

LAFAYETTE ASSOCIATION FOR RETARDED CITIZENS, INC.
 Lafayette, Louisiana
 SCHEDULE OF FEDERAL AWARDS
 For the Year Ended June 30, 1998

Pass-Through Grant/ Contract Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
OTHER FEDERAL AWARDS			
Pass-Through from State of Louisiana, Department of Health and Hospitals, Office of Citizens with Developmental Disabilities			
Insect Habitation (P.L. 08-212)	NA	NA	\$46,000
Pass-Through from State of Louisiana, Department of Education			
Family Service Coordination	04.181	NA	29,521
Total Federal Expenditures			<u>\$45,014</u>

See accountants' report and accompanying notes to financial statements.

LAHWETTE ASSOCIATION FOR RETIRED CITIZENS, INC.

Laurens, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 1999

P R O G R A M E S

TOTALS

	Child Development	Reading	People	Early Intervention	Supportive Wk. System	Academic Enrichment	Admin. & General	Special Events	TOTALS
Program	199	475	458	1,008	0	208	1,447	4,407	
Equipment/Books								899	
WEEKLY LUNCH								1,028	
Interest Expense	480	4318						5,078	
Promotion & Advertising						17,407		17,407	
Special Events							50,215	50,215	
Over & Subscriptions	10	338				892	5,188	6,428	
Meals & CAFE						7,088		7,088	
Miscellaneous Expense	11	774	340			2,597	3,408	6,911	
TOTAL EXPENSES BEFORE CONTRIBUTION	0	893,375	598,088	371,110	147,480	22,498	283,883	1,316,334	
Depreciation	41,475	44,888	14,285	4,832	5,885	14,888	28,574	136,007	
TOTAL EXPENSES	0	934,850	612,373	375,942	153,365	37,386	312,457	1,452,342	

See accountant's report and accompanying notes to financial statements.

V. L. AULD & ASSOCIATES

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AN OFFICE DIVISION OF THE SOCIETY
OF CHARTERED ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL AWARDS

The Board of Directors
Lafayette Association for
Retarded Citizens, Inc.
Lafayette, Louisiana

We have audited the financial statements of the Lafayette Association for Retarded Citizens, Inc., (a nonprofit organization) as of and for the year ended June 30, 1990, and have issued our report thereon, dated October 16, 1990. In our report, our opinion was qualified because certain assets are recorded at appraisal value and donated works of art are unrecorded. In addition, the Association changed certain accounting principles. Further explanations are in the third, fourth, and sixth paragraphs of our report on the financial statements.

We have applied procedures to test the Association's compliance with the following general requirements applicable to each of its federal programs which are identified in the accompanying Schedule of Federal Awards, for the year ended June 30, 1990:

- Political activity
- Civil rights
- Cash management
- Absolute ethical principles
- Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Audits of Institutions of Higher Learning and Other Nonprofit Institutions." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Association's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items listed, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Association had not complied in all material respects with those requirements. Also, the results of our procedures did not disclose any inadvertent instances of noncompliance with those requirements.

This report is intended for the information of the Board of Directors and Management of the Lafayette Association for Retarded Citizens, Inc., applicable state and federal agencies, and the Louisiana Legislative Auditor. This report is a matter of public record and its distribution is not limited.

V. L. AULD & ASSOCIATES



Certified Public Accountants

Lafayette, Louisiana

October 16, 1990

V. L. AULD & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS
MEMBERSHIP: MISSISSIPPI - F. B. BURTON
LOUISIANA - J. L. AULD, JR.
NEW YORK - J. L. AULD, JR.
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS, AND GRANTS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors
Lafayette Association for
Retarded Citizens, Inc.
Lafayette, Louisiana

We have audited the financial statements of the Lafayette Association for Retarded Citizens, Inc., (a nonprofit organization) as of and for the year ended June 30, 1986, and have issued our report thereon, dated October 16, 1986. In our report, our opinion was qualified because certain assets are recorded at appraisal value and donated works of art are unrecorded. In addition, the Association changed certain accounting principles. Further explanations are in the third, fourth, and sixth paragraphs of our report on the financial statements.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." These standards and OMB Circular A-133 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 the Lafayette Association for Retarded Citizens, Inc., is the responsibility of the Association's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Association'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.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board of Directors and Management of the Lafayette Association for Retarded Citizens, Inc., applicable state and federal agencies, and the Louisiana Legislative Auditor. This report is a matter of public record and its distribution is not limited.

V. L. AULD & ASSOCIATES

Certified Public Accountants

Lafayette, Louisiana

October 16, 1986

For this report, we have classified the significant internal control structure policies and procedures used in administering federal awards in the following categories:

- Cash receipts and disbursements
- Billing
- Payroll and related liabilities
- Property and equipment
- Political activity
- Civil rights
- Cash management
- Allocable cost/total principles
- Administrative requirements
- Types of services allowed or unallowed
- Eligibility
- Financial reports and claims for advances and reimbursements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1998, the Lafayette Association for Retarded Citizens, Inc., had no major programs and expended 120 percent of its total federal awards under the following major programs: 1) Inpatient habilitation (99-112), and 2) Family service coordination (GIP).

We performed tests of controls, as required by CAMB Circular A/100, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned major programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal awards would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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 noncompliance with laws and regulations that would be material to a federal-aided program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the Lafayette Association for Retarded Citizens, Inc., in a separate letter dated October 18, 1998.

This report is intended for the information of the Board of Directors and Management of the Lafayette Association for Retarded Citizens, Inc., applicable state and federal agencies, and the Louisiana Legislative Auditor. This report is a matter of public record and its distribution is not limited.

V. L. JULL & ASSOCIATES



Certified Public Accountants

Lafayette, Louisiana

October 18, 1998

V. L. AULD & ASSOCIATES

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INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS

The Board of Directors
Lafayette Association for Retarded Citizens, Inc.
Rosedale Citizens, Inc.
Lafayette, Louisiana

We have audited the financial statements of the Lafayette Association for Retarded Citizens, Inc. (a nonprofit organization) as of and for the year ended June 30, 1995, and have issued our report thereon, dated October 18, 1995. In our report, our opinion was qualified because certain assets are recorded at appraised value and donated stocks of art are unrecorded. In addition, the Association changed certain accounting principles. Further explanations are in the third, fourth, and sixth paragraphs of our report on the financial statements.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-120, "Audit of Institutions of Higher Education and Other Nonprofit Institutions." These standards and OMB Circular A-120 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit for the year ended June 30, 1995, we considered the internal control structure of the Lafayette Association for Retarded Citizens, Inc. in order to determine our auditing procedures for the purpose of expressing our opinion on financial statements of the Lafayette Association for Retarded Citizens, Inc., and to report on the internal control structure in accordance with OMB Circular A-120. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal awards. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated October 18, 1995.

The management of the Lafayette 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, 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, and that federal awards are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the Lafayette Association for Retarded Citizens, Inc., in a separate letter dated October 10, 1968.

This report is intended for the information of the Board of Directors and Management of the Lafayette Association for Retarded Citizens, Inc., applicable state and federal agencies, and the Louisiana Legislative Auditor. This report is a matter of public record and its distribution is not limited.

V. L. GILD & ASSOCIATES



Certified Public Accountants

Lafayette, Louisiana

October 10, 1968

V. L. AULD & ASSOCIATES

REGISTERED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS

The Board of Directors
Lafayette Association for
Retarded Citizens, Inc.
Lafayette, Louisiana

We have audited the financial statements of the Lafayette Association for Retarded Citizens, Inc., (a nonprofit organization) as of and for the year ended June 30, 1998, and have issued our report thereon, dated October 16, 1998. In our report, our opinion was qualified because certain assets are recorded at appraised value and donated works of art are unrecorded. In addition, the Association changed certain accounting principles. Further explanations are in the third, fourth, and sixth paragraphs of our report on the financial statements.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, "Audit of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 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 Lafayette 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, perception 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 Lafayette Association for Retarded Citizens, Inc., for the year ended June 30, 1998, 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.

LAFAYETTE ASSOCIATION FOR HILLTOPPED CITIZENS, INC.
Lafayette, Louisiana
SCHEDULE OF ACTIVITIES BY COMPONENT
For the Year Ended June 30, 1999

	PROGRESS SERVICES						SUPPORTING SERVICES		TOTAL
	Child Development	Daycaring	Preschool	Early Intervention	Expanded NC Systems	Armed Forces Village	Legal & General	Special Needs	
EXPENSES									
Cost of Goods Sold						\$ 87,700			\$ 87,700
Salaries	\$ 88,078	\$ 99,078	\$ 89,088	\$ 66,000	\$ 184,000	183,871	\$ 144,000		\$ 1,058,004
Payroll Taxes	30,007	44,000	33,070	4,000	8,000	113,000	10,000		198,000
Employee Benefits	20,007	21,000	3,000	4,000	4,000	4,000	3,000		60,000
Work Activity Expenses	68,718								68,718
Materials	60,000	60,000	31,700	4,000	7,700	26,000	20,000		189,000
Professional Services	10	61,000	60	63,000			2,000		124,000
Offices & Rentals	70,000	30,000	4,000	2,000	2,000	16,000	4,000		138,000
Fuel	2,000	40,000	2,000			3,000			47,000
Supplies	4,000	40,000	4,000	13,000	600	4,000	4,000		79,000
Repairs & Maintenance	10,000	10,000	2,000	1,000	200	20,000	10,000		34,000
Vehicle Repairs & Maintenance	15,000	1,000					800		16,800
Fuel	10,000	1,000	50		200	500	800		12,600
Travelers	4,000	4,000	3,000	3,000	1,000	6,000	4,000		27,000

See accompanying report and accompanying notes to financial statements.

NOTE 8 - CERTAIN REVENUES

By Act No. 980 of the Louisiana State Legislature, monies in the Lafayette Parish Water Enterprise Fund shall be subject to an annual appropriation by the Legislature. For the State fiscal years 1980-84 and 1984-86, monies are allocated one-third to the Acadian Village, a component of the Association, and two-thirds to Vermilionville. After that time, the monies collected by the Fund shall revert exclusively to the Cajundome in the City of Lafayette for capital improvements. The ending of this funding will have limited consequences on Acadian Village. Vermilionville and the Cajundome have no relationship to the Association.

NOTE 9 - LINE OF CREDIT

The Association has a \$100,000 line of credit with Bank One to be drawn down upon as needed through January 9, 1987, with interest at 7.25%. Collateral is a Certificate of Deposit at Bank One. As of June 30, 1986, no amount has been drawn down and there is no outstanding balance.

NOTE 11 - RISKS AND UNCERTAINTIES

The State of Louisiana is the primary controller of revenue for the Association. In the future, financial problems of the State of Louisiana may result in reduced funding. It is possible certain programs may be severely affected by these declining revenues. However, management believes changes can be incorporated into the continuing operations without a catastrophic result.

NOTE 12 - GIFTS OF FUTURE INTERESTS

Certain individuals have named the Association as a charitable beneficiary in their wills. In some cases, restrictions apply to the use of these future funds. However, the Association has no future guarantee to the use or access of these assets. The Association's right as a beneficiary, and the economic value, is subject to potential change.

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LAFAYETTE ASSOCIATION FOR RETARDED CITIZENS, INC.
LAFAYETTE, LOUISIANA

AUDIT REPORT

APR 30, 1986

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, entity 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

APR 23 1986

Release Date

T. L. AED & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
LAFAYETTE, LOUISIANA

V. L. AULD & ASSOCIATES

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INDEPENDENT AUDITORY REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL PROGRAM TRANSACTIONS

The Board of Directors
Lafayette Association for Retarded Citizens, Inc.
Retarded Citizens, Inc.
Lafayette, Louisiana

We have audited the financial statements of the Lafayette Association for Retarded Citizens, Inc. (a nonprofit organization) as of and for the year ended June 30, 1986, and have issued our report thereon, dated October 15, 1986. In our report, our opinion was qualified because certain assets are recorded at appraisal value and donated works of art are unrecorded. In addition, the Association changed certain accounting principles. Further explanations are in the third, fourth, and sixth paragraphs of our report on the financial statements.

In connection with our audit of the financial statements of the Lafayette Association for Retarded Citizens, Inc., and with our consideration of the Association's internal control structure used to administer federal programs, as required by Office of Management and Budget (OMB) Circular A-120, "Audit of Institutions of Higher Education and Other Marginal Institutions," we selected certain transaction areas applicable to certain nonmajor federal programs for the year ended June 30, 1986.

As required by OMB Circular A-120, we performed auditing procedures to test compliance with the specific requirements governing types of services allowed or conditioned, eligibility, reporting, and claims for advances and reimbursements that are applicable to these transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Association's compliance with those requirements. Accordingly, we do not express such an opinion.

With respect to the items listed, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Association had not complied in all material respects with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of the Board of Directors and Management of the Lafayette Association for Retarded Citizens, Inc., applicable state and federal agencies, and the Louisiana Legislative Auditor. This report is a matter of public record and its distribution is not limited.

V. L. AULD & ASSOCIATES



Certified Public Accountants

Lafayette, Louisiana

October 15, 1986

LAFAYETTE ASSOCIATION FOR RETARDED CITIZENS, INC.
Lafayette, Louisiana
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 1998

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in Net Assets	\$ 491,638
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	212,864
Non-cash Contributions	(89,342)
Gain on Refined Assets	(718)
Increase (Decrease) in Operating Assets	
Accounts Receivable	76,148
Inventory	4,388
Prepaid Expenses	(7,521)
Security Deposit	358
Increase (Decrease) in Operating Liabilities	
Accounts Payable	(16,218)
Assessed Payroll and Payroll Taxes	7,528
	<u>712,154</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sale of Vehicle	\$ 1,300
Payments for Property and Equipment	(170,134)
	<u>\$ (168,834)</u>
NET CASH USED BY INVESTING ACTIVITIES	
CASH FLOWS FROM FINANCING ACTIVITIES	
Loan from Premier Bank Line of Credit	\$ 84,276
Payoff of Premier Bank Line of Credit	(84,276)
Note Payments to Premier Bank	(29,027)
Note Payments to Junior League of Lafayette	(4,000)
Note Payments to First Motor Credit	(10,914)
Note Payments to Bank Savings Bank	(52,939)
Note Payments to General Motors Acceptance Corporation	(7,888)
	<u>\$ (92,581)</u>
NET CASH USED BY FINANCING ACTIVITIES	
NET INCREASE IN CASH	\$ 458,689
CASH AT BEGINNING OF YEAR	<u>845,797</u>
CASH AT ENDING OF YEAR	<u>\$ 1,304,486</u>
SUPPLEMENTAL DISCLOSURES	
Interest Paid	\$ 7,870
Non-cash Investing and Financing Activities	
Cost of Vehicles and Equipment	\$ 75,027
Non-cash Contributions	(89,342)
Vehicle Loan	(18,328)
Cash Paid for Vehicles and Equipment	<u>\$ 77,685</u>

See accountants' report and accompanying notes to financial statements.

NOTE 4 - CONCENTRATIONS OF CREDIT RISK

The Association is subject to potential credit risk on financial instruments with Bank One. The Association has demand deposits and certificates of deposit amounting to \$257,218 (bank balance) at June 30, 1996. This cash is insured for up to \$100,000 by the U.S. Federal Deposit Insurance Corporation. Additional insurance of \$610,000 is provided by specific pledged holdings of Bank One held by the Federal Reserve Bank of Atlanta, New Orleans Branch. The Association also has a repurchase agreement with Bank One with a balance of \$480,000 at June 30, 1996. This is insured by specific pledged holdings of Bank One held by the Federal Reserve Bank of Atlanta, New Orleans Branch.

Credit risk with respect to receivables is limited because the Association deals primarily with governmental organizations.

NOTE 5 - LITIGATION

Currently, legal counsel advises the Association has no lawsuits or other pending litigation.

NOTE 6 - WORKS OF ART

The Association is the recipient of 17 paintings by the artist George Rodrigue. No ownership restrictions are imposed on the Association. The Association may retain or dispose of the paintings at will.

The Association has decided it is impractical to determine a value for the paintings. Efforts to establish a value by obtaining appraisals or offers to sell have been unsuccessful. The paintings remain uncollateralized until a reasonable way is found to determine their value.

NOTE 7 - FAIR VALUES OF FINANCIAL INSTRUMENTS

The Association's financial instruments include cash and notes payable. None of these instruments are held for trading purposes. The Association estimates the fair value of all financial instruments at June 30, 1996, has no material difference from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

The carrying amount of cash approximates fair value because of the short maturities of these instruments. The carrying amount of the notes payable approximates fair value since stated rates are similar to rates currently available for debt with similar terms and remaining maturities.

NOTE 8 - LABOR UNION

Certain employees are members of Local 708, Service Employees International Union of the AFL-CIO (the Union). The collective bargaining agreement for employees covered by the Union expired June 30, 1996. A new agreement is substantially complete but unratified at October 18, 1996. In the Association's opinion the new collective bargaining agreement will have no material adverse effect on operations.

LAFAYETTE ASSOCIATION FOR RETIRED CITIZENS, INC.
Lafayette, Louisiana
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 1988

PERIOD 6-8-88-6-10-88

SUPPORTING SERVICES

TOTALS

	Class Development	Printing	Benefits	Early Retirement	Approved Wt. System	Another Usage	Mgmt. & General	Special Funds	TOTALS
Salaries	\$ 98,279 \$	81,279 \$	211,891 \$	99,207 \$	188,800 \$	100,877 \$	184,833		\$ 1,020,240
Payroll Taxes	96,157	46,898	18,974	6,982	8,208	15,448	5,831		198,498
Employee Benefits	58,287	21,220	3,834	8,508	8,388	5,500	3,687		98,244
TOTAL SALARIES & RELATED EXPENSES	\$ 252,723 \$	149,397 \$	334,599 \$	114,697 \$	205,396 \$	121,825 \$	184,351 \$		\$ 1,016,984
Cost of Goods Sold	100,718					97,728			198,446
Wares Inventory Expense									
Inventory	88,008	88,008	14,776	8,488	7,778	84,088	38,887		237,075
Professional Services	120	81,880	281	86,209			21,331		170,481
Utilities & Energy	18,488	88,794	8,888	3,488	8,887	19,878	4,742		146,185
Fuel	7,881	48,879	7,811			3,008			67,579
Supplies	8,281	48,790	8,588	3,882	840	4,888	8,878		76,489
Repairs & Maintenance	12,000	12,880	3,881	1,588	308	20,487	18,284		58,064
Materials Repairs & Maintenance	12,178	2,889					828		15,795
Fuel	18,828	8,788	18		304	270	881		28,971
Telephone	8,488	8,488	8,128	8,888	1,488	4,888	8,878		50,888
Taxes	580	3,294	287	8,871	8,888	4,878	4,288		21,888
Entertainment	488	1,418	488	8,588	884	188	1,288		12,976
Taxes & Licenses	328	11,488	280	128	28		28		11,952

See accountants' report and accompanying notes to financial statements.

LAFAYETTE ASSOCIATION FOR RETARDED CITIZENS, INC.
Lafayette, Louisiana
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 1998

		Unrestricted Net Assets
PUBLIC SUPPORT AND REVENUE		
Public Support		
Program Revenues	\$3,070,807	
Contributions	79,268	
Special Events	<u>128,658</u>	
Total Public Support		\$3,278,733
Revenue		
Other Revenue	\$ 168,278	
Interest Income	83,873	
Membership Dues	3,884	
Gain on Hedged Assets	<u>730</u>	
Total Revenue		<u>256,765</u>
TOTAL PUBLIC SUPPORT AND REVENUE		\$3,535,498
EXPENSES		
Program Services		
Client Development	\$ 788,347	
Housing	1,088,888	
Respite	572,168	
Early Intervention	218,712	
Supported Work Systems	181,273	
Academy Village	<u>338,456</u>	
Total Program Services		\$3,948,844
Supporting Services		
Management and General	\$ 312,686	
Special Events	<u>68,375</u>	
Total Supporting Services		<u>381,061</u>
TOTAL EXPENSES		\$3,329,905
INCREASE IN NET ASSETS		\$ 205,593
NET ASSETS, BEGINNING OF YEAR		2,818,138
NET ASSETS, END OF YEAR		\$3,023,731

See accountants' report and accompanying notes to financial statements.

LAFAYETTE ASSOCIATION FOR RETARDED CITIZENS, INC.
Lafayette, Louisiana
STATEMENT OF FINANCIAL POSITION
June 30, 1989

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 55,106
Accrued Payroll and Payroll Taxes	40,518
Current Portion of Note Payable	<u>3,322</u>

Total Current Liabilities \$ 98,946

LONG-TERM OBLIGATIONS

Note Payable	\$ 18,000
Less: Current Portion	<u>3,322</u>

Total Long-Term Obligations 14,678

NET ASSETS

Unrestricted	
Operating	\$ 808,487
Board Designated	980,000
Plant Assets	<u>1,750,000</u>

Total Net Assets 3,481,787

TOTAL LIABILITIES AND NET ASSETS \$3,519,821

See accountants' report and accompanying notes to financial statements.

LAFAYETTE ASSOCIATION FOR RETARDED CITIZENS, INC.
Lafayette, Louisiana
STATEMENT OF FINANCIAL POSITION
June 30, 1998

ASSETS

CURRENT ASSETS

Cash	\$1,208,090
Accounts Receivable	312,071
Inventory	12,087
Prepaid Expenses	8,784
Insurance Deposit	<u>29,023</u>

Total Current Assets

\$1,760,071

PLANT ASSETS

Buildings	\$3,158,428
Furniture and Fixtures	80,400
Machinery and Equipment	208,081
Transportation Equipment	252,830
Land	81,000
Totals	<u>\$3,880,739</u>
Accumulated Depreciation	<u>2,027,749</u>

Total Plant Assets

\$1,763,208

TOTAL ASSETS

\$3,523,279

See accountants' report and accompanying notes to financial statements.

As discussed in Note 3 to the financial statements, in the current year the Association changed its method of recording contributions and its method of financial reporting and financial statement presentation.

In accordance with Government Auditing Standards, we have also issued reports dated October 10, 1996, on our consideration of the internal control structure and on compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Lafayette Association for Retarded Citizens, Inc. The accompanying Schedule of Federal Awards and the additional information contained in the schedule of activities by component are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

V. L. AULD & ASSOCIATES



Certified Public Accountants

Lafayette, Louisiana

October 16, 1996

V. L. AULD & ASSOCIATES

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INDEPENDENT AUDITORS' REPORT ON THE BASIC FINANCIAL STATEMENTS, SCHEDULE OF FEDERAL AWARDS, AND ADDITIONAL INFORMATION

The Board of Directors
Lafayette Association for
Handicapped Citizens, Inc.
Lafayette, Louisiana

We have audited the accompanying statement of financial position of the Lafayette Association for Handicapped Citizens, Inc., (a nonprofit organization) as of June 30, 1998, and the related statements 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, Government Auditing Standards issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes evaluating the overall financial statement presentation and assessing the accounting principles used and the significant estimates made by management. We believe our audit provides a reasonable basis for our opinion.

On May 1, 1978, buildings in existence were restated to appraised values. In our opinion, assets should be stated at acquisition cost, or if donated, recorded at their fair value at the date of gift, net of depreciation, to conform with generally accepted accounting principles. The effect of this practice on the financial statement is undetermined.

As explained in Note 8 to the financial statements, works of art donated to the Association are unrecorded in the financial statements. In our opinion, generally accepted accounting principles require donated assets to be recorded at their fair value at the date of receipt. The effects of the unrecorded works of art on the financial statement are undetermined.

In our opinion, except for the effects of recording certain buildings at appraised values, and not recording donated works of art, as discussed in the preceding two paragraphs, the financial statements referred to in the first paragraph present fairly in all material respects the financial position of the Lafayette Association for Handicapped Citizens, Inc., as of June 30, 1998, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

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V. L. AULD & ASSOCIATES

MEMBER FIRM OF MEMBERSHIP
OF PUBLIC ACCOUNTANTS OF THE STATE OF LOUISIANA
SINCE 1914

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The Board of Directors
Lafayette Association for
Retarded Citizens, Inc.
Lafayette, Louisiana

In planning and performing our audit of the financial statements of the Lafayette Association for Retarded Citizens, Inc., for the year ended June 30, 1998, we considered the Association's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we raised certain matters involving the internal control structure and other operational matters presented for your consideration. This letter does not affect our report dated October 18, 1998, on the financial statements of the Association. We will review the status of these comments during our next audit engagement. All of our comments and recommendations are discussed with appropriate members of management with the intention to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these matters in further detail, to do additional study of these matters, or to help in carrying out the recommendations. Our comments are summarized as follows:

NONCASH CONTRIBUTIONS

FINDING --

At the date of a gift, non-cash contributed assets must be recorded at their fair market value. Certain assets, notably two vehicles, were unrecorded at their full value. Although, subsequent audit adjustments were made to the financial statements.

RECOMMENDATION --

Management should raise awareness with all key personnel and board members concerning non-cash contributions. This is most important when donated assets may involve significant value or other obligations. These obligations can consist of legal restrictions or liability.

This report is intended for the information of the Board of Directors and Management of the Lafayette Association for Retarded Citizens, Inc., applicable state and federal agencies, and the Louisiana Legislative Auditor.

We thank the Board of Directors and Management for their support and assistance during our audit. The current administration continues to improve the financial condition of the Association.

V. L. AULD & ASSOCIATES



Certified Public Accountants

Lafayette, Louisiana

October 18, 1998

LAFAYETTE ASSOCIATION FOR RETARDED CITIZENS, INC.
Lafayette, Louisiana
SCHEDULE OF ACTIVITIES BY COMPONENT
For the Year Ended June 30, 1988

	PROGRAM SERVICES						SUPPORTING SERVICES		TOTALS
	Event Development	Housing	Meals	Early In-terventions	Recreational W/ System	Respite Therapy	Mgmt. & General	Special Events	
Travel	68	5,524	27	8,201	8,085	4,218	4,204		21,338
Conferences	49	1,248	48	3,209	864	669	1,263		6,297
Trains & Licenses	141	11,494	28	158	59	59	28		11,818
Postage	129	428	48	1,096	4	194	1,407		4,017
Exploited Respite						144			144
Vehicle Licenses	481	4,218				144	1,477		5,344
Interest Expense							3,494		3,494
Production & Advertising						11,477			11,477
Special Events								91,239	91,239
Devs. & Respite System	11	524				89	8,181		9,785
Meals & Crafts						2,088			2,088
Depreciation	18,473	48,444	18,173	8,623	8,685	18,009	26,914	5,048	137,349
Miscellaneous Expense	11	776	148	4	4	2,549	3,428		7,916
TOTAL EXPENSES	\$ 26,447	\$ 1,094,888	\$ 272,183	\$ 21,712	\$ 19,473	\$ 331,665	\$ 142,488	\$ 91,239	\$ 1,611,495
PROGRAM RECEIPTS									
BY NET ASSETS	\$ 147,284	\$ 254,812	\$ 47,281	\$ 224,750	\$ 31,448	\$ 28,175	\$ 228,754	\$ 44,199	\$ 635,893

See accountants' report and accompanying notes to financial statements.

FUNCTIONAL EXPENSE ALLOCATIONS

A summary of the costs of providing various programs and supporting services is in the statement of functional expenses. Accordingly, certain costs are allocated between the programs and supporting services benefited.

CONTRIBUTED SERVICES

Many volunteers have donated significant amounts of time to the Association's special events. No amounts are recognized in the statement of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

INVENTORY

Inventory of Appleton Village Store merchandise is valued at the lower of cost or market. Cost is determined on the first-in, first-out method.

NOTE 2 - NOTE PAYABLE

Note payable to General Motors Acceptance Corporation, payable in monthly installments of \$404.53 and a final payment of \$8,648.24 including interest at 10.8%, secured by a 1986 Chevrolet Lumina

\$18,000

Maturity of the note payable for each of the five years after June 30, 1996, are as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
1997	\$ 3,029
1998	3,000
1999	3,001
2000	-0-
2001	-0-
Total	<u>\$18,000</u>

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES

In the current fiscal year, the Association adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Association is required to present a statement of cash flows. Under this new standard, the Association ended the use of fund accounting and, accordingly, reclassified its financial statements to present the required classes of net assets. This reclassification does not affect the change in net assets for the current fiscal year. The Association has no temporarily or permanently restricted net assets.

The Association also adopted Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions, Received and Classification Made*, in the current fiscal year. According to SFAS No. 116, contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. The adoption does not affect net assets for the current fiscal year. The Association has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

LAFAYETTE ASSOCIATION FOR RETARDED CITIZENS, INC.
Lafayette, Louisiana
NOTES TO FINANCIAL STATEMENTS
June 30, 1988

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

The Association administers programs for the benefit of retarded citizens in an eight-parish area. Funding of these programs is primarily from governmental sources. Also, the Association operates Joubert Village, a living museum visited by tourists and used by the community for public events. The Village primarily generates revenue by admission and gift shop sales. The Village employs the efforts of the Association to maintain and operate the facility as a part of the work activity programs.

FINANCIAL STATEMENT PRESENTATION

The financial statements of the Association are prepared on the accrual basis of accounting. This means revenues are recognized when earned and expenses are recognized when incurred. Also, the financial statements reference the standards promulgated by the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations.

PLANT ASSETS

On May 1, 1988, buildings in existence were restated to appraisal values. All other plant assets are stated at cost or, if donated, at fair market value at date of receipt. Depreciation is calculated on a straight-line basis over estimated useful lives ranging from four to thirty years. Depreciation expense for assets valued at appraisal value is \$21,712 and for assets valued at historical value is \$751,852.

STATEMENT OF CASH FLOWS

For purposes of the Statement of Cash Flows, currency, demand deposits, certificates of deposit, and repurchase agreements are considered cash.

INCOME TAX STATUS

The Association is exempt from federal income tax under Internal Revenue Code Section 501(c)(3). It is not a private foundation under Section 509(a)(2) of the Internal Revenue Code. The Association qualifies for the 50-percent charitable contribution deduction for individual donors.

ESTIMATES

Financial statements are prepared in conformity with generally accepted accounting principles. These principles require management to make estimates and assumptions affecting certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.