

SUPPLEMENTARY INFORMATION

HFB

HUGH F. BAXLEY, CPA
A Professional Accounting Corporation

Hugh F. Baxley, CPA/PFS
Kent Craft, CPA
Margaret A. Pritchard, CPA

Board of Directors
Association for Retarded Citizens--Iberville, Inc.

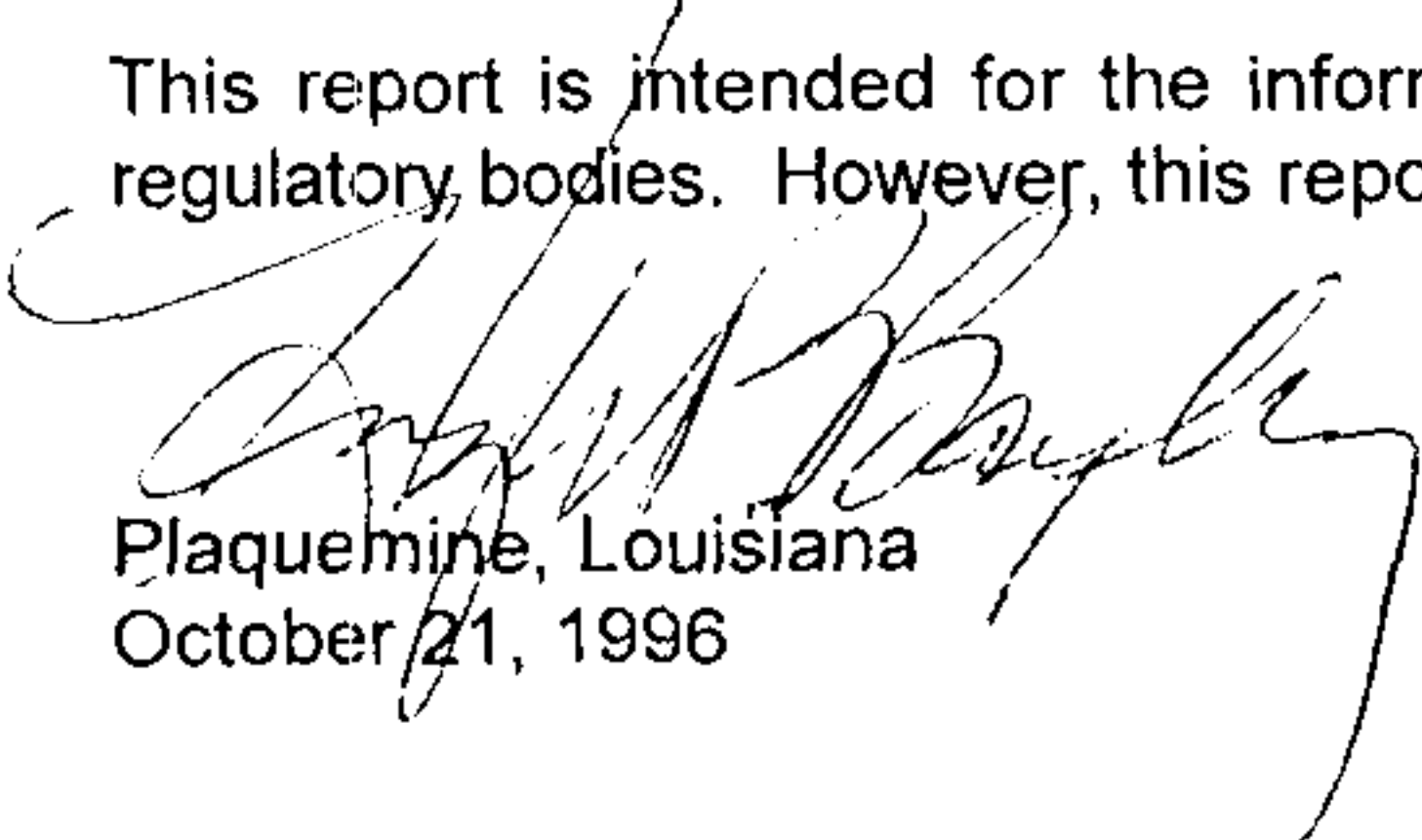
COMPLIANCE--SINGLE AUDIT ACT--SPECIFIC REQUIREMENTS--NONMAJOR PROGRAMS

We have audited the general purpose financial statements of the Association for Retarded Citizens--Iberville, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated October 21, 1996.

In connection with our audit of the general purpose financial statements of the Association for Retarded Citizens--Iberville, Inc., and with our consideration of the Association for Retarded Citizens--Iberville, Inc., internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-133, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; and other tests that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Association for Retarded Citizens--Iberville, Inc., compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those 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 for Retarded Citizens--Iberville, Inc., 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, management, and Federal regulatory bodies. However, this report is a matter of public record and its distribution is not limited.



Plaquemine, Louisiana
October 21, 1996

FINANCIAL STATEMENTS

ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
BALANCE SHEET
JUNE 30, 1996

ASSETS

Current Assets

Cash	\$90,190
Accounts receivable--contracts	83,446
Prepaid insurance and expense	<u> -</u>

Total Current Assets **173,636**

Property and Equipment

Vehicles	103,836
Workshop tools	9,581
Furniture and fixtures	<u>32,916</u>
	146,333
Less accumulated depreciation	<u>(110,283)</u>

Total Property and Equipment **36,050**

Other Assets

Utility deposit	<u> 25</u>
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TOTAL ASSETS **\$209,711**

LIABILITIES AND FUND BALANCE

Current Liabilities

Account payable	\$1,079
Payroll taxes withheld and accrued	7,674
Note payable	<u>3,092</u>

Total Current Liabilities **11,845**

Long-Term Liabilities

Note payable	7,403
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Fund Balance

190,463

TOTAL LIABILITIES AND FUND BALANCE **\$209,711**

The accompanying notes are an integral part of this statement

ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1996

	Total	Adult Day Care	MR-DD	Infant/ Toddler	Supervised Living	Personal		In-Home Respite
						Care Attendant		
REVENUE								
Social (Adult Habilitation Services)	\$143,815	\$143,815	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Iberville Parish Police Jury	19,968	19,968	-	-	-	-	-	-
Louisiana Department of Education	-	-	-	-	-	-	-	-
Community Network, Inc.	90,220	90,220	-	-	-	-	-	-
Allied Health Care	75,903	75,903	-	-	-	-	-	-
Office of Community Services, Div. of Rehabilitation Services	19,985	19,985	-	-	-	-	-	-
Capital Area United Way Allocation	12,607	12,607	-	-	-	-	-	-
Structured Work Program	81,726	81,726	-	-	-	-	-	-
Contributions	827	827	-	-	-	-	-	-
Interest	325	325	-	-	-	-	-	-
Dues	300	300	-	-	-	-	-	-
Recycling	1,631	1,631	-	-	-	-	-	-
Miscellaneous	5,652	5,652	-	-	-	-	-	-
Medicaid	286,640	33,140	-	-	100,506	124,033	-	28,961
TOTAL REVENUE	\$739,599	\$486,099	\$ -	\$ -	\$100,506	\$124,033	\$ -	\$28,961

(Continued)

The accompanying notes are an integral part of this statement.

ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1996

	Total	Adult		MR-DD	Infant/ Toddler	Supervised Living	Personal		in-Home Respite
		Day Care	Care Attendant						
EXPENSES									
Salaries	\$469,080	\$328,722	\$63,161	\$-	\$-	\$70,179			\$7,018
Payroll taxes	45,430	31,232	6,389	-	-	7,099			710
Repairs and maintenance	1,133	1,133	-	-	-	-			-
Professional fees	7,851	5,495	393	-	-	1,570			393
Supplies	53,624	52,996	157	-	-	314			157
Telephone	4,302	3,011	-	-	-	1,291			-
Postage	926	649	46	-	-	185			46
Occupancy	7,560	-	-	-	-	7,560			-
Travel	30,157	24,317	2,920	-	-	2,920			-
Dues	2,390	2,006	192	-	-	192			-
Miscellaneous	10,977	8,783	1,097	-	-	1,097			-
Depreciation	11,680	11,680	-	-	-	-			-
Utilities	9,875	9,875	-	-	-	-			-
Convention meetings	1,177	941	118	-	-	118			-
Licenses	276	-	92	-	-	92			92
Insurance	21,500	17,925	1,608	-	-	1,788			179
Interest	1,140	1,140	-	-	-	-			-
Cleaning	1,195	1,195	-	-	-	-			-
Training and workshops	702	255	129	-	-	189			129
Materials	949	949	-	-	-	-			-
TOTAL EXPENSES	681,924	502,304	76,302	-	-	94,594	-	-	8,724
EXCESS OF REVENUE (EXPENSES)	57,675	(16,205)	47,731	-	-	5,912	-	-	20,237
FUND BALANCE, BEGINNING	132,788	131,607	6,498	(1,861)	(6,197)	(11,522)	-	-	14,263
Reclassification of fund balance	-	(8,058)	-	1,861	6,197	-	-	-	-
FUND BALANCE, ENDING	\$190,463	\$107,344	\$54,229	\$-	\$-	(\$5,610)	-	-	\$34,500

The accompanying notes are an integral part of this statement.

SCHEDULE 1

ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
 INSURANCE IN FORCE
 JUNE 30, 1996
 (Unaudited)

Insurer	Type of Coverage	Amount	Inception Date	Term in Months
St. Paul Insurance Company	Comprehensive General Liability and Comprehensive Auto and Liability	BI & PD Combined \$1,000,000 per occurrence	July 1, 1995	12
Louisiana Habilitation Providers, Inc.	Workers' Compensation	Statutory	July 1, 1995	12
Seaboard Surety Company	NARC Director/Officers' Liability	\$1,000,000	April 1, 1996	12

**ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

Basis of accounting

The financial statements are prepared on the accrual basis wherein revenues are recognized when earned and expenses are recognized when incurred.

Property and equipment and depreciation

Property and equipment is stated at cost, unless donated. Donated property and equipment is stated at fair value as of the date of the gift. Depreciation is charged to operations using the straight-line method at various rates calculated to extinguish the book value of items over their useful lives.

Income taxes

The Association is a nonprofit organization and has been granted tax exempt status under Section 501(c) (3) of the Internal Revenue Code of 1954.

NOTE B - PROPERTY AND EQUIPMENT

Property and equipment is scheduled as follows:

	<u>BALANCE</u> <u>6/30/96</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>6/30/96</u>
Vehicles	\$74,254	\$29,582	\$ -	\$103,836
Workshop tools	9,581	-	-	9,581
Furniture and fixtures	<u>32,516</u>	<u>400</u>	<u>-</u>	<u>32,916</u>
	116,351	29,982	-	146,333
Accumulated depreciation	<u>98,603</u>	<u>11,680</u>	<u>-</u>	<u>110,283</u>
TOTAL PROPERTY AND EQUIPMENT	<u>\$17,748</u>			<u>\$36,050</u>

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SCHEDULE 2

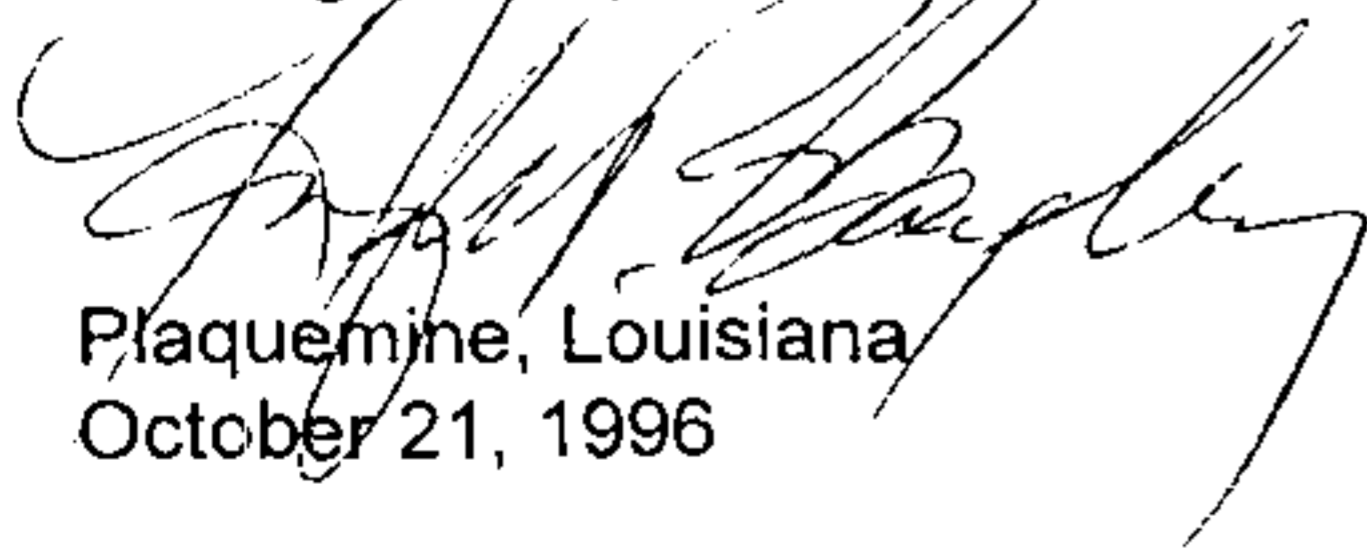
Board of Directors
Association for Retarded Citizens--Iberville, Inc.

REPORT ON SUPPLEMENTARY INFORMATION--SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

We have audited the general purpose financial statements of the Association for Retarded Citizens--Iberville, Inc. as of and for the year ended June 30, 1996 and have issued our report thereon dated October 21, 1996. These general purpose financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these general purpose 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, and the provisions of Office and Management Budget Circular A-133, "Audits 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Association for Retarded Citizens--Iberville, Inc. taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



Plaquemine, Louisiana
October 21, 1996

SCHEDULE 3

ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 1996

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Cash/Accrued of (Deferred) Revenue at June 30, 1995	Receipts or Revenue Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 1996
<i>U.S. Department of Health and Human Services</i>						
Passed through State Department of Health and Human Services via Community Network, Inc.	13-714	-	\$7,422	\$90,220	\$90,292	\$7,350
<i>Other Federal Assistance</i>						
Passed through State Department Division of Rehabilitation Services	-	-	-	19,985	19,985	-
Passed through Allied Health Care, Inc.	-	-	5,443	75,903	73,250	8,096
TOTAL FEDERAL ASSISTANCE			<u>\$12,865</u>	<u>\$186,108</u>	<u>\$183,527</u>	<u>\$15,446</u>

ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1996

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income (loss)	\$57,675
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	11,680
Changes in assets and liabilities:	
(Increase) in accounts receivable	(15,427)
Decrease in prepaid insurance and expense	634
Increase in payroll taxes withheld	7,246
Increase in accounts payable	<u>1,079</u>

**NET CASH PROVIDED (USED)
BY OPERATING ACTIVITIES**

62,887

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from note payable	11,931
Acquisition of capital assets	(29,982)
Principal payments on note payable	<u>(1,436)</u>

NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES

(19,487)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

43,400

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR

46,790

CASH AND CASH EQUIVALENTS AT END OF YEAR

\$90,190

The accompanying notes are an integral part of this statement.

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Board of Directors
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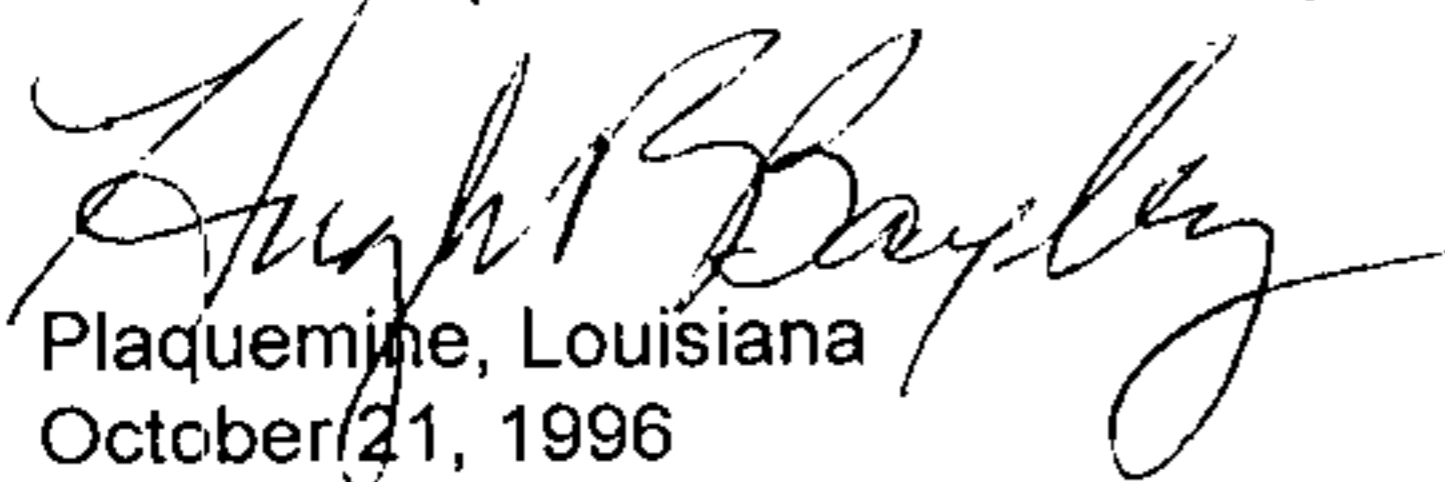
FINANCIAL STATEMENTS

We have audited the accompanying general purpose financial statements of the Association for Retarded Citizens--Iberville, Inc. as of June 30, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these general purpose 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 Circular A-133, "Audits 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Association for Retarded Citizens--Iberville, Inc. as of June 30, 1996, and the results of its operations and cash flows for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Association for Retarded Citizens--Iberville, Inc. Such information, except for the Schedule of Insurance in Force marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.


Plaquemine, Louisiana
October 21, 1996

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Board of Directors
Association for Retarded Citizens--Iberville, Inc.

COMPLIANCE--SINGLE AUDIT ACT--GENERAL REQUIREMENTS

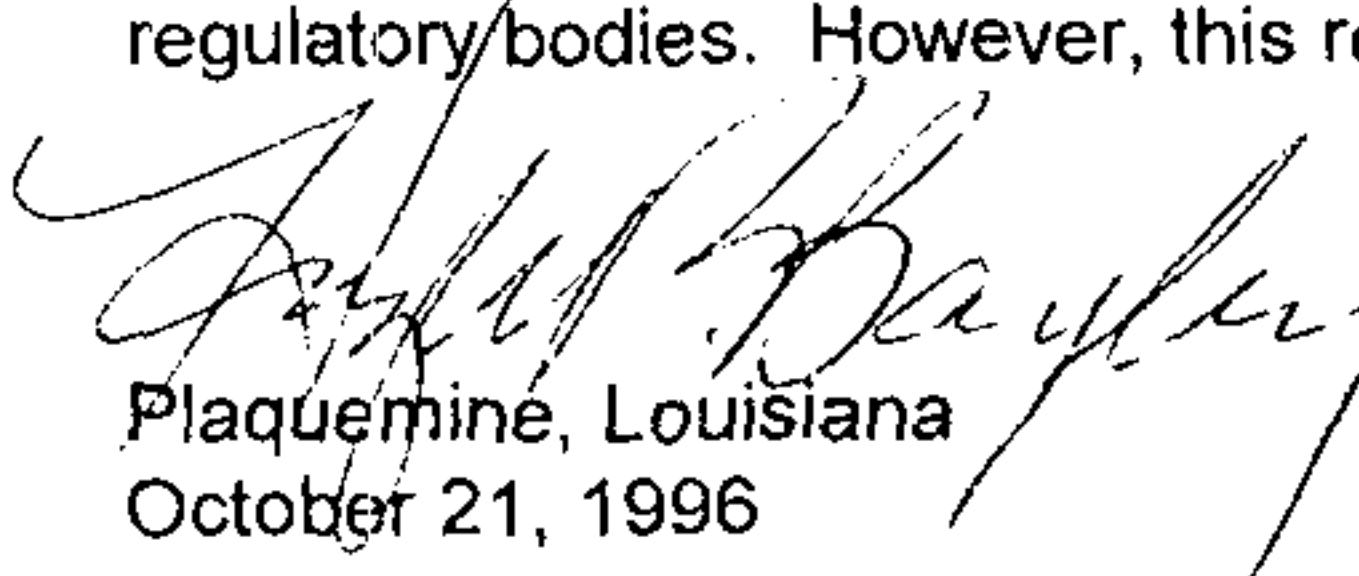
We have audited the general purpose financial statements of the Association for Retarded Citizens--Iberville, Inc., for the year ended June 30, 1996, and have issued our report thereon dated October 21, 1996.

We have applied procedures to test the Association for Retarded Citizens--Iberville, Inc.'s compliance with the following requirements applicable to each of its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended June 30, 1996: political activity, Davis-Bacon Act, civil rights, cash management, relocation assistance and real property acquisition, federal financial reports, allowable costs/cost principles, Drug-free Workplace Act, or 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 Non-Profit Institutions." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Association of Retarded Citizens--Iberville, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those 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 for Retarded Citizens--Iberville, Inc. 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, management, and federal regulatory bodies. However, this report is a matter of public record and its distribution is not limited.


Plaquemine, Louisiana
October 21, 1996

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COMPLIANCE--GOVERNMENT ACCOUNTING OFFICE

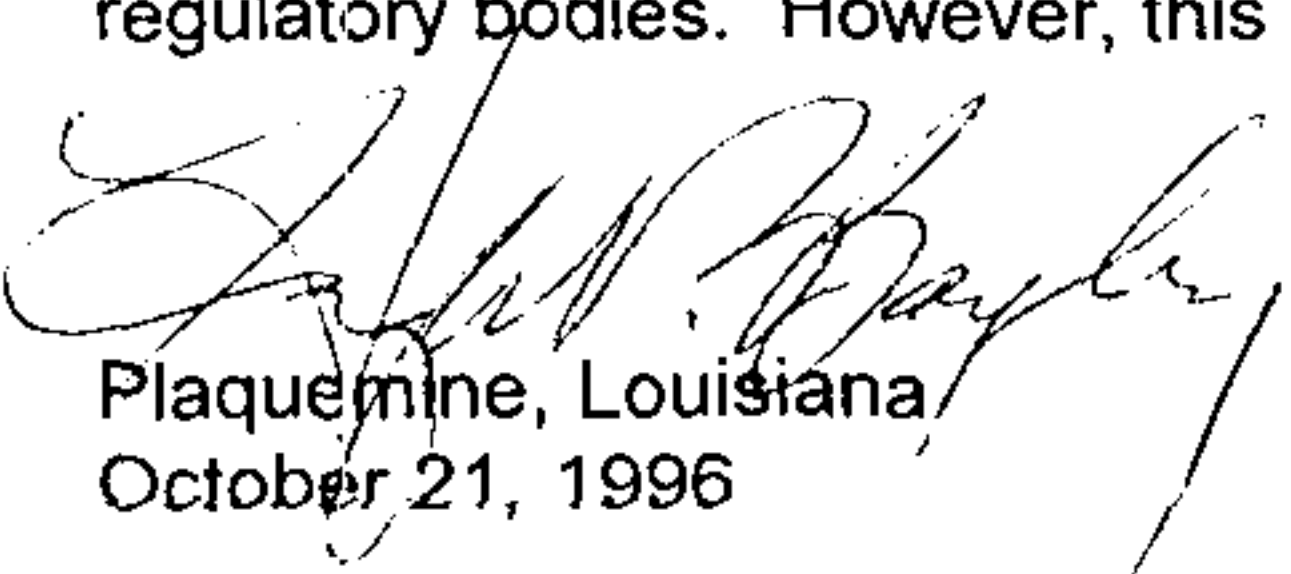
We have audited the general purpose financial statements of the Association for Retarded Citizens--Iberville, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated October 21, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits 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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Association for Retarded Citizens--Iberville, Inc. is the responsibility of the Association's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Association for Retarded Citizen's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose 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, management, and federal regulatory bodies. However, this report is a matter of public record and its distribution is not limited.



Plaquemine, Louisiana
October 21, 1996

INTERNAL CONTROL--SINGLE AUDIT

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Financing
Revenues/receipts
Purchases/disbursements
External financial reporting

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, 1996, Association for Retarded Citizens--Iberville, Inc. has no major federal financial assistance programs and expended 89 percent of its total federal financial assistance under the following nonmajor federal financial assistance programs: Community Network, Inc., and Allied Health Care, Inc.

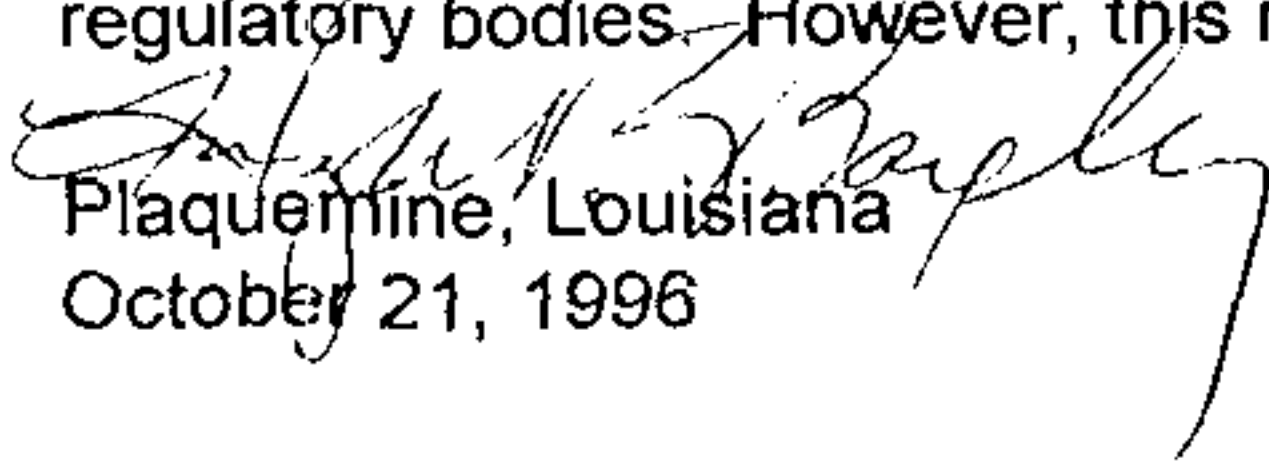
We performed tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor federal financial assistance 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.

We noted no 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 Association for Retarded Citizens--Iberville, Inc.'s ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

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 noncompliance with laws and regulations that would be material to a federal financial assistance program 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 policies and procedures used in administering federal financial assistance 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.

This report is intended for the information of the Board of Directors, management, and federal regulatory bodies. However, this report is a matter of public record and its distribution is not limited.


Plaquemine, Louisiana
October 21, 1996



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Board of Directors
Association for Retarded Citizens--Iberville, Inc.

INTERNAL CONTROL--SINGLE AUDIT

We have audited the general purpose financial statements of the Association for Retarded Citizens--Iberville, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated October 21, 1996.

We conducted our audits in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States and Office of Management and Budget Circular A-133, "Audits 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 general purpose financial statements are free of material misstatement.

In planning and performing our audit for the year ended June 30, 1996, we considered the internal control structure of the Association for Retarded Citizens--Iberville, Inc., in order to determine our auditing procedures for the purpose of expressing our opinions on the Association for Retarded Citizens--Iberville, Inc.'s general purpose financial statements, and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated October 21, 1996.

The management of the Association 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 general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs 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.

INTERNAL CONTROL--GOVERNMENT ACCOUNTING OFFICE (continued)

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 consistent with the assertions of management in the general purpose financial statements.

Note Payable

Findings

During the audit, a note outstanding for \$10,495 was detected which had been unrecorded at June 30, 1996.

Recommendation

Proper recording of outstanding notes should be instituted to insure generating appropriate interim financial statements. An appropriate set of financial statements would assist management in making certain that funds are available for making prompt principal and interest payments.

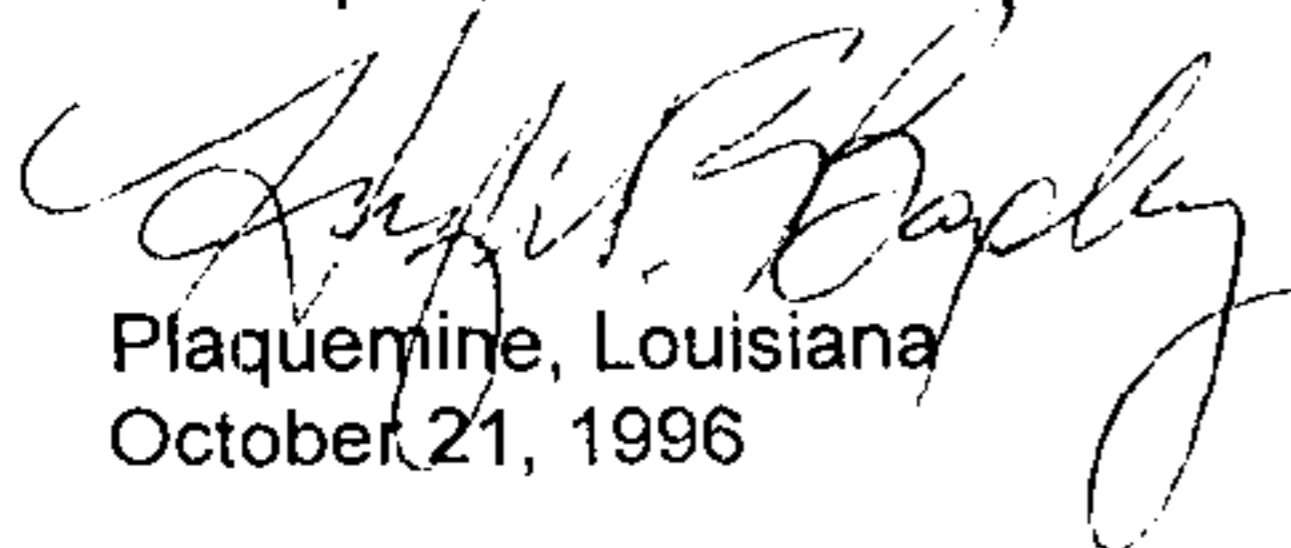
Management's Response

Management agrees with the finding and will make the correction within the accounting system.

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 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.

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 none of the reportable conditions described above is a material weakness.

This report is intended for the information of management and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.


Plaquemine, Louisiana
October 21, 1996

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Board of Directors
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INTERNAL CONTROL--GOVERNMENT ACCOUNTING OFFICE

We have audited the general purpose financial statements of the Association for Retarded Citizens--Iberville, Inc. for the year ended June 30, 1996, and have issued our report thereon dated October 21, 1996.

We conducted our audits in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States and Office of Management and Budget Circular A-133, "Audits 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 general purpose financial statements are free of material misstatement.

The management of the Association 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 transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose 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, 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.

In planning and performing our audit of the general purpose financial statements of the Association for Retarded Citizens--Iberville, Inc., for the year ended June 30, 1996, 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 general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

**ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE C - ACCOUNTS RECEIVABLE

State of Louisiana Department of Health & Hospitals, Office of Human Services, Division of Mental Retardation: Cost Reimbursement	\$11,359
Community Network, Inc.	7,350
Allied Health Care, Inc.	8,096
Louisiana Rehabilitation Services	6,259
Other Receivables (including Medicaid)	<u>50,382</u>
TOTAL ACCOUNTS RECEIVABLE	<u>\$83,446</u>

NOTE D - CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Association for Retarded Citizens--Iberville, Inc. considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
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ASSOCIATION FOR RETARDED CITIZENS--
IBERVILLE, INC.
PLAQUEMINE, LOUISIANA
ANNUAL FINANCIAL REPORT

JUNE 30, 1996

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 JAN 08 1997