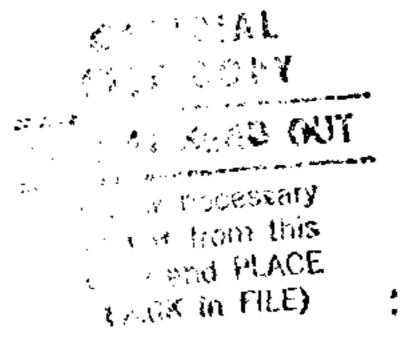
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**ARC OF IBERIA** 

**FINANCIAL REPORT** 

JUNE 30, 1999

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under provisions of state law, this report is a public document. A copy of the report has been submitted to the sudiled, or reviewed, entity and other appropriate public officials. The report is swelledly for public inspection at the Baton Rouge office of the Legislelive Auditor and, where appropriate, at the office of the parish clerk of court

Pelease Date JAN-1-2-2000-

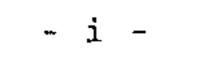
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# BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

302 Hacker St. P.O. Box 9631 New Iberia, Louisiana 70562-9631 phone: (318) 364-4554 fax: (318) 364-6664

Other Offices:

Crowley, LA (318) 783-0650

**Opelousas**, LA (318) 942-5217

Abheville, LA (318) 898-1497

Lafayette, LA (318) 988-4930

Church Point, LA (318) 684-2855

# INDEPENDENT AUDITORS' REPORT

To the Board of Directors ARC of Iberia New Iberia, Louisiana

We have audited the accompanying statements of financial position of ARC of Iberia (a nonprofit organization) as of June 30, 1999 and 1998 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Eunice, LA (318) 457-0071

Lawrence A. Cramet, CPA\* Eugene C. Gilder, CPA\* Donald W. Kelley, CPA\* Herbert Lemoine II, CPA\* Frank A. Stagno, CPA\* Scott J. Broussard, CPA\* L. Charles Abshire, CPA\* Kenneth R. Dugas, CPA\* P. John Blanchet III, CPA\* Stephen L. Lambousy, CPA\* Craig C. Babineaux, CPA\* Peter C. Borrello, CPA\* Michael P. Crochet, CPA\* George F. Trappey III, CPA\* Daniel E. Gilder, CPA\* Gregory B. Milton, CPA\* S. Scott Soileau, CPA\* Patrick D. McCarthy, CPA\*

Retired:

Sidney L. Broussard, CPA 1980 Leon K. Poche, CPA 1984 James H. Breaux, CPA 1987 Erma R. Walton, CPA 1988

We conducted our audits 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 financial statements are free of material An audit includes examining, on a test basis, misstatement. evidence supporting the amounts and disclosures in the financial An audit also includes assessing the accounting statements. principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 ARC of Iberia as of June 30, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated October 29, 1999, on our consideration of ARC of Iberia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Poché lewis 2 Man -0-*F* ~ 1 1 37

George A. Lewis, CPA\* 1992 New Iberia, Louisiana

October 29, 1999

Geraldine J. Wimberly, CPA\* 1995

Rodney L. Savoy, CPA\* 1996

Larry G. Broussard, CPA\* 1997

Members of American Institute of Certified Public Accountants Society of Louisiana Certified Public Accountants

\* A Professional Accounting Corporation.

# STATEMENTS OF FINANCIAL POSITION June 30, 1999 and 1998

ASSETS	<u>    1999    </u>	1998
CURRENT ASSETS		
Cash	\$ 642,969	\$ 316,775
Investments	114,874	109,960
Receivables	28,688	30,864
Due from other agencies	264,338	300,243
Inventory	3,025	4,004
Prepaid expenses	10,196	3,672
Other current assets	8,532	22,798
Total current assets	<u>\$1,072,622</u>	<u>\$ 788,316</u>
FIXED ASSETS		
Dronarty and equipment net	¢1 124 029	

Property and equipment, net S1.124.029 S1.170.505

Propercy and equipment, net	$\mathcal{Y}_{1}$	$\varphi_{1}, 1, 0, 505$
RESTRICTED CASH		
	<u> </u>	è 4 6 6 6
Respite building fund	<u>\$ 6,267</u>	<u>\$ 4,665</u>

Total assets

<u>\$2.202.918</u> <u>\$1.963.486</u>

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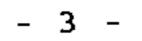
See Notes to Financial Statements.

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LIABILITIES AND NET ASSETS	1999	1998
CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	\$ 62,668	\$ 76,447
Accounts payable Accrued liabilities	ş 02,000 88,221	\$ 70,447 86,431
Accrued compensated absences	37,307	
Current maturities of long-term debt	6,186	20,185
Current portion of capital lease obligations	5,539	5,194
current portron of cupreur reade opingaerone		
	\$ 199,921	\$ 188,257
CURRENT LIABILITIES		
PAYABLE FROM RESTRICTED ASSETS	1 1	5 4 E B
Current portion of long-term debt	<u>    1,571</u>	
Total current liabilities	<u>\$ 201,492</u>	<u>\$ 191,714</u>
LONG-TERM LIABILITIES		
Long-term debt, less current maturities	\$ 262,062	\$ 272,257
Capital lease obligations, less current portion	3,402	<u> </u>
Total long-term liabilities	\$ 265,464	<u>\$ 281,116</u>
Total liabilities	<u>\$466,956</u>	<u>\$ 472,830</u>
ì		
NET ASSETS		
Unrestricted	\$1,617,678	\$1,440,853
Temporarily restricted	118,284	49,803
Total net assets	\$1,735,962	\$1,490,656
Total liabilities and net assets	<u>\$2,202,918</u>	<u>\$1,963,486</u>



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# STATEMENT OF ACTIVITIES Year Ended June 30, 1999

	<u>Unre</u>	stricted		porarily stricted	<u> </u>	Total
REVENUES AND OTHER SUPPORT	~	27,867	\$	117,453	Ş	145,320
Contributions	\$	-	Ŷ	-	¥	-
Program revenue	3	8,532,860		-		3,532,860
Interest revenue		10,768		-		10,768
Membership revenue		1,995		-		1,995
Miscellaneous revenue		23,126				23,126
Net assets released from						
restrictions:						
Satisfaction of program						
restrictions		28,527		(28,527)		**
Expiration of time						
restrictions	<u>_ // · </u>	20,445		(20,445)		
Total revenues and						
other support	<u>\$</u>	<u>,645,588</u>	<u>ş</u>	68,481	\$	3,714,069

EXPENSES

- -

Program expenses:	\$ 1,160,098	\$ -	\$ 1,160,098
ARC Unlimited Outreach Services	11,788	۳ –	11,788
Independent Living	554,319	-	554,319
Residential Services	687,264	-	687,264
Respite Services	756,319	-	756,319
Bright Beginnings	13,117	_	13,117
General and administrative expenses	285,858		<u>285,858</u>
Total expenses	<u>\$ 3,468,763</u>	\$	<u>\$ 3,468,763</u>
Changes in net assets	\$ 176,825	\$ 68,481	\$ 245,306
Net assets, beginning of year	<b>1,440,853</b>	49,803	1,490,656
Net assets, end of year	<u>\$ 1,617,678</u>	<u>\$ 118,284</u>	<u>\$ 1.735,962</u>

See Notes to Financial Statements.



# STATEMENT OF ACTIVITIES Year Ended June 30, 1998

	Unrestricted	Temporarily <u>Restricted</u>	Total
REVENUES AND OTHER SUPPORT			
Contributions	\$ 34,625	\$ 44,760	\$ 79,385
Program revenue	3,176,932	-	3,176,932
Interest revenue	15,166	-	15,166
Membership revenue	1,255	_	1,255
Miscellaneous revenue	33,516	-	33,516
Gain on sale of fixed assets	1,100	-	1,100
Net assets released from			
restrictions:			
Satisfaction of program			
restrictions	19,085	(19,085)	-
Expiration of time			
restrictions	14,058	<u>   (14,058</u> )	<b></b>
Total revenues and			
other support	<u>\$ 3,295,737</u>	<u>\$ 11,617</u>	<u>\$ 3,307,354</u>
EXPENSES			
Program expenses:			
ARC Unlimited	\$ 1,204,782	\$-	\$ 1,204,782
Outreach Services	8,595	-	8,595
Independent Living	452,340	-	452,340
Residential Services	674,498	-	674,498
Respite Services	638,947	-	638,947
General and administrative			
expenses	248,232	<u> </u>	248,232
Total expenses	<u>\$ 3,227,394</u>	<u>\$ -0-</u>	<u>\$ 3,227,394</u>
Changes in net assets	\$ 68,343	\$ 11,617	\$ 79,960
Net assets, beginning of year	<u>1,372,510</u>	38,186	<u>   1,410,696</u>
Net assets, end of year	<u>\$ 1.440.853</u>	<u>\$ 49,803</u>	<u>\$ 1,490,656</u>

See Notes to Financial Statements.



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# STATEMENTS OF CASH FLOWS Years Ended June 30, 1999 and 1998

		1999	<b>.</b>	1998
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	\$	245,306	\$	79,960
Adjustments to reconcile change in net assets				·
to net cash provided by operating activities:				
Depreciation		137,632		130,292
Gain on sale of fixed assets		-		(1, 100)
Donated fixed assets		(53,109)		(18, 813)
(Increase) decrease in receivables		2,176		(11, 229)
(Increase) decrease in due from other agencies		35,905		(63, 406)
Increase in inventories and prepaids		(5,545)		(2, 581)
(Increase) decrease in other current assets		14,266		(538)
Decrease in accounts payable		(13,779)		(9,078)
Increase in accrued liabilities		1,790		24,953
Increase in accrued compensated absences	<b>.</b>	37,307	_	<b></b>

Net cash provided by operating activities	\$ 401,949	<u>\$ 128,460</u>
CASH FLOWS FROM INVESTING ACTIVITIES Purchase of equipment Proceeds from sales of fixed assets Purchases (maturities) of investments	\$ (38,047) - - (4,914)	\$ (131,650) 2,150 <u>76,491</u>
Net cash used in investing activities	<u>\$ (42,961</u> )	<u>\$ (53,009</u> )
CASH FLOWS FROM FINANCING ACTIVITIES Principal payments on long-term debt Principal payments on lease obligations	\$ (26,080) (5,112)	\$ (94,497) (14,213)
Net cash used in financing activities	<u>\$ (31,192</u> )	<u>\$ (108,710</u> )
Net increase (decrease) in cash	\$ 327,796	\$ (33,259)
Cash, beginning of year	321,440	<u>354,699</u>
Cash, end of year •	<u>\$ 649.236</u>	<u>\$ 321,440</u>

SUPPLEMENTAL DISCLOSURES OF NONCASH TRANSACTIONS

Donated fixed assets <u>\$ 53,109</u> <u>\$ 18,813</u>

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# See Notes to Financial Statements.

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# NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization:

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ARC of Iberia (the "Association") is a Louisiana nonprofit corporation chartered in August 1954. Its purpose is to promote the general welfare of mentally retarded, physically handicapped and incapacitated citizens in Iberia Parish and to aid their parents and families. The following is a description of the various programs.

Operating Fund

The operating fund is used to account for all general and administrative expenses of the Association.

ARC Unlimited

ARC Unlimited is a day program for citizens of the community with mental retardation.

Residential Services

Residential Services provides three homes for adults with mental retardation.

Respite Services

Respite Services allows parents and guardians of those with mental retardation to leave them for short periods of time.

Outreach Services

Outreach Services is a program to provide prenatal education for young expecting mothers along with parenting skills with a long-term goal of child abuse prevention.

Independent Living

The Association supervises adults with mental retardation that live in their own home or apartment. These clients require considerably less care than clients living in the residential homes.

Bright Beginnings

The Association is providing day care services for children of the

community.



The accompanying financial statements of the Association have been prepared on the accrual basis of accounting.

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Significant accounting policies:

Support and expenses:

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All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets in the statement of activities as net assets released from restrictions.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Investments:

Investments which consists of certificates of deposits, are presented in the financial statements at cost which approximates fair market value.

Inventory:

Inventory is stated at the lower of cost or market, with cost determined by the first-in first-out method.

Allowance for doubtful accounts:

The Association considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Restricted cash:

The Association is required to put at least 10% of the monthly payment to FHA under loan provisions for the building acquired for the Respite Services program. These reserved amounts are reflected as restricted cash on the statements of financial position.

Property and equipment:

Purchased property and equipment is recorded at cost at the date of acquisition. Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor stipulations regarding how long the contributed assets must be used, the Association has adopted a policy of implying a time restriction on contributions of such assets that expires over the assets' useful lives. As a result, all contributions of property and equipment, and of assets contributed to acquire property and equipment, are recorded as restricted support.

- 8 -

Depreciation is computed by the straight-line method at rates based on the following estimated useful lives:

	<u>Years</u>
Furniture and equipment	5 - 25
Building and improvements	10 - 30
Transportation equipment	3 - 5

Compensated absences:

Employees of the Association earn annual leave per month depending on years of service at a minimum of twelve days per fiscal year. Annual leave is cumulative from one year to the next, up to a maximum of 240 hours. Upon termination of employment for cause, an employee may be paid for the value of any accrued leave up to a maximum of 240 hours.

Donated services:

The Association receives donated services from unpaid volunteers who assist in program services during the year; however, these donated services are not reflected in the statement of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

Federal income taxes:

The Association qualifies for an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

Cash and cash equivalents:

For the purposes of the statement of cash flows, the Association considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

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 2. Due From Other Agencies

Due from other agencies at June 30, 1999 and 1998 consisted of:

		1998
Due from O.C.D.D.	\$ 30,556	\$ 26,487
Due from Department of Natural Resources	-	17,162
Due from Louisiana Rehabilitation Services	14,565	43,468
Due from Medicaid	194,307	181,981
Due from other facilities	24,910	31,145
	<u>\$ 264.338</u>	<u>\$ 300.243</u>

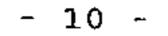
Note 3. Property and Equipment

Property and equipment at June 30, 1999 consisted of:

	Historical <u>Costs</u>	Donated Value	Total		
Land	\$ 56,585	\$ 91,750	\$ 148,335		
Buildings and improvements	1,110,719	25,000	1,135,719		
Furniture and equipment	383,344	3,600	386,944		
Vehicles	320,887	163,956	484,843		
Livestock	850	<del></del>	850		
	\$1,872,385	\$ 284,306	\$ 2,156,691		
Less accumulated depreciation	<u>(899,136</u> )	(133,526)	<u>(1,032,662</u> )		
	<u>\$ 973,249</u>	<u>\$ 150,780</u>	<u>\$ 1,124,029</u>		

Total depreciation expense for the year ended June 30, 1999 was \$137,632 of which \$18,478 was related to donated assets and \$2,085 was related to capital lease assets.

For the year ended June 30, 1999, the Association has capital lease assets of \$48,929, included in equipment and land, and related accumulated amortization of \$9,721, which is included in accumulated depreciation.



Property and equipment at June 30, 1998 consisted of:

	Historical <u>Costs</u>	Donated Value	Total
Land	\$ 56,585	\$ 91,750	\$ 148,335
Buildings and improvements	1,104,883	25,000	1,129,883
Furniture and equipment	368,402	3,600	372,002
Vehicles	303,618	110,847	414,465
Livestock	850	<b>-</b>	850
	\$1,834,338	\$ 231,197	\$2,065,535
Less accumulated depreciation	<u>(779,982</u> )	(115,048)	<u>(895,030</u> )
	<u>\$1.054.356</u>	<u>\$ 116,149</u>	<u>\$1,170,505</u>

Total depreciation expense for the year ended June 30, 1998 was \$130,292 of which \$11,163 was related to donated assets and \$2,085 was related to capital lease assets.

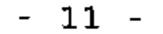
For the year ended June 30, 1998, the Association has capital lease assets of \$48,929, included in equipment, and related accumulated amortization of \$7,636, which is included in accumulated depreciation.

Note 4. Long-Term Debt

Long-term debt at June 30, 1999 and 1998 consisted of the following:

1999 1998 ARC Unlimited: Mortgage note payable to bank, due in monthly installments of \$830, bearing interest at 5.62%, secured by collateral mortgage on Walton Street, maturing \$ 58,382 \$ 65,075 April 15, 2001. Residential Services: Note payable to bank, due in monthly installments of \$388, bearing interest at 9.95%, collateralized by a security interest in a 1995 Chevrolet van, 4,747 maturing July 13, 1999. 375

(continued)



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Note 4. Long-Term Debt (Continued)

	1	999	 1998
Note payable to bank, due in monthly installments of \$388, bearing interest at 9.95%, collateralized by a security interest in a 1995 Chevrolet van, maturing July 13, 1999.	\$	375	\$ 4,747
Note payable to bank, due in monthly installments of \$410, bearing interest at 9.95%, collateralized by a security interest in a 1996 Chevrolet van,			
maturing July 13, 1999.		399	5,024

Respite Services:

Mortgage note payable to FHA, due in monthly installments of \$1,028, bearing

interest at 5.25%, secured by collateral mortgage on the Respite home, maturing April 11, 2025.	173,641	178,322
$\mathbf{APIII} \mathbf{II}, \mathbf{ZVZJ}.$	175,011	110,020
Mortgage note payable to FHA, due in monthly installments of \$215, bearing interest at 5.125%, secured by collateral mortgage on the Respite home, maturing		
April 11, 2025.	<u> </u>	37,984
	\$ 269,819	\$ 295,899
Less current maturities	(7,7 <u>5</u> 7)	(23,642)
Long-term debt, less current maturities	<u>\$ 262.062</u>	<u>\$ 272.257</u>

Aggregate maturities required on long-term debt, including interest of \$188,432, are as follows at June 30, 1999:

2000	\$ 15,516
2001	24,876
2002	24,876
2003	24,876
2004	24,876
Thereafter	343,231

\$ 458,251

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Cash paid for interest during the years ended June 30, 1999 and 1998 was \$13,912 and \$23,343, respectively.

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# Note 5. Capital Lease Obligations

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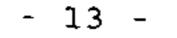
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The Association has entered into a noncancellable lease agreement for the acquisition of property including building and improvements. The lease provides for monthly payments of \$500 through January 2001. Additionally, the Association has entered into a noncancellable lease agreement for the acquisition of a copy machine. The lease provides for monthly payments of \$100 through August 1998. These leases have been capitalized in accordance with Financial Accounting Standards Statement No. 13. The following is a schedule by years of the future minimum lease payments under these capital leases together with the value of the net minimum lease payments as of June 30:

	 1999	<u>    1998         </u>		
1999	\$ _	\$	6,181	
2000	6,082		6,000	
2001	 3,500		3,500	

Total minimum lease payments	\$ 9,582	\$ 15,681
Less amount representing interest	(641)	(1,628)
Present value of net minimum lease		
payments	\$ 8,941	\$ 14,053
Less obligations under capital leases -		
current portion	<u>(5,539</u> )	(5,194)
Obligations under capital leases,		
long-term	<u>\$ 3.402</u>	<u>\$                                    </u>

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# Note 6. Detail of Program Revenue

Program revenue included the following for the years ended June 30, 1999 and 1998:

1770.				Program		
ŗ	Total	ARC Unlimite	Outreach ed Services	Indepen- dent Living	Residen- tial <u>Services</u>	Respite <u>Services</u>
1999:						
Medicaid	\$2,230,195	\$ 156,00	00 \$ -	\$ 533,729	\$ 777,829	\$ 762,637
Office of Citizens	, ,	Ş 19070	~~~	¥ 333 <b>,</b>	+	,
with Development						
Disabilities	444,097	319,80	54 -	49,298	_	74,93
Louisiana Rehab	411,007					
Services	227,366	227,3	66 -	-	<del></del>	-
Foster & Adoptive	20.7500					
Family Resource	5,728			-	-	5,72
Children's Trust	-,					
Fund	10,000		- 10,000	-	-	-
Sales	185,545	185,5	45 -	-	-	-
Client billings	192,841	7,8	- 00	44,543	92,190	48,30
Other residential facilities: Res-Care Healt	:h					
Services	237.088	237.0	88	<u> </u>	<b></b>	
	<u>\$3.532.860</u>	<u>\$1.133.6</u>	<u>63 <u>\$ 10.000</u></u>	<u>\$ 627.570</u>	<u>\$ 870.019</u>	<u>\$ 891.60</u>
				Program		<b></b>
		<b></b>		Indepen-	Residen-	
		ARC	Outreach	dent	tial	Respite
	<u>    Total</u>	<u>Unlimit</u>	ed Services	<u>Living</u>	<u>_Services</u>	<u>_Service</u>
1998:						
Medicaid	\$1,913,790	\$ 151,5	49\$-	\$ 391,928	\$ 778,625	\$ 591,68
Office of Citizen	s					
with Development	tal					
Disabilities	408,885	288,0	73 -	49,776	-	71,01
Louisiana Rehab						
Services	271,375	271,3	75 -	-	-	
Foster & Adoptive						
Family Resource	4,228			-	-	4,22
Children's Trust						
Fund	7,000		- 7,000	-	+	
Sales	177,213	177,2		-	-	17 66
Client billings	153,162	11,1	85 -	45,873	78,436	17,66
Other residential						
facilition						

facilities:

Normal Life 124,371 124,371 -Res-Care Health

-----Services -\_\_\_

# <u>\$3,176,932</u> <u>\$1,140,674</u> <u>\$ 7,000</u> <u>\$ 487,577</u> <u>\$ 857,061</u> <u>\$ 684,620</u>

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# Note 7. Temporarily Restricted Net Assets

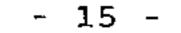
Temporarily restricted net assets are available for the following periods or purposes as of June 30, 1999 and 1998:

	1999	1998
ARC Unlimited program:		
Remaining estimated useful lives		
of contributed property and equipment	\$65,667	\$ 33,003
Unexpended food bank contributions	48,053	16,800
Unexpended Bright Beginnings contributions	4,564	<u> </u>
	\$ 118.284	\$ 49,803

Note 8. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or the expiration of time for the year ended June 30:

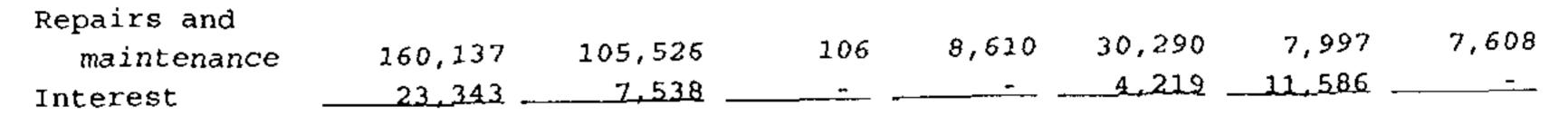
	1999	
Purpose restrictions accomplished:		
ARC Unlimited program -		
Contributions	\$ 14,970	\$ 18,725
Respite Services program -		
Contributions	440	360
Bright Beginnings program -		
Contributions	13,117	<u> </u>
	\$ 28,527	\$ 19,085
Time restriction expired:		
ARC Unlimited program -		
Expired portion of estimated useful		
lives of contributed property and		
equipment	20,445	14,058
Total restrictions released	<u>\$ 48,972</u>	<u>\$ 33,143</u>



# Note 9. Natural Classification of Expenses

Expenses were incurred for the following for the years ended June 30, 1999 and 1998:

						Pr	ograms							_Supj	port
		-				In	depen-	Re	siden-					Mana	age-
			ARC		treach		dent		tial		spite			ment	
		Total	<u>Unlimited</u>	Se	rvices	<u>_</u> L	iving_	Se	rvices	Se	rvices	Beg	ginnings	Gen	eral
1999:															
Cost of sale	s \$	108,118	\$ 108,118	\$	-	\$	-	\$	•	\$	-	\$	-	Ş	۴
Salaries,															
wages,															
benefits															
and payrol						-		-	71 040	c	50,903		3,228	195	,922
taxes		2,390,079	661,207		7,612	5	00,167	د	371,040	0	50,905		3,220		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Office and					620		29,619	-	129,259		49,985		3,173	54	,494
occupancy		432,060	164,910		620		29,619		129,299		42,200		5,200		,
Supplies and	l	100 666	37,011		2,337		6,150		74,261		12,487		2,263	3	,157
travel	•	137,666	37,011		2,351		0,100				,				
Services and															
profession fees	aı	111,424	25,577		1,020		4,416		46,282		16,268		1,750	16	,111
Depreciation	)	137,632			-		612		40,581		12,183		2,703	10	,667
Repairs and	-														
maintenanc	e	137,546	87,879		199		13,355		25,012		5,594		-	5	5,507
Interest	-	14,238	•						829		8,899				
											_			****	
	ŝ	<u>3.468.763</u>	<u>\$1.160.098</u>	S.	11.788	<u>S</u>	<u>554.319</u>	<u>S</u>	687.264	Ś	756,319	S	13,117	<u>5285</u>	<u>5,858</u>
														<b>C</b>	mart
							<u> </u>	Pr	ograms		Decido			-	nage-
					100		0	ah	Indepen		tial		Respite		-
			<b>m</b> - + - 1	• •					dent Livin				Services		
			<u> </u>	<u> </u>	<u>111 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 </u>	2013	DELVIL			3					
	998:	.f. 0.1.00	\$ 115,816	<u>د</u>	115.8	16	Ś	_	ŝ	-	Ś	-	\$-	\$	-
		of sales ies, wages		ŶŶ	115,0	<b>.</b> .	Ŷ		4		•				
50		efits and													
			s 2,057,554	L	652,2	49	6,0	24	389,9	24	347,8	61	506,367	15!	5,129
0		e and	,,												
		upancy	503,209	}	192,1	79	4	77	42,1	24	139,3	53	74,745	54	4,331
St		ies and													
	tra	vel	126,585	5	46,1	32	4	37	2	57	68,2	60	8,077		3,422
S	ervi	ces and													
	pro	fessional							-					-	c . c . c . c
	fee	s	110,458		19,3		1,5	551			43,7				6,567 1,175
D	epre	ciation	130,292	2	66,0	41		-	د	75	40,7	0/	11,914	T	x, x, 3



# <u>\$3,227,394</u> <u>\$1,204,782</u> <u>\$ 8,595</u> <u>\$452,340</u> <u>\$674,498</u> <u>\$638,947</u> <u>\$248,232</u>

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#### Note 10. Fiduciary Funds

Residential Services acts as a fiduciary agent for its residents. Additionally, there is one client of the Independent Living program for which the Association acts as a fiduciary agent. Checking accounts are maintained for each resident in the homes. Deposits include the resident's social security benefits, their payroll checks if employed and miscellaneous gifts from family members. Disbursements consist of day-to-day living expenses and are based on the individual resident's needs. The balance in these checking accounts at June 30, 1999 and 1998 was \$27,222 and \$19,548, respectively. These funds are not included in the balance sheet of the ARC of Iberia.

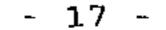
#### Note 11. Concentration of Credit Risk

The Association maintains cash balances in excess of \$100,000 in banks, which are insured by the Federal Deposit Insurance Corporation up to \$100,000 for cash balances and \$100,000 for time deposits. At June 30, 1999, the Association's uninsured cash balances totaled \$273,338.

The Association also receives a considerable amount of its total support and revenues from Medicaid for payments of medical services provided to clients. During the years ended June 30, 1999 and 1998, the Association received \$2,230,195 and \$1,913,790, respectively, from Medicaid, which was 60% and 58%, respectively, of total revenues.

Note 12. Retirement Plan

During 1998, the Association established a 401(k) retirement plan for all eligible employees. All full-time employees are eligible after one year of service. Eligible employees may elect to contribute up to 20% of their gross salary. The Association has chosen to make contributions to the Plan in an amount equal to 100% of the first 2% deferred by the employee. The amount contributed to the Plan for the years ended June 30, 1999 and 1998 was \$10,017 and \$7,506, respectively.



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# BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

302 Hacker St. P.O. Box 9631 New Iberia, Louisiana 70562-9631 phone: (318) 364-4554 fax: (318) 364-6664

#### Other Offices:

Crowley, LA (318) 783-0650

Opelousas, LA (318) 942-5217

Abbeville, LA (318) 898-1497

Lafayette, LA (318) 988-4930

Church Point, LA (318) 684-2855 REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors ARC of Iberia New Iberia, Louisiana

We have audited the financial statements of ARC of Iberia (a nonprofit organization) as of and for the year ended June 30, 1999, and have issued our report thereon dated October 29, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States.

Eunice, LA (318) 457-0071

Lawrence A. Cramer, CPA\* Eugene C. Gilder, CPA\* Donald W. Kelley, CPA\* Herbert Lemoine II, CPA\* Frank A. Stagno, CPA\* Scott J. Broussard, CPA\* L. Charles Abshire, CPA\* Kenneth R. Dugas, CPA\* P. John Blanchet III, CPA\* Stephen L. Lambousy, CPA\* Craig C. Babineaux, CPA\* Peter C. Borrello, CPA\* Michael P. Crochet, CPA\* George F. Trappey III, CPA\* Daniel E. Gilder, CPA\* Gregory B. Milton, CPA\* S. Scott Soileau, CPA\* Patrick D. McCarthy, CPA\*

#### Retired:

Sidney L. Broussard, CPA 1980 Leon K. Poché, CPA 1984 James H. Breaux, CPA 1987 Erma R. Walton, CPA 1988

#### Compliance

As part of obtaining reasonable assurance about whether ARC of Iberia's financial statements are free of material misstatement, we performed test 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 <u>Government Auditing Standards</u>.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered ARC of Iberia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Association's ability to record, process, summarize, and report financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 99-1.

George A. Lewis, CPA\* 1992

Geraldine J. Wimberly, CPA\* 1995

Rodney L. Savoy, CPA\* 1996

Larry G. Broussard, CPA\* 1997

Members of American Institute of Certified Public Accountants Society of Louisiana Certified Public Accountants

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\* A Professional Accounting Corporation.

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 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

This report is intended solely for the information and use of the board of directors, management, all applicable federal agencies, and those other governments from which financial assistance was received.

Broussond, Pochi lewine & Break, L. L.P.

New Iberia, Louisiana October 29, 1999

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# SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 1999

We have audited the financial statements of ARC of Iberia as of and for the year ended June 30, 1999, and have issued our report thereon dated October 29, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 1999 resulted in an unqualified opinion.

Section I - Summary of Auditors' Reports

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

Internal Control Material Weaknesses \_\_\_\_ Yes \_X\_ No Reportable Conditions \_X\_ Yes \_\_\_\_ None reported

Compliance

Compliance Material to Financial Statements \_\_\_\_ Yes X No

#### Section II - Financial Statement Findings

## 99-1 Cash Disbursements

Finding: When testing controls over cash disbursements, it was noted in three out of forty instances that no purchase order was used when required. In addition, it was noted in two out of forty instances that there was no documentation of approval for payment.

Recommendation: The procedures in place over cash disbursements need to be adhered to at all times to ensure adequate controls over the cash disbursement process.

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SCHEDULE OF PRIOR YEAR FINDINGS Year Ended June 30, 1999

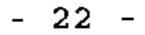
- Section I. Internal Control and Compliance Material to the Financial Statements None reported.
- Section II. Internal Control and Compliance Material to Federal Awards Not applicable.
- Section III. Management Letter

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The prior year's report did not include a management letter.



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formerly the Iberia Association for **Retarded Citizens** 

Dr. Daniel Kyle Legislative Auditor State of Louisiana P.O. Box 94397 Baton Rouge, LA 70804-9397

October 29, 1999

LEGIS 1999 DEC မ္မ AUDITO AM II: N

ARC of Iberia respectfully submits the following corrective action plan for the year ended June 30, 1999.

Independent Living Services (318) 367-6813

Name and address of independent public accounting firm: Broussard, Poche', Lewis & Breaux, L.L.P. **Certified Public Accountants** P.O. Box 9631

Arc Unlimited Employment Services (318) 364-7215

Respite/PCA Services (318) 367-3005

**Residential Services** (318) 367-6813

3716 Redwood Dr. P.O. Box 9610 New Iberia. LA 70562-9610 (318) 367-6813 e-mail arcib@acadian.net

New Iberia, LA 70562-9631

Audit period: July 1, 1998 through June 30, 1999

The finding from the 1999 schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule. Section I of the schedule, summary of Auditors' reports, does not include findings and is not addressed.

Section II - Financial Statement Finding

Cash Disbursements 99-1

> Recommendation: The procedures in place over cash disbursements need to be adhered to at all times to ensure adequate controls over the cash disbursement process.

Action taken: The departments in which the purchases were made have been notified of the omission errors. Procedures will be adhered to in the future.

Sincerely,

ARC of Iberia

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# Kenny Patton **Executive Director**