

**THE ARC OF IROQUOIS COUNTY
Watseka, Illinois**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2018

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



TABLE OF CONTENTS

	PAGE	
INDEPENDENT AUDITORS' REPORT	1	
 FINANCIAL STATEMENTS		
Statement of Financial Position	3	
Statement of Activities	4	
Statement of Functional Expenses - Current Unrestricted Fund	5	
Statement of Functional Expenses - Capital Fund	6	
Statement of Cash Flows.....	7	
 Notes to Financial Statements	8	
 SUPPLEMENTARY INFORMATION		15
Schedule of Revenues by Source and Program - All Funds	16	
Schedule of Expenses by Program - All Funds	17	
Schedule of Revenues and Expenses by Program - All Funds	18	
Schedule of Program Costs.....	19	
Schedule of Program Revenues.....	20	
Program Personnel (Hours Unaudited)	21	
Program Consultant and Contractual (Hours Unaudited)	22	
Report of Service Units/Days/Nights (Unaudited).....	23	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	24	



INDEPENDENT AUDITORS' REPORT

Board of Directors
The Arc of Iroquois County
Watseka, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of The Arc of Iroquois County, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, 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.

Auditors' 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 auditors' 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 Iroquois County as of June 30, 2018, 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.

Report on Summarized Comparative Information

We have previously audited The Arc of Iroquois County's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 3, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying 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, except for the nonfinancial information presented on pages 21-23 for which no work has been performed, 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, except for the nonfinancial information presented on pages 21-23, 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 September 17, 2018, on our consideration of The Arc of Iroquois County'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 solely to describe the scope of our testing of the effectiveness of the ARC of Iroquois County's internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on 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 Iroquois County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Danville, Illinois
September 17, 2018

THE ARC OF IROQUOIS COUNTY
STATEMENT OF FINANCIAL POSITION
June 30, 2018
With Comparative Totals for June 30, 2017

	Current Fund	Trust Fund	Capital Fund	Endowment Fund	Total	
					2018	2017
ASSETS						
Cash	\$ 558,917	\$ 15,130	\$ 300,324	\$ -	\$ 874,371	\$ 1,114,982
Investments - perpetual trust	-	-	-	603,593	603,593	597,151
Grants and other receivables	192,418	-	-	-	192,418	241,336
Prepaid expense	181,926	-	-	-	181,926	56,364
Due (to)/from other funds	1,566	(5,228)	3,662	-	-	-
Property and equipment, net	-	-	1,557,648	-	1,557,648	1,610,996
TOTAL ASSETS	\$ 934,827	\$ 9,902	\$ 1,861,634	\$ 603,593	\$ 3,409,956	\$ 3,620,829
LIABILITIES						
Accounts payable and other liabilities	\$ 18,531	\$ -	\$ -	\$ -	\$ 18,531	\$ 11,613
Accrued payroll expense	227,834	-	-	-	227,834	217,336
Accrued paid time off	194,503	-	-	-	194,503	183,959
Liability for custodial fund	-	9,902	-	-	9,902	9,063
Total liabilities	440,868	9,902	-	-	450,770	421,971
NET ASSETS						
Unrestricted:						
Current	489,578	-	-	-	489,578	685,689
Designated:						
Property and equipment	-	-	1,861,634	-	1,861,634	1,911,637
Total unrestricted net assets	489,578	-	1,861,634	-	2,351,212	2,597,326
Temporarily restricted	4,381	-	-	-	4,381	4,381
Permanently restricted	-	-	-	603,593	603,593	597,151
Total net assets	493,959	-	1,861,634	603,593	2,959,186	3,198,858
TOTAL LIABILITIES AND NET ASSETS	\$ 934,827	\$ 9,902	\$ 1,861,634	\$ 603,593	\$ 3,409,956	\$ 3,620,829

The accompanying notes are an integral part of the financial statements.

THE ARC OF IROQUOIS COUNTY
STATEMENT OF ACTIVITIES
Year Ended June 30, 2018
With Comparative Totals for Year Ended June 30, 2017

	Unrestricted			Temporarily	Permanently	Total	
	Current	Capital	Total	Restricted Current	Restricted Endowment	2018	2017
REVENUES, GAINS, AND OTHER SUPPORT							
Department of Human Services	\$ 4,973,323	\$ -	\$ 4,973,323	\$ -	\$ -	\$ 4,973,323	\$ 5,121,256
Department of Human Services/Medicaid	82,686	-	82,686	-	-	82,686	67,166
United Way	18,500	-	18,500	-	-	18,500	18,000
Board for the Developmentally Disabled	503,779	-	503,779	-	-	503,779	477,885
Department of Rehabilitation Services	9,950	-	9,950	-	-	9,950	19,657
Contributions	27,303	98,467	125,770	-	-	125,770	81,289
Individual fees	20,745	-	20,745	-	-	20,745	22,778
Third party payments	464,481	-	464,481	-	-	464,481	493,279
Interest on investments	7,162	8,215	15,377	-	-	15,377	47,000
Change in perpetual trust	-	-	-	-	6,442	6,442	(15,317)
Sale of goods and services	37,626	-	37,626	-	-	37,626	22,472
Miscellaneous	8,267	5,072	13,339	-	-	13,339	7,667
Total revenues, gains, and other support	<u>6,153,822</u>	<u>111,754</u>	<u>6,265,576</u>	<u>-</u>	<u>6,442</u>	<u>6,272,018</u>	<u>6,363,132</u>
EXPENSES							
Program services	5,748,526	161,123	5,909,649	-	-	5,909,649	5,993,410
Management and general	601,407	634	602,041	-	-	602,041	585,615
Fundraising	-	-	-	-	-	-	-
Total expenses	<u>6,349,933</u>	<u>161,757</u>	<u>6,511,690</u>	<u>-</u>	<u>-</u>	<u>6,511,690</u>	<u>6,579,025</u>
Excess of revenues, gains, and other support over expenses	<u>(196,111)</u>	<u>(50,003)</u>	<u>(246,114)</u>	<u>-</u>	<u>6,442</u>	<u>(239,672)</u>	<u>(215,893)</u>
CHANGE IN NET ASSETS	(196,111)	(50,003)	(246,114)	-	6,442	(239,672)	(215,893)
NET ASSETS, BEGINNING OF YEAR	<u>685,689</u>	<u>1,911,637</u>	<u>2,597,326</u>	<u>4,381</u>	<u>597,151</u>	<u>3,198,858</u>	<u>\$ 3,414,751</u>
NET ASSETS, END OF YEAR	<u>\$ 489,578</u>	<u>\$ 1,861,634</u>	<u>\$ 2,351,212</u>	<u>\$ 4,381</u>	<u>\$ 603,593</u>	<u>\$ 2,959,186</u>	<u>\$ 3,198,858</u>

The accompanying notes are an integral part of the financial statements.

THE ARC OF IROQUOIS COUNTY
STATEMENT OF FUNCTIONAL EXPENSES - CURRENT UNRESTRICTED FUND
Year Ended June 30, 2018
With Comparative Totals for Year Ended June 30, 2017

	Individual and Family Support Unit <u>16</u>	Develop- mental Training <u>31</u>	Supported Employment Program <u>39</u>	Community Integrated Living Arrangement <u>60</u>	Respite <u>91</u>	Total Program Services	Management and General	Fundraising	<u>Total</u>	
									2018	2017
Salaries and wages	\$ 130,164	\$ 840,763	\$ 193,431	\$ 2,741,464	\$ 8,040	\$ 3,913,862	\$ 344,614	\$ -	\$ 4,258,476	\$ 4,306,470
Employee health and other benefits	21,433	299,037	77,538	587,213	2	985,223	109,691	-	1,094,914	1,104,904
Payroll taxes	9,484	59,241	13,727	201,093	541	284,086	24,280	-	308,366	311,668
Worker's compensation insurance	2,888	17,192	4,925	67,388	185	92,578	-	-	92,578	113,778
Consultants/contractual	893	308	91	12,444	486	14,222	39,638	-	53,860	72,775
Individuals wages and fringe	-	4,049	48,977	-	-	53,026	-	-	53,026	39,998
Consumable supplies	2,476	38,997	2,251	16,852	332	60,908	17,850	-	78,758	80,652
Occupancy	14,235	57,550	12,430	44,699	1,993	130,907	8,810	-	139,717	122,868
Local transportation	18,834	30,057	49,540	54,075	4,176	156,682	711	-	157,393	146,083
Equipment purchased	407	3,605	348	2,045	58	6,463	2,225	-	8,688	2,058
Lease/rent	274	869	404	5,089	12	6,648	-	-	6,648	16,121
Miscellaneous	3,351	19,851	1,504	18,845	370	43,921	53,588	-	97,509	99,269
TOTAL CURRENT UNRESTRICTED FUND EXPENSES	\$ 204,439	\$ 1,371,519	\$ 405,166	\$ 3,751,207	\$ 16,195	\$ 5,748,526	\$ 601,407	\$ -	\$ 6,349,933	\$ 6,416,644

The accompanying notes are an integral part of the financial statements.

THE ARC OF IROQUOIS COUNTY
STATEMENT OF FUNCTIONAL EXPENSES - CAPITAL FUND
Year Ended June 30, 2018
With Comparative Totals for Year Ended June 30, 2017

	Individual and Family Support Unit <u>16</u>	Developmental Training <u>31</u>	Supported Employment Program <u>39</u>	Community Integrated Living Arrangement <u>60</u>	Respite <u>91</u>	Total Program Services	Management and General	Total <u>2018</u>	Total <u>2017</u>
Depreciation	\$ 12,861	\$ 53,994	\$ 35,776	\$ 56,747	\$ 1,745	\$ 161,123	\$ -	\$ 161,123	\$ 162,324
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>634</u>	<u>634</u>	<u>57</u>
TOTAL CAPITAL FUND EXPENSES	<u>\$ 12,861</u>	<u>\$ 53,994</u>	<u>\$ 35,776</u>	<u>\$ 56,747</u>	<u>\$ 1,745</u>	<u>\$ 161,123</u>	<u>\$ 634</u>	<u>\$ 161,757</u>	<u>\$ 162,381</u>

The accompanying notes are an integral part of the financial statements.

THE ARC OF IROQUOIS COUNTY
STATEMENT OF CASH FLOWS
Year Ended June 30, 2018
With Comparative Totals for June 30, 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (239,672)	\$ (215,893)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	161,123	162,324
Loss on disposal of property and equipment	612	
Change in perpetual trust	(6,442)	(17,707)
Effects of changes in operating assets and liabilities:		
Grants and other receivables	48,918	(43,044)
Prepaid expense	(125,562)	(23,685)
Accounts payable and other liabilities	6,918	3,486
Accrued payroll expense	10,498	(93,292)
Accrued paid time off	10,544	29,291
Liability for custodial fund	<u>839</u>	<u>2,145</u>
Net cash provided (used) by operating activities	<u>(132,224)</u>	<u>(196,375)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(108,387)</u>	<u>(75,482)</u>
Net cash used by investing activities	<u>(108,387)</u>	<u>(75,482)</u>
NET INCREASE (DECREASE) IN CASH	(240,611)	(271,857)
CASH, BEGINNING OF YEAR	<u>1,114,982</u>	<u>1,386,839</u>
CASH, END OF YEAR	<u>\$ 874,371</u>	<u>\$ 1,114,982</u>

The accompanying notes are an integral part of the financial statements.

THE ARC OF IROQUOIS COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Arc of Iroquois County (the Association) was incorporated September 21, 1953 under the *General Not For Profit Corporation Act* of Illinois. The Association has been ruled exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Association was organized to educate the public as to the meaning and implication of developmental disabilities, as well as organize and maintain a school for the training and education of people with developmental disabilities in Iroquois County. The Association's fiscal year ends on June 30. The Association's primary sources of revenue are state government grants and fees, with 82% of their revenue coming from the Department of Human Services. The Association's primary programs consist of community living arrangements (65%) and developmental training (24%). Significant accounting policies followed by the Association are presented below.

The accompanying financial statements are prepared on the accrual basis of accounting.

Use of Estimates in Preparing Financial Statements

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 the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Fund Accounting and Net Assets

The accompanying financial statements reflect the fund accounting approach to financial reporting. The accompanying financial statements segregate the Association resources into separate and distinct funds based upon the uses and the disposition of the resources. Generally accepted accounting principles require these funds to be presented into net asset categories that distinguish between the restrictions imposed upon the funds.

Current unrestricted net assets include the current unrestricted and capital funds which include resources which bear no externally imposed restrictions concerning use or purpose. The Board of Directors has discretionary control over the use of these funds in operating the organization in accordance with the limitations of its charter and by-laws. Within unrestricted net assets the Board may designate portions of these resources for specific purposes, projects, or investments. It should be recognized that the Board of Directors has the authority to change or reverse its own action. Accordingly, amounts designated by the board for specific purposes are not included with donor-restricted funds and the term "restricted" is not used in connection with them.

Restricted net assets include the current temporarily restricted fund accounts which include all resources for which donor-imposed time and purpose restrictions have not yet been met and the ultimate purpose of the contribution is not permanently restricted. Such restricted funds do not include grant revenue subject to program restrictions, as these funds are considered unrestricted funds subject to grant requirements.

THE ARC OF IROQUOIS COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting and Net Assets (Continued)

The Trust Fund accounts for all assets received by the Association which are held and disbursed only on specified instructions based on the purposes for which they were received.

Permanently restricted net assets include the Endowment Fund, which accounts for the principal amount of a bequest accepted by the Association with the stipulation by the donor that the principal be maintained intact in perpetuity. Income from this fund is not restricted and is, therefore, recorded as current unrestricted fund income.

Investments – Perpetual Trust

Contributions received under perpetual trust agreements are recorded at their fair value when received as permanently restricted contributions. The change in fair value is recorded as change in permanently restricted activity. Income received from the trust will be recorded as unrestricted interest on investments.

Grant Receivables and Other Receivables

The Association receives support from various agencies in the form of grants and fee for service arrangements. Receivables related to fee for service arrangements are carried at the original invoiced or billed amounts and primarily represent amounts due from the State of Illinois, but also includes amounts due from various other third party payers. Such receivables are written off when determined uncollectible. These receivables are not collateralized or secured but are considered fully collectible.

Property and Equipment

All property and equipment additions greater than \$500 are capitalized at cost when acquired by purchase or at its fair market value if donated to the Association, are accumulated in the Capital Fund, and are depreciated over their estimated useful lives using the straight-line method. The following breaks down the categories of property and equipment and the range of their useful lives:

Land improvements	3 – 33 years
Buildings	20 – 34 years
Building improvements	5 – 20 years
Furniture and equipment	3 – 25 years
Vehicles	5 years

THE ARC OF IROQUOIS COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Association reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value less costs to sell.

Functional Expenses

The Association allocates its expenses among its various programs on a functional basis. Expenses that can be identified with a specific program are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated to each program using a systematic and rational method.

Revenue Recognition

Income from funding sources is recognized as grant revenue over the period of the grant and as services is provided over the grant period. Client fees are recognized as revenue when services are provided.

Advertising

Advertising costs are expensed as incurred.

Restricted Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Amounts received which are designated for future periods or restricted by the donor for specific purposes would be reported as temporarily restricted or permanently restricted support in those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, The ARC of Iroquois County reports the support as unrestricted.

NOTE 2 – COMPARATIVE TOTALS

The financial statements include certain summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2016 from which the summarized information was derived.

THE ARC OF IROQUOIS COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 3 – INVESTMENTS – PERPETUAL TRUST

In determining fair value, the Association uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

The fair value measurement framework establishes a hierarchy for inputs used in measuring fair 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. The fair value measurement framework defines levels within the hierarchy based on the reliability of inputs as follows:

- Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3 – Valuations derived from valuation techniques in which one or more significant input or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Association believes its valuation methods are appropriate and consistent with other marked participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Association receives periodic cash distributions from the Margaret Buckner Fay Trust/Will, which is included in the Endowment Fund. In accordance with the Trust agreement, the principal is retained by the Trust in perpetuity with the income being distributed quarterly. The Trust value as of June 30, 2018 was \$603,593. The fair value of the trust is estimated using the fair value of the assets held in the trust reported by the trustee as of June 30, 2018. The Association considers the measurement of its perpetual trust to be a Level 3 measurement.

THE ARC OF IROQUOIS COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 3 – INVESTMENTS – PERPETUAL TRUSTS (CONTINUED)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	<u>Fair Value Measurements Using</u>		<u>Total</u>
		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Perpetual Trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 603,593</u>	<u>\$ 603,593</u>

	<u>Perpetual Trust</u>
Balance – July 1, 2017	\$ 597,151
Unrealized gain	<u>6,442</u>
Balance – June 30, 2018	<u>\$ 603,593</u>

NOTE 4 – GRANTS AND OTHER RECEIVABLES

Grants and other receivables at June 30, 2018 consist of the following:

	<u>Current Fund</u>
Third parties – CILA	\$ 68,529
DHS – Purchase of service	43,577
DHS – Supported Living Services	22,648
DHS – CILA	46,527
Miscellaneous	<u>11,136</u>
Total	<u>\$ 192,418</u>

THE ARC OF IROQUOIS COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 – PROPERTY AND EQUIPMENT

The following details property and equipment as of June 30, 2018:

Land improvements	\$ 358,397
Buildings	1,380,980
Building improvements	1,033,055
Furniture and equipment	906,672
Vehicles	<u>440,286</u>
Total, at cost	4,119,390
Less accumulated depreciation	<u>2,638,958</u>
	1,480,432
Land	<u>77,216</u>
Total	<u>\$ 1,557,648</u>

NOTE 6 – CONTINGENCIES AND FINANCIAL DEPENDENCY

Under the terms of state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to grantor agencies. The Association's management believes the disallowance, if any, would be immaterial.

The Association's operations depend significantly upon reimbursement under these grants and funding arrangements.

NOTE 7 – EMPLOYEE BENEFIT PLANS

The Association maintains a flexible benefit plan for its employees. The Association makes no contributions to this plan. Any excess employee contributions at year-end revert to the Plan. The account balance totaled \$5,391 as of June 30, 2018 and is included in the liability for custodial funds.

The Association maintains a 403(b) plan on behalf of its employees. The Association makes no contributions to this plan.

NOTE 8 – SELF INSURANCE

Accounting principles generally accepted in the United States of America require disclosure about certain significant estimates.

The Association uses the reimbursement method for unemployment compensation benefits. The Association estimated no significant claims were outstanding at the end of the fiscal year.

THE ARC OF IROQUOIS COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 9 – LINE OF CREDIT

The Association has a \$300,000 line of credit available at First Trust and Savings Bank which bears interest on the balances drawn at 5.75%, is secured by real property, and matures February 28, 2019. At June 30, 2018, the Association did not have an outstanding balance.

NOTE 10 – MISCELLANEOUS EXPENSE

The breakdown of miscellaneous expense of \$90,742 included in the statement of functional expenses – current unrestricted fund is as follows:

Telephone and computer	\$ 20,216
Staff training	7,121
Meals and staff activities	10,851
Subscriptions	1,399
Postage and shipping	3,570
Printing	3,593
Membership and dues	16,392
Liability insurance	26,694
Want ads	<u>7,673</u>
Total	<u>\$ 97,509</u>

NOTE 11 – CONCENTRATIONS OF CREDIT RISK

The Association maintains its cash accounts primarily with banks located in Watseka, Illinois. As of June 30, 2018, balances in the Association's deposit accounts are insured by the FDIC up to \$250,000 per depositor per bank. As of June 30, 2018, the Association's bank balances were fully insured by the FDIC or collateralized.

NOTE 12 – SUBSEQUENT EVENTS

Management evaluated subsequent events through September 17, 2018, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2018, but prior to September 17, 2018 that provided additional evidence about conditions that existed at June 30, 2018, have been recognized in the financial statements for the year ended June 30, 2018. Events or transactions that provided evidence about conditions that did not exist at June 30, 2018 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2018.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

THE ARC OF IROQUOIS COUNTY
SCHEDULE OF REVENUES BY SOURCE AND PROGRAM - ALL FUNDS
Year Ended June 30, 2018

	Total Agency Revenue	Unallocated Revenue	Total DHS Grant Funded Revenue	Total Program Non-DHS Grant Funded	Non-DHS Grant Funded				
					Individual and Family Support Unit 16	Supported Employment Program 39	Developmental Training 31	Community Integrated Living Arrangement 60	Respite 91
FEES FOR SERVICE									
Department of Human Services	\$ 4,973,323	\$ -	\$ -	\$ 4,973,323	\$ 128,357	\$ 207,849	\$ 930,101	\$ 3,707,016	\$ -
Department of Human Services/Medicaid	82,686	-	-	82,686	343	-	10,851	71,492	-
Third party payments	464,481	-	-	464,481	-	-	-	464,481	-
Department of Rehabilitation Services	9,950	-	-	9,950	-	9,950	-	-	-
Department of Aging	-	-	-	-	-	-	-	-	-
Individual/family payments	20,745	-	-	20,745	-	8,496	12,249	-	-
Total fees for service	5,551,185	-	-	5,551,185	128,700	226,295	953,201	4,242,989	-
GRANTS									
United Way	18,500	-	-	18,500	-	18,500	-	-	-
Board for the Developmentally Disabled	503,779	503,779	-	-	-	-	-	-	-
Total grants	522,279	503,779	-	18,500	-	18,500	-	-	-
OTHER SOURCES									
Contributions - unrestricted	125,770	123,124	-	2,646	600	-	446	1,100	500
Investment income	21,819	21,819	-	-	-	-	-	-	-
Sale of goods and services	37,626	5,225	-	32,401	-	20,523	11,878	-	-
Miscellaneous	13,339	13,246	-	93	-	-	-	93	-
Total other sources	198,554	163,414	-	35,140	600	20,523	12,324	1,193	500
TOTAL REVENUE	\$ 6,272,018	\$ 667,193	\$ -	\$ 5,604,825	\$ 129,300	\$ 265,318	\$ 965,525	\$ 4,244,182	\$ 500

THE ARC OF IROQUOIS COUNTY
SCHEDULE OF EXPENSES BY PROGRAM - ALL FUNDS
Year Ended June 30, 2018

	Total Agency Expenses	Unallocated	Total DHS Grant Funded	Total Program Non-DHS Grant Funded	Individual and Family Support Unit 16	Supported Employment Program 39	Developmental Training 31	Community Integrated Living Arrangement 60	Respite 91
Employee's salaries and wages	\$ 4,258,476	\$ -	\$ -	\$ 4,258,476	\$ 141,467	\$ 214,211	\$ 914,200	\$ 2,979,832	\$ 8,766
Employee's fringe benefits	1,495,858	-	-	1,495,858	38,199	104,268	404,019	948,363	1,009
Individual wages and fringe benefits	53,026	-	-	53,026	-	48,977	4,049	-	-
Consultants/contractual	53,860	-	-	53,860	2,194	2,482	8,754	39,860	570
Consumable supplies	78,758	-	-	78,758	3,061	3,328	42,801	29,200	368
Occupancy	139,717	-	-	139,717	14,524	12,961	59,428	50,793	2,011
Local transportation	157,393	-	-	157,393	18,857	49,582	30,209	54,569	4,176
Non-capitalized equipment	8,606	-	-	8,606	480	482	4,080	3,502	62
Lease/rent	6,648	-	-	6,648	274	404	869	5,089	12
Other operating fund expenses	97,591	-	-	97,591	5,109	4,735	31,270	55,992	485
Total operating fund expenses	6,349,933	-	-	6,349,933	224,165	441,430	1,499,679	4,167,200	17,459
Depreciation	161,123	-	-	161,123	12,861	35,776	53,994	56,747	1,745
Miscellaneous	634	634	-	-	-	-	-	-	-
Total operating and capital fund expenses	6,511,690	634	-	6,511,056	237,026	477,206	1,553,673	4,223,947	19,204
Less:									
Costs of production included in total operating expenses	116,498	-	17,827	98,671	-	-	98,671	-	-
TOTAL	\$ 6,395,192	\$ 634	\$ (17,827)	\$ 6,412,385	\$ 237,026	\$ 477,206	\$ 1,455,002	\$ 4,223,947	\$ 19,204

Net investment in fixed assets \$ 1,557,648

THE ARC OF IROQUOIS COUNTY
SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM - ALL FUNDS
Year Ended June 30, 2018

	<u>Total Agency</u>	<u>Unallocated</u>	<u>Individual and Family Support Unit 16</u>	<u>Developmental Training 31</u>	<u>Supported Employment Program 39</u>	<u>Community Integrated Living Arrangement 60</u>	<u>Respite 91</u>
REVENUES							
Fees for service	\$ 5,551,185	\$ -	\$ 128,700	\$ 953,201	\$ 226,295	\$ 4,242,989	\$ -
Grants	522,279	503,779	-	-	18,500	-	-
Other	198,554	163,414	600	12,324	20,523	1,193	500
Total revenues	<u>6,272,018</u>	<u>667,193</u>	<u>129,300</u>	<u>965,525</u>	<u>265,318</u>	<u>4,244,182</u>	<u>500</u>
EXPENSES							
Employee's salaries and wages	4,258,476	-	141,467	914,200	214,211	2,979,832	8,766
Employee's fringe benefits	1,495,858	-	38,199	404,019	104,268	948,363	1,009
Individual wages and fringe benefits	53,026	-	-	4,049	48,977	-	-
Consultants/contractual	53,860	-	2,194	8,754	2,482	39,860	570
Consumable supplies	78,758	-	3,061	42,801	3,328	29,200	368
Occupancy	139,717	-	14,524	59,428	12,961	50,793	2,011
Local transportation	157,393	-	18,857	30,209	49,582	54,569	4,176
Non-capitalized equipment	8,606	-	480	4,080	482	3,502	62
Lease/rent	6,648	-	274	869	404	5,089	12
Other operating fund expenses	97,591	-	5,109	31,270	4,735	55,992	485
Fundraising	-	-	-	-	-	-	-
Miscellaneous	634	634	-	-	-	-	-
Depreciation	161,123	-	12,861	53,994	35,776	56,747	1,745
Total expenses	<u>6,511,690</u>	<u>634</u>	<u>237,026</u>	<u>1,553,673</u>	<u>477,206</u>	<u>4,223,947</u>	<u>19,204</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (239,672)</u>	<u>\$ 666,559</u>	<u>\$ (107,726)</u>	<u>\$ (588,148)</u>	<u>\$ (211,888)</u>	<u>\$ 20,235</u>	<u>\$ (18,704)</u>

THE ARC OF IROQUOIS COUNTY
SCHEDULE OF PROGRAM COSTS
June 30, 2018
(See Independent Auditors' Report)

Line #	Account Title	Agency Total	All Other Not Allocated	Developmental Training 31U	Supported Employment Program 390,39G,39U	Community Integrated Living Arrangement 24 Hour 60D	Home Based 55A	Respite 87D
Program Expenses:								
1.	Program staff salaries	3,330,907		840,611	179,106	2,175,450	127,830	7,910
2.	Program clerical staff salaries	-	-	-	-	-	-	-
3.	Program staff payroll taxes and fringe benefits	1,188,110		371,494	87,056	694,129	34,524	907
4.	Program consultants	8,372		-	-	7,526	846	-
5.	Consumer wages and fringe benefits	53,026	-	4,049	48,977	-	-	-
6.	Medicine and drugs	18,923		10,063	109	8,728	23	-
7.	All other direct service equipment and supplies	19,208		13,589	428	4,944	233	14
8.	Staff transportation	3,797		152	43	996	2,606	-
9.	Client transportation	153,596		30,057	49,539	53,573	16,251	4,176
10.	Transportation to/from school	-	-	-	-	-	-	-
11.	Direct service staff conferences and conventions	16,797		3,574	419	10,354	2,441	9
12.	Program insurance	26,694		5,688	1,610	18,464	876	56
13.	Direct client specific assistance	82	-	-	-	82	-	-
14.	Telecommunication costs assigned to program	19,185		9,525	1,319	7,034	937	370
15.	Foster care payments	-	-	-	-	-	-	-
16.	Other (specify)	-	-	-	-	-	-	-
17.	Total program expenses (Sum lines 1-16)	4,838,697	-	1,288,802	368,606	2,981,280	186,567	13,442
Support expenses:								
18.	Support salaries	474,713	-	-	-	474,713	-	-
19.	Support payroll taxes and fringe benefits	150,371	-	-	-	150,371	-	-
20.	Food and dietary supplies	4,159		3,586	-	573	-	-
21.	Housekeeping, laundry supplies	22,385		12,363	1,969	5,393	2,333	327
22.	Other (specify)	-	-	-	-	-	-	-
23.	Total support expenses (Sum lines 18-22)	651,628	-	15,949	1,969	631,050	2,333	327
Occupancy expenses:								
24.	Occupancy salaries	37,258		652	14,466	19,594	2,410	136
25.	Occupancy payroll taxes and fringe benefits	14,491		294	7,176	6,335	669	17
26.	Building & equipment operations and maintenance	131,643	-	58,233	12,405	44,862	14,148	1,995
27.	Vehicle depreciation	64,136		282	28,310	30,894	4,150	500
28.	All other depreciation and amortization	96,987		53,712	7,466	25,853	8,711	1,245
29.	Vehicle rent	-	-	-	-	-	-	-
30.	All other lease/rent/taxes	6,648		869	404	5,089	274	12
31.	Equipment under \$500	8,606		4,080	482	3,502	480	62
32.	Mortgage & installment interest	-	-	-	-	-	-	-
33.	Operating interest	-	-	-	-	-	-	-
34.	Other (specify) Loss on disposal of asset	634	634	-	-	-	-	-
35.	Total occupancy expenses (Sum lines 24-34)	360,403	634	118,122	70,709	136,129	30,842	3,967
Administrative and Office expenses:								
36.	Administrative salaries	415,598	-	72,937	20,639	310,075	11,227	720
37.	Administrative payroll taxes and fringe benefits	142,886	-	32,231	10,036	97,528	3,006	85
38.	Administrative Consultants	45,488	-	8,754	2,482	32,334	1,348	570
39.	Telecommunications costs not assigned to program	1,032	-	220	62	714	34	2
40.	Office supplies and equipment	14,083	-	3,200	822	9,562	472	27
41.	Allocation of Management and General (G&A)	-	-	-	-	-	-	-
42.	Other (specify) Miscellaneous/Various	41,875	-	13,458	1,881	25,275	1,198	63
43.	Total administrative expenses (Sum lines 36-42)	660,962	-	130,800	35,922	475,488	17,284	1,468
44.	Total expenses (Sum lines 17,23,35,43)	6,511,690	634	1,553,673	477,206	4,223,947	237,026	19,204
Non-reimbursable expenses:								
45.	Depreciation on DMHDD funded capital assets included above	-	-	-	-	-	-	-
46.	Cost of Production and Workshop Client Wages included above	17,827	-	17,827	-	-	-	-
47.	Other (Specify) Miscellaneous/Various	2,974	-	1,320	65	1,551	36	2
48.	Total non-reimbursable expenses (Sum lines 45-47)	20,801	-	19,147	65	1,551	36	2
49.	Net expenses (Line 44 minus Line 48)	\$ 6,490,889	\$ 634	\$ 1,534,526	\$ 477,141	\$ 4,222,396	\$ 236,990	\$ 19,202

THE ARC OF IROQUOIS COUNTY
SCHEDULE OF PROGRAM REVENUES
Year Ended June 30, 2018
(See Independent Auditors' Report)

Line #	Account Title	Agency Total	All Other Not Allocated	Developmental Training 31U	Supported Employment Program 390,39G,39U	Community Integrated Living Arrangement 24 Hour 60D	Home Based 55A
REVENUES:							
Fees & Purchase of Service:							
1.	Department of Aging	\$ -	\$ -	\$ -	\$ -	\$ -	
2.	Department of Children and Family Services	-	-	-	-	-	
3.	Department of Corrections	-	-	-	-	-	
4.	Medicaid Rehabilitation Option (MRO) Payments	-	-	-	-	-	
5.	Department of Human Services	4,973,323	-	930,101	207,849	3,707,016	128,357
6.	Department of Public Aid	82,686	-	10,851	-	71,492	343
7.	Department of Public Health	-	-	-	-	-	
8.	Local education agency	-	-	-	-	-	
9.	Local government	-	-	-	-	-	
10.	Federal government	-	-	-	-	-	
11.	Other government agencies	-	-	-	-	-	
12.	Client/family program fees (including SSI, SSA, pensions, etc.)	485,226	-	12,249	8,496	464,481	
13.	Special service fees for individual clients	-	-	-	-	-	
14.	Diagnostic service fees	-	-	-	-	-	
15.	Other (specify) DHS/DORS	9,950	-	-	9,950	-	-
16.	Total Fees & Purchase of Service (lines 1-15)	<u>5,551,185</u>	<u>-</u>	<u>953,201</u>	<u>226,295</u>	<u>4,242,989</u>	<u>128,700</u>
Grant Revenues:							
17.	Department of Aging	-	-	-	-	-	
18.	Department of Children and Family Services	-	-	-	-	-	
19.	Department of Corrections	-	-	-	-	-	
20.	Donated/Certified Funds Initiative (DFI/CFI)	-	-	-	-	-	
21.	Department of Human Services	-	-	-	-	-	
22.	Department of Public Aid	-	-	-	-	-	
23.	Department of Public Health	-	-	-	-	-	
24.	Local education agency	-	-	-	-	-	
25.	Local government awards	522,279	503,779	-	18,500	-	
26.	Federal government awards	-	-	-	-	-	
27.	Other government awards	-	-	-	-	-	
28.	JTPA/CETA	-	-	-	-	-	
29.	Other (specify)	-	-	-	-	-	
30.	Total Grant Revenues (lines 17-29)	<u>522,279</u>	<u>503,779</u>	<u>-</u>	<u>18,500.00</u>	<u>-</u>	<u>-</u>
Contributions & Other:							
31.	Restricted to operations	-	-	-	-	-	
32.	Restricted to capital	-	-	-	-	-	
33.	Unrestricted	125,770	123,124	446	-	1,100	600
34.	Contributions - goods & services	5,000	5,000	-	-	-	-
35.	Child/Adult Food Programs (school meals, commodities)	-	-	-	-	-	-
36.	School Transportation Payments (to/from school)	-	-	-	-	-	-
37.	Sales of Goods and Services	36,709	4,307	11,879	20,523	-	-
38.	Rent Income	990	990	-	-	-	-
39.	Gain on Sale of Assets	-	-	-	-	-	-
40.	Cafeteria and Vending Machine	-	-	-	-	-	-
41.	Other (specify) Dues & Miscellaneous	8,267	8,174	-	-	93.00	-
42.	Total Contributions & Other (lines 31-41)	<u>176,736</u>	<u>141,595</u>	<u>12,325</u>	<u>20,523</u>	<u>1,193</u>	<u>600</u>
Investment Income:							
43.	Income on restricted assets/investments	-	-	-	-	-	
44.	Income on unrestricted assets/investments	21,819	21,819	-	-	-	
45.	Total Investment Income (lines 43 & 44)	<u>21,819</u>	<u>21,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
46.	TOTAL REVENUES	<u>\$ 6,272,019</u>	<u>\$ 667,193</u>	<u>\$ 965,526</u>	<u>\$ 265,318</u>	<u>\$ 4,244,182</u>	<u>\$ 129,300</u>

THE ARC OF IROQUOIS COUNTY
PROGRAM PERSONNEL
Year Ended June 30, 2018
(See Independent Auditors' Report)
(Hours Unaudited)

Line #	Program Staff Positions	Total Agency			All Other Not Allocated	DEVELOPMENTAL TRAINING (31U)		SUPPORTED EMPLOYMENT PROGRAM (390,39G,39U)		INTEGRATED LIVING ARRANGEMENT 24 HOUR (60D)		HOME BASED (55A)	
		Total Hours	Total Amount Paid	Head Count		Percent Allocated	Total Amount Paid	Percent Allocated	Total Amount Paid	Percent Allocated	Total Amount Paid	Percent Allocated	Total Amount Paid
1.	Audiologist	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-
2.	Behavior Therapist	-	-	-	-	-	-	-	-	-	-	-	-
3.	Dietary Technician	-	-	-	-	-	-	-	-	-	-	-	-
4.	Dietician	-	-	-	-	-	-	-	-	-	-	-	-
5.	Habilitation Aide/Child-Care Aide	933,032.00	1,160,389.00	144.00	-	0.0%	-	0.0%	-	100.0%	1,160,389.00	0.0%	-
6.	Habilitation Professional or supervisory staff	29,052.00	501,722.00	24.00	-	0.0%	-	0.0%	-	100.0%	501,722.00	0.0%	-
7.	LPN	4,570.00	115,352.00	3.00	-	44.9%	51,747.00	0.0%	-	55.1%	63,605.00	0.0%	-
8.	Occupational Therapist	-	-	-	-	-	-	-	-	-	-	-	-
9.	Physical Therapist	-	-	-	-	-	-	-	-	-	-	-	-
10.	Physician	-	-	-	-	-	-	-	-	-	-	-	-
11.	Principal	1,736.00	61,989.00	1.00	-	100.0%	61,989.00	0.0%	-	0.0%	-	0.0%	-
12.	Program Director	-	-	-	-	-	-	-	-	-	-	-	-
13.	Program Clerical Staff	-	-	-	-	-	-	-	-	-	-	-	-
14.	Psychiatrist	-	-	-	-	-	-	-	-	-	-	-	-
15.	Psychologist	-	-	-	-	-	-	-	-	-	-	-	-
16.	Recreation Staff	-	-	-	-	-	-	-	-	-	-	-	-
17.	RN	5,452.00	141,372.00	4.00	-	0.0%	-	0.0%	-	100.0%	141,372.00	0.0%	-
18.	Social Worker	17,199.00	365,528.00	9.00	-	0.0%	-	0.0%	-	70.6%	258,201.00	29.4%	107,327.00
19.	Speech Therapist	-	-	-	-	-	-	-	-	-	-	-	-
20.	Substance Abuse Counselor/Professional	-	-	-	-	-	-	-	-	-	-	-	-
21.	Substance Abuse Paraprofessional	-	-	-	-	-	-	-	-	-	-	-	-
22.	Teacher	7,704.00	169,644.00	4.00	-	100.0%	169,644.00	0.0%	-	0.0%	-	0.0%	-
23.	Teacher Aide	-	-	-	-	-	-	-	-	-	-	-	-
24.	Vocational Staff (including Job Coach, workshop staff, etc.)	56,578.00	722,101.00	87.00	-	75.3%	543,429.00	24.7%	178,672.00	0.0%	-	0.0%	-
25.	Other Academic Instruction	-	-	-	-	-	-	-	-	-	-	-	-
26.	Other Medical Care	-	-	-	-	-	-	-	-	-	-	-	-
27.	Other Habilitation/Rehabilitation	8,390.00	89,316.00	45.00	7,910.00	11.5%	10,308.00	0.5%	434	56.2%	50,161.00	23.0%	20,503.00
28.	Other Substance Abuse	-	-	-	-	-	-	-	-	-	-	-	-
29.	All Other Direct Program Staff Not Requiring Specification	305.00	3,494.00	9.00	-	100.0%	3,494.00	0.0%	-	0.0%	-	-	-
30.	TOTAL ALL POSITIONS	<u>1,064,018</u>	<u>\$ 3,330,907</u>	<u>330</u>	<u>\$ 7,910</u>		<u>\$ 840,611</u>		<u>\$ 179,106</u>		<u>\$ 2,175,450</u>		<u>\$ 127,830</u>

Totals must equal the sum of lines 1 and 2 of the Schedule of Program Costs

Number of hours (excluding overtime) in a standard work week - 40

31.	Mental Health Professional (MHP)	-	\$ -	-	-	-	\$ -	-	\$ -	-	\$ -	-	\$ -
32.	Qualified Mental Health Prof. (QMHP)	-	-	-	-	-	-	-	-	-	-	-	-
33.	Qualified Mental Retardation Prof. (QMRP)	11,976.00	258,201.00	6	-	0.0%	-	0.0%	-	100.0%	258,201	0.0%	-
34.	Rehabilitative Services Associate (RSA)	-	-	-	-	-	-	-	-	-	-	-	-
35.	Supported Employment Job Coach	12,498.00	144,286.00	10	-	0.0%	-	100.0%	144,286	0.0%	-	0.0%	-
	TOTAL ALL POSITIONS	<u>24,474</u>	<u>\$ 402,487</u>	<u>16</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ 144,286</u>		<u>\$ 258,201</u>		<u>\$ -</u>

THE ARC OF IROQUOIS COUNTY
PROGRAM CONSULTANT AND CONTRACTUAL
Year Ended June 30, 2018
(See Independent Auditors' Report)
(Hours Unaudited)

Line #	Program Staff Positions	Total Agency			DEVELOPMENTAL	SUPPORTED	INTEGRATED	HOME BASED			
		Total Hours	Total Amount Paid	All Other Not Allocated	TRAINING (31U)	EMPLOYMENT PROGRAM (390,39G,39U)	LIVING ARRANGEMENT 24 HOUR (60D)	(55A)			
					Percent Allocated	Total Amount Paid	Percent Allocated	Total Amount Paid	Percent Allocated	Total Amount Paid	
1.	Audiologist	-	\$ -	-		\$ -		\$ -		\$ -	
2.	Behavior Therapist	-	-	-		-		-		-	
3.	Dietary Technician	-	-	-		-		-		-	
4.	Dietician	-	-	-		-		-		-	
5.	Habilitation Aide/Child-Care Aide	-	-	-		-		-		-	
6.	Habilitation Professional or supervisory :	-	-	-		-		-		-	
7.	LPN	-	-	-		-		-		-	
8.	Occupational Therapist	-	-	-		-		-		-	
9.	Physical Therapist	-	-	-		-		-		-	
10.	Physician	-	-	-		-		-		-	
11.	Principal	-	-	-		-		-		-	
12.	Program Director	-	-	-		-		-		-	
13.	Program Clerical Staff	-	-	-		-		-		-	
14.	Psychiatrist	-	-	-		-		-		-	
15.	Psychologist	16.00	5,400.00	-		-	100.0%	5,400.00		-	
16.	Recreation Staff	-	-	-		-		-		-	
17.	RN	-	-	-		-		-		-	
18.	Social Worker	40.00	1,800.00	-		-	61.1%	1,100.00	38.9%	700.00	
19.	Speech Therapist	18.75	1,172.00	-		-	87.5%	1,025.75	12.5%	146.25	
20.	Substance Abuse Counselor/Professional	-	-	-		-		-		-	
21.	Substance Abuse Paraprofessional	-	-	-		-		-		-	
22.	Teacher	-	-	-		-		-		-	
23.	Teacher Aide	-	-	-		-		-		-	
24.	Vocational Staff (including Job Coach, w	-	-	-		-		-		-	
25.	Other Academic Instruction	-	-	-		-		-		-	
26.	Other Medical Care	-	-	-		-		-		-	
27.	Other Habilitation/Rehabilitation	-	-	-		-		-		-	
28.	Other Substance Abuse	-	-	-		-		-		-	
29.	All Other Direct Program Staff Not Req	-	-	-		-		-		-	
30.	TOTAL ALL POSITIONS	<u>75</u>	<u>\$ 8,372</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ 7,526</u>		<u>\$ 846</u>	
	Totals must equal line 4 of the Schedule of Program Costs										
31.	Mental Health Professional (MHP)	-	\$ -	\$ -		\$ -		\$ -		\$ -	
32.	Qualified Mental Health Prof. (QMHP)	-	-	-		-		-		-	
33.	Qualified Mental Retardation Prof. (QMF)	-	-	-		-		-		-	
34.	Rehabilitative Services Associate (RSA)	-	-	-		-		-		-	
35.	Supported Employment Job Coaches	-	-	-		-		-		-	

THE ARC OF IROQUOIS COUNTY
 REPORT OF SERVICE UNITS/DAYS/NIGHTS
 Year Ended June 30, 2018
 (See Independent Auditors' Report)
 (Unaudited)

DEVELOPMENTAL TRAINING 31U	SUPPORTED EMPLOYMENT PROGRAM 36U,390,39G,39U	COMMUNITY INTEGRATED LIVING ARRANGEMENT 24 HOUR 60D	Home Based 55A	Respite 87D
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Service Unit Type	Client Hours *	Client Hours	Client Days	Client Hours	Client Hours
Purchase of Service/Fee for Service					
Client Units/Days of Enrollment	136,926	18,873	27,445	427	1,179
Client Units/Days Delivered	97,271	18,642	26,697	398	1,179
Number of Days Program Operated	243	360	365	365	365
Licensed Capacity Beginning of Report Period	98	52	81	28	15
Licensed Capacity End of Report Period	92	51	74	28	15
Date of Change, if any	6/30/2018	6/30/2018	6/30/2018	6/30/2018	6/30/2018

* - 1 Client Day - DT = 6 Hours

** Weather related closure



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

Board of Directors
The Arc of Iroquois County
Watseka, Illinois

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 Iroquois County, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 17, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Arc of Iroquois County'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 of Iroquois County's internal control. Accordingly, we do not express an opinion on the effectiveness of The Arc of Iroquois County's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Arc of Iroquois County's 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 result 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Danville, Illinois
September 17, 2018