

COMMUNITY OPPORTUNITIES OF EAST ABERDEEN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

Note 1. Significant Accounting Policies

General

Community Opportunities of East Aberdeen (the Organization), is a nonprofit corporation that is exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code.

The financial statements include all accounts of the Organization and have been prepared on the accrual basis of accounting. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions are recorded as received, therefore, no reserve for uncollectible accounts has been established.

Buildings, Equipment, and Depreciation

Building and equipment is stated at cost, or, if donated, at the approximate fair market value at the date of donation. The Organization follows the policy of capitalizing all expenditures for land, buildings, and equipment in excess of \$500. Depreciation of buildings and equipment is provided on a straight-line basis over the estimated useful life of the assets. At June 30, 1996, the estimated useful lives and costs of such assets were as follows:

	<u>Life</u>	<u>Costs</u>
Building	40 years	\$401,837
Automobiles and trucks	3-5 years	122,348
Equipment	3-10 years	<u>177,442</u>
		601,627
Less Accumulated Depreciation		<u>469,804</u>
	Total	<u>\$131,823</u>

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Opportunities of East Ascension
Covington, Louisiana

I have audited the accompanying Statement of Financial Position of Community Opportunities of East Ascension (a non-profit corporation) as of June 30, 1996, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provides 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 Community Opportunities of East Ascension as of June 30, 1996, and the changes in its net assets and its cash flows, for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 1. to the financial statements, in 1996, the Organization changed its method of accounting for financial reporting and financial statement presentation.

In accordance with Government Auditing Standards, I have also issued a report dated December 18, 1996, on my consideration of Community Opportunities of East Ascension internal control structure and a report dated December 18, 1996, on its compliance with laws and regulations.

December 18, 1996



COMMUNITY OPPORTUNITIES OF EAST ALEXANDRIA

STATEMENT OF FINANCIAL POSITION

JUNE 30, 1998

ASSETS

Cash	\$330,084
Accounts receivable	141,233
Prepaid expenses	4,463
Buildings and equipment, at cost less accumulated depreciation of \$149,664 (Notes 1 and 4)	<u>321,922</u>
TOTAL ASSETS	<u>\$807,702</u>

LIABILITIES

Accounts payable	\$ 58,001
Accrued liabilities	29,450
Bank loans payable (Note 4)	<u>100,327</u>
TOTAL LIABILITIES	187,878

NET ASSETS

Unrestricted	719,824
TOTAL NET ASSETS	<u>719,824</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$807,702</u>

See accompanying notes.

COMMUNITY OPPORTUNITIES OF EAST ASCHEWSON
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 1998

UNRESTRICTED NET ASSETS

Support

Contract fees and grants from governmental agencies	\$1,486,487
Fees from work programs	91,156
Contributions	20,989
Other revenue	<u>16,638</u>

TOTAL UNRESTRICTED SUPPORT \$1,615,270

Expenses

Program services	
Adult day training	373,505
Adult and child support for independent living	1,082,884
Supporting services	
Management and general	<u>41,045</u>

TOTAL EXPENSES 1,507,434

INCREASE IN
UNRESTRICTED NET ASSETS 107,837

NET ASSETS AT BEGINNING OF YEAR 500,924

NET ASSETS AT END OF YEAR \$ 608,761

See accompanying notes.

COMMUNITY OPPORTUNITIES OF EAST ASCENSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1994

Note 1. Significant Accounting Policies (continued)

Donated Materials and Services

Donated material and equipment valued in excess of \$500 are reflected as contributions in the accompanying statements at their estimated values at date of receipt. Donated services are only recorded when the value of the services are utilized as matching funds for grant requirements. The value of these services are determined by the amounts paid to employees of the organization or outside paid consultants for similar services.

Description of Programs

Adult Day Training - Training is provided by the staff to individuals with mental retardation and developmental disabilities over the age of 17 years. Basic work skills and attitudes, such as job responsibility, safety, attendance, and punctuality to secure and maintain a job in the marketplace are taught.

Adult and Child Support for Independent Living - The staff provides services such as personal care attendant, respite care, and skills training to individuals with developmental disabilities from birth to death so they, as well as their families, may achieve their fullest potential in life. This program is individually tailored to provide the supports necessary for each individual to live as independently as possible.

COMMUNITY OPPORTUNITIES OF EAST ASCENSION

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 1996

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$285,943
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation	45,443
(Increase) Decrease in operating assets	
Accounts receivable	9,023
Prepaid expenses	2,137
Increase (Decrease) in operating liabilities	
Accounts payable	12,119
Accrued liabilities	(18,233)
NET CASH PROVIDED BY OPERATING ACTIVITIES	248,196

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for property and equipment	(193,451)
NET CASH USED BY INVESTING ACTIVITIES	(193,451)

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on bank loans	(136,882)
NET CASH USED BY FINANCING ACTIVITIES	(136,882)

NET INCREASE IN CASH
AND CASH EQUIVALENTS

114,863

BEGINNING CASH AND CASH EQUIVALENTS

225,238

ENDING CASH
AND CASH EQUIVALENTS

340,101

SUPPLEMENTAL DISCLOSURES:

Interest paid	\$9,603
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See accompanying notes.

In planning and performing my audit of the financial statements of Community Opportunities of East Ascension for the year ended June 30, 1988, 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 accounts 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.

I did note matters involving the internal control structure and its operation that I have communicated to the management of Community Opportunities of East Ascension.

This report is intended for the information of the Board of Directors, management, and the State of Louisiana Department of Health and Hospitals. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


Perry W. Smith, C.P.A.,
Certified Public Accountant

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COMMUNITY OPPORTUNITIES
OF EAST ASCENSION
FINANCIAL REPORT
JUNE 30, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, 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 000 03 1991

COMMUNITY OPPORTUNITIES OF EAST ASCENSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

Note 1. Significant Accounting Policies (continued)

Financial Instruments and Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and accounts receivable. The Organization's cash is deposited with high credit quality financial institutions for short periods of time and is subject to minimal risk. Accounts receivable result primarily from services provided for state and government agencies. The Organization has maintained bank deposits throughout the year that exceeded FDIC coverage. The bank has pledged securities to cover \$150,000 over the FDIC coverage. At June 30, 1996, \$80,094 was not insured or collateralized. Historically, the Organization has not incurred any significant credit related losses.

Financial Statement Presentation

For the year ended June 30, 1996, the Organization adopted 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. In addition, the organization is required to present a statement of cash flows. As required by this new statement, the organization has reclassified its financial position 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, 1996.

COMMUNITY OPPORTUNITIES OF EAST ASCENSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1990

Note 1. Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Note 2. Support from Governmental Agencies

The organization receives substantially all of its revenue from contracts with federal and state governmental agencies, primarily Medicaid and the Department of Health and Hospitals, State of Louisiana. A significant reduction in contractual services or change in participant eligibility, if this were to occur, would have a significant effect on the organization's programs and activities.

Note 3. Long Term Leases

The land that the organization's building is located on is leased from a governmental unit. The lease period is ninety-nine (99) years commencing on March 1, 1982 and ending of February 28, 2081. The yearly lease for the property is one dollar (\$1.00) per year.

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

December 16, 1996

To the Board of Directors
Community Opportunities of East Ascension

I have audited the financial statements of Community Opportunities of East Ascension (a nonprofit corporation) as of and for the year ended June 30, 1996, and have issued my report thereon dated December 16, 1996.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. Those 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 Community Opportunities of East Ascension is the responsibility of Community Opportunities of East Ascension's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Community Opportunities of East Ascension's compliance with certain provisions of laws, regulations, contracts, and grants. However, my objective 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, management, and the State of Louisiana Department of Health and Hospitals. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


R. J. Smith, Sr.
CERTIFIED PUBLIC ACCOUNTANT

COMMUNITY OPPORTUNITIES OF EAST ASCENSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1986

Note 4. Bank Loans Payable

Bank loans payable consist of the following:

Bank note payable due December 12, 1988 secured by a mortgage on the organization's building bearing interest at 8.5% with monthly payments of \$664.	\$ 66,000
Installment note secured by copy machine bearing interest at 15% with monthly payments of \$142 maturing May, 1987	<u>1,282</u>
	<u>\$67,282</u>

Maturities of bank loans are as follows:

1987	\$ 3,244
1988	<u>64,038</u>
	<u>\$67,282</u>

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

December 16, 1996

To the Board of Directors
Community Opportunities of East Association

I have audited the financial statements of Community Opportunities of East Association (a nonprofit corporation) for the year ended June 30, 1996, and have issued my report thereon dated December 16, 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. 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 Community Opportunities of East 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 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 limitation in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection on any evaluation of the structure may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

COMMUNITY OPPORTUNITIES OF EAST ABERDEEN

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 1966

	Program Services		Supporting Services	Total Expenses	
	Adult Day Training	Adult and Child Support for Independent Living			Total
Salaries and payroll taxes	\$251,586	\$ 875,323	\$1,126,909	\$ 2,313	\$1,129,164
Professional fees and contract services	32,611	36,008	68,619	587	69,206
Office supplies	4,320	15,239	19,559	2,039	21,598
Telephone	2,761	3,096	5,857	180	6,037
Occupancy	871	13,383	14,254	-	14,254
Transportation	15,330	6,357	21,687	68	21,755
Repair - building and equipment	3,161	2,961	6,122	2,233	8,355
Training supplies	15,943	18,675	34,618	3,485	38,103
Conferences, conventions, and meetings	973	1,846	2,819	18,370	13,237
Individual subsidy	-	4,556	4,556	-	4,556
Interest	-	-	-	3,683	3,683
Insurance	30,213	51,530	81,743	3,831	85,574
Other	4,082	1,805	5,887	7,812	13,699
TOTAL EXPENSES BEFORE DEPRECIATION	341,108	1,080,231	1,421,349	40,751	1,462,099
Depreciation of building and equipment	32,385	32,753	65,138	294	65,432
TOTAL EXPENSES	\$373,505	\$1,112,984	\$1,486,487	\$41,045	\$1,527,532

See accompanying notes.