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VERMILION ASSOCIATION FOR
EXTENDED CITIZENS, INC.
SMITH, LOUISIANA
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 1967

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or assigned, 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 SEP 17 1967

VERMILION ASSOCIATION FOR RETARDED CITIZENS, INC.

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August 10, 1997

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Verdillon Association for Retarded Citizens, Inc.
889 N. Nevada
Breaux, Louisiana 70533

I have audited the accompanying statements of financial position of Verdillon Association for Retarded Citizens, Inc. (a nonprofit organization) as of June 30, 1997 and the related statements of activities 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 upon 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 Verdillon Association for Retarded Citizens, Inc., at June 30, 1997, and 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, I have also issued a report dated August 15, 1997, on my evaluation of Vermilion Association for Retarded Citizens, Inc.'s internal control structure and a report dated August 15, 1997, on its compliance with laws and regulations.

Allen J. Lantry

Allen J. Lantry
Certified Public Accountant

AL:jt



ALLEN J. LARRY, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

Annals, June, 1987
Two M. West, 118

August 15, 1987

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

Board of Directors
Tennille Association For Retarded Citizens, Inc.
180 S. Geneva
Gretna, LA 70638

I have audited the financial statements of Tennille Association For Retarded Citizens, Inc. (the Association - a nonprofit organization), as of and for the year ended June 30, 1987, and have issued my report thereon dated August 15, 1987.

I conducted my 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 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 the Association is the responsibility of the Association'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 audit committee, management, and board of directors. However this report is a matter of public record, and its distribution is not limited.

Allen J. Larry

Allen J. Larry
Certified Public Accountant

slj:jt



ALLEN J. LEEY, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

Box 9, Leesville, S.C. 29556
Tel. 803. 468. 0116

August 15, 1987

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

Board of Directors
Vermillion Association For Retarded Citizens, Inc.
800 S Severin
Irith, SA 29533

I have audited the financial statements of Vermillion Association For Retarded Citizens, Inc. (The Association), as of and for the year ended June 30, 1987, and have issued my report thereon dated August 15, 1987.

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 the 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 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 the Association for the year ended June 30, 1987, 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.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

In my consideration of the internal control structure, I noted that, as a reportable condition, the limited number of employees preclude an adequate segregation of duties and other features of an adequate internal control structure. To employ such controls may not be cost beneficial for the Association.

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 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.

My 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, I believe none of the reportable conditions described above is a material weakness.

I also noted other matters involving the internal control structure and its operation that I have reported to the management of the Association in a separate letter dated August 15, 1997.

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


Allen J. Masry
Certified Public Accountant

ALcjt

VERMILION ASSOCIATION FOR RETIRED CITIZENS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1987

ASSETS

CURRENT ASSETS

CASH (NOTE 3)	\$82,648
CERTIFICATES OF DEPOSIT	289,613
ACCOUNTS RECEIVABLE	9,680
TOTAL CURRENT ASSETS	<u>\$381,941</u>

NONCURRENT ASSETS

PROPERTY, PLANT & EQUIPMENT AT COST, NET OF ACCUMULATED DEPRECIATION (NOTE 3)	21,600
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TOTAL ASSETS	<u>\$403,541</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$757
PAYROLL TAX PAYABLE	38
STATE WOH TAX PAYABLE	360
TOTAL CURRENT LIABILITIES	<u>1,155</u>

UNRESTRICTED NET ASSETS	<u>382,400</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$403,541</u>
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VERMILION ASSOCIATION FOR RETARDED CITIZENS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 1987

UNRESTRICTED NET ASSETS:

SUPPORT

SUPPORT—OFFICE OF MENTAL RETARDATION	\$92,817
CONTRIBUTIONS AND GRANTS	4,568

TOTAL UNRESTRICTED SUPPORT	97,385
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REVENUE

PARAMAX INCOME	11,341
CLIENT WORK INCOME	13,827
INTEREST INCOME	13,377
DUES	470

TOTAL UNRESTRICTED REVENUE	39,015
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TOTAL UNRESTRICTED REVENUES AND SUPPORT	136,200
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EXPENSES - PROGRAM SERVICES

AUTO EXPENSE	9,728
ACCOUNTING	2,290
CONVENTION	1,540
DEPRECIATION	6,685
DUES	2,689
INSURANCE	12,817
LIQUIDATING	151
OFFICE SUPPLIES	2,824
PLANT SUPPLIES & REPAIRS	3,207
POSTAGE	187
SALARIES	23,024
SALARIES—CLIENT WORK	8,798
SECURITY	418
SUPPLIES—CLIENT WORK	528
TRAINING STAFF	488
TAXES—PAYROLL	6,238
TELEPHONE	1,469
UTILITIES	1,982

TOTAL EXPENSES	135,961
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INCREASE IN UNRESTRICTED NET ASSETS	249
NET ASSETS AT BEGINNING OF YEAR	302,244

NET ASSETS AT END OF YEAR	\$302,493
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT
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VERMILION ASSOCIATION FOR RETARDED CITIZENS, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1997

CASH FLOWS FROM OPERATING ACTIVITIES:

CHANGE IN NET ASSETS	\$248
ADJUSTMENTS TO RECONCILE INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
DEPRECIATION	8,896
DECREASE IN ACCOUNTS RECEIVABLE	1,894
INCREASE IN ACCOUNTS PAYABLE	90
INCREASE PAYROLL TAX PAYABLE	30
INCREASE IN STATE INH TAX PAYABLE	260
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>11,328</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

SHORT - TERM INVESTMENTS, NET	<u>(22,070)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(22,070)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,684)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	63,232
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$52,548</u>

VERMILION ASSOCIATION FOR RETARDED CITIZENS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Vermilion Association for Retarded Citizens, Inc. have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the understand of the financial statements to the reader.

Financial Statement Presentation

In 1997, 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 permitted by this new statement, the Organization has discontinued its use of fund accounting and 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 June 30, 1997.

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 those estimates.

NOTE 2: CASH AND CASH EQUIVALENTS

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

Cash includes amounts in demand deposits. At June 30, 1987, the Association had cash totaling \$93,948 as follows:

	General Fund
Cash	\$ 78
Demand Deposits	93,870
Total	\$93,948

NOTE 3: PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

All Property, Plant, and Equipment are stated at historical cost. Donated fixed assets are stated at their estimated fair value on the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation of buildings and equipment is provided over the estimated useful lives of the respective asset on a straight-line basis. A summary of Plant Assets is as follows:

Buildings and Improvements	\$ 95,497
Autos	48,629
	144,126
Less: Accumulated Depreciation	112,326
	\$ 31,800

NOTE 4: ACCUMULATED UNPAID VACATION, SICK PAY AND OTHER EMPLOYEE BENEFITS

There is no unpaid vacation or sick pay.

NOTE 5: CONTRIBUTED SERVICES

There are no services contributed to the association.

NOTE 6: SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

The Association has concentrated its credit risk by maintaining deposits in banks located within the same geographic region. The maximum loss that would have resulted from their risk totaled \$11,088 for the excess of the assets that would have been covered by Federal insurance over the deposit liabilities reported by banks.

NOTE 7: INCOME TAXES

The Association is a not-for-profit organization that is exempt from income taxes under Section 501 (C)(3) of the Internal Revenue Code.



ALLEN J. LIBBY, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

Ann Arbor, MI 48106
Tel. 313.963.1170

August 15, 1987

Mr. Alden Lobbman, President
Verdilion Association For Retarded Citizens, Inc.
809 E. Severin Street
Eroth, LA 74503

Dear Mr. Lobbman:

Upon completion of the annual examination of the books and accounts of Verdilion Association For Retarded Citizens, Inc., for the year ended June 30, 1987, I observed certain deficiencies in your present system which may warrant your immediate action.

CASH

The Association maintains large cash balances at financial institutions in various accounts. These cash balances at June 30, 1987, were in excess of Federally insured deposits in the amount of \$31,000. The Association may consider requiring the bank to establish a program utilizing repurchase agreements or collateralized accounts on large deposit accounts. The Association may also consider moving temporarily idle cash to other financial institutions in interest bearing accounts.

VENDOR INVOICES

Vendor invoices should be signed by an authorized employee of the Association at the time of purchase. In the normal course of auditing the accounting records, I noticed several vendor invoices with no signature. I recommend that each invoice be checked for proper authorization and signature by an employee before it is paid. No payments should be made without proper invoices.

PAYROLL

In the future, any adjustments that need to be made to payroll should be recorded at a gross amount in salary & wages account and the withholdings to the appropriate payable accounts. These adjustments should be included in the quarterly payroll reports.

After you have had an opportunity to review my recommendations, please do not hesitate to call should you have any questions or require additional information. My recommendations are intended as constructive suggestions for improving your system of internal control and protecting company assets. They are not offered as criticism directed towards defective accounting controls.

Sincerely,



Allen J. LaBry
Certified Public Accountant

AJL:jt