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ST. MARY ASSOCIATION FOR RETARDED CITIZENS, INC.  
Cottersville, Louisiana

**ANNUAL FINANCIAL REPORT**

June 30, 1967

Under provisions of state law, this report is a public document. A copy of the report has been distributed to the auditor of state, county and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

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Release Date... JAN 28 1968

ST. MARY ASSOCIATION FOR RETARDED CITIZENS, INC.  
 Centerville, Louisiana

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
St. Mary Association for Retarded Citizens, Inc.  
Cottersville, Louisiana 70812

We have audited the accompanying statement of financial position of the St. Mary Association for Retarded Citizens, Inc. (a nonprofit organization) as of June 30, 1997, and the related statement of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the St. Mary Association for Retarded Citizens, Inc. as of June 30, 1997 and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 4, 1997, on our consideration of the Association's internal control structure and a report dated December 4, 1997, on its compliance with laws and regulations.

*Quincy & Chalvin*

Certified Public Accountants

Franklin, Louisiana  
December 4, 1997

ST. MARY ASSOCIATION FOR RETARDED CITIZENS, INC.  
 Oaklerville, Louisiana

Statement of Financial Position  
 June 30, 1987

<b>ASSETS</b>	
Cash and cash equivalents	189,500
Recessional promises to give Unrestricted	270,840
Property and equipment	8,000
	78,000
	192,500
<b>TOTAL ASSETS</b>	<b>186,500</b>
<b>LIABILITIES</b>	
Accounts payable	2,200
<b>TOTAL LIABILITIES</b>	<b>2,200</b>
<b>NET ASSETS</b>	
Unrestricted:	
Undesignated	189,500
Board:	
Designated for specific purpose	18,000
<b>TOTAL UNRESTRICTED</b>	<b>189,500</b>
<b>TOTAL NET ASSETS</b>	<b>186,500</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>186,500</b>

Subject to the comments contained in the Independent Auditor's report  
 and notes to financial statements which are an integral part hereof

ST. MARY ASSOCIATION FOR RETARDED CITIZENS, INC.  
 Centerville, Louisiana

Statement of Activities  
 For the Year Ended June 30, 1997

UNRESTRICTED NET ASSETS	1,237,000
Support	
State Grant	
Medicaid Waivers	\$108,841
Program Service Fees	17,000
Contributions	38,342
United Way	25,571
Interest Income	881
Gain on Sale of Assets	1,107
	152,742
TOTAL UNRESTRICTED SUPPORT	152,742
Expenses	
Program Services	
Adult Rehabilitation	178,750
Supporting Services	
Management and General	3,607
	182,357
TOTAL EXPENSES	182,357
INCREASE IN UNRESTRICTED ASSETS	4,685
NET ASSETS AT BEGINNING OF YEAR	1,232,315
NET ASSETS AT END OF YEAR	1,237,000

Subject to the comments contained in the Independent Auditor's report and notes to financial statements which are an integral part hereof

ST. MARY ASSOCIATION FOR IMPROVED CITIZENS, INC.  
Centerville, Louisiana

Statement of Functional Expenses  
Year Ended June 30, 1967

	PROGRAM SERVICES	SUPPORTING SERVICES	TOTAL
	ADULT HABILITATION	MANAGEMENT AND GENERAL	
Salaries	\$111,179	-	\$111,179
Payroll Taxes	8,821	-	8,821
Total Salaries and Related Expenses	120,000	-	120,000
Professional Fees	1,370	-	1,370
Supplies	1,805	2,560	4,365
Telephone	350	48	398
Postage	324	-	324
Transportation	11,587	-	11,587
Conference and Meetings	812	-	812
Insurance	13,158	854	14,012
Repairs and Maintenance	-	460	460
Licenses	2,768	819	3,587
Utilities	180	5	185
Miscellaneous	5,864	-	5,864
Dues	40	806	846
Office Expense	-	4,060	4,060
	581	328	909
Total Expenses Before Depreciation	158,740	9,667	168,407
Depreciation Expense	12,251	-	12,251
Total Expenses	\$170,991	\$ 9,667	\$180,658

Subject to the comments contained in the Independent Auditor's report  
and notes to financial statements which are an integral part hereof

ST. MARY ASSOCIATION FOR RETIRED CITIZENS, INC.  
 Greerville, Louisiana

Statement of Cash Flows  
 Years Ended June 30, 1997

Cash Flows from Operating Activities:	—1998
Excess of Revenues over Expenditures	\$ 4,000
Adjustments to Reconcile Excess of Revenues over Expenditures to Net Cash Provided by Operating Activities:	
Depreciation	27,111
Changes in Operating Assets & Liabilities:	
(Increase) Decrease in accounts receivable	1400
Increase (Decrease) in accounts payable	—1400
Net Cash Provided (Used) by Operating Activities	—20,487
Cash Flows from Investing Activities:	
Purchases of Property and Equipment	—622,700
Net Decrease in Cash	62,213
Cash, Beginning of Year	—32,921
Cash, End of Year	<u>\$ 30,708</u>

Subject to the comments contained in the Independent Auditor's report and notes to financial statements which are an integral part hereof

ST. MARY ASSOCIATION FOR RETARDED CITIZENS, INC.  
Cottleville, Louisiana

Notes to Financial Statements  
For the Years Ended June 30, 1987

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

SCOPE OF ACTIVITIES:

St. Mary Association for Retarded Citizens, Inc. operates a non-profit school located in Cottleville, Louisiana. The Association provides adult day services to the severely retarded adults of St. Mary Parish. Individuals perform a wide variety of vocational activities such as recycling, horticulture, and janitorial. The Association is supported primarily through a grant from the Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities. This contract is funded with 100% State General Funds.

Income Tax Status:

St. Mary Association for Retarded Citizens, Inc. qualified as a tax-exempt organization under Section 501(c)(13) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

Estimates:

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

Cash and Cash Equivalents:

For the purpose of the statement of cash flows, the organization considers all of its bank accounts and certificates of deposit to be cash equivalents.

Property and Equipment:

Property and equipment are carried at cost or its estimated fair value at the date of the gift if donated. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation is computed using the modified accelerated cost



ST. MARY ASSOCIATION FOR RETARDED CITIZENS, INC.  
Cancerville, Louisiana

Notes to Financial Statements (Continued)  
For the Years Ended June 30, 1987

recovery system over the estimated useful lives of the respective assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Promises To Give:

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Financial Statement Presentation:

In 1994, the Organization elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations". Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by this new statement, the Organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect on the change in net assets for 1994.

ST. MARY ASSOCIATION FOR RETARDED CITIZENS, INC.  
Centerville, Louisiana

Notes to Financial Statements (Continued)  
For the Years Ended June 30, 1987

NOTE 2: STATE GRANT

St. Mary Association for Retarded Citizens, Inc. entered into a contract with the Louisiana Department of Health and Hospitals - Office for Citizens with Development Disabilities to provide habilitation services to mentally retarded adults in St. Mary Parish. Grant funds are paid monthly to the Association on a per diem basis until the contract amount is reached. Once the contract amount is reached, no more funds are disbursed to the Association. The Association files a monthly report of allowable expenses with the Office for Citizens with Development Disabilities. Allowable expenses are determined by the Office for Citizens with Development Disabilities.

NOTE 3: PROMISES TO GIVE

Unconditional promises to give consists of the following:

State grant	\$ 8,880
Medicaid Waivers	<u>2,285</u>
Total	<u>\$ 11,165</u>

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as June 30, 1987:

Buildings	\$212,489
Furniture and Fixtures	37,817
Office Equipment	6,123
Transportation Equipment	187,038
	363,448
Accumulated Depreciation	<u>185,891</u>
Total Property and Equipment	<u>\$177,557</u>

The depreciation expense as June 30, 1987 was \$17,883.

INDEPENDENT AUDITOR'S REPORTS REQUIRED  
BY GOVERNMENT AUDITING STANDARDS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL  
CONTROL STRUCTURE BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENTAL ACCOUNTING STANDARDS**

To the Board of Directors  
St. Mary Association for Retarded Citizens, Inc.  
Centerville, Louisiana 70522

We have audited the financial statements of the St. Mary Association for Retarded Citizens, Inc. as non-profit organization, as of and for the year ended June 30, 1997, and have issued our report thereon dated December 4, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Accounting Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the St. Mary Association for Retarded Citizens, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projections of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the St. Mary Association for Retarded Citizens, Inc. for the year ended June 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk

In order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize and report financial data in a manner that is consistent with the assertions of management in the financial statements.

The reportable condition noted is as follows:

Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the St. Mary Association for Retarded Citizens, Inc. did not have adequate segregation of functions within the accounting system.

Recommendation:

Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response:

No response is considered necessary.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is a material weakness.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
St. Mary Association for Retarded Citizens, Inc.  
Centerville, Louisiana 70522

We have audited the financial statements of St. Mary Association for Retarded Citizens, Inc. (a non-profit organization) as of and for the year ended June 30, 1987, and have issued our report thereon dated December 4, 1987.

We conducted our audit in accordance with generally accepted auditing standards and 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 of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to St. Mary Association for Retarded Citizens, Inc. is the responsibility of their management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of St. Mary Association for Retarded Citizens, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

This report is intended for the information of the St. Mary Association for Retarded Citizens, Inc.'s Board of Directors, management, and the Louisiana Department of Health and Hospitals - Office for Citizens with Development Disabilities. However, this report is a matter of public record, and its distribution is not limited.

*Sudhy & Chamberlain*  
Certified Public Accountants

Franklin, Louisiana  
December 4, 1987