

**JAMISON, WISE & MARTIN**  
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**INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
Minden Association for Retarded Citizens, Inc.  
Minden, Louisiana

We have audited the accompanying statement of financial position of Minden Association for Retarded Citizens, Inc. as of June 30, 1997, and the related statement of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these combined 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 combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Minden Association for Retarded Citizens, Inc. as of 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, we have also issued a report dated December 19, 1997, on our consideration of the Minden Association for Retarded Citizens, Inc.'s internal control structure and a report dated December 19, 1997, on its compliance with laws and regulations.

*Jamison, Wise & Martin*

Minden, Louisiana  
December 19, 1997

**JAMIESON, WISE & MARTIN**

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

The Board of Directors  
Minden Association for Retarded Citizens, Inc.  
Minden, Louisiana

We have audited the combined financial statements of Minden Association for Retarded Citizens, Inc. as of and for the year ended June 30, 1997, and have issued our report thereon dated December 18, 1997.

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 combined financial statements are free of material misstatement.

The management of Minden 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 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 our audit of the combined financial statements of the Minden Association for Retarded Citizens, Inc. as of and for the year ended June 30, 1997, 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 combined financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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 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 combined 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.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the Minden Association for Retarded Citizens, Inc. in a separate letter dated December 15, 1997.

This report is intended for the information of management, the Board of Directors, and the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Jamison, Wise & Martin*

Minden, Louisiana  
December 15, 1997

**JAMESON, WISE & MARTIN**  
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

**The Board of Directors**

**Minden Association for Retarded Citizens, Inc.**  
**Monroe, Louisiana**

We have audited the combined financial statements of Minden Association for Retarded Citizens, Inc. as of and for the year ended June 30, 1997, and have issued our report thereon dated December 19, 1997.

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 combined financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Minden Association for Retarded Citizens, Inc. is the responsibility of the Association's management. As part of obtaining reasonable assurance about whether the combined financial statements are free of material misstatement, we performed tests of the Association's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the combined 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.

We noted certain immaterial instances of noncompliance that we have reported to the management of the Minden Association of Retarded Citizens, Inc. in a separate letter dated December 19, 1997.

This report is intended for the information of management, the Board of Directors, and the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Jamison, W. W. Martin

Monroe, Louisiana

December 14, 1997

# JAMIESON, WISE & MARTIN

A PROFESSIONAL ASSOCIATION CORPORATION

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## MANAGEMENT LETTER

The Board of Directors  
Minden Association for Retarded Citizens, Inc.  
Minden, Louisiana

We have audited the combined financial statements of the Minden Association for Retarded Citizens, Inc. as of and for the year ended June 30, 1987, and have issued our report thereon dated December 29, 1987.

In connection with our audit, we made certain observations relative to the records maintained, the accounting procedures in effect, and the overall administration of the financial affairs of the Association. As a supplement to the reports which are bound with the financial statements, we submit for your consideration our comments pertaining to the following observations which did not meet the criteria of being material to the combined financial statements.

Our audit for the year ended June 30, 1987, revealed the following comments:

1. We noted two items immaterial to the financial statements where the monthly billing for the Pre-Vocational Rehabilitation Program was calculated incorrectly. The month of October, 1986 was under-billed on two clients participating in this program. We recommended that the Association check billings against the monthly time report.

The recommendations noted in prior year audits have been satisfactorily resolved by the Association.

We would like to express our appreciation for the cooperation and assistance extended to us during our audit. Should you have any questions concerning the contents of this letter or if we can be of any additional service, please contact us at your convenience.

Very truly yours,

JAMERSON, WIRE & MARTIN

*Jamerson, Wire & Martin*

December 18, 1987

**SENIOR ASSOCIATION FOR RETIRED CITIZENS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
 June 30, 2007

**ASSETS**

<b>Current assets</b>	
Cash in banks	\$ 41,188
Certificates of deposit	89,479
Accounts receivable	35,794
Prepaid expenses	<u>3,572</u>
<b>Total current assets</b>	<u>\$ 169,750</u>
<b>Fixed Assets</b>	
Land/build improvements	27,794
Equipment	<u>81,681</u>
	(89,441)
<b>Less: Accumulated depreciation</b>	<u>68,816</u>
<b>Total Fixed Assets</b>	<u>\$ 81,650</u>
<b>Total assets</b>	<u>\$ 251,400</u>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities:</b>	
Accounts payable	\$ 1,113
Payroll liabilities	<u>7,401</u>
<b>Total liabilities</b>	<u>\$ 8,514</u>
<b>Net Assets</b>	
Unrestricted net assets:	
Operating	192,239
Fixed assets	<u>48,099</u>
<b>Total net assets</b>	<u>\$ 240,338</u>
<b>Total liabilities and net assets</b>	<u>\$ 250,856</u>

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



MIMMIA ASSOCIATION FOR RETARDED CITIZENS, INC.  
 STATEMENT OF ACTIVITIES  
 Year Ended June 30, 1997

**PUBLIC SUPPORT AND REVENUE:**

Public support:	
Department of Health and Hospitals	\$ 282,714
United Way	3,000
Contributions - general	<u>23</u>
Total public support	<u>285,737</u>

**Revenues:**

Louisiana Rehabilitation Services -	
Supported Employment	26,128
State of LA - MRDC Waiver -	
Pre-vocational Rehabilitation	11,810
Other contract services provided	181,889
Membership dues	370
Interest	3,003
Other revenues	<u>20,119</u>
Total revenues	<u>243,239</u>

Total public support and revenues 528,976

**PROGRAMS:**

Adult services	268,676
Total program services	<u>268,676</u>

**Support services**

General and administrative	6,598
Total expenses	<u>715,274</u>

Change in unrestricted net assets (1,249)

Unrestricted net assets, beginning of year 308,025

Unrestricted net assets, end of year \$ 196,776

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

MINDEN ASSOCIATION FOR RETARDED CITIZENS, INC.  
 STATEMENT OF FUNCTIONAL EXPENSES  
 Year Ended June 30, 1987

	Adult Services
Salaries	\$215,840
Payroll taxes	<u>12,026</u>
 Total salaries and payroll expense	 <u>227,866</u>
 Professional services	18,350
Insurance	12,551
Affiliation dues	1,482
Licenses	398
Office supplies	684
Vehicle gas, oil and repairs	19,435
Postage	284
Training materials	137
Telephone	930
Production supplies	11,679
Building and grounds maintenance and repair	4,107
Utilities	8,799
Vehicle lease	18,146
Building lease	18,800
Food	12,601
Disinfectant services	1,518
Miscellaneous	<u>12,848</u>
Total other expenses before depreciation	<u>127,201</u>
 Depreciation	 <u>13,598</u>
 Total expenses	 <u>\$368,665</u>

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

MINDEN ASSOCIATION FOR RETARDED CITIZENS, INC.  
 STATEMENT OF CASH FLOWS  
 For the Year Ended June 30, 1987

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$	(1,249)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		13,568
Increase in accounts receivable		(918)
Increase in prepaid expenses		(144)
Decrease in accounts payable		(3,800)
Increase in salaries payable		2,812
Increase in accrued payroll expense		<u>    141</u>
Net cash provided by operating activities		<u>11,279</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of equipment		<u>(1,759)</u>
Net cash used by investing activities		<u>(1,759)</u>
Net increase in cash and cash equivalents		9,520
Cash and cash equivalents - June 30, 1986		<u>123,328</u>
Cash and cash equivalents - June 30, 1987	\$	<u>140,801</u>

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

MINDEN ASSOCIATION FOR RETARDED CITIZENS, INC.  
Notes to Combined Financial Statements  
June 30, 1997

*1. Nature of Activities and Significant Accounting Policies*

Nature of Activities

Minden Association for Retarded Citizens, Inc. is a not-for-profit public service Association exempt from federal income taxation under Internal Revenue Code Section 501(c)(7). Revenues are derived primarily from the following:

- a) Louisiana Department of Health and Hospitals
- b) United Way
- c) Contributions from the general public
- d) Contract work by the retarded clients for various types of companies
- e) Louisiana Rehabilitation Services - Supported Employment on a fee-for-service basis to support work crews consisting of the Association's retarded clients.
- f) State of LA - MERED Waiver on a fee-for-service basis to provide Prevocational Rehabilitation to clients.

The Association provides education, training, work opportunities, supported employment, and prevocational rehabilitation to mentally retarded adults.

Financial Statement Presentation

In 1987, Minden Association for Retarded Citizens, Inc. adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, Minden Association for Retarded Citizens, Inc. 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) based upon the existence or absence of donor-imposed restrictions. In addition, the Association is required to present a statement of cash flows. As permitted by this new standard, Minden Association for Retarded Citizens, Inc. has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present classes of net assets. The reclassification had no cumulative effect on the change in total net assets for the year ended June 30, 1997, and total net assets are now classified as unrestricted as shown in the accompanying financial statements.

**MINDEN ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**Notes to Combined Financial Statements**  
**June 30, 1997**

Minden Association for Retarded Citizens, Inc. also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," in 1997. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The adoption had no cumulative effect on net assets at the date of the adoption. In addition, the Association has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Leasehold Improvements and Equipment**

Land, building and equipment are stated at cost less accumulated depreciation. All depreciable assets are depreciated under the straight-line method over their estimated useful lives as follows:

<u>Assets</u>	<u>Estimated Life</u>
Vehicles	5 years
Furniture and equipment	5-10 years
Leasehold improvements	15 years

**Contributions**

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions are considered available for unrestricted use, unless specifically restricted by the donor. No significant restrictions were placed on contributions by donors for the year ended June 30, 1997. Donated materials and equipment are recorded as support at their estimated fair values. No amounts are reflected in the statements for donated services, as the value of such services meeting the requirements for recognition was not material to the financial statements.

**MENDON ASSOCIATION FOR RETIRED CITIZENS, INC.**  
**Notes to Combined Financial Statements**  
**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.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Association considers cash, cash in banks, and certificates of deposit to be cash equivalents.

**2. Accounts receivable**

Accounts receivable of \$15,714 due the Association at June 30, 1997, consists of \$13,248 remaining from the Department of Health and Hospitals on their contract with the Association for the year ended June 30, 1997 and receivables on private contracts of \$2,474.

**3. Leasehold improvements and equipment**

Leasehold improvements and equipment at June 30, 1997, are composed of the following:

	Cost	Accumulated Depreciation	Book Value
Leasehold improvements	\$27,744	8,000	19,744
Furniture and equipment	21,671	12,796	8,875
Total	\$49,415	\$20,796	\$28,619

**4. Classification of public support and revenue**

The major classification of public support and revenue are disclosed in the Statement of Activities.

MINDEN ASSOCIATION FOR RETARDED CITIZENS, INC.  
Notes to Combined Financial Statements  
June 30, 1997

3. Significant reliance on major sources of revenue and expense

For the year ended June 30, 1997, approximately \$82,357 of revenue received for services provided by the clients came from oral contracts with three local companies. There are no written contracts with these companies, and there is no assurance that such work will continue to be contracted with Minden Association for Retarded Citizens, Inc.

For the year ended June 30, 1997, the Association received the majority of its public support from a grant in the amount of \$282,714 from the Louisiana Department of Health and Hospitals.

4. Related party transactions

The Association leases the building that it occupies from a corporation in which the President of the Association is a 18.277% investor. The Association paid \$28,000 in building lease payments for the year ended June 30, 1997.

5. Leases

The Association leases one vehicle under a closed-end lease of three years. The facilities are leased under an open-end leasing arrangement at \$1,800 per month. All arrangements are considered operating leases. Future minimum lease payments on the vehicle are as follows:

Year Ended	
<u>June 30,</u>	
1998	\$18,146
1999	6,764
2000	-
2001	-
2002	-
Subsequent to 2002	_____
Total	<u>\$18,910</u>





MINDEN ASSOCIATION FOR RETARDED CITIZENS, INC.  
Annual Financial Report  
June 30, 1997

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