

**Reports Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards**

**DeSoto Association For Retarded Citizens, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 1998**

There were no findings or questioned costs for the audit for the year ended June 30, 1998.

There are no findings or questioned costs for this audit for the year ended June 30, 1998.

COOK & MERRIOTT

Certified Public Accountants

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**Compliance Report Based on an Audit of Financial
Statements Performed in Accordance With Government Auditing Standards**

To the Board of Directors
DeCato Association For Retarded Citizens, Inc.
Marshall, Louisiana

We have audited the financial statements of DeCato Association For Retarded Citizens, Inc. as of and for the year ended June 30, 1995, and have issued our report thereon dated December 18, 1995.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 DeCato Association For Retarded Citizens, Inc. is the responsibility of DeCato 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 DeCato Association For Retarded Citizens, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

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

This report is intended for the information of management, the Board of Directors and the various funding sources of the organization. This restriction is not intended to limit the distribution of this report.

Cook & Merritt
Certified Public Accountants
December 18, 1995

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DeCade Association For Extended Claims, Inc.
Monroe, Louisiana

Financial Statements
As of and For the Year Ended
June 30, 1955

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 29 1957

COOK & MOHRHART

Chartered Public Accountants

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**Report on Internal Control Structures in
Accordance With Government Auditing Standards**

To the Board of Directors
DeFets Association For Retarded Citizens, Inc.
Monroeville, Louisiana

We have audited the financial statements of DeFets Association For Retarded Citizens, Inc. as of and for the year ended June 30, 1985, and have issued our report thereon dated December 18, 1985.

We conducted our audit 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 DeFets Association For Retarded Citizens, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded 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 DeFets Association For Retarded Citizens, Inc., for the year ended June 30, 1985, 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.

DeSoto Association For Retarded Children, Inc.
 Schedule of Functional Expenses
 Year Ended June 30, 1998

	Adult Habilitative Services	Sheltered Workshop	Other General	Total
Salary and wages - employees	\$ 144,200	\$ 20,800	\$ 1,540	\$ 166,540
Payroll taxes	11,800	-	-	11,800
Employee benefits	5,807	-	-	5,807
Accounting fees	3,288	-	-	3,288
Audit fees	4,500	-	-	4,500
Advertising	213	-	100	313
Bank charges	52	-	40	92
Books	58	-	-	58
Client expense	111	-	750	861
Educational supplies	488	-	-	488
Fuel	18,580	-	-	18,580
Insurance	17,864	1,500	-	19,364
Maintenance - auto	5,248	-	100	5,348
Licenses	195	-	-	195
Office supplies	2,718	428	45	3,191
Postage	488	-	300	788
Repairs	4,408	1,000	-	5,408
Staff training	394	-	-	394
General supplies	4,894	4,898	-	9,792
Telephone	2,308	-	-	2,308
Taxes	574	-	125	699
Utilities	5,575	-	-	5,575
Van maintenance	275	-	600	875
Miscellaneous	-	-	1,580	1,580
Depreciation	17,547	887	-	18,434
Total expenses	\$ 286,811	\$ 29,615	\$ 3,623	\$ 319,049

DeSoto Association For Retarded Citizens, Inc.
Notes to Financial Statements
(Continued)
June 30, 1998

(5) Fixed Assets

A summary of fixed assets as of June 30, 1998 follows:

	Estimated Useful Life	Cost / Basis
Land	N/A	\$ 8,000
Buildings and improvements	21.5 years	111,000
Automobiles -- van	5 years	68,724
Furniture and fixtures	5-10 years	22,470
Other	5 years	25,663
		\$ 235,857

Depreciation expense for the year ended June 30, 1998 was 110,414.

(6) Designated Restricted Net Assets

This balance represents net assets designated by the organization for adult habilitation services and related workshop activities.

(7) Third Party Reimbursements

DeSoto receives approximately 85% of its funding from third party reimbursements under contracts for the provision of adult rehabilitation services. In order to receive funding, DeSoto must comply with contract provisions. During the year ended June 30, 1998, DeSoto received funding under contracts with the Louisiana Department of Health and Hospitals, Office For Citizens With Developmental Disabilities for approximately 37 clients and Louisiana Medical Assistance Program for 2 clients.

Bellevue Association For Retarded Citizens, Inc.
Notes to Financial Statements
(Continued)
June 30, 1986

During the year ended June 30, 1986, BARC elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, BARC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, BARC is required to present a Statement of Cash Flows. BARC has accordingly reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect on the change in net assets for the year ended June 30, 1986.

(3) Concentration of Credit Risk

Financial instruments that potentially subject BARC to concentrations of credit risk consist principally of temporary cash investments and accounts receivable. Concentrations of credit risk with respect to accounts receivable are limited due to those amounts being due from governmental agencies under contracted terms. As of June 30, 1986, BARC had no significant concentrations of credit risk in relation to accounts receivable.

BARC maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At June 30, 1986 there were no uninsured balances.

(4) Accounts Receivable

Various funding sources provide reimbursement of allowable costs and payment on units of service in connection with providing services under contracts or agreements. These balances represent amounts due from the funding sources at June 30, 1986 but not received until after that date as follows:

Department of Health and Hospitals	4	10,817
Louisiana Medical Assistance Program		2,328
Other contractual - community home		2,814
		<u>1 15,958</u>

(Continued)

Bellevue Association For Retarded Citizens, Inc.
Notes to Financial Statements
(Continued)
June 30, 1988

E. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The State of Louisiana has a reversionary interest in property purchased with state funds. Its disposition as well as the ownership of any proceeds therefrom is subject to state regulations.

F. Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the substance and/or nature of any donor restrictions.

Contractual grant revenue is reported as unrestricted support due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose 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.

G. Retirement Obligations

The employees of DARC are members of the Social Security System. There are no other retirement plans available through the organization.

(2) Change in Accounting Principle

DARC elected to adopt Statement of Financial Accounting Standards (SFAS) No. 118, *Accounting for Contributions Received and Contributions Made*, during the year ended June 30, 1988. In accordance with SFAS No. 118, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the substance and/or nature of any donor restrictions. This adoption had no effect on the change in net assets for the year ended June 30, 1988.

(Continued)

Deafite Association For Retarded Citizens, Inc.
Notes to Financial Statements
June 30, 1985

(I) Summary of Significant Accounting Policies

A. Nature of Activities

Deafite Association For Retarded Citizens, Inc. (DARC) is a nonprofit corporation under the laws of the State of Louisiana. DARC was established to provide adult habilitation services to mentally retarded citizens ages 22 years and older, within Deafite Parish, Louisiana.

B. Basis of Accounting

The financial statements of DARC have been prepared on the accrual basis of accounting.

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. Income Tax Status

DARC is a non-profit corporation and is exempt from state and federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to DARC's tax-exempt purposes is subject to taxation as unrelated business income. DARC had no such income for this audit period.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

F. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, DARC considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

(Continued)

Deafness Association For Hearing-Impaired Children, Inc.
 Statement of Activities
 Year Ended June 30, 1998

	<u>Unrestricted</u>
Revenues and Other Support:	
Contracts with governmental agencies:	
Department of Health and Hospitals	\$ 216,284
Department of Transportation and Development - Van grant	18,589
Louisiana Medical Assistance Program	18,880
United Way allocation	8,142
Other contractual - community home	13,809
Service income - sheltered workshop	29,468
Membership dues	175
Contributions	642
Interest income	845
Miscellaneous	3,472
Total revenues and other support	389,677
Expenses:	
Adult habilitation services	355,891
Sheltered workshop	29,648
Other general	6,575
Total expenses	392,114
Change in net assets	9,574
Net assets as of beginning of year	192,714
Net assets as of end of year	202,288

The accompanying notes are an integral part of the financial statements.

DeCato Association for Retarded Citizens, Inc.
 Statement of Financial Position
 June 30, 1998

Assets:

Current assets:

Cash	\$	18,637
Accounts receivable		18,250

Total current assets		36,887
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Property and Equipment

Property and Equipment		228,610
Accumulated depreciation	\$	81,374
Net fixed assets		148,236

Other assets		90
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Total assets		\$ 385,213
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Liabilities and Net Assets:

Current liabilities:

Accounts payable	\$	5,095
Payroll taxes payable		2,788

Total current liabilities		7,883
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Net Assets:

Invested:		
Operating		3,000
Designated for specific programs		22,014
Fixed assets		148,236

Total net assets		173,485
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Total liabilities and net assets	\$	385,213
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The accompanying notes are an integral part of the financial statements.

COOK & MORRIARTY

Certified Public Accountants

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Independent Auditors' Report

To the Board of Directors
DeLoys Association For Retarded Citizens, Inc.

We have audited the accompanying statement of financial position of DeLoys Association For Retarded Citizens, Inc. (a nonprofit organization) as of June 30, 1990, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the entity'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 and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 aspects, the financial position of DeLoys Association For Retarded Citizens, Inc. at June 30, 1990, and the net the changes in its net assets and its 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 December 10, 1990 and shown on pages 11-12 on our consideration of DeLoys Association For Retarded Citizens, Inc.'s internal control structure and a report dated December 10, 1990 and shown on page 13 on its compliance with laws and regulations.

The accompanying information on page 9 is presented for additional analysis and is not a required part of the basic financial statements. The 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 aspects in relation to the basic financial statements taken as a whole.



Cook & Morriarty
Certified Public Accountants
December 10, 1990

Enclave Association For Retarded Citizens, Inc.

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DeVita Association For Retarded Citizens, Inc.
 Statement of Cash Flows
 Year Ended June 30, 1986

Operating activities

Change in net assets	1	18,734
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		18,614
Increase/ decrease in operating assets:		
Accounts receivable	1	2,678
Other assets		8,580
Increase/ decrease in operating liabilities:		
Accounts payable	1	378
Payroll taxes payable		380
<u>Net cash used in operating activities</u>		<u>43,082</u>

Investing Activities

Payments for property and equipment	1	48,589
<u>Net cash used in investing activities</u>		<u>48,589</u>

Net (decrease) in cash and cash equivalents	1	3,584
Cash and cash equivalents as of beginning of year		22,241
Cash and cash equivalents as of end of year		<u>18,597</u>

The accompanying notes are an integral part of the financial statements.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that error or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management, the Board of Directors and the various funding sources of the Agency. This restriction is not intended to limit the distribution of this report.



Cook & Merchant
Certified Public Accountants
December 10, 1998