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**BEAUREGARD ASSOCIATION FOR
RETARDED CITIZENS, INC.
DERIDDER, LOUISIANA**

FINANCIAL REPORT
For the Year Ended 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 FEB 17 1999

Gleen O. Everhart
CERTIFIED PUBLIC ACCOUNTANT
104 West Second Street
DeRidder, Louisiana 70634

**BEAUREGARD ASSOCIATION FOR RETARDED CITIZENS, INC.
DERIDDER, LOUISIANA**

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 8
Other Reports	
Independent auditor's report on the Internal Controls	9 - 10
Independent Auditors' Report on Compliance Based on an Audit of Financial Statements performed in Accordance with Government Auditing Standards	11
Schedule of Findings and Questioned Cost	12

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Beauregard Association for Retarded Citizens, Inc.
DeRidder, Louisiana

I have audited the accompanying statement of financial position, of the Beauregard Association for Retarded Citizens, Inc. (a nonprofit organization) at June 30, 1998 and the related statement of activities and the statement of cash flows for the year then ended. These financial statements are the responsibility of the Beauregard Association for Retarded Citizens, Inc.'s management. My responsibility is to express an opinion on these financial statements based on 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 the Beauregard Association for Retarded Citizens, Inc. at June 30, 1998, and results of its operation 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 December 22, 1998, on my consideration of Beauregard Association for Retarded Citizens, Inc.'s internal control structure and a report dated December 22, 1998 on my consideration of their compliance with laws and regulations.

Gleen O. Everhart
December 22, 1998, Excepted for Notes 3 and 14 which is dated January 25, 1999.

BEAUREGARD ASSOCIATION FOR RETARDED CITIZENS, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 1998

	1998
Current Assets	
Cash	\$ 30,684
Reimbursements Receivable	4,258
Total Current Assets	34,942
Non-Current Assets	
Property, Plant, and Equipment (Net)	62,009
Total Non-Current Assets	62,009
Total Assets	\$ 96,951
Liabilities and Equity	
Current Liabilities	
Notes Payable (Current Portion)	\$ 6,647
Total Current Liabilities	6,647
Long Term Liabilities	
Notes Payable (Less Current Portion Above)	19,941
Total Liabilities	26,588
Net Assets	
Unrestricted	59,731
Restricted	10,632
Total Net Assets	70,363
Total Liabilities and Net Assets	\$ 96,951

The accompanying notes are an integral part of these statements.

BEAUREGARD ASSOCIATION FOR RETARDED CITIZENS, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 1998

Revenues	
Reimbursements from DHH	\$ 126,317
Waiver Fees	1,741
Community Home Fees	7,459
Public Support	13,846
Total Unrestricted Revenue	149,363
Expenses	
Salaries and Related Benefits	105,044
Transportation/Travel	15,898
Rent	7,200
Depreciation	3,763
Insurance	15,599
Office Expense	7,686
Repairs and Maintenance	271
Utilities	3,747
Telephone	662
Audit Expense	888
Dues and License	2,797
Sundry	343
Total Expenses	163,898
Increase (decrease) in Net Assets Before Other Income	(14,535)
Other Income	
Interest Income	324
Increase (decrease) in Net Assets	(14,211)
Net Assets at Beginning of Year	53,774
Net Assets at End of Year	\$ 39,563

The accompanying notes are an integral part of these statements.

BEAUREGARD ASSOCIATION FOR RETARDED CITIZENS, INC.

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 1998

Cash Flows From Operating Activities	1998
Net increase in net assets	\$ (14,535)
Adjustment to reconcile change in net assets to net cash used by operating activities	
Depreciation	3,763
Decrease in reimbursements receivable	11,722
Increase in accounts payable and accrued expenses	(1,082)
Net cash provided by operating activities	(132)
Cash Flows From Investing Activities	
Interest Income	324
Net Increase in Cash and Cash Equivalents	192
Cash and Cash Equivalents at Beginning of Year	30,492
Cash and Cash Equivalents at End of Year	\$ 30,684

The accompanying notes are an integral part of these statements.

Beauregard Association for Retarded Citizens, Inc.
DeRidder, Louisiana
Notes to Financial Statements
For the Six Months Ended June 30, 1998

Note 1 - Summary of Significant Accounting Policies

Organization

The Beauregard Association for Retarded Citizens, Inc. is a nonprofit corporation incorporated under the Louisiana Non-Profit Corporation Act. The mission of the Beauregard Association for Retarded Citizens, Inc. (BAFRCI) is to supervise the daily operations of the De Ridder Retarded Citizens, to sponsor community events in an effort to educate the public, to be active with other community events and human service agencies, and to host awareness events.

Financial Statement Presentation:

On June 30, 1993, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 116 and No. 117 with an effective date of December 15, 1994, however, earlier application was encouraged. These statements conform to those two new FASB Statements.

In accordance with FASB Statement 116, contributions are to be recorded at the time the promise is made and the Beauregard Association for Retarded Citizens, Inc. complies with Statement 116. FASB Statement 117 changes the format for Financial statements for Non-Profit Corporations and these statements have been prepared to conform to the new FASB Statement 117.

Basis of Accounting

The records of the BAFRCI are maintained on the GAAP basis of accounting and the accompanying statements have been prepared on that basis.

Cash equivalents

The BAFRCI considers all highly liquid assets with a maturity of three months or less to be cash equivalents.

Note 2 - Commitments and Contingencies

The BAFRCI may be reimbursed for purchases of long lived assets, if the cost of such purchases are included in their annual budget and approved by the Louisiana Department of Health and Hospitals. Once the BAFRCI receives reimbursement for the purchase of long lived assets, the Louisiana Department of Health and Hospitals becomes the contingent owner of those assets.

Notes continued

Should the BAFRCI cease operations, ownership of those assets will revert to the State of Louisiana.

Note 3 - Subsequent Events

On January 15, 1999, the administration discovered an unrecorded donation of land that had not been recorded in the general ledger. This donation was received on December 30, 1986. See Note 15.

Note 4 - Pension Plans

The BAFRCI employees participate in the FICA program.

Note 5 - Compensated Absences

The BAFRCI gives its employees vacation and sick leave, however, accrued amounts at June 30, 1998, if any, would be immaterial and not reported in these schedules.

Note 6 - Off-Balance Sheet Risk

The BAFRCI does not engage in off-balance sheet financing as defined in FASB Statement 105.

Note 7 - Bank Accounts

In accordance with FASB Statement 105, the BAFRCI maintains its funds in one bank account in one bank. These funds are secured by the Federal Deposit Insurance Corporation in the amount of \$100,000. The amount in their bank account does not exceed the insured amount.

Note 8 - Tax Exempt Status

The BAFRCI is a non-profit organization subject to tax in accordance with the Internal Revenue Service Code. The agency is currently applying for tax exemption under Section 501(c)(3) of the Internal Revenue Code. The Service has stated that the exemption will be retroactive to the date of Incorporation.

Note 9 - Donated Materials and Services

The value of donated services have not been recorded in these statements in as much as no objective basis is available for the measurement of such services; however, a substantial number of volunteers have donated a significant amount of time to the accomplishment of the BAFRCI's mission.

Note 10 - Related Party Transactions

None.

Note 11 - Use of 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 12 - Commitments - Operating Leases

During the year, Beauregard Association For Retarded Citizens, Inc. entered into an agreement with Green Chevrolet, Inc. to lease a new van. Annual payments are as follows:

<u>Year</u>	<u>Monthly Payment</u>	<u>Annual Expenditure</u>
1	\$ 617	\$ 3,702
2	617	7,405
3	617	7,405
4	617	3,085
Balloon Payment	<u>10,781</u>	<u>10,781</u>
Total Annual Expenditure		32,378
Less : amount representing interest		<u>(5,791)</u>
Net present value of lease		<u>\$ 26,587</u>

Note 13 - Fixed Assets

Land	\$ 30,800
Building	4,156
Equipment	9,308
Vehicles	<u>55,843</u>
Total	100,107
Less Accumulated Depreciation	<u>(38,098)</u>
Net	<u>\$ 62,009</u>

Note 14 - Capitalization of Donated Assets

On December 30, 1986, the BARCI received an unrestricted donation of approximately 3 acres of undeveloped land. The fair market value (FMV) of the land at the time of donation was \$30,800. The land has been capitalized (recorded in the general ledger) at that value.

OTHER REPORTS

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**Independent Auditor's Report on the Internal Control Structure
Based on an Audit of the Financial Statements Performed
in Accordance With Government Auditing Standards**

Board of Directors
Beauregard Association for Retarded Citizens, Inc.
DeRidder, Louisiana

I have audited the accompanying statement of financial position of the Beauregard Association for Retarded Citizens, Inc. for the year ended June 30, 1998, and have issued my report thereon dated December 22, 1998.

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.

In planning and performing my audit of the financial statements of the Beauregard Association for Retarded Citizens, Inc. for the six-month period ended June 30, 1998, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurances on the internal control structure.

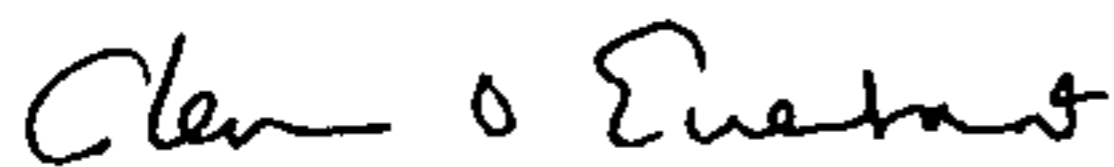
The management of the Beauregard Association for Retarded Citizens, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by managements are required to assess the expected benefits and related costs of internal 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 Beauregard Association for Retarded Citizens, Inc., for the year ended June 30, 1998, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of the relevant policies and procedures and whether they have been placed in operations, 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 assurance on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be a material weakness 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 and 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. I noted a matter involving the internal control structure and its operations that I considered to be a material weakness as defined above.

Finding:	Improper segregation of duties.
Cause:	Beauregard Association for Retarded Citizens, Inc. has a very limited number of personnel; therefore, the duties cannot be segregated as required by sound internal control standards.
Effect:	The possibility of errors occurring and not being detected on a timely basis is increased.
Management's response:	It is not economically feasible to hire additional staff.

This report is intended for the information of the Board Members and Management. However, this report is a matter of public record, and its distribution is not limited.



December 22, 1998

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**Independent Auditor's Report on Compliance Based on an Audit of
Financial Statements Performed in Accordance with Government
Auditing Standards--No Material Instances of Noncompliance**

Board of Directors
Beauregard Association for Retarded Citizens, Inc.
Lake Charles, Louisiana

I have audited the financial statements of the Beauregard Association for Retarded Citizens, Inc., for the year ended June 30, 1998, and have issued my report thereon dated December 22, 1998.

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.

Compliance with laws, regulations, contracts, and grants applicable to Beauregard Association for Retarded Citizens are the responsibility of the Beauregard Association for Retarded Citizens's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Beauregard Association for Retarded Citizens'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 Board Members and Management. However, this report is a matter of public record and its distribution is not limited.

Gleen O. Everhart
December 22, 1998

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 1998

Board of Directors
Beauregard Association for Retarded Citizens, Inc.
DeRidder, Louisiana

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

None

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None