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**ASSOCIATION OF RETARDED
CITIZENS OF EVANGELINE, INC.**
Ville Platte, Louisiana

Financial Report

Year Ended June 30, 1990

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the court, or reviewed, entity and other appropriate public officials. This 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: FEB 21 1991

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DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

A CORPORATION INCORPORATED IN MISSISSIPPI
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To the Board of Directors
Evangelical Association of Retarded Citizens, Inc.
Villie Platte, Louisiana

Independent Auditor's Report

We have audited the accompanying statement of financial position of the Association of Retarded Citizens of Evangelism, Inc., (a nonprofit organization) 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. 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 respects, the financial position of the Association of Retarded Citizens of Evangelism, Inc., as of June 30, 1996, and the changes in its net assets and 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 financial reporting and financial statement presentation.

ISSUED IN
CONFORMANCE OF
STATUTORY REQUIREMENTS
REGARDING
CERTIFIED FINANCIAL
STATEMENTS

In accordance with Government Auditing Standards, we have also issued a report dated September 13, 1996 on our consideration of the organization's internal control structure and a report dated September 13, 1996 on its compliance with laws and regulations.

Dannell, Sikes, Kalden, Frederick & Rainey

A Corporation of Certified Public Accountants

Wille Flatts, Louisiana
September 13, 1996

ASSOCIATION OF RETARDED CITIZENS OF SHARKEY, INC.
Villie Platts, Louisiana

Statement of Financial Position
June 30, 1996

ASSETS

CURRENT ASSETS	
Cash	\$ 343
Revenue receivable	<u>123,078</u>
Total current assets	<u>123,421</u>
PROPERTY AND EQUIPMENT	
Furniture and fixtures	30,000
Land	20,000
Buildings	200,000
Household improvements	30,120
Accumulated depreciation	<u>(147,300)</u>
Total net property and equipment	<u>232,820</u>
OTHER ASSETS	
Deposits	<u>2,263</u>
TOTAL ASSETS	<u>\$358,400</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	\$ 20,250
Accrued payroll taxes	10,300
Notes payable - current	<u>81,030</u>
Total current liabilities	<u>111,580</u>
LONG-TERM LIABILITIES	
Notes payable	<u>125,620</u>
Total liabilities	<u>237,200</u>
NET ASSETS	
Unrestricted net assets	<u>120,360</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$358,400</u>

The accompanying notes are an integral part of this statement.

ASSOCIATION OF RETIRED CITIZENS OF SPANGLINE, INC.
Villie Flatts, Louisiana

Statement of Activities
Year Ended June 30, 1996

REVENUE	
OSOD reimbursement	\$ 66,181
Metropolitan/Southern Comfort Home's reimbursement	97,088
Title 19 reimbursement	1,331,837
Rehabilitation services	5,150
Maintenance contracts	25,458
Furnery, crafts and thrift sales	11,778
Other income	<u>8,268</u>
Total revenue	<u>1,545,752</u>
EXPENSES	
Program services	916,788
Management and general	<u>624,352</u>
Total expenses	<u>1,541,140</u>
Excess of revenue over expenses	<u>4,612</u>
NET ASSETS, beginning of year	149,431
FROM PRIOR ASSIGNMENT	<u>3,591</u>
NET ASSETS, beginning of year, corrected	<u>153,022</u>
NET ASSETS, end of year	<u>\$ 157,634</u>

The accompanying notes are an integral part of this statement.

ASSOCIATION OF RETARDED CITIZENS OF KUMBERLINE, INC.
Villie Platte, Louisiana

Statement of Functional Expenses
Year Ended June 30, 1978

	Program Services	Management and General	Total
Auto expense	\$ -	\$ 14,663	\$ 14,663
Bank charges	-	4,428	4,428
Bus	-	347	347
Food	26,878	-	26,878
Insurance	-	15,323	15,323
Interest expense	15,513	-	15,513
Licenses	-	7,888	7,888
Management fee	-	211,932	211,932
Medical services	8,123	-	8,123
Miscellaneous	-	560	560
Non-property taxes	-	594,811	594,811
Office supplies	-	7,721	7,721
Outside services	52,294	-	52,294
Payroll taxes	39,138	14,523	53,661
Postage	-	4,090	4,090
Personal client needs	18,269	-	18,269
Postage	-	600	600
Professional fees	-	32,871	32,871
Rent	92,467	-	92,467
Repairs and maintenance	18,431	3,864	22,295
Salaries	503,244	139,778	643,022
Supplies	19,138	627	19,765
Telephone	-	23,508	23,508
Training in-service	-	3,864	3,864
Travel and mileage	-	5,254	5,254
Utilities	44,434	-	44,434
Workers's compensation insurance	-	7,666	7,666
Total expenses before depreciation	<u>903,603</u>	<u>634,382</u>	<u>1,537,985</u>
Depreciation expense	<u>31,785</u>	<u>-</u>	<u>31,785</u>
Total expenses	<u>\$935,388</u>	<u>\$634,382</u>	<u>\$1,569,770</u>

The accompanying notes are an integral part of this statement.

ASSOCIATION OF RETIRED OFFICERS OF EVASCOR, INC.
 Ville Platte, Louisiana

Statement of Cash Flows
 Year Ended June 30, 1994

CASH FLOW USED FOR OPERATING ACTIVITIES	
Change in net assets	\$ (24,888)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	11,780
Increase in revenue receivable	(18,807)
Increase in accounts payable	43,150
Decrease in accrued payroll taxes	<u>8,327</u>
Net cash provided by operating activities	<u>2,522</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of equipment	<u>(1,326)</u>
CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from bank loans	20,000
Payments on mortgage payable	<u>(15,928)</u>
Net cash provided by financing activities	<u>4,072</u>
NET INCREASE IN CASH	18,773
CASH, June 30, 1993	<u>(18,428)</u>
CASH, June 30, 1994	<u>\$ 245</u>

The accompanying notes are an integral part of this statement.

ASSOCIATION OF RETARDED CITIZENS OF EVANGELINE, INC.
Villie Platte, Louisiana

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies

The Association of Retarded Citizens of Evangeline, Inc., is a non-profit organization exempt from income tax under section 501(c)(3) of the Internal Revenue Code. The corporation was created on August 31, 1987 to promote and advance charitable, educational, and scientific purposes and to provide for the general welfare of persons who are retarded citizens of the Parish of Evangeline and surrounding areas. The organization consists of five homes and two centers for development located in Villie Platte and Scott, Louisiana.

The board of directors of the corporation are elected by the members of the corporation, serve variable terms, and receive no compensation.

4. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement basis applied.

The financial statements of the corporation are presented on the accrual basis of accounting.

8. Financial Statement Presentation

In 1996, the Association of Retarded Citizens of Evangeline, Inc. adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations." Under SFAS No. 117, the Association of Retarded Citizens of Evangeline, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: undesignated net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Association of Retarded Citizens of Evangeline, Inc. is required to present a statement of each class. As permitted by SFAS No. 117, the Association of Retarded Citizens of Evangeline, Inc. has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements in present classes of net assets. This reclassification had no effect on the change in net assets for 1996.

ASSOCIATION OF RETIRED CITIZENS OF BRANDELISS, INC.
1116 Florio, Louisiana

Notes to the Financial Statements (Continued)

C. Income Taxes

Income taxes are not provided for in the financial statements since the organization is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and similar state provisions. The organization is not classified as a private foundation.

D. Property and Equipment

Property and equipment are stated at cost. Depreciation is computed on a straight-line basis over the applicable necessary periods which range from 5 to 21.3 years.

(2) Long-term Debt

A summary of long-term debt follows:

Notes payable to Evangeline Bank and Trust Co., original principal of \$200,000, dated 8/1/80, payable in monthly installments of \$2,432.79, including interest at 9 percent, due September 15, 1997, and secured by real estate

\$140,639

(3) Property and Equipment

Property and equipment consisted of the following at June 30, 1998:

Land	\$ 28,000
Furniture and Fixtures	20,888
Building and Improvements	238,218
Total	287,106
Less: accumulated depreciation	(162,268)
Net property and equipment	<u>\$124,838</u>

ASSOCIATION OF RETARDED CITIZENS OF EVANGELINE, INC.
Villa Pierre, Louisiana

Notes to the Financial Statements (Continued)

(6) Social Security System

Employees of Evangeline Association of Retarded Citizens, Inc. are members of the Social Security System. The organization and its employees contribute a percentage of each employee's salary to the System (7.65 percent each). The organization's contribution during the year ended June 30, 1996 amounted to \$48,883.

(7) Litigation

There is no litigation pending against the Evangeline Association of Retarded Citizens, Inc. at June 30, 1996.

(8) Inter-Period Adjustments

In 1996, the Association of Retarded Citizens of Evangeline, Inc. changed from the accelerated cost recovery method of depreciation, which is not acceptable according to generally accepted accounting principles to the straight-line method.

(9) Third-Party Reimbursements

The Association of Retarded Citizens, Inc. receives medical reimbursements for patients living at five separate homes. Each home serves approximately six patients. Reimbursements are determined according to the patients level of care. Medical reimbursements consist of 87% of the organization's total revenue.

(10) Operating Leases

The Association of Retarded Citizens, Inc. has entered into a number of operating leases which contain cancellation provisions. For the year ended June 30, 1996, rent expenses approximated \$83,467 for all types of leases which were all related to program services.

INTERNAL CONTROL AND COMPLIANCE

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

A CORPORATION REGISTERED UNDER LAWS OF THE STATE OF MISSISSIPPI

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Independent Auditor's Report on Internal Control Structure Based on an Audit of Financial Statements Prepared in Accordance with Government Auditing Standards

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To the Board of Directors
Association of Retarded Citizens of Evangeline, Inc.
Ville Platte, Louisiana

We have audited the financial statements of the Association of Retarded Citizens of Evangeline, Inc. (a nonprofit organization), as of and for the year ended June 30, 1984, and have issued our report thereon dated September 13, 1984.

We conducted our audit in accordance with generally accepted auditing standards, 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.

The board of directors of the organization are responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by the directors 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 the directors 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 the director'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 the Association of Retarded Citizens of Evangeline, Inc., for the year ended June 30, 1984, 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.

MEMPHIS
REGISTERED ACCOUNTANT
CERTIFICATE NO. 1000000000
ISSUED BY THE BOARD OF
REGISTERED ACCOUNTANTS

