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**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.**

FINANCIAL STATEMENTS

JUNE 30, 1999

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

Release Date 1-12-00

Ducote & Company
Certified Public Accountants
P. O. Box 309
219 North Washington Street
Marksville, LA 71351

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.**

TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITORS' REPORT	1
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL STRUCTURE OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF CASH FLOW	5
NOTES TO FINANCIAL STATEMENTS	6-9

INDEPENDENT AUDITORS' REPORT

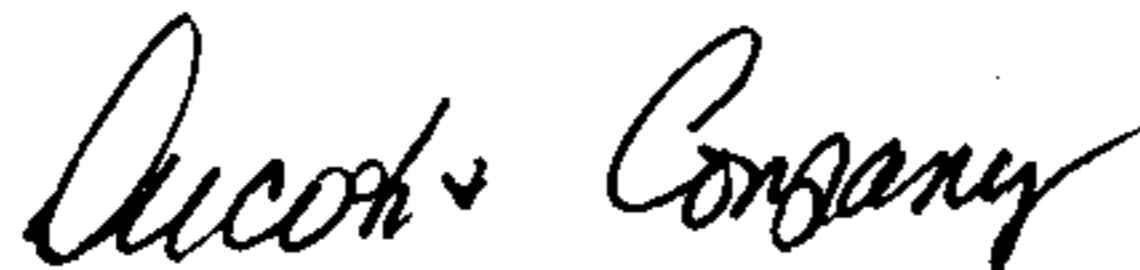
To the Board of Directors
Avoyelles Society for the Developmentally Disabled, Inc.
Marksville, Louisiana

We have audited the accompanying statement of financial position of the Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization) as of June 30, 1999, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization'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. 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 statement 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 Avoyelles Society for the Developmentally Disabled, Inc. as of June 30, 1999, and the changes in its net assets and 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 June 30, 1999, on our consideration of Avoyelles Society of the Developmentally Disabled, Inc.'s internal control structure and on our tests of its compliance with certain laws, regulations, and grants.



DUCOTE & COMPANY

Marksville, Louisiana
October 15, 1999

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL STRUCTURE OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Avoyelles Society for the Developmentally Disabled, Inc.
Marksville, Louisiana

We have audited the statement of financial position of the Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization) as of June 30, 1999, and the related statements of activities and cash flows for the year then ended, and have issued our report thereon dated June 30, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Avoyelles Society for the Developmentally Disabled, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Avoyelles Society for the Developmentally Disabled, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose 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 over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, State of Louisiana and Federal granting agencies, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be use by anyone other than these specified parties.


DUCOTE & COMPANY
Marksville, Louisiana
October 15, 1999

**AVOUELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Statement of Financial Position
June 30, 1999**

ASSETS

Current assets:	
Cash and interest-bearing accounts	\$ 22,255
Accounts receivable - grants	16,377
Deposits	<u>3,828</u>
Total current assets	<u>42,460</u>
Fixed Assets:	
Construction in Progress	365,013
Furniture and fixtures	6,072
Machinery and equipment	22,777
Transportation equipment	<u>31,066</u>
	424,928
Less accumulated depreciation	<u>(46,191)</u>
Net fixed assets	<u>378,737</u>
Total assets	<u>\$ 421,197</u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable	\$ 6,639
Accrued expenses	972
Notes payable (current portion)	<u>3,688</u>
Total current liabilities	<u>11,299</u>
Long-Term Liabilities	
Notes payable	<u>141,086</u>
Total long-term liabilities	<u>141,086</u>
Total liabilities	152,385
Net Assets	<u>268,812</u>
Total liabilities and net assets	<u>\$ 421,197</u>

See accompanying notes to financial statements.

**AVOUELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Statement of Activities
Year ended June 30, 1999**

Unrestricted Net Assets:	
Support:	
Dues and donations	\$ 174,975
Interest earned	52
Client service	59,452
Grants	261,860
Fundraiser income	1,615
In-kind revenue	5,627
Miscellaneous revenue	<u>2,996</u>
 Total support	 <u>506,577</u>
Expenses:	
Program services:	
Adult day services	211,596
Client service activities	65,032
In-kind expenditures	<u>5,627</u>
 Total program services	 <u>282,255</u>
 Increase (decrease) in unrestricted net assets	 224,322
 Net assets, beginning of year	 <u>44,490</u>
 Net assets, end of year	 <u>\$ 268,812</u>

See accompanying notes to financial statements.

**AVOUELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Statement of Cash Flows
Year Ended June 30, 1999**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in net assets	\$ 224,322
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	6,125
 (Increase) decrease in operating assets:	
Deposits	1,172
Accounts receivable	(1,537)
Increase (decrease) in operating liabilities:	
Accounts payable	5,199
Accrued expenses	<u>(204)</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>235,077</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Payments for purchases of property and equipment	<u>(371,351)</u>
 NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	 <u>(371,351)</u>
 CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:	
Increase in long-term notes payable	<u>144,774</u>
 NET CASH PROVIDED BY FINANCING ACTIVITIES	 <u>144,774</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 8,500
 BEGINNING CASH AND CASH EQUIVALENTS	 <u>13,755</u>
 ENDING CASH AND CASH EQUIVALENTS	 <u>\$ 22,255</u>

See accompanying notes to financial statements.

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Notes to Financial Statements
June 30, 1999**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Avoyelles Society for the Developmentally Disabled, Inc. is a nonprofit organization exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code. The Society was formed in 1968 to provide day services for and assistance to the adult handicapped residents of Avoyelles Parish, Louisiana. The Society participates as a provider agency in the Department of Health & Hospitals Title XX Day Developmental training services.

Basis of Accounting

The Society maintains its accounting records on the accrual method of accounting, except that membership dues and donations are included in support in the period received.

Fixed Assets

Fixed assets are recorded at cost. Assets are depreciated over their estimated useful lives using the straight-line method, using the following lives:

Furniture & fixtures	3 - 5 years
Machinery & equipment	5 - 8 years
Vans	4 years
Buildings	30 years

Donated Services

Donated labor is valued at the minimum wage rate in effect at the time of the donated services. Professional time, which is donated, is valued at the current market rate of the specific project.

Cash and cash equivalents

For purposes of the statement of cash flows, the Society considers all unrestricted, highly liquid investments with an initial maturity of less than three months as cash and cash equivalents.

**AVOUELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Notes to Financial Statements (continued)
June 30, 1999**

NOTE B - GRANTS

The Society participated in five grants for the year ended June 30, 1999, one of which was non-cash in nature:

Cash Grants:

Federal/State Grant - Medical Assistance Program MR/DD Waiver Services	\$ 16,658
Federal/State Grant - Rehabilitation Program	1,200
Federal Grant-United States Department of Agriculture-Rural Development	28,500
State of Louisiana Grant - Department of Health and Hospitals Title XX Adult Day Programs	<u>215,502</u>
Total cash grants received	<u>\$ 261,860</u>

Non-cash Grants:

Federal/State – Federal Urban Mass Transportation Capital Improvement Grant	<u>\$ 25,353</u>
Total non-cash grants received	<u>\$ 25,353</u>

NOTE C - FIXED ASSETS

A summary of fixed assets is as follows:

	Balance June 30, 1998	Additions	Retirements	Balance June 30, 1999
Furniture & fixtures	\$ 6,072	\$ -	\$ -	\$ 6,072
Machinery & equipment	22,777	-	-	22,777
Transportation equipment	24,728	6,338	-	31,066
Construction in progress	<u>-</u>	<u>365,013</u>	<u>-</u>	<u>365,013</u>
	\$ 53,577	<u>371,351</u>	<u>-</u>	424,928
Accumulated depreciation	<u>(40,066)</u>	<u>(6,125)</u>	<u>\$ -</u>	<u>(46,191)</u>
Net fixed assets	<u>\$ 13,511</u>			<u>\$ 378,737</u>

**AVOUELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Notes to Financial Statements (continued)
June 30, 1999**

NOTE D - GRANTS RECEIVABLE

Grants and contracts receivable are deemed to be fully collectible by management and are comprised of the following amounts due at June 30, 1999:

Dept of Health & Hospitals - MR/DD Waiver Services	\$ 3,809
Dept of Health & Hospitals - Adult Day Program	<u>12,568</u>
	<u>\$ 16,377</u>

NOTE E - LONG-TERM NOTES

The Society has a 4.75% note that is payable to the USDA in monthly installments of \$797 that is secured by the land and building and has principal outstanding of \$143,876 at June 30, 1999. At June 30, 1999, the Society also has a note with a balance of \$898 that is secured by a van and payable to the Union Bank in monthly installments of \$200.00 plus interest at an annual rate of 9.5%.

Future debt service requirements are:

Fiscal Year Ended: June 30,	Principal	Interest	Total
2000	\$ 3,688	\$ 6,850	\$ 10,538
2001	2,926	6,638	9,564
2002	3,068	6,496	9,564
2003	3,217	6,347	9,564
2004	3,373	6,191	9,564
2005 - 2026	<u>128,502</u>	<u>76,614</u>	<u>205,116</u>
Totals	<u>\$144,774</u>	<u>\$109,136</u>	<u>\$253,910</u>

NOTE F - SUBSEQUENT EVENTS

In October 1998, the Society applied for a \$300,000 capital outlay request from the State of Louisiana. The Society received a Priority II status funding in Act 20 of 1999 - the State of Louisiana General Appropriations Bill for the fiscal year ending June 30, 2000. The Society has filed the appropriate request with the State of Louisiana to receive its allocated funding. To date, the Society's request has not been presented before the State Bond Commission for approval. The Society continues to pursue this funding; however, in October 1999, the Society re-filed its \$300,000 capital outlay application to request funding in the next year's general appropriation in the event it does not receive its funding during the fiscal year ending June 30, 2000.

The purpose of the capital outlay request is to receive funding to complete Phase III of the Society's renovation plan. Phase III would complete the renovations to the remaining 50% of the building, which is currently only 25% improved. The completion of Phase III would allow the Society to provide services to many more clients and to provide additional training projects and facilities for all clients.

**AVOUELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Notes to Financial Statements (continued)
June 30, 1999**

NOTE G – YEAR 2000 RESOLUTION

The stages identified by the Governmental Accounting Standards Board as being necessary to implement a year 2000-compliant system are: Awareness Stage, Assessment Stage, Remediation Stage, and Validation/Testing Stage.

The Society is currently in the Validation/Testing Stage of the implementation of a Year 2000 compliant system.

The Society does not use computers for any financial functions. The accounting system is completely manual. Computers are used to maintain client files with respect to setting goals, objectives and annual and semi-annual assessments for each client. A basic word processing software package is used for this.

The progress to date by the Society with regards to Y2000 compliance is:

Awareness, Assessment, and Remediation Stages: The Society disposed of all outdated computers that were not Year 2000 compliant. At June 30, 1999, orders for two new computers were outstanding, and receipt of the computers was expected by October 1999.

Validation/Testing Stage: Upon receipt of the new computers, which are labeled as Year 2000 compliant by the manufacture, the Society plans to test their compliance.