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**FRANKLINTON ASSOCIATION  
FOR CHALLENGED CITIZENS, INC.**  
Franklinton, Louisiana

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 1989 and 1990**

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the auditor, or reviewer, entity and other appropriate public officials. The report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

BY: J. T. 1990

Release Date \_\_\_\_\_

**FRANKLINTON ASSOCIATION FOR CHALLENGED CITIZENS, INC.**  
**Notes to the Financial Statements, Continued**  
**For the Years Ended June 30, 1995 and 1994**

	BALANCE _200000_	ADDITIONS	DELETIONS	BALANCE _200000_
Furniture, fixtures, and equipment	\$ 48,382	\$ 3,212	\$ 0.00	\$ 51,594
Vans and buses	95,790			95,790
Leasehold improvements	<u>13,274</u>	<u>1,194</u>		<u>14,468</u>
Investment in property and equipment	\$ 157,446	\$ 4,406	\$ 0.00	\$ 161,852
Less accumulated depreciation				<u>319,084</u>
Property and equipment, net of accumulated depreciation				\$ 142,768

**5. INCOME TAX STATUS**

On March 10, 1993, the Franklinton Association for Challenged Citizens, Inc. was granted retroactive tax exempt status by the United States Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code as an organization described in Section 501(c)(27). The United States Internal Revenue Service has determined Franklinton Association for Challenged Citizens, Inc. is not a private foundation.

**6. LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligations transactions for the year ended June 30, 1995:

Long-term obligations payable at June 30, 1994	\$ 1,714.75
Additions	22,293.84
Retirements	<u>(9,993.82)</u>
Long-term obligations payable at June 30, 1995	\$ 13,014.77

The following is a summary of the long-term obligations transactions for the year ended June 30, 1994:

Long-term obligations payable at June 30, 1993	\$ 17,379.58
Additions	0.00
Retirements	<u>(9,993.55)</u>
Long-term obligations payable at June 30, 1994	\$ 7,386.03

Long-term obligations are composed of the following:

\$79,808.08 - Bank loan payable to First National Bank due in monthly installments of \$583.21 through August 18, 1997, interest at 7.5 per cent interest for a 1994 Ford van

\$7,829.81

**FRANKLINTON ASSOCIATION FOR CHALLENGED  
CITIZENS, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the years ended June 30, 1994 and 1995**

	<u>1994</u>	<u>1995</u>
<b>UNRESTRICTED NET ASSETS</b>		
<b>SUPPORT AND REVENUE</b>		
State grant	184,780.18	185,513.50
Medicaid	73,889.79	76,595.57
Provider contracts	227,893.18	229,494.30
Supportive services		8,427.50
Interest	81.38	117.78
Self-generated	78,288.88	79,458.55
Donations	1,722.49	583.50
Other revenue	181.47	5.88
Total unrestricted support	<u>687,144.80</u>	<u>677,109.80</u>
<b>EXPENSES</b>		
Salaries, wages and benefits	287,488.37	259,541.11
Supplies for activities and projects	58,486.45	41,589.41
Travel and transportation	21,771.28	28,844.32
Insurance	21,483.88	20,588.72
Client payroll and training	18,742.89	18,835.08
Depreciation expense	13,943.78	14,983.88
Telephone and utilities	12,603.18	8,472.36
Accounting and legal services	8,933.80	9,888.00
Maintenance and repairs	7,148.81	7,480.21
Cleaning and maintenance supplies	4,888.27	5,688.17
Office supplies	4,281.25	4,322.86
Rent	4,288.43	2,175.86
Deen	100.00	100.00
Client evaluations	890.00	3,175.88
Licenses	200.00	185.80
Dietary and food		107.74
Staff training	1,340.00	640.80
Postage	78.00	58.88
Interest expense	871.43	2,391.83
Other	8,521.59	8,275.88
Total expenses	<u>623,824.88</u>	<u>627,753.92</u>
Increases (Decreases) in unrestricted net assets	<u>114,499.19</u>	<u>5,685.88</u>
Net Assets at beginning of year	<u>104,828.87</u>	<u>100,923.29</u>
Net Assets at end of year	<u>\$ 219,328.06</u>	<u>\$ 106,609.17</u>

See accompanying notes to Financial statements.

**FRANKLINTON ASSOCIATION FOR CHALLENGED CITIZENS, INC.**  
**Notes to the Financial Statements, Continued**  
**For the Years Ended June 30, 1995 and 1996**

Deposits with financial institutions	\$ 19,358.08
Federal deposit insurance	\$ 49,358.08
Mutual securities	8.08
Total insurance and securities	\$ 49,358.08
Unsecured bank balances	\$ 8.08

**3. RECEIVABLES**

Receivables at June 30, 1995 and 1996 consisted of the following:

	June 30,	
	1996	1995
Accounts receivable - Res-Care	\$ 7,790.75	\$18,227.75
State contract - Revenue receivable	31,480.89	12,931.15
Medical receivable	3,047.89	4,187.48
Accounts receivable - Other	539.20	539.20
Total Receivables	<u>\$42,798.89</u>	<u>\$35,885.58</u>

Based on past experience, management believes that the above amounts are entirely collectible; therefore, no provision for uncollectible amounts has been established.

**4. CHANGES IN FIXED ASSETS**

The following is a summary of changes in fixed assets:

	BALANCE 6/30/94	ADDITIONS	DELETIONS	BALANCE 6/30/95
Furniture, fixtures, and equipment	\$ 18,280	\$ 4,240	\$ 3,170	\$ 40,060
Vans and buses	68,180	37,520	0	95,708
Leasedhold improvements	13,574	0	0	13,574
Investment in property and equipment	<u>\$ 99,994</u>	<u>\$ 41,760</u>	<u>\$ 3,170</u>	<u>\$ 144,842</u>
Less accumulated depreciation				<u>104,938</u>
Property and equipment, net of accumulated depreciation				<u>\$ 39,904</u>

OTHER REQUIRED FEDERAL AND STATE FINANCIAL ASSISTANCE INFORMATION

**LEROY J. CHUSTZ**

CERTIFIED PUBLIC ACCOUNTANT, APAC

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

To the Board of Directors  
Franklinton Association for Challenged Citizens, Inc.  
Franklinton, Louisiana

I have audited the financial statements of Franklinton Association for Challenged Citizens, Inc. (a nonprofit organization), Franklinton, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated November 1, 1996.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, and the Louisiana Governmental Audit Guide, issued by the Louisiana Legislative Auditor. These standards require that I 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 Franklinton Association for Challenged Citizens, Inc., is the responsibility of Franklinton Association for Challenged Citizens, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Association's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my 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 of Franklinton Association for Challenged Citizens, Inc.'s management, the Legislative Auditor of the State of Louisiana, and the state grantor agency. However, this report is a matter of public record and its distribution is not limited.



Leroy J. Chustz  
Certified Public Accountant, APAC  
November 1, 1996

**LEROY J. CHUNZ**

**CERTIFIED PUBLIC ACCOUNTANT, AFAC**

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

To the Board of Directors  
Franklinton Association for Challenged Citizens, Inc.  
Franklinton, Louisiana

I have audited the financial statements of Franklinton Association for Challenged Citizens, Inc. (a nonprofit organization), Franklinton, Louisiana, as of and for the year ended June 30, 1995, and have issued my report thereon dated November 1, 1995.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, and the Louisiana Governmental Audit Guide, issued by the Louisiana Legislative Auditor. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Franklinton Association for Challenged 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, 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 my audit of the financial statements of Franklinton Association for Challenged Citizens, Inc., for the year ended June 30, 1995, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My 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. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Directors of Franklinton Association for Challenged Citizens, Inc.'s management, the Legislative Auditor of the State of Louisiana, and the state gaming agency. However, this report is a matter of public record and its distribution is not limited.

  
LEROY J. CHUNZ  
Certified Public Accountant, AFAC  
November 1, 1995

FRANKLINTON ASSOCIATION FOR CHALLENGED CITIZENS, INC.  
Franklinton, Louisiana

Annual Financial Statements with Independent Auditor's Report  
June 30, 1996 and 1995

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**LEROY J. CHUSTZ**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Franklinton Association for Challenged Citizens, Inc.  
Franklinton, Louisiana

I have audited the accompanying balance sheets of Franklinton Association for Challenged Citizens, Inc. (a nonprofit organization), Franklinton, Louisiana, as of June 30, 1995 and 1996, and the related statement of revenues, expenses and changes in net assets and the cash flow statements for the years then ended. These financial statements are the responsibility of the Franklinton Association for Challenged Citizens, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my 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 I 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. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Franklinton Association for Challenged Citizens, Inc. as of June 30, 1995 and 1996, and the changes in net assets and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated November 1, 1995 on my consideration of the Franklinton Association for Challenged Citizens, Inc.'s internal control structure and a report dated November 1, 1996 on its compliance with laws and regulations.

  
Leroy J. Chustz  
Certified Public Accountant, APAC  
November 1, 1995

FRANKLINTON ASSOCIATION FOR CHALLENGED  
CITIZENS, INC.  
BALANCE SHEETS  
June 30, 1998 and 1995

	1998	1995
<b>CURRENT ASSETS</b>		
Cash and equivalents	\$ 28,483.18	\$ 58,288.88
Accounts receivable	11,308.00	10,964.84
Unconditional promises to give State of Louisiana contract	31,888.00	32,933.15
Total current assets	69,388.18	92,186.87
<b>FIXED ASSETS</b>		
Leasehold improvements	14,783.92	13,873.82
Amortization of leasehold improvements	(10,983.87)	(10,195.29)
Office furniture and fixtures	43,383.18	40,363.56
Depreciation office furniture & equip.	(31,878.48)	(28,733.15)
Trucks and vans	88,784.37	88,784.37
Depreciation trucks & vans	(77,029.71)	(68,109.94)
Total fixed assets	34,780.40	45,683.87
Total Assets	\$ 104,058.58	\$ 137,767.51
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 3,882.90	\$ 3,688.37
Sales taxes payable	322.88	322.21
Bank loans payable	7,829.43	8,247.86
Leases payable		260.84
Notes payable		3,028.65
Total current liabilities	11,935.21	15,548.93
<b>LONG-TERM LIABILITIES</b>		
Bank loans payable		7,829.43
Total long-term liabilities		7,829.43
<b>NET ASSETS</b>		
Unrestricted	98,028.78	108,528.97
Total Liabilities and Net Assets	\$ 104,058.58	\$ 137,767.51

See accompanying notes to the financial statements.

FRANKLINTON ASSOCIATION FOR CHALLENGED  
CITIZENS, INC.  
STATEMENT OF CASH FLOWS  
For the years ended June 30, 1994 and 1993

	JUNE 30,	
	1994	1993
<b>Operating Activities</b>		
Change in net assets	\$(14,450.19)	\$ 3,603.88
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,845.78	14,881.58
Receivables	(14,892.58)	(9,300.80)
Accounts payable	_____ 100.12	_____ 44.53
Net cash used by operating activities	114,831.88	13,478.91
 <b>Investing Activities</b>		
Purchases of equipment	_____ 4,225.00	11,743.92
Net cash used by investing activities	_____ 4,225.00	11,743.92
 <b>Financing Activities</b>		
Payments on notes payable	\$ 549.55	4,500.93
Proceeds from borrowings	_____	(12,352.84)
Net cash used (provided by) in financing activities	_____ 5,000.00	(12,000.00)
Net decrease in cash and cash equivalents	21,608.88	2,626.91
Cash and cash equivalents at beginning of year	94,223.00	91,596.09
Cash and cash equivalents at end of year	72,614.12	94,223.00

See accompanying notes to the financial statements.

**FRANKLINTON ASSOCIATION FOR CHALLENGED CITIZENS, INC.**  
**Notes to the Financial Statements, Continued**  
**For the Years Ended June 30, 1985 and 1986**

The annual requirements to amortize all long-term obligations outstanding at June 30, 1986 are as follows:

Year Ended	Principal	Interest	Total
June 30, 1987	\$ 6,085.85	\$ 105.87	\$ 7,034.52
June 30, 1988	<u>1,130.86</u>	<u>8.82</u>	<u>1,140.28</u>
Total	<u>\$ 7,226.81</u>	<u>\$ 248.89</u>	<u>\$ 8,126.20</u>

**7. COMMITMENTS AND CONTINGENCIES**

The activity center receives a substantial amount of its support for its programs of providing day services and occupational therapy to selected persons, from state government and local grants. These grants require the Association to furnish habilitation services to clients to be reimbursed at an amount stipulated in each contract. A significant reduction in the level of this support, if it were to occur, may have an effect on the Association's programs and activities.

According to legal counsel, the Association is not involved in any litigation.

8. In the current fiscal year, the Association elected to adopt SFAS Number 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS Number 117, an organization is required to report information regarding their financial position and activities according to three classes of net assets: *unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets*. As permitted by this new Statement, the Association has discontinued its use of *fund accounting* and has, accordingly, reclassified its financial statements to present the required classes of net assets for the current fiscal year. The Association has no temporarily or permanently restricted net assets.