

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)
Napoleonville, Louisiana

STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 1996 AND 1995

	<u>Unrestricted</u> <u>1996</u>	<u>Unrestricted</u> <u>1995</u>
<u>REVENUES AND OTHER SUPPORT:</u>		
Public Support:		
Public contributions	\$ 15,873	\$ 9,174
Allocated by Capital Area United Way	16,291	6,944
Contributions from Government Agencies	1,231,590	1,208,347
Other Revenue:		
Membership dues - individual	1,080	1,160
Sales to public (net of expenses of \$53,484 and \$42,217, respectively)	165,494	165,828
Activity center services	159,945	128,559
Net unrealized gains on investments	1,975	7,325
Interest and dividend income	33,203	17,361
Gain on sale of assets	454	5,911
Miscellaneous revenue	14	1,652
	<u>1,625,919</u>	<u>1,552,261</u>
Total revenues and other support	<u>1,625,919</u>	<u>1,552,261</u>
<u>EXPENSES</u>		
Napoleonville Manor	239,309	237,507
Thibaut Manor	281,582	267,164
Activity Center	342,678	322,244
Project Fund	166,398	144,486
Association Fund	26,213	13,805
Waiver Services	167,876	126,330
Fee for Service	9,145	26,071
Independent Living	-	5,969
Central Office	165,114	142,445
	<u>1,398,315</u>	<u>1,286,021</u>
Change in net assets	227,604	266,240
Net assets at beginning of year	<u>1,000,906</u>	<u>734,666</u>
Net assets at end of year	<u>\$ 1,228,510</u>	<u>\$ 1,000,906</u>

The accompanying notes are an integral part of these statements.



ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

SCHEDULES OF SUPPORT AND REVENUE
YEAR ENDED JUNE 30, 1996 AND 1995

	Association Fund		Waiver Services		Fee for Services		Independent Living		Central Office	
	1996	1995	1996	1995	1996	1995	1996	1995	1996	1995
Public Support:										
Public contributions	\$ 4,085	\$ 2,369	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Allocated by Capital Area United Way	-	-	-	5,740	-	-	-	-	-	-
Contributions from Governmental Agencies	-	-	272,554	210,997	32,261	52,398	-	4,942	-	-
Other Revenue:										
Unrealized gain (loss) on investments	99	366	-	-	-	-	-	-	-	-
Membership dues	1,080	1,085	-	-	-	-	-	-	-	-
Sales to public (net of expenses)	-	-	-	-	-	-	-	-	-	-
Residential services	-	-	-	-	-	-	-	-	-	-
Interest and dividend income	619	456	2,850	666	1,109	493	-	-	-	-
Gain on sale of assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	1,652	-	-	-	-	-	-	14	-
Total Public Support and Other Revenue	\$ 5,883	\$ 5,928	\$ 275,404	\$ 217,403	\$ 33,370	\$ 52,891	\$ -	\$ 4,942	\$ 14	\$ -



ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS
(A NOT FOR PROFIT ORGANIZATION)
Napoleonville, Louisiana

SCHEDULE OF FEDERAL AWARDS

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Disbursements/ Expenditures</u>
Passed-through State Department of Education: Supported Employment	84.126A	<u>\$ 25,164*</u>

* These program expenditures represent 78% of the total program assistance received at June 30, 1996.



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 be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the lack of segregation of duties is a material weakness.

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

Poaththuraitte J. Metterville

Donaldsonville, Louisiana
August 26, 1996

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

1. Cash receipts/revenue
2. Cash disbursements/expenses

For all of the internal control structure categories listed in the preceding paragraph, 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, Assumption Association for Retarded Citizens, Inc. had no major federal award programs and expended 100 percent of its total federal awards under the following nonmajor program:

1. Supported Employment

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 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 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 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 Association's ability to administer federal award programs in accordance with applicable laws and regulations.

The reportable conditions noted are as follows:

Finding:	There is insufficient segregation of duties to have effective internal control.
Cause:	This condition is due to the size of the accounting staff.
Recommendations:	No action is recommended.
Management's Response:	We concur with the finding and recommendation.

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 award program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.





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

Board of Directors
Assumption Association for Retarded Citizens, Inc.
Napoleonville, Louisiana

We have audited the financial statements of Assumption Association for Retarded Citizens, Inc. (a nonprofit organization) as of and for the years ended June 30, 1996 and 1995, and have issued our report thereon dated August 26, 1996.

We conducted our audits 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." 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.

In planning and performing our audit for the year ended June 30, 1996 and 1995, we considered the internal control structure of Assumption Association for Retarded Citizens, Inc. in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements of Assumption Association for Retarded Citizens, Inc. 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 award programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated August 26, 1996.

The management of Assumption 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 award 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.



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL AWARD PROGRAM TRANSACTIONS

Board of Directors
Assumption Association for Retarded Citizens, Inc.
Napoleonville, Louisiana

We have audited the financial statements of Assumption Association for Retarded Citizens, Inc. (a nonprofit organization) as of and for the years ended June 30, 1996 and 1995, and have issued our report thereon dated August 26, 1996.

In connection with our audits of the financial statements of Assumption Association for Retarded Citizens, Inc. and with our consideration of the Association's internal control structure used to administer federal award programs, as required by Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions," we selected certain transactions applicable to certain nonmajor federal award 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 special tests and provisions (if any) 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 Assumption Association for Retarded Citizens, Inc.'s compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, 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 Assumption Association for Retarded Citizens, Inc. had not complied, in all material respects, with those requirements.

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

Postlethwaite & Netterville

Donaldsonville, Louisiana
August 26, 1996

With respect to the items tested, 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 Assumption Association for Retarded Citizens, Inc. had not complied, in all material respects, with those requirements.

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

Pastlithwaite & Netterville

Donaldsonville, Louisiana
August 26, 1996





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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL AWARD PROGRAMS

Board of Directors
Assumption Association for Retarded Citizens, Inc.
Napoleonville, Louisiana

We have audited the financial statements of Assumption Association for Retarded Citizens, Inc. (a nonprofit organization) as of and for the years ended June 30, 1996 and 1995, and have issued our report thereon dated August 26, 1996.

We have applied procedures to test the compliance of Assumption Association for Retarded Citizens, Inc. with the following requirements applicable to its federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the year ended June 30, 1996:

- 1.) political activity
- 2.) civil rights
- 3.) cash management
- 4.) federal financial reports
- 5.) allowable costs/cost principles
- 6.) drug-free workplace
- 7.) administrative requirements
over federal financial awards

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 Assumption Association for Retarded Citizens, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Assumption Association for Retarded Citizens, Inc.
Napoleonville, Louisiana

We have audited the financial statements of Assumption Association for Retarded Citizens, Inc. (a nonprofit organization) as of and for the years ended June 30, 1996 and 1995, and have issued our report thereon dated August 26, 1996.

We conducted our audits 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." Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

The results of our test 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 the Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

Postlethwaite & Netterville

Donaldsonville, Louisiana
August 26, 1996

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 organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

The reportable conditions noted are as follows:

Finding:	There is insufficient segregation of duties to have effective internal control.
Cause:	This condition is due to the size of the accounting staff.
Recommendations:	No action is recommended
Management's Response:	We concur with the finding and recommendation.

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

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of Assumption Association for Retarded Citizens, Inc. for the year ended June 30, 1996.

The lack of segregation of duties is a material weakness.

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

Postlethwaite & Metterick

Donaldsonville, Louisiana
August 26, 1996





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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Assumption Association for Retarded Citizens, Inc.
Napoleonville, Louisiana

We have audited the financial statements of Assumption Association for Retarded Citizens, Inc. (a nonprofit organization) for the years ended June 30, 1996 and 1995, and have issued our report thereon dated August 26, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Assumption 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 any 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, 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 financial statements of Assumption Association for Retarded Citizens, Inc. for the years ended June 30, 1996 and 1995, 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.



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Assumption Association for Retarded Citizens, Inc.
Napoleonville, Louisiana

We have audited the accompanying statements of financial position of Assumption Association for Retarded Citizens, Inc. (a not for profit organization) as of June 30, 1996 and 1995 and the related statements of activities and cash flows for the years 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 audits 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 require that we plan and perform the audits 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 audits provide 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 Assumption Association for Retarded Citizens, Inc. as of June 30, 1996 and 1995, and the results of its activities and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated August 26, 1996 on our consideration of Assumption Association for Retarded Citizens, Inc.'s internal control structure and a report dated August 26, 1996 on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of public support and revenue, functional expenses and federal awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Postlethwaite & Netterville

Donaldsonville, Louisiana
August 26, 1996

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

Napoleonville, Louisiana

SCHEDULES OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 1996 AND 1995

	Napoleonville Manor		Thibaut Manor		Activity Center		Project Fund	
	1996	1995	1996	1995	1996	1995	1996	1995
Salaries	\$ 91,541	\$ 82,488	\$ 93,156	\$ 85,875	\$ 209,051	\$ 192,928	\$ 148,356	\$ 126,832
Client Allowance	2,736	4,204	3,971	3,900	-	-	-	-
Employee benefits	3,113	2,600	2,637	3,585	7,226	4,580	1,735	1,763
Activity center services	51,221	51,087	68,322	68,577	-	-	-	-
Dues	-	-	-	-	-	-	-	-
Insurance	5,472	3,572	5,926	5,665	26,797	26,925	-	264
Office supplies	725	307	361	60	767	1,654	-	-
Auto expense	2,506	2,534	1,866	1,831	23,073	14,691	-	-
Postage	-	4	-	-	-	-	-	-
Professional services	13,368	11,718	15,831	12,582	-	-	-	-
Telephone	1,357	1,444	1,314	1,411	2,582	1,898	-	-
Training	338	349	344	377	1,089	147	-	-
Travel and entertainment	99	154	130	104	468	172	300	558
Food	12,364	9,639	16,038	14,259	911	926	-	82
Payroll taxes	7,313	6,129	7,474	6,461	16,085	14,447	11,349	9,465
Contract work	246	300	14	17	183	-	-	-
Other	2,349	5,179	4,480	5,930	457	646	30	-
Repairs & maintenance	1,019	829	4,972	2,675	12,270	18,703	133	570
Depreciation	7,710	4,595	10,074	11,295	26,724	32,228	4,495	4,952
Gifts	-	-	-	-	-	-	-	-
Advertising	-	211	22	75	4	99	-	-
Utilities	5,012	5,571	10,110	8,886	11,667	9,549	-	-
Supplies	2,900	1,280	2,253	1,984	3,035	1,892	-	-
Medical services	3,734	2,514	4,630	4,318	74	729	-	-
Clothing	612	603	1,738	1,279	-	-	-	-
Rent	-	17,689	-	-	-	30	-	-
Interest	1,403	-	-	-	215	-	-	-
Bed fee	22,171	22,507	25,919	26,018	-	-	-	-
Total expenses before central office	\$ 239,309	\$ 237,507	\$ 281,582	\$ 267,164	\$ 342,678	\$ 322,244	\$ 166,398	\$ 144,486
Central office overhead	(\$ 36,325)	(\$ 36,608)	(\$ 41,264)	(\$ 44,586)	(\$ 61,093)	(\$ 51,280)	\$ -	\$ -
Transfer to (from) other funds	\$ 155,199	\$ -	(\$ 155,199)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income (Loss)	\$ 196,329	\$ 37,003	(\$ 92,052)	\$ 72,309	\$ 33,801	\$ 35,078	\$ 4,521	\$ 22,832



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INDEPENDENT AUDITOR'S REPORT

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.

(A NOT FOR PROFIT ORGANIZATION)

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FINANCIAL STATEMENTS

YEAR ENDED 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 OCT 16 1996



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ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

SCHEDULES OF SUPPORT AND REVENUE
YEAR ENDED JUNE 30, 1996 AND 1995

	<u>Napoleonville Manor</u>		<u>Thibaut Manor</u>		<u>Activity Center</u>		<u>Project Fund</u>	
	1996	1995	1996	1995	1996	1995	1996	1995
Public Support:								
Public contributions	\$ 3,107	\$ 3,161	\$ 106	\$ 3,161	\$ 8,430	\$ 450	\$ 145	\$ 33
Allocated by Capital Area United Way	5,573	-	4,141	-	2,528	1,204	4,049	-
Contributions from Governmental Agencies	306,167	306,403	360,288	370,048	260,320	263,559	-	-
Other Revenue:								
Unrealized gain (loss) on investments	296	1,099	632	2,344	948	3,516	-	-
Membership dues	-	-	-	-	-	-	-	75
Sales to public (net of expenses)	-	-	-	-	-	-	165,494	165,828
Residential services	-	-	-	-	159,945	128,559	-	-
Interest and dividend income	1,621	1,393	20,826	8,506	5,320	4,465	858	1,382
Gain (loss) on sale of assets	-	(938)	-	-	81	6,849	373	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Public Support and Other Revenue	<u>\$ 316,764</u>	<u>\$ 311,118</u>	<u>\$ 385,993</u>	<u>\$ 384,059</u>	<u>\$ 437,572</u>	<u>\$ 408,602</u>	<u>\$ 170,919</u>	<u>\$ 167,318</u>



SUPPLEMENTARY INFORMATION



ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

7. Notes Payable

Note payable to a bank in the amount of \$187,741, dated September 27, 1995, due on September 27, 1998, with an interest rate of 9.25%. The note is secured by a mortgage on the property and building. Total interest of \$5,723 has been capitalized at June 30, 1996.

1996		1995	
Due Within One Year	Due After One Year	Due Within One Year	Due After One Year
\$ -	\$ -	\$ 169,942	\$ -

8. Commitments

Pursuant to terms of FTA Elderly and Disabled Section 5310 funding for the purchase of a van, the Association is required to match 30% of the purchase price of a new van. As of June 30, 1996, the Association has an unused letter of credit in the amount of \$10,000 to provide for this matching of funds.

9. Fair Value of Financial Instruments

The carrying amounts reflected in the balance sheets for cash, certificates of deposit, accounts receivable and accounts payable approximate the respective fair values due to the short maturities of those instruments.



ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
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Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

4. **Contributions from government agencies**

Contributions from government agencies at June 30, 1996 consist of the following:

	<u>Napoleonville Manor</u>	<u>Thibaut Manor</u>	<u>Activity Center</u>	<u>Waiver Services</u>	<u>Fee for Service</u>	<u>Total</u>
Title XIX	\$ 279,818	\$ 324,836	\$ -	\$ -	\$ -	\$ 604,654
Patient Liability	26,349	35,452	-	-	-	61,801
OMR	-	-	260,320	-	-	260,320
Waiver contract	-	-	-	272,553	-	272,553
Fee for services contract	-	-	-	-	32,262	32,262
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,262</u>	<u>32,262</u>
Total	<u>\$ 306,167</u>	<u>\$ 360,288</u>	<u>\$ 260,320</u>	<u>\$ 272,553</u>	<u>\$ 32,262</u>	<u>\$ 1,231,590</u>

5. **Income Taxes**

The Association is exempt from the income taxes under section 501 (c) (3) of the Internal Revenue Code and is not considered a private foundation.

6. **Buildings and Equipment**

Buildings and equipment at June 30, 1996 and 1995 consist of the following:

	<u>1996</u>	<u>1995</u>
Buildings	\$ 593,735	\$ 385,177
Building improvements	2,950	2,950
Construction in progress	-	184,168
Transportation equipment	174,974	169,390
Furniture and equipment	<u>193,986</u>	<u>191,265</u>
	965,645	932,950
Less: Accumulated depreciation	<u>(536,319)</u>	<u>(491,705)</u>
	<u>\$ 429,326</u>	<u>\$ 441,245</u>

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

3. **Investment Securities**

Investments are carried at market value and realized and unrealized gains and losses are reflected in the statement of activities. Marketable equity securities are made up of mutual funds.

	<u>Marketable Equity Securities</u>	<u>U.S. Treasury Strips</u>	<u>Total</u>
Investments at June 30, 1994	\$ 79,713	\$ 76,851	\$ 156,564
Purchases	284,000	-	284,000
Interest and dividends	7,168	4,421	11,589
Unrealized gains (losses)	<u>3,308</u>	<u>4,017</u>	<u>7,325</u>
Investments at June 30, 1995	374,189	85,289	459,478
Purchases	288,000	-	288,000
Sales	(366,000)	-	(366,000)
Interest and dividends	13,667	4,660	18,327
Unrealized gains (losses)	<u>2,471</u>	<u>(496)</u>	<u>1,975</u>
Investments at June 30, 1996	<u>\$ 312,327</u>	<u>\$ 89,453</u>	<u>\$ 401,780</u>

The maturities of Treasury strips at June 30, 1996 were as follows:

	<u>Par Value</u>	<u>Market Value</u>
11/15/97	\$ 25,000	\$ 23,067
08/15/98	27,000	23,740
08/15/99	15,000	12,341
11/15/00	<u>40,000</u>	<u>30,305</u>
	<u>\$ 107,000</u>	<u>\$ 89,453</u>



ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

- G. The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- H. The Association considers all cash accounts and certificates of deposit with a maturity of three months or less when purchased to be cash and cash equivalents.

2. **Cash and Certificates of Deposit**

The Association maintains cash pools that are available for use by the individual funds.

The individual fund cash balances at June 30, 1996, carried at cost, which approximates market value, were as follows:

<u>Fund</u>	<u>Cash Balance</u>	<u>Certificate of Deposit</u>
Napoleonville Manor	(\$ 28,098)	\$ -
Thibaut Manor	(46,467)	158,523
Activity Center	28,335	-
Project Fund	35,536	-
Association Fund	(42,088)	-
Waiver Services	40,389	125,000
Fee for Service	28,799	-
Independent Living	(1,047)	-
Central Office	(6,474)	-
	<u>\$ 8,885</u>	<u>\$ 283,523</u>

At June 30, 1996, the carrying amount of the Association's deposits were \$292,408 and the bank balance was \$324,419. Of the bank balance, \$203,850 was covered by federal depository insurance and \$120,569 was uninsured.



ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies**

- A. The Association is a non-profit organization formed to furnish education and recreation to the mentally retarded and handicapped persons for Assumption Parish. The Association is solely dependent upon appropriation from State agencies and other contributions.
- B. To ensure proper usage of restricted and unrestricted assets, the Association maintains its accounts according to fund accounting principles, whereby funds are classified in accordance with specified restrictions or objectives.
- C. Buildings and equipment are recorded at cost and are being depreciated using accelerated and the straight-line methods over their estimated useful lives as follows:

Buildings	30 - 40 years
Transportation equipment	5 years
Other equipment	5 - 10 years

- D. Management has determined that all accounts receivable are collectible. Therefore, no reserve for uncollectible accounts has been established.
- E. The majority of the Association's revenue is derived from third-party reimbursement arrangements. These revenues and the allowability of the related expenditures is subject to audits by the granting agencies.
- F. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.



ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)
Napoleonville, Louisiana

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 1996 AND 1995

	1996	1995
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 227,604	\$ 266,240
Adjustments to reconcile change in net cash used by operating activities:		
Depreciation	51,188	56,008
Noncash donations	(6,879)	-
Gain on sale of assets	(454)	(5,911)
Unrealized (gain) loss on investments	(1,975)	(7,325)
(Increase) decrease in accounts receivable	(6,019)	912
(Increase) decrease in interest receivable	(3,939)	-
Increase (decrease) in accounts payable	7,561	8,112
Increase (decrease) in payroll taxes withheld	1,431	(51)
Increase in accrued interest payable	(3,464)	3,464
Net cash provided by operating activities	265,054	321,449
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Net (increase) decrease in certificates of deposit	(170,862)	(50,005)
Purchases of investments	(306,327)	(295,589)
Sales of investments	366,000	-
Purchases of equipment	(36,071)	(207,053)
Cash received from sales of property and equipment	4,135	10,000
Net cash used for investing activities	(143,125)	(542,647)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Principal advances on notes payable	17,299	169,942
Principal payments on notes payable	(187,241)	-
Net cash (used for) provided by financing activities	169(942)	169
Net increase (decrease) in cash and cash equivalents	(48,013)	(51,256)
Cash and cash equivalents at beginning of year	56,898	108,154
Cash and cash equivalents at end of year	\$ 8,885	\$ 56,898
Supplemental data:		
Interest paid	\$ 1,618	\$ -
Noncash transactions:		
Donation of bus	6,879	-

The accompanying notes are an integral part of these statements.



ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)
Napoleonville, Louisiana

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>ASSETS:</u>		
Cash and cash equivalents	\$ 8,885	\$ 56,898
Certificates of deposit	283,523	112,661
Accounts receivable	140,661	134,642
Interest receivable	3,939	-
Investments	401,780	459,478
Buildings and equipment	<u>429,326</u>	<u>441,245</u>
 TOTAL ASSETS	 <u>\$ 1,268,114</u>	 <u>\$ 1,204,924</u>
<u>LIABILITIES AND NET ASSETS:</u>		
Accounts payable	\$ 37,033	\$ 29,472
Payroll taxes payable	2,571	1,140
Accrued interest payable	-	3,464
Notes payable	<u>-</u>	<u>169,942</u>
 TOTAL LIABILITIES	 <u>39,604</u>	 <u>204,018</u>
<u>NET ASSETS:</u>		
Unrestricted	<u>1,228,510</u>	<u>1,000,906</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,268,114</u>	 <u>\$ 1,204,924</u>

The accompanying notes are an integral part of these statements.



INDEPENDENT AUDITORS' REPORT

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.

(A NOT FOR PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1996



ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

Napoleonville, Louisiana

SCHEDULES OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 1996 AND 1995

	Association Fund		Waiver Services		Fee for Services		Independent Living		Central Office	
	1996	1995	1996	1995	1996	1995	1996	1995	1996	1995
Salaries	\$ 13,754	\$ 5,380	\$ 113,066	\$ 103,737	\$ 5,325	\$ 17,942	\$ -	\$ -	\$ 91,925	\$ 88,900
Client allowance	-	-	-	-	-	-	-	-	-	-
Employee Benefits	-	4,234	126	1,372	-	-	-	-	2,297	1,754
Activity center services	-	-	40,402	8,895	-	-	-	-	-	-
Dues	1,185	2,752	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	31,214	14,020
Office supplies	-	-	72	45	-	-	-	-	7,083	6,770
Auto Expense	-	-	250	27	668	151	-	-	-	-
Postage	-	-	-	-	-	-	-	-	2,148	1,660
Professional Service	-	-	1,234	1,407	-	-	-	-	13,742	12,247
Telephone	10	-	-	-	-	-	-	-	3,616	3,542
Training	-	-	-	-	-	-	-	-	-	-
Travel and entertainment	777	476	2,913	1,989	466	3,071	122	122	1,973	622
Food	582	30	28	217	-	-	-	-	-	41
Payroll Taxes	1,052	399	8,651	7,767	407	1,357	-	-	7,032	6,671
Contract Work	576	-	-	-	-	-	646	646	-	-
Other	7,312	151	1,089	545	2,276	3,550	-	-	63	30
Repairs and Maintenance	-	-	-	-	-	-	-	28	1,412	2,751
Depreciation	-	-	-	-	-	-	-	-	2,185	2,938
Gifts	733	359	-	-	-	-	-	-	-	-
Advertising	228	-	-	-	-	-	-	-	64	44
Utilities	-	-	-	-	-	-	-	-	-	53
Supplies	4	24	45	129	3	-	5,173	5,173	300	42
Medical Services	-	-	-	-	-	-	-	-	-	-
Clothing	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	200	-	-	-	-	60	360
Interest	-	-	-	-	-	-	-	-	-	-
Bed fee	-	-	-	-	-	-	-	-	-	-
Total expenses before central office	\$ 26,213	\$ 13,805	\$ 167,876	\$ 126,330	\$ 9,145	\$ 26,071	\$ -	\$ 5,969	\$ 165,114	\$ 142,445
Central office overhead	-	-	(\$ 26,418)	9,971	-	-	-	-	\$ 165,100	\$ 142,445
Transfer to (from) other funds	-	-	-	-	-	-	-	-	-	-
Net Income (Loss)	(\$ 20,330)	(\$ 7,877)	\$ 81,110	\$ 81,102	\$ 24,225	\$ 26,820	\$ -	(\$ 1,027)	\$ -	\$ -

