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**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.**

FINANCIAL STATEMENTS

JUNE 30, 1998
Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The 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 1.13.99

Ducote & Company

Certified Public Accountants

P. O. Box 309

219 North Washington Street

Marksville, LA 71351

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.**

TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITORS' REPORT	1
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL STRUCTURE OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF CASH FLOW	5
NOTES TO FINANCIAL STATEMENTS	6-9

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of the Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization) as of June 30, 1998, 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. 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, 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 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 Avoyelles Society for the Developmentally Disabled, Inc. as of June 30, 1998, and the changes in its net assets 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 October 19, 1998 on our consideration of Avoyelles Society of the Developmentally Disabled, Inc.'s internal control structure and its compliance with laws and regulations.



DUCOTE & COMPANY

Marksville, Louisiana
October 19, 1998

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL STRUCTURE OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the statement of financial position of the Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization) as of June 30, 1998, and the related statements of activities and cash flows for the year then ended, and have issued our report thereon dated October 19, 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 Avoyelles Society for the Developmentally Disabled, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of 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 noncompliance that are required to be reported under Government Auditing Standards.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Avoyelles Society for the Developmentally Disabled, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose 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 in relation to the general purpose 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 consider to be material weaknesses.

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


DUCOTE & COMPANY
Marksville, Louisiana
October 19, 1998

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Statement of Financial Position
June 30, 1998**

ASSETS

Current assets:

Cash and interest-bearing accounts	\$13,755
Accounts receivable - grants	14,840
Deposits	<u>5,000</u>

Total current assets	<u>33,595</u>
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Fixed Assets:

Furniture and fixtures	6,072
Machinery and equipment	22,777
Transportation equipment	<u>24,728</u>
	53,577
Less accumulated depreciation	<u>(40,066)</u>

Net fixed assets	<u>13,511</u>
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Total assets	<u>\$47,106</u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 1,440
Accrued expenses	<u>1,176</u>

Total current liabilities	<u>2,616</u>
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Total liabilities	2,616
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Net Assets	<u>44,490</u>
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Total liabilities and net assets	<u>\$47,106</u>
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See accompanying notes to financial statements.

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Statement of Activities
Year ended June 30, 1998**

Unrestricted Net Assets:	
Support:	
Dues and donations	\$ 2,754
Interest earned	12
Client service	54,317
Grants	202,564
Fundraiser income	4,634
Gain on sale of assets	3,500
In-kind revenue	1,340
Miscellaneous revenue	<u>3,588</u>
Total support	<u>272,709</u>
Expenses:	
Program services:	
Adult day services	207,533
Client service activities	61,351
In-kind expenditures	<u>1,340</u>
Total program services	<u>270,224</u>
Increase (decrease) in unrestricted net assets	2,485
Net assets, beginning of year	<u>42,005</u>
Net assets, end of year	<u>\$ 44,490</u>

See accompanying notes to financial statements.

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Statement of Cash Flows
Year Ended June 30, 1998**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Decrease in net assets	\$ 2,485
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	7,158
Gain on sale of equipment	(3,500)
(Increase) decrease in operating assets:	
Deposits	3,176
Accounts receivable	78
Increase (decrease) in operating liabilities:	
Accounts payable	(204)
Accrued expenses	<u>110</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>9,303</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Sale of property & equipment	3,500
Payments for purchases of property and equipment	<u>(8,176)</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(4,676)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Decrease in short-term notes payable	<u>(3,005)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>(3,005)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,622
BEGINNING CASH AND CASH EQUIVALENTS	<u>12,133</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 13,755</u></u>

See accompanying notes to financial statements.

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Notes to Financial Statements
June 30, 1998**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Avoyelles 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 1968 to provide day services for and assistance to the adult handicapped residents of Avoyelles 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
Vans	4 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.

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Notes to Financial Statements (continued)
June 30, 1998**

NOTE B - GRANTS

The Society participated in five grants for the year ended June 30, 1998, two of which were non-cash in nature:

Cash Grants:	
Federal/State Grant - Medical Assistance Program MR/DD Waiver Services	\$ 11,520
Federal/State Grant - Rehabilitation Program	2,400
State of Louisiana Grant - Department of Health and Hospitals Title XX Adult Day Programs	<u>188,644</u>
Total Grants Received	<u>\$213,437</u>
Non-cash Grants:	
Project Independence	\$ 68
Federal/State – Federal Urban Mass Transportation Capital Improvement Grant	<u>19,078</u>
Total Non-cash grants received	<u>\$ 19,146</u>

NOTE C - FIXED ASSETS

A summary of fixed assets is as follows:

	Balance <u>June 30, 1997</u>	Additions	Retirements	Balance <u>June 30, 1998</u>
Furniture & fixtures	\$ 6,072	\$ -	\$ -	\$ 6,072
Machinery & equipment	22,777	-	-	22,777
Transportation equipment	<u>20,800</u>	<u>8,176</u>	<u>4,248</u>	<u>24,728</u>
	\$49,649	<u>8,176</u>	<u>4,248</u>	53,577
Accumulated Depreciation	<u>(37,156)</u>	<u>(7,158)</u>	<u>\$4,248</u>	<u>(40,066)</u>
Net fixed assets	<u>\$12,493</u>			<u>\$13,511</u>

DATA COLLECTION FORM

FOR REPORTING ON AUDITS OF STATE AND LOCAL GOVERNMENT AND QUASIPUBLIC ENTITIES

OMB Form 0348-0057 may be used as a substitute for this form.

Date Submitted 12 / 15 / 98

RETURN to: Legislative Auditor
Attn: Engagement Processing
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

1. Fiscal Year Ending Date For This Submission:

6 / 30 / 98

3. Audit Period Covered

Annual Biennial
 Other to

2. Type of Report:

Single Audit GAO Audit Standards Audit
 Compilation Compilation/Attestation
 Program Audit Other

4. AUDITEE INFORMATION

Auditee Name
AVOYELLES SOCIETY FOR THE
DEVELOPMENTALLY DISABLED, INC

Street Address (Number and Street)
COTTAGE STREET

Mailing Address (PO No.)
P. O. BOX 220

City State Zip
MARKSVILLE LA 71351

Auditee Contact
Name Title
SANDRA KNIGHT EX. DIRECTOR

Telephone Fax
318-253-6955 NONE
Email (Optional)

5. AUDITOR INFORMATION

Firm Name
DUCOTE & COMPANY, CPA'S

b. Street Address (Number and Street)
219 N WASHINGTON ST

Mailing Address (PO No.)
P O BOX 309

City State Zip
MARKSVILLE, LA 71351

c. Auditor Contact
Name ALOYSIA C DUCOTE PARTNER

Telephone Fax
319-253-6501 318-253-0721
Email (Optional)
ducoteco@kriicket.com

Component Units Included Within the Report and for Which No Separate Report Will Be Issued:

NONE

If there are no modifications to the auditor's financial opinion, no reportable conditions, no material weaknesses, no reported instances of noncompliance, and no management letter, check this box; do not complete the rest of the form.

6. FINANCIAL STATEMENTS

a. Type of audit report on financial statements. Not Applicable
 Unqualified Opinion Qualified Opinion Adverse Opinion Disclaimer of Opinion
b. Is a 'going concern' explanatory paragraph included in the audit report? Yes No
c. Do any of the funds have deficit fund balances? Yes No
d. Is there a related party footnote? Yes No

7. INTERNAL CONTROL

Do the comments on internal control include: material weaknesses reportable conditions not applicable

8. COMPLIANCE

Do the comments on compliance include: illegal acts fraud/criminal acts not applicable

9. MANAGEMENT LETTER (Finding Caption and No.)

Resolved Yes No No Longer Applicable
Resolved Yes No No Longer Applicable
Resolved Yes No No Longer Applicable

10. SCHEDULE OF CURRENT YEAR FINDINGS/QUESTIONED COSTS (Finding Caption and No.)

\$ _____ Resolved Yes No No Longer Applicable
\$ _____ Resolved Yes No No Longer Applicable
\$ _____ Resolved Yes No No Longer Applicable
\$ _____ Resolved Yes No No Longer Applicable
\$ _____ Resolved Yes No No Longer Applicable
\$ _____ Resolved Yes No No Longer Applicable

Do any findings address nepotism, ethics violations or related party transactions? Yes No

Do any findings address violation of bond indenture covenants? Yes No

11. SCHEDULE OF PRIOR YEAR FINDINGS/QUESTIONED COSTS (Finding Caption and No.)

Resolved Yes No No Longer Applicable
Resolved Yes No No Longer Applicable
Resolved Yes No No Longer Applicable
Resolved Yes No No Longer Applicable
Resolved Yes No No Longer Applicable

AUDITEE SIGNATURE _____	Date _____
FOR USE BY LEGISLATIVE AUDITOR	
Agency No. _____	Proj. No. _____
Firm No. _____	

FOR USE BY LEGISLATIVE AUDITOR

Date Report Received: _____ Date Processed: _____

Legislative Audit Advisory Council:	Are there unresolved findings listed below?	Yes or No
District Attorney:	Are there findings of criminal acts?	Yes or No
Board of Ethics:	Are there findings of ethics, nepotism, or related parties?	Yes or No
State Bond Commission (SBC):	Are there any findings relating to violations of bond indentures?	Yes or No
	Does the report express going-concern reservations?	Yes or No
	Does the entity have a deficit greater than 5% of revenue? If so, identify the page(s) No(s) _____	Yes or No
High Profile:	Are there any significant findings?	Yes or No

Report: Approved for Release _____ Date: _____ Rank A B C D

(A=No Comments; B=Management Letter Comments Only; C=Control/Compliance Report(s) Comments; D=Criminal/Fraud Acts)
 Note: For grading purposes, schedules of immaterial findings are treated as a management letter

REPORT DISTRIBUTION

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Clerk of Court _____	①	Board of Ethics	1
Kenner Office	1	Actuarial Section (<i>State/Statewide Retirement Systems</i>)	1
Shreveport Office	1	Engagement Manager (<i>SBC's Copy</i>)	1
District Attorney _____	1	Quality Assurance	1
Legislative Auditor (<i>High Profile</i>)	1	_____ Parish Government	1
Assistant Legislative Auditor (<i>High Profile</i>)	1	City/Village/Town of _____	1
Other (<i>High Profile</i>) _____	1	Other: _____	1
Press Bureau Chiefs (<i>High Profile</i>)	8	Other: _____	1
Press	②		
Archives	①	Distribution Approval (Initials) _____	
Legislative Audit Advisory Council	1	Copies Needed: _____ Copies TBM _____	

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Notes to Financial Statements (continued)
June 30, 1998**

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, 1998:

Dept of Health & Hospitals - MR/DD Waiver Services	\$ 2,121
Dept of Health & Hospitals - Adult Day Program	<u>12,719</u>
	<u>\$ 14,840</u>

NOTE E - COMMITMENTS AND CONTINGENCIES

On May 14, 1998, the Society entered into an irrevocable letter of credit for \$6,200.00, which expires on May 14, 1999. The purpose of the letter of credit is to obligate a source of funds for the required 20% local match for a Federal Urban Mass Transportation Capital Improvement Grant application.

On March 17, 1998, the Society entered into a buy-sell agreement to purchase a building and the property on which it is located in Marksville, Louisiana for \$175,000. A nonrefundable deposit of \$5,000 was given to the Sellers, which will be applied to the purchase price at the closing of the transaction. The option to purchase the real estate must be exercised by the end of December 1998.

A three-phase plan has been developed for the purchase and renovation of the building. The Society plans to move its current facility and operations to the new site after the completion of Phases I and II. This will allow the Society to increase the number of clients served and client activities.

To provide funding for the project, the Society has applied to several sources for capital outlay and/or debt service funding. The Society is presently awaiting final approval on some of the requests.

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Notes to Financial Statements (continued)
June 30, 1998**

NOTE G – YEAR 2000 RESOLUTION

The stages identified by the Governmental Accounting Standards Board as being necessary to implement a year 2000-compliant system are: Awareness Stage, Assessment Stage, Remediation Stage, and Validation/Testing Stage.

The Society is currently in the Remediation Stage of the implementation of a Year 2000 compliant system.

The Society does not use computers for any financial functions. The accounting system is completely manual. Computers are used to maintain client files with respect to setting goals, objectives and annual and semi-annual assessments for each client. A basic word processing software package is used for this.

The progress to date by the Society with regards to Y2000 compliance is:

Awareness Stage: The Society owns 2 computers and is aware of the fact that neither is Y2000 ready.

Assessment Stage: The Society has assessed costs and determined it to be more feasible to discard its two old computers and purchase new hardware and software.

Remediation Stage: The Society is currently pursuing grants and donations from companies to acquire new computers and software which are Year 2000 compliant. The Society plans to acquire one by July 1999 and another by September 1999. However, if it is not financially possible to acquire two computers, the Society plans to use only one computer.