Supplemental Data	
Interest paid	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

**THE ARC – IBERVILLE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Arc – Iberville, Inc. (the Arc) is a Louisiana nonprofit organization that was formed to provide service needs for persons with intellectual and developmental disabilities and handicapped persons of Iberville Parish. The Arc is solely dependent on Medicaid funding, appropriations from state agencies, fundraising and other contributions.

Nature of Services

The Arc offers the following service programs:

- Vocational program services are provided by the Arc to develop and create employment opportunities for individuals (age 16 or older) with disabilities through partnership with Louisiana Rehabilitation Services. Provides vocational assessments, job readiness skills, job placement, and training service and follow-up services.
- Supervised Living/Personal Care Assistance (PCA) and Respite services provide relief for the primary care providers of children and adults with developmental disabilities, from the everyday care, whether it's physical assistance or accompanying on outings. The support may occur in the individual's home, in the community, or in the Respite Center. It may occur regularly or the family may only request assistance in an emergency situation. The primary objective of Respite is to help prevent or delay institutionalization of individuals with developmental disabilities.

Reporting Entity

The Arc is not a component unit of another primary government nor does it have any component units which are related to it. Therefore, the Arc has presented its financial statements as a separate special-purpose entity.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting. Accordingly, revenues from program service fees, fund raising, donations, and activity center services are recognized when earned and expenses are recognized when incurred.

To ensure proper usage of assets with and without donor restrictions, the Arc maintains its accounts according to accounting principles generally accepted in the United States of America, whereby funds are classified in accordance with specified restrictions or objectives.

**THE ARC – IBERVILLE, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents and Certificates of Deposit

For purposes of the statement of cash flows, the Arc considers all cash accounts with a maturity of three months or less when purchased to be cash and cash equivalents. Certificates of deposit with banks mature within one year and are carried at cost, which approximates fair value.

Investments

Investments in marketable securities with readily determinable fair values are stated at their fair value in the statement of financial position. Unrealized gains/losses are included in changes in net assets.

Accounts Receivable and Bad Debt

Management considers accounts receivable that are more than 30 days to be past due. Additionally, management has determined that accounts receivable that are more than one year old may not be collectible. Therefore, the reserve for uncollectible accounts is based upon the balance of receivables that are more than one year old.

Property and Equipment and Depreciation

Property and equipment is stated at cost unless donated. Donated property and equipment is stated at fair market value as of the date of the gift. The Arc's policy has set the capitalization threshold for reporting property and equipment at \$1,000. Depreciation is charged to operations using the straight-line method over the estimated useful lives as follows:

Buildings	30-40 years
Vehicles	5 years
Furniture and fixtures	5-10 years

Revenue Recognition

The majority of the Arc's revenue is derived from third-party reimbursement arrangements. The revenues and the allowance of related expenditures are subject to audits by the granting agencies.

The Arc recognizes contributions received and made including unconditional promises to give, as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenues with donor restrictions and are reclassified as net assets released from restrictions in the same year.

Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met. There were no conditional promises to give for the year ended June 30, 2019.

**THE ARC – IBERVILLE, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Arc reports gifts of land, buildings, and equipment as revenue without donor restrictions unless explicit stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and the gifts of cash or other asset that must be used to acquire long-lived assets must be maintained, the Arc reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions of non-cash assets as well as contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing these skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The Arc did not recognize any contributed services during the year ended June 30, 2019.

Expenses

Expenses are charged directly to programs in categories based on specific identification. Indirect expenses have been allocated based on total expenses for each program.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Arc is a nonprofit organization that is exempt from incomes taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Therefore, the Arc has not recorded a provision for income taxes in the accompanying financial statements and the Arc does not have any uncertain tax positions. The Arc files a federal tax return with the Internal Revenue Service.

Prepaid Expenses

Payments to vendors for services that will benefit periods beyond June 30, 2019 are recorded as prepaid expenses.

Accounting Pronouncement Adopted

On August 18, 2016, FASB issued Accounting Standards Update (ASU) No. 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statement for Not-for-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital gifts for construction as a net asset without donor

**THE ARC – IBERVILLE, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

restrictions when the associated long-lived asset is placed in service; and recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also enhances disclosures for board designated amounts, composition of net assets without donor restrictions, liquidity and expenses by both their natural and functional classification. The Arc adopted this ASU during the fiscal year ended June 30, 2019.

Financial Statement Presentation

The financial statements have been prepared in accordance with U.S. GAAP, which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

The Arc reports information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Arc reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities and changes in net asset as such. The Arc has no assets with donor restrictions at June 30, 2019.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounting Pronouncements Issued but Not Yet Adopted

FASB has issued ASU No. 2014-09, "*Revenue from Contracts with Customers*," to update its revenue recognition standard to clarify principles of recognizing revenue and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing and uncertainty of revenue that is recognized. This standard will be effective for periods beginning after December 15, 2018.

**THE ARC – IBERVILLE, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 98), Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU should assist organizations in (1) evaluating whether the transactions should be accounted for as contributions (non-reciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This ASU is effective for the Arc for the annual period beginning after December 15, 2018.

In February 2016, the FASB issued ASU No. 2016-02, "Leases." This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the statement of financial position as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2020.

The Arc is currently assessing the impact of these pronouncements on its financial statements.

NOTE B – CONCENTRATION OF CREDIT RISK

The Arc typically maintains cash and certificates of deposit in one bank, which may, at times, exceed FDIC limits. At June 30, 2019, the carrying amount (book balance) of the Arc's deposits was \$1,104,065 and the bank balance was \$1,144,089. FDIC coverage is \$250,000 per depositor per bank. At June 30, 2019, the Arc's uninsured bank balance totaled \$894,089. Management has determined that the risk of default is minimal.

NOTE C – CERTIFICATES OF DEPOSIT

The Arc maintains two certificates of deposit as follows:

	<u>Carrying Amount</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>
Certificates of deposit - Plaquemine Bank and Trust Co.	\$ 431,813	7/21/19 - 5/20/21	1.25% - 1.50%
Total	<u>\$ 431,813</u>		

NOTE D – DUE FROM OTHER AGENCIES

Due from other agencies at June 30, 2019 consisted of the following:

Medicaid	<u>\$ 152,415</u>
TOTAL DUE FROM OTHER AGENCIES	<u>\$ 152,415</u>

**THE ARC – IBERVILLE, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment is scheduled as follows:

	<u>BALANCE 6/30/2018</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 6/30/2019</u>
Vehicles	\$ 103,369	\$ -	\$ -	\$ 103,369
Furniture and fixtures	18,820	1,117	-	19,937
Buildings	10,609	-	-	10,609
	132,798	<u>1,117</u>	<u>-</u>	133,915
Accumulated depreciation	<u>(98,557)</u>	<u>\$ (11,777)</u>	<u>\$ -</u>	<u>(110,334)</u>
Total Property and Equipment	<u>\$ 34,241</u>			<u>\$ 23,581</u>

Depreciation expense was \$11,777 for the year ended June 30, 2019.

NOTE F – AVAILABILITY AND LIQUIDITY MANAGEMENT

The Arc maintains a policy of structuring its financial assets to be available as its general expenses, liabilities, and other obligations become due. To help manage unanticipated liquidity needs, the Arc purchases certificates of deposit with varying maturity dates.

The following table reflects the Arc's financial assets as of June 30, 2019, reduced by the amounts that are not available to meet general expense within one year of the statement of financial position date because of contractual restrictions. There were no assets with donor restrictions at June 30, 2019.

	<u>2019</u>
Cash and cash equivalents	672,252
Cerificates of deposit	431,813
Due from other agencies	<u>152,415</u>
Total financial assets	<u>1,256,480</u>
Financial assets available to meet cash needs for general expenses within one year	<u>\$ 1,256,480</u>

**THE ARC – IBERVILLE, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE G – ECONOMIC DEPENDENCY

The Arc also received a considerable amount of its total support and revenues from Medicaid for services provided to clients. During the year ended June 30, 2019, the Arc received \$849,020 from Medicaid, which was 83% of total revenues.

NOTE H – LINE OF CREDIT

In February 2015, the Arc obtained a \$50,000 secured line of credit from Plaquemine Bank and Trust Company as set forth by the Louisiana Department of Health and Hospitals, of which \$50,000 was unused at June 30, 2019. Interest is payable monthly on any outstanding balances at an interest rate of 2.3% and has a maturity date of February 26, 2020.

NOTE I – IN-KIND DONATIONS

The Arc received in-kind donations of various assets and services in connection with the delivery of its programs. The fair value of the in-kind donations is recorded as revenues and expenses on the financial statements. In-kind donations recognized for the year ended June 30, 2019 are as follows:

	<u>2019</u>
Office space	\$ 31,350
Utilities	<u>14,546</u>
Total In-Kind	<u>\$ 45,896</u>

NOTE J – ACCOUNTING FOR UNCERTAIN TAX POSITIONS

On January 1, 2009, the Arc adopted the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB Accounting Standards Codification. The implementation of this Topic had no impact on the statement of financial position or statement of activities.

All tax returns have been appropriately filed by the Arc. The Arc recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The Arc's tax filings are subject to audit by various taxing authorities. The Arc's open audit periods are 2016 through 2018. Management evaluated the Arc's tax position and concluded that the Arc has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

NOTE K – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 17, 2019, the date that the financial statements were available to be issued. No events occurring after this date have been evaluated for inclusion in these financial statements or require disclosure.

SUPPLEMENTARY INFORMATION

SCHEDULE 1

THE ARC - IBERVILLE, INC.
 SCHEDULE OF COMPENSATION FOR BOARD MEMBERS
 FOR THE YEAR ENDED JUNE 30, 2019

Board Members	2019
Stacey Morales, President	\$ -
David Gassie, Vice President	-
Mike Watts, Secretary	-
Jimmy Ramirez, Treasurer	-
Mickey Wilbert	-
Edward "Lucky" Songy	-
Vicki Landry	-
Susan Grissom	-
Total	\$ -

SCHEDULE 2

THE ARC - IBERVILLE, INC.
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
 TO AGENCY HEAD
 FOR THE YEAR ENDED JUNE 30, 2019

Agency Head: Traci Parsons
 Dates: 7/1/18 - 11/25/18

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 5,500
Benefits - insurance	936
Benefits - retirement	-
Car allowance	-
Travel	-
Registration fees	-
Conference travel	-
	<u>\$ 6,436</u>

Agency Head: Linda Wilson
 Dates: 11/26/18 - 6/30/19

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 42,544
Benefits - insurance	1,812
Benefits - retirement	-
Car allowance	-
Travel	75
Registration fees	-
Conference travel	-
	<u>\$ 44,431</u>

OTHER REPORTS

BAXLEY AND ASSOCIATES, LLC

P. O. Box 482
58225 Belleview Drive
Plaquemine, Louisiana 70764
Phone (225) 687-6630 Fax (225) 687-0365

Margaret A. Pritchard, CPA/CGMA
Matthew L. Berthelot, CPA

Staci H. Joffrion, CPA/CGMA

Hugh F. Baxley, CPA/CGMA/CVA – Retired

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

Board of Directors
The Arc – Iberville, Inc.
Plaquemine, 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 – Iberville, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 17, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Arc – Iberville, 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Arc – Iberville, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Arc's internal control.

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

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

**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* (continued)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Arc – Iberville, Inc.'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 solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Baxley & Associates, LLC

Plaquemine, Louisiana
December 17, 2019

**THE ARC – IBERVILLE, INC.
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2019**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expressed an unmodified opinion on the financial statements of The Arc – Iberville, Inc., as of and for the year ended June 30, 2019.
2. There were no significant deficiencies relating to the audit of the financial statements reported in the Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of The Arc – Iberville, Inc. were disclosed during the audit.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

No findings were noted in the current audit year.

**THE ARC – IBERVILLE, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2019**

**2018-001: APPLICATION OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES
(GAAP)**

Condition:

The Arc – Iberville, Inc. does not have employees with sufficient expertise and training to prepare financial statements in accordance with generally accepted accounting principles (GAAP).

Recommendation:

Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

Current Status:

This finding was corrected in the current year.