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CRIME, THE ABC OF CALICO-BOSSES

MINIREPORT, LOUISIANA

JUNE 30, 1953

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Release Date: DEC 9 3 2009

C-BARC, THE ARC OF CAREGIVERS

SHREVEPORT, LOUISIANA

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS

September 17, 1998

The Board of Directors
C-Harc, The Art of Caddo-Bossier
Shreveport, Louisiana

Independent Auditor's Report

We have audited the accompanying consolidated statement of financial position of C-HARC, The Art of Caddo-Bossier at June 30, 1998, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Art's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of C-HARC, The Art of Caddo-Bossier at June 30, 1998, and the consolidated results of its operations and 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 September 17, 1998 on our consideration of C-HARC's internal control structure and on its compliance with laws and regulations.

Heard, McElroy & Vestal, LLP

Receipt Acknowledged
Legitimate Auditor



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CORP. TRILAC OF CALIFORNIA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 1958

A S S E T S	General Fund	
	Unrestricted	Restricted and Designated
Cash—Note 3	1,059,652	490,961
Investments—Note 9	2,386,821	-
Accounts receivable—Note 4	1,342,496	-
Prepaid expenses and other assets	50,085	-
Inventory	2,974	-
Land, building and equipment—Note 5	-	-
Less—accumulated depreciation	-	-
Total assets	4,982,128	490,961
LIABILITIES AND NET ASSETS		
Accounts payable	12,076	-
Accrued payroll and bonus	875,790	-
Accrued expenses	31,028	-
Total liabilities	918,894	-
Net assets—Note 3	4,063,234	490,961
Total liabilities and net assets	4,982,128	490,961

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

Land, Building and Equipment Fund	Total All Funds (Miscellaneous Debt)	
	June 30, 1958	June 30, 1957
	<u>1958</u>	<u>1957</u>
-	1,479,613	1,453,658
-	2,386,821	2,200,667
-	1,342,498	1,433,212
-	38,868	57,157
-	2,974	3,733
4,793,166	4,770,366	4,484,389
<u>(2,543,843)</u>	<u>(2,543,843)</u>	<u>(2,786,789)</u>
<u>2,249,323</u>	<u>2,226,523</u>	<u>1,697,600</u>
-	12,078	18,184
-	879,350	641,241
-	<u>21,068</u>	<u>37,383</u>
-	908,386	677,177
<u>2,249,323</u>	<u>1,796,000</u>	<u>1,371,735</u>
<u>2,249,323</u>	<u>2,662,423</u>	<u>3,069,335</u>

CADAC, THE ARC OF CADDO-BOSHER
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1999

	<u>General Fund</u>	
	<u>Unrestricted</u>	<u>Permanently Restricted and Designated</u>
Public support and revenue:		
Public support:		
State of Louisiana	2,318,435	-
Title XIX	3,096,065	-
Community Foundations	-	-
United Way	102,620	-
Contributions	1,124	68,868
Service fees	191,537	-
Client services	37,336	-
Other public support	81,385	-
Total public support	<u>7,808,122</u>	<u>68,868</u>
Revenue:		
Sales revenue	2,437,834	35,218
Membership dues	33,649	-
Investment income-Plant 9	-630,114	3,188
Other income	9,293	8,438
Total revenue	<u>2,807,162</u>	<u>46,844</u>
Total public support and revenue	10,615,284	114,912
Expenses:		
Adult services	3,500,998	27,215
Children services	1,037,476	5,523
Case management services	161,176	-
Residential services	4,577,866	-
Management and general	811,621	48,879
Total expenses	<u>10,089,137</u>	<u>81,627</u>
Change in net assets	626,147	33,285
Net assets-beginning of year	3,283,246	846,662
Transfers	<u>187,297</u>	<u>143,029</u>
	<u>3,470,543</u>	<u>989,691</u>
Net assets-end of year	4,096,690	1,022,976

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

Land, Building and Equipment Fund	Total All Funds (Memorandum Only)	
	June 30, 1958	June 30, 1957
-	2,399,635	1,853,645
-	5,095,165	5,264,908
-	-	5,800
-	102,630	100,400
66,714	100,918	67,460
-	191,537	246,632
-	17,336	28,734
-	81,885	84,806
<u>66,714</u>	<u>7,868,604</u>	<u>7,843,222</u>
-	2,472,834	1,801,018
-	18,649	12,179
-	412,302	301,923
-	18,833	17,189
<u>-</u>	<u>2,922,618</u>	<u>2,132,309</u>
66,714	18,852,938	9,695,326
112,586	2,658,797	2,600,161
10,288	1,073,262	925,228
-	161,176	102,787
73,889	4,561,761	4,651,585
26,832	517,678	493,282
<u>253,719</u>	<u>10,294,621</u>	<u>9,369,622</u>
(214,802)	438,293	465,782
3,073,513	6,317,733	5,712,031
262,802	-	-
<u>3,448,315</u>	<u>6,317,733</u>	<u>5,712,031</u>
<u>3,328,322</u>	<u>6,795,026</u>	<u>6,317,733</u>

CHANG, THE ARC OF CARE SERVICES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 1998

	Adult Services	Children Services
Salaries	2,097,188	136,475
Payroll taxes	359,256	603,764
Other employee expenses-Note 8	<u>427,132</u>	<u>31,791</u>
Total salaries and payroll related expenses	2,784,499	801,930
Professional	9,400	-
Insurance	26,273	4,547
Liability	1,821	469
Office expense	59,591	5,717
Postage and publication	8,770	-
Telephone	21,268	1,879
Repairs and maintenance	168,643	678
Training	6,125	2,764
Travel and convention	24,990	29,466
Operating supplies	73,830	28,906
Utilities	66,886	3,342
Rent	38,973	-
Vehicle and equipment lease	9,658	-
Property tax	-	-
Food	18,090	10,219
Household supplies	-	-
Clothing	-	-
Personal necessities	-	-
Medical	-	-
Transportation and cating	3,655	-
Consultant fees	4,773	7,830
Day program	-	-
Administrative allocation	<u>150,623</u>	<u>111,803</u>
Total other expenses before depreciation	<u>353,623</u>	<u>203,244</u>
Total expenses before depreciation	3,138,121	1,005,174
Depreciation expense	<u>112,296</u>	<u>19,298</u>
Total expense	<u>3,250,417</u>	<u>1,024,472</u>

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

Case Management Services	Residential Services	Management and General	Total All Funds (Reimbursements Only)	
			June 30, 1988	June 30, 1987
90,886	2,342,246	589,129	6,258,994	5,137,618
23,878	388,897	73,483	848,398	899,694
<u>2,282</u>	<u>138,899</u>	<u>494,189</u>	<u>1,882,382</u>	<u>202,868</u>
117,592	2,272,137	1,056,803	8,112,694	7,341,268
1,888	-	95,283	86,174	78,632
-	58,864	22,226	104,918	102,276
18	212,304	1,503	228,118	218,469
-	6,786	58,241	86,449	94,638
-	-	18,768	18,238	20,902
4,816	18,947	13,547	61,159	58,945
384	95,896	137,894	403,637	375,218
143	2,718	8,702	23,461	17,870
9,645	38,992	28,777	133,426	111,378
128	38,787	66,889	308,665	56,843
-	20,878	24,277	144,241	88,494
-	1,423	-	48,796	58,986
-	68,897	62,258	142,794	138,300
-	-	-	-	419
-	82,162	21,642	143,253	144,810
-	15,533	2,257	17,818	16,236
-	24,239	-	24,239	15,805
-	11,969	-	11,800	10,548
-	40,899	-	48,899	37,689
-	15,869	949	22,808	14,634
2,133	32,965	2,408	78,862	75,880
-	-	-	-	31,819
<u>25,287</u>	<u>461,698</u>	<u>674,310</u>	<u>61,368</u>	<u>18,780</u>
<u>43,589</u>	<u>1,245,739</u>	<u>616,000</u>	<u>2,638,238</u>	<u>1,796,400</u>
161,136	4,517,866	868,702	10,148,812	9,137,671
-	38,885	36,836	231,319	232,126
<u>161,136</u>	<u>4,556,751</u>	<u>905,538</u>	<u>10,380,131</u>	<u>9,369,797</u>

CRABC, THE ARC OF CANNABIS
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	
	Unrestricted	Previously Restricted and Designated
Cash flows from operating activities:		
Change in net assets	629,197	23,098
Adjustments to reconcile change in net assets to net cash provided by operating expenses:		
Depreciation	-	-
Not realized and unrealized gains on investments	566,845	-
(Increase) in accounts receivable	(58,354)	-
Increase in prepaid expenses and other assets	23,862	-
Decrease in inventory	758	-
Increase (decrease) in accounts payable	(8,718)	-
Increase in payroll liabilities	231,009	-
Increase in accrued expenses	3,796	-
Total adjustments	488,262	-
Net cash provided by operating activities	1,117,459	23,098
Cash flows from investing activities:		
Net change in investments	(1,311,139)	488,035
Purchase of fixed assets	-	-
Net cash (used) by investing activities	(1,311,139)	488,035
Transfers	167,287	100,089
Net increase (decrease) in cash and cash equivalents	(36,603)	51,004
Cash and cash equivalents at beginning of year	1,084,131	389,921
Cash and cash equivalents at end of year	1,047,528	440,925
Supplemental disclosures:		
Interest paid	-	-

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

Land, Building and Equipment Fund	Total All Funds (Noncontrolling Only)	
	June 30, 1998	June 30, 1997
(234,000)	438,290	609,702
253,766	253,716	232,156
-	268,848	-
-	(78,180)	(111,965)
-	17,862	68,549
-	789	-
-	(6,010)	19,793
-	231,809	215,252
-	3,788	1,909
<u>253,766</u>	<u>712,818</u>	<u>214,868</u>
79,744	1,176,071	1,119,762
-	(833,100)	(409,812)
<u>(183,256)</u>	<u>(182,516)</u>	<u>(295,071)</u>
(183,500)	(1,155,616)	(708,780)
<u>363,881</u>	<u>-</u>	<u>-</u>
-	30,525	258,878
<u>-</u>	<u>1,453,038</u>	<u>1,894,868</u>
<u>-</u>	<u>1,473,613</u>	<u>1,453,858</u>
<u>-</u>	<u>-</u>	<u>-</u>

C-BARC, THE ARC OF CALDO-HOUSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AT JUNE 30, 1998

1. Nature of Business

C-BARC, The Arc of Caldo-Houston is a not-for-profit public service Association exempt from Federal income taxation under Internal Revenue Code Section 501(c)(3). Revenues are derived primarily from the following:

- a) State of Louisiana, generally under third-party reimbursement plans
- b) Title XIX
- c) United Way
- d) Contributions from the general public
- e) Contract work by the handicapped clients for various types of companies

The Arc provides education, training, and work opportunities for the mentally handicapped of all ages.

2. Summary of Significant Accounting Policies

a) Financial Statement Presentation

C-BARC has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, C-BARC is required to report information regarding its financial position and activities based on the absence or existence of donor-imposed restrictions. Accordingly, net assets of C-BARC are classified and reported as follows:

Unrestricted net assets-Net assets that are not subject to donor-imposed stipulations. Some unrestricted net assets may be designated by the Board for specific purposes, as shown in Note 3.

Temporarily restricted net assets-Net assets subject to donor-imposed stipulations that may or will be met by actions of C-BARC, and/or by the passage of time.

Permanently restricted net assets-Net assets subject to donor-imposed stipulations that they be maintained permanently by C-BARC. Generally, donors permit all or part of the income earned on these assets to be used for general or specific purposes. Permanently restricted net assets are detailed in Note 3.

b) Contributions

C-BARC also has adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the substance and/or nature of any donor-imposed restrictions.

c) Donor's Gift

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases

2. Summary of Significant Accounting Policies (Continued)

in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

C-BARC uses the allowance method to determine uncollectible unconditional promises receivable, when material. The allowance is based on prior years' experience and management's analysis of specific promises made.

(4) Investments:

The Arc accounts for investments at fair value in accordance with Statement of Financial Accounting Standards No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations."

(5) 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.

(6) Land, Building, and Equipment:

Land, building and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the following estimated useful lives:

Asset	Estimated Life
Furniture, fixtures, and equipment	5-10 years
Vehicles	2-5 years
Buildings and improvements	10-40 years

All expenditures for fixed assets in excess of \$500 are capitalized.

(7) Advertising Costs:

Costs of advertising are expensed as incurred.

(8) Consolidation:

The financial statements include the accounts of C-BARC and Catholic Enterprise, Inc., a wholly-owned for-profit subsidiary. All intercompany transactions have been eliminated in the consolidated financial statements. The Arc also owns, as its only member, The Arc of Catholic-Bossier Foundation, a not-for-profit corporation formed in 1997. The accounts of the Foundation also are included in these consolidated financial statements.

(9) Functional Expenses:

Functional expenses are generally allocated based on the relative amount of direct expenses incurred by each division.

(10) Cash Equivalents:

For purposes of the statement of cash flows, C-BARC considers all highly liquid investments (as related with maturities of three months or less to be cash equivalents. All cash on deposit with financial institutions is fully secured through a combination of deposit insurance and collateralization by sufficient U.S. Government securities owned by the institution.

2. **Summary of Significant Accounting Policies** (Continued)

4) **Compensated Absence:**

Annual leave is earned by employees as follows:

Length of Service	Annual Leave Earned
Less than six months	None
From six months to one year	Seven and one-half days
From one to five years	Eighteen days
From five to ten years	Twenty-one days
From ten to twenty years	Twenty-four days
Over twenty years	Twenty-seven days

Generally, no more than five days of annual leave may be carried forward to the next fiscal year.

Sick leave is included in annual leave.

5) **Prior Year Financial Information:**

The financial information for the year ended June 30, 1997 is presented for comparative purposes, and is not intended to be a complete financial statement presentation.

3. **Net Assets:**

Net assets include restricted and board-designated amounts and activity, summarized as follows:

	1997	Balance	Expenses	Transfers	1998
Excessively Restricted					
C-Exec Foundation	-	25,000	-	25,000	90,000
Designated:					
C-Exec Foundation	-	27,871	2,711	30,000	55,160
Client Advocacy	187,843	1,387	2,785	-	177,009
County WAC	16,383	-	-	-	16,183
Goldman School	78,538	1,211	-	-	78,149
Residential	38,353	1,438	-	-	37,791
Adult Services	81,700	33,779	27,235	(25,000)	63,265
Children's Services	-	6,907	3,525	-	1,384
Designated for workman's compensation claims	482,899	-	-	(482,000)	-
Administration	18,218	1,213	(61,094)	23,000	908
Totals	845,952	104,804	(81,825)	(2,82,000)	458,952

4. **Accounts Receivable:**

Accounts receivable due the Arc at year end are as follows:

	1998	1997
Contract work	326,477	479,588
State of Louisiana	304,685	198,000
Title XIX	467,335	411,683
Other	44,141	44,786
Total	1,142,638	1,134,057

4. Accounts Receivable - Contractwork

Receivables from contract work arise from credits granted to various businesses located in the Shreveport area. Receivables from the State of Louisiana arise from funds due C-IBARC under various grants, and which are repaid as of the end of the fiscal year.

5. Land, Building and Equipment

Land, building and equipment is composed of the following:

June 30, 1998	Cost	Accumulated Depreciation	Book Value
Land	346,488	-	346,488
Buildings	2,332,527	1,183,185	1,149,342
Furniture and equipment	1,668,843	1,085,088	583,755
Vehicles	207,423	128,373	79,050
Improvements	323,802	184,769	139,033
Construction in progress	93,886	-	93,886
Totals	<u>4,773,169</u>	<u>2,581,845</u>	<u>2,191,323</u>

Construction in progress at June 30, 1998 consists mainly of work establishing a new computer network and enlargement of the laundry facilities at Frost Industries. Total costs of construction are expected to approximate \$340,000.

June 30, 1997	Cost	Accumulated Depreciation	Book Value
Land	346,488	-	346,488
Buildings	2,332,527	1,087,287	1,245,240
Furniture and equipment	1,342,115	931,831	410,284
Vehicles	136,036	119,623	16,413
Improvements	327,182	176,583	150,599
Totals	<u>4,684,368</u>	<u>2,305,324</u>	<u>2,379,044</u>

6. Equipment Leases

C-IBARC leases many of its vehicles and equipment, generally over one to five year terms, under operating lease arrangements. Future minimum lease payments for the next five years ending June 30 are as follows:

1999	\$1,980
2000	46,521
2001	24,280
2002	-
2003	-
Total	<u>72,781</u>

7. Trust Funds

The Arc is a beneficiary in various testamentary trusts. The terms of these trusts stipulate that the trust assets be invested in perpetuity, and that the annual income only be distributed to the beneficiaries. The Arc received approximately \$21,500 in distributions from these trusts during the fiscal year.

8. **Other Employer Expenses.**

The ATE participates in a profit sharing plan, which is available to all employees who have attained age 18 and have completed one year of service. The plan provides for no vesting until after two years of participation, at which time the employee is fully vested. All contributions by the employer are discretionary; employees may, but are not required to, contribute. Other employee expenses for the year ended June 30, 1998, include contributions to the profit sharing plan in the approximate amount of \$204,000.

9. **Investments.**

Investments at June 30, 1998 and 1997, are summarized as follows:

June 30, 1998	Cost	Approximate Market Value	Unrealized Appreciation (Depreciation)
<u>Unrestricted and undesignated:</u>			
Mutual funds	1,803,298	2,081,827	198,529
Corporate bonds	381,866	383,343	1,477
U. S. Government Agency bonds	90,124	49,983	(40,141)
Money funds	156,798	159,798	-
	<u>3,532,086</u>	<u>3,786,951</u>	<u>301,865</u>
<u>June 30, 1997:</u>			
<u>Unrestricted and undesignated:</u>			
Common stock	703,172	741,956	38,784
Corporate bonds	904,407	982,587	(78,180)
U. S. Government Agency bonds	36,418	86,319	(49,901)
	<u>1,744,097</u>	<u>1,744,631</u>	<u>30,603</u>
<u>Designated for stockowners' compensation claims:</u>			
Common stock	173,729	183,283	9,558
Corporate bonds	273,984	274,732	(747)
	<u>447,713</u>	<u>458,015</u>	<u>8,811</u>

Investment income for 1998 and 1997 consists of the following:

	1998	1997
Interest and dividends	156,456	136,703
Net realized gains	306,416	120,487
Net unrealized gains	300,420	(31,750)
Total	<u>763,292</u>	<u>225,440</u>

SUPPLEMENTARY INFORMATION

September 17, 1998

The Board of Directors
C-BARC, The Arc of Caddo-Booneville
Shreveport, Louisiana

Independent Auditor's Report on Supplementary Information

We have audited the consolidated financial statements of C-BARC, The Arc of Caddo-Booneville as of and for the year ended June 30, 1998, and have issued our report thereon dated September 17, 1998. Those consolidated financial statements are the responsibility of the management of C-BARC, The Arc of Caddo-Booneville. Our responsibility is to express an opinion on these consolidated 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements of C-BARC, The Arc of Caddo-Booneville taken as a whole. The supplementary information on Page 12 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly presented in all material respects in relation to the consolidated financial statements taken as a whole.

Heard, McElroy & Vestal, LLP

C. BANC, THE ARC OF CALICO-BOSCH
CONSOLIDATED CHANGE IN NET ASSETS BY DIVISION
FOR THE YEAR ENDED JUNE 30, 1988

	Adult Services	Children Services
Public support and revenue:		
Public support:		
State of Louisiana	1,131,668	837,176
Title XIX	212,919	31,517
United Way	-	-
Contributions	-	-
Service fees	105,417	88,119
Client services	-	-
Other public support	<u>55,445</u>	<u>5,418</u>
Total public support	1,515,457	1,069,211
Revenue:		
Sales revenue	2,413,814	-
Membership dues	-	-
Investment income	-	-
Other income	-	2,588
Total revenue	<u>2,413,814</u>	<u>2,588</u>
Total public support and revenue	3,938,481	1,071,819
Total salaries and payroll related expenses	2,784,899	897,653
Total other expenses before depreciation	<u>313,872</u>	<u>301,743</u>
Total expenses before depreciation	3,538,171	1,862,997
Depreciation expense	<u>112,598</u>	<u>10,288</u>
Total expenses	3,650,769	1,873,285
Change in net assets	<u>287,712</u>	<u>20,534</u>

<u>Case Management Services</u>	<u>Residential Services</u>	<u>Management and General</u>	<u>Total</u>
-	243,693	6,800	2,319,433
68,833	4,171,184	-	3,896,360
-	-	102,630	102,630
-	-	100,918	100,918
-	-	-	99,332
-	17,336	-	17,336
<u>338</u>	<u>-</u>	<u>29,672</u>	<u>81,882</u>
79,283	3,023,113	230,818	7,809,804
-	-	38,829	2,473,854
-	-	19,649	18,649
-	-	413,300	413,300
<u>-</u>	<u>6,918</u>	<u>1,513</u>	<u>18,831</u>
-	6,918	982,966	2,812,816
79,283	3,040,031	716,304	10,832,930
117,392	3,272,137	1,978,800	8,112,694
<u>43,591</u>	<u>1,245,329</u>	<u>(218,161)</u>	<u>2,818,238</u>
361,376	4,317,866	869,900	19,148,812
-	73,892	36,936	233,713
<u>361,376</u>	<u>4,391,758</u>	<u>917,836</u>	<u>19,394,625</u>
<u>(50,892)</u>	<u>448,379</u>	<u>(284,324)</u>	<u>418,293</u>

OTHER MARKERS

September 17, 1998

The Board of Directors
C-BASC, The Arc of Cadeo-Bossier
Monroeville, Louisiana

Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

We have audited the consolidated financial statements of C-BASC, The Arc of Cadeo-Bossier as of and for the year ended June 30, 1998, and have issued our report thereon dated September 17, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the consolidated financial statements of C-BASC, The Arc of Cadeo-Bossier are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered internal control over financial reporting of C-BASC, The Arc of Cadeo-Bossier in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material to the consolidated 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 over financial reporting and its operation that we regarded to be material weaknesses.

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.

Heard, McFerrery + Vestal, LLP

C-BARC, THE ARC OF CADDIS-ROSSER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 1998

We have audited the financial statements of C-Barc, The Arc of Caddis-Rosser as of and for the year ended June 30, 1998, and have issued our report thereon dated September 17, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The audit of the financial statements as of June 30, 1998 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. **Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control - No reportable conditions were noted; no management letter was issued.

Compliance - no material noncompliance was noted.

b. **Federal Awards - None**

© BANC, THE ABC OF CARDO-BOSCH
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 1998

There were no findings as a result of the prior year's audit.

C-BARC, THE ABC OF CADDO-BOSSIE
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR CURRENT YEAR FINDINGS
YEAR ENDED JUNE 30, 1995

As there were no current findings of material noncompliance, reportable conditions, or management letter, no corrective action is required.