

Board of Directors
Avopelles Society for the Developmentally Disabled, Inc.
Page 3
November 14, 1987

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

Ducore & Company
Ducore & Company
Certified Public Accountants
Bartoville, Louisiana

November 14, 1987

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

To the Board of Directors
Avoyelles Society for the Developmentally Disabled, Inc.

We have audited the financial statements of the Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated November 14, 1997.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and provisions of Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 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 the Avoyelles Society for the Developmentally Disabled, Inc. is the responsibility of the Avoyelles Society for the Developmentally Disabled, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of 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 disclose no instances of noncompliance that are required to be reported under Governmental Auditing Standards.

Board of Directors
Avoyelles Society for the Developmentally Disabled, Inc.
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In planning and performing our audit of the financial statements of the Avoyelles Society for the Developmentally Disabled, Inc. for the year ended June 30, 1987, 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.

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 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. We noted no matters involving the internal control structure and its operation that we considered to be material weaknesses as defined above.

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



JACOBS & COMPANY
Certified Public Accountants
Marksville, Louisiana

November 14, 1987

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

To the Board of Directors
Avoyelles Society for the Developmentally Disabled, Inc.

We have audited the financial statements of the Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated November 14, 1997.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations." Those standards and OMB Circular A-133 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 the Avoyelles Society for the Developmentally Disabled, 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.

**OTHER REPORT REQUIRED BY
GOVERNMENTAL AUDITING STANDARDS**

The following pages contain reports on the internal control structure and compliance with laws and regulations required by Governmental Auditing Standards, issued by the Comptroller General of the United States. The report on internal control structure is based on the audit of the financial statements and include, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.

SUPPLEMENTARY INFORMATION

**WHEELER SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Notes to Financial Statements (Continued)
June 30, 1987**

NOTE D - GRANTS RECEIVABLE

Grants and contracts receivable are deemed to be fully collectible by management and are comprised of the following amounts due at June 30, 1987:

Dept of Health & Hospitals - MR/DO Navier Services	\$ 538
Dept of Social Services - Rehabilitation Program	1,128
Dept of Health & Hospitals - Adult Day Program	<u>11,235</u>
	<u>\$12,899</u>

NOTE E - NOTES PAYABLE

The Society has a short term, unsecured note that is payable to Union Bank and has an outstanding principal balance of \$3,500 as of June 30, 1987. The loan was originated on May 23, 1987 in the amount of \$4,000. It bears interest at 9% and is payable at maturity which is September 30, 1987.

**ADVOCATES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.**
Notes to Financial Statements (Continued)
June 30, 1987

NOTE B - GRANTS

The Society participated in five grants for the year ended June 30, 1987:

Federal/State Grant - Medical Assistance Program MR/DD Mailer Services	\$ 9,111
Federal/State Grant - Rehabilitation Program	15,662
State of Louisiana Grant - Department of Health and Hospitals Title XX Adult Day Programs	188,644
Federal Grant - Urban Mass Transportation Grant	Non Cash
Federal Grant - JMW Title II Program	Non Cash
Total Grants Received	<u>\$213,427</u>

NOTE C - FIXED ASSETS

A summary of fixed assets is as follows:

	Balance June 30, 1986	Additions	Retirements	Balance June 30, 1987
Furniture & Fixtures	\$ 8,072	\$ -	\$ -	\$ 8,072
Machinery & equipment	22,178	818	-	22,996
Transportation equipment	<u>28,008</u>	<u>-</u>	<u>-</u>	<u>28,008</u>
	49,018	<u>818</u>	<u>-</u>	49,836
Accum. Depr	(19,414)	<u>3,882</u>	<u>-</u>	(15,532)
Net fixed assets	<u>\$ 19,336</u>			<u>\$ 19,336</u>

**AVYELLE'S SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.**
Notes to Financial Statements
June 30, 1987

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Avyelle's Society for the Developmentally Disabled, Inc. is a nonprofit organization exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code. The Society was formed in 1960 to provide day services for and assistance to the adult handicapped residents of Avyelle Parish, Louisiana. The Society participates as a provider agency in the Department of Health & Hospitals Title XX Day Developmental training services.

Basis of Accounting

The Society maintains its accounting records on the accrual method of accounting, except that membership dues and donations are included in support in the period received.

Fixed Assets

Fixed assets are recorded at cost. Assets are depreciated over their estimated useful lives using the straight-line method, using the following lives:

Furniture & fixtures	3 - 5 years
Machinery & equipment	5 - 8 years
Warm-up years	

Donated Services

Donated labor is valued at the minimum wage rate in effect at the time of the donated services. Professional time which is donated is valued at the current market rate of the specific project.

Cash and cash equivalents

For purposes of the Statement of cash flows, the Society considers all unrestricted, highly liquid investments with an initial maturity of less than three months as cash and cash equivalents.

**APPELLERS SOCIETY FOR
 THE DEVELOPMENTALLY DISABLED, INC.**
 Statement of Cash Flows
 Year Ended June 30, 1997

CASH FLOWS FROM OPERATING ACTIVITIES:

Decrease in net assets	\$ (18,967)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	7,692
(Increase) decrease in operating assets:	
Deposits	(8,174)
Accounts receivable	5,728
Increase (decrease) in operating liabilities:	
Accounts payable	508
Accrued expenses	<u>152</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>118,623</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Payments for purchases of property and equipment	<u>(1,628)</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(1,628)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Increase in short-term notes payable	<u>3,605</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>3,605</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	11,556
BEGINNING CASH AND CASH EQUIVALENTS	<u>99,780</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 112,336</u>

See accompanying notes to financial statements.

**ARVONELLE SOCIETY FOR
 THE DEVELOPMENTALLY DISABLED, INC.**
 Statement of Activities
 Year ended June 30, 1997

Unrestricted Net Assets:	
Support:	
Gifts and donations	\$ 97
Interest earned	253
Client service	47,588
Grants	212,437
In-kind Revenues	893
Miscellaneous Revenue	<u>3,128</u>
Total support	265,396
Expenses:	
Program services:	
Adult day services	318,877
Client service activities	69,598
In-kind expenditures	<u>503</u>
Total program services	388,978
Increase (decrease) in unrestricted net assets	(123,582)
Net assets, beginning of year	<u>17,312</u>
Net assets, end of year	\$ <u><u>42,312</u></u>

see accompanying notes to financial statements.

**NOVELLES SOCIETY FOR
 THE DEVELOPMENTALLY DISABLED, INC.**
 Statement of Financial Position
 June 30, 1997

ASSETS

Current Assets:	
Cash and interest-bearing accounts	\$ 12,518
Accounts receivable - grants	14,938
Deposits	<u>6,176</u>
Total current assets	<u>33,632</u>
Fixed Assets:	
Furniture and fixtures	6,973
Machinery and equipment	22,777
Transportation equipment	20,880
	49,630
Less accumulated depreciation	<u>(27,188)</u>
Net fixed assets	<u>22,442</u>
Total Assets	\$ 56,074

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable	\$ 1,088
Accrued expenses	1,008
Note Payable	<u>2,000</u>
Total current liabilities	<u>4,104</u>
total liabilities	4,104
Net Assets	<u>51,970</u>
Total Liabilities and Net Assets	\$ 56,074

See accompanying notes to financial statements.

Board of Directors
Avoyelles Society for the Developmentally Disabled, Inc.
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November 14, 1987

In accordance with Government Auditing Standards, we have also issued a report dated November 14, 1987 on our consideration of Avoyelles Society of the Developmentally Disabled, Inc.'s internal control structure and a report dated November 14, 1987 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Avoyelles Society for the Developmentally Disabled, Inc. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Decot & Company

DECOTE & COMPANY
Certified Public Accountants
Marksville, Louisiana

November 14, 1987

ADVANCEMENT SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.

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*AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
FINANCIAL STATEMENTS
JUNE 30, 1987*

*Ducote & Company
Certified Public Accountants*

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