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**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**

**(A NOT FOR PROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 1999 AND 1998**

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**Postlethwaite & Netterville**

*(A Professional Accounting Corporation)*

CERTIFIED PUBLIC ACCOUNTANTS

BATON ROUGE • DONALDSONVILLE • GONZALES • NEW ORLEANS • ST. FRANCISVILLE  
LOUISIANA

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.

(A NOT FOR PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 1999 AND 1998



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# Postlethwaite & Netterville

*A Professional Accounting Corporation*  
CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Assumption Association for Retarded Citizens, Inc.  
Napoleonville, Louisiana

We have audited the accompanying statements of financial position of Assumption Association for Retarded Citizens, Inc. (a not for profit 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.

We conducted our audits 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. Those standards require that we plan and perform the audits 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 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 Assumption Association for Retarded Citizens, Inc. 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 our report dated October 1, 1999 on our consideration of Assumption Association for Retarded Citizens, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of Assumption Association for Retarded Citizens, Inc. taken as a whole. The accompanying schedules of public support and revenue and functional expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Postlethwaite & Netterville*

Donaldsonville, Louisiana  
October 1, 1999

**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**(A NOT FOR PROFIT ORGANIZATION)**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 1999 AND 1998**

	1999	1998
<b><u>ASSETS:</u></b>		
Cash and cash equivalents	\$ 67,165	\$ 82,064
Certificates of deposit	65,293	165,293
Accounts receivable	247,247	176,029
Interest receivable	139	139
Investments	948,858	798,494
Land, buildings, and equipment	741,400	475,714
TOTAL ASSETS	\$ 2,070,102	\$ 1,697,733
<b><u>LIABILITIES AND NET ASSETS:</u></b>		
Accounts payable	\$ 17,264	\$ 44,675
Payroll taxes payable	7,223	11,940
Notes payable	196,726	-
TOTAL LIABILITIES	221,213	56,615
<b><u>NET ASSETS:</u></b>		
Unrestricted	1,848,889	1,641,118
TOTAL LIABILITIES AND NET ASSETS	\$ 2,070,102	\$ 1,697,733

The accompanying notes are an integral part of these statements.



**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**(A NOT FOR PROFIT ORGANIZATION)**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 1999 AND 1998**

	<u>1999</u>	<u>1998</u>
<b><u>REVENUES AND OTHER SUPPORT:</u></b>		
Public Support:		
Public contributions	\$ 3,704	\$ 3,166
Allocated by Capital Area United Way	14,762	17,898
Contributions from Government Agencies	1,436,762	1,304,172
Other Revenue:		
Net unrealized gains on investments	6,154	1,327
Membership dues - individual	625	710
Sales to public (net of expenses of \$59,655 and \$51,226, respectively)	140,502	162,359
Activity center services	157,080	160,346
Interest and dividend income	43,837	46,181
Gain on sale of investments	59,715	-
Gain on sale of assets	856	-
Miscellaneous revenue	1,364	2,711
Total revenues and other support	<u>1,865,361</u>	<u>1,698,870</u>
<b><u>EXPENSES:</u></b>		
Residential Services		
Napolconville Manor	304,369	314,844
Thibaut Manor	308,517	299,114
Day-Program Services		
Activity Center	376,558	367,336
Project Fund	148,801	153,431
Association Fund	5,655	22,205
Waiver Services	298,993	243,882
Fee for Service	13,475	7,478
General and Administrative		
Central Office	201,222	172,100
Total expenses	<u>1,657,590</u>	<u>1,580,390</u>
Change in net assets	207,771	118,480
Net assets at beginning of year	<u>1,641,118</u>	<u>1,522,638</u>
Net assets at end of year	<u>\$ 1,848,889</u>	<u>\$ 1,641,118</u>

The accompanying notes are an integral part of these statements.



**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**(A NOT FOR PROFIT ORGANIZATION)**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 1999 AND 1998**

	1999	1998
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Change in net assets	\$ 207,771	\$ 118,480
Adjustments to reconcile change in net cash used by operating activities:		
Depreciation	61,315	48,519
Gain on sale of assets	(856)	-
Unrealized gain on investments	(6,154)	(1,327)
Gain on sale of investments	(59,715)	-
(Increase) in accounts receivable	(71,218)	(35,635)
Increase (decrease) in accounts payable	(27,411)	7,392
Increase (decrease) in payroll taxes withheld	(4,717)	8,281
Net cash provided by operating activities	99,015	145,710
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Net (increase) decrease in certificates of deposit	100,000	(102,693)
Purchases of investments	(841,729)	(45,225)
Sales of investments	757,234	25,000
Purchases of property and equipment	(340,521)	(59,205)
Cash received from sales of property and equipment	14,376	-
Net cash used for investing activities	(310,640)	(182,123)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>		
Cash received from principal advances	200,050	-
Principal payments	(3,324)	-
Net cash provided by financing activities	196,726	-
Net decrease in cash and cash equivalents	(14,899)	(36,413)
Cash and cash equivalents at beginning of year	82,064	118,477
Cash and cash equivalents at end of year	\$ 67,165	\$ 82,064

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:**

Interest paid	\$ 4,446	\$ -
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The accompanying notes are an integral part of these statements.





**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**(A NOT FOR PROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies**

- A. The Association is a non-profit organization formed to furnish education and recreation to the mentally retarded and handicapped persons of Assumption Parish. The Association is solely dependent upon appropriation from State agencies and other contributions.
- B. To ensure proper usage of restricted and unrestricted assets, the Association maintains its accounts according to fund accounting principles, whereby funds are classified in accordance with specified restrictions or objectives.
- C. Buildings and equipment are recorded at cost and are being depreciated using accelerated and the straight-line methods over their estimated useful lives as follows:

Buildings	30 - 40 years
Transportation equipment	5 years
Other equipment	5 - 10 years

- D. Management has determined that all accounts receivable are collectible. Therefore, no reserve for uncollectible accounts has been established.
- E. The majority of the Association's revenue is derived from third-party reimbursement arrangements. These revenues and the allowability of the related expenditures are subject to audits by the granting agencies.
- F. The Association reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Association reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.





**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**(A NOT FOR PROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies** (continued)

- G. 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.
- H. The Association considers all cash accounts and certificates of deposit with a maturity of three months or less when purchased to be cash and cash equivalents.
- I. The Association is exempt from the income taxes under section 501 (c) (3) of the Internal Revenue Code and is not considered a private foundation.

2. **Cash**

The Association maintains cash pools that are available for use by the individual funds.

The individual fund cash balances at June 30, carried at cost, which approximates market value, were as follows:

<u>Fund</u>	<u>Cash Balances</u>	
	<u>1999</u>	<u>1998</u>
Napoleonville Manor	\$ 38,680	(\$ 414)
Thibaut Manor	70,879	57,164
Activity Center	93,774	99,088
Project Fund	( 14,236)	17,133
Association Fund	( 89,970)	( 82,033)
Waiver Services	( 73,721)	( 43,006)
Fee for Service	53,120	44,235
Independent Living	( 1,047)	( 1,047)
Central Office	( 10,314)	( 9,056)
	<u>\$ 67,165</u>	<u>\$ 82,064</u>

At June 30, 1999, the carrying amount of the Association's deposits were \$132,458 and the bank balance was \$185,613. Of the bank balance, \$172,099 was covered by federal depository insurance and \$13,514 was unsecured.



**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**

3. **Investment Securities**

Investments are carried at market value and realized and unrealized gains and losses are reflected in the statement of activities. Marketable equity securities are made up of mutual funds.

	<u>Marketable Equity Securities</u>	<u>U.S. Treasury Strips</u>	<u>Total</u>
Investments at June 30, 1997	\$ 681,464	\$ 95,478	\$ 776,942
Sales/Maturities	-	( 25,000)	( 25,000)
Interest and dividends	40,740	4,485	45,225
Unrealized gains (losses)	<u>174</u>	<u>1,153</u>	<u>1,327</u>
Investments at June 30, 1998	722,378	76,116	798,494
Purchases	808,365	-	808,365
Sales/Maturities	( 619,984)	( 77,535)	( 697,519)
Interest and dividends	31,945	1,419	33,364
Unrealized gains (losses)	<u>6,154</u>	<u>-</u>	<u>6,154</u>
Investments at June 30, 1999	<u>\$ 948,858</u>	<u>\$ -</u>	<u>\$ 948,858</u>



**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**(A NOT FOR PROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

4. **Contributions from government agencies**

Contributions from government agencies at June 30, 1999 consist of the following:

	<u>Napoleonville Manor</u>	<u>Thibaut Manor</u>	<u>Activity Center</u>	<u>Waiver Services</u>	<u>Fee for Service</u>	<u>Total</u>
Title XIX	\$ 349,925	\$ 341,051	\$ -	\$ -	\$ -	\$ 690,976
Patient Liability	27,856	30,306	-	-	-	58,162
OMR	-	-	295,851	-	-	295,851
Waiver contract	-	-	-	320,243	-	320,243
Fee for services contract	-	-	-	-	24,505	24,505
Department of Transportation Grant	<u>20,263</u>	<u>26,762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,025</u>
Total	<u>\$ 398,044</u>	<u>\$ 398,119</u>	<u>\$ 295,851</u>	<u>\$320,243</u>	<u>\$ 24,505</u>	<u>\$1,436,762</u>

Contributions from government agencies at June 30, 1998 consist of the following:

	<u>Napoleonville Manor</u>	<u>Thibaut Manor</u>	<u>Activity Center</u>	<u>Waiver Services</u>	<u>Fee for Service</u>	<u>Total</u>
Title XIX	\$ 311,210	\$ 340,185	\$ -	\$ -	\$ -	\$ 651,395
Patient Liability	28,561	32,905	-	-	-	61,466
OMR	-	-	264,065	-	-	264,065
Waiver contract	-	-	-	298,062	-	311,746
Fee for services contract	-	-	-	-	15,500	15,500
Department of Transportation Grant	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,684</u>	<u>-</u>	<u>13,684</u>
Total	<u>\$ 339,771</u>	<u>\$ 373,090</u>	<u>\$ 264,065</u>	<u>\$311,746</u>	<u>\$ 15,500</u>	<u>\$1,304,172</u>



**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**(A NOT FOR PROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

5. **Buildings and Equipment**

Buildings and equipment at June 30, 1999 and 1998 consist of the following:

	1999	1998
Buildings	\$ 929,520	\$ 668,958
Land	7,300	7,300
Transportation equipment	251,995	205,254
Furniture and equipment	229,907	223,116
	1,418,722	1,104,628
Less: Accumulated depreciation	( 677,322)	( 628,914)
	\$ 741,400	\$ 475,714

6. **Retirement Plan**

The Association adopted a Simple IRA retirement plan effective July 1, 1997. The plan covers all full time employees. The Association matches the employee's contributions up to 3% of their compensation. The Association's contributions for the year ended June 30, 1999 and 1998 were \$8,591 and \$8,402, respectively.

7. **Notes Payable**

Notes payable at June 30, 1999 consists of the following:

	June 30, 1999	June 30, 1998
Note payable to a bank in the amount of \$200,050, payable in monthly installments of \$2,590, including interest at 8.5%, due March 15, 2004, secured by a building and land.	\$196,726	\$ -

Long-term obligations mature as follows:

June 30	Amount
2000	\$ 15,425
2001	16,746
2002	18,181
2003	19,740
2004	126,634
	\$196,726



SUPPLEMENTARY INFORMATION



**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**

**(A NOT FOR PROFIT ORGANIZATION)**

**SCHEDULES OF SUPPORT AND REVENUE**

**YEAR ENDED JUNE 30, 1999 AND 1998**

	Napoleonville Manor		Thibaut Manor		Activity Center		Project Fund	
	1999	1998	1999	1998	1999	1998	1999	1998
Public Support:								
Public contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25	\$ 446	\$ 313
Allocated by Capital Area United Way	2,500	3,917	1,250	3,917	11,012	10,064	-	-
Contributions from Governmental Agencies	398,044	339,771	398,119	373,090	295,851	264,065	-	-
Other Revenue:								
Unrealized gain (loss) on investments	225	134	2,520	608	709	428	434	-
Membership dues	-	-	-	-	-	-	-	-
Sales to public (net of expenses)	-	-	-	-	-	-	140,502	162,359
Residential services	-	-	-	-	157,080	160,346	-	-
Interest and dividend income	1,539	2,187	16,371	20,933	6,698	9,116	2,793	-
Gain (loss) on sale of investments	2,078	-	23,241	-	9,507	-	4,001	-
Gain (loss) on sale of assets	-	-	-	-	(1,529)	-	-	-
Miscellaneous	-	1,000	264	-	(100)	-	-	-
Total Public Support and Other Revenue	<u>\$ 404,386</u>	<u>\$ 347,009</u>	<u>\$ 441,765</u>	<u>\$ 398,548</u>	<u>\$ 479,228</u>	<u>\$ 444,044</u>	<u>\$ 148,176</u>	<u>\$ 162,672</u>





**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**

**(A NOT FOR PROFIT ORGANIZATION)**

**SCHEDULES OF SUPPORT AND REVENUE**

**YEAR ENDED JUNE 30, 1999 AND 1998**

	Association Fund		Waiver Services		Fee for Services		Central Office	
	1999	1998	1999	1998	1999	1998	1999	1998
Public Support:								
Public contributions	\$ 1,458	\$ 2,828	\$ -	\$ -	\$ -	\$ -	\$ 1,800	\$ -
Allocated by Capital Area United Way	-	-	-	-	-	-	-	-
Contributions from Governmental Agencies	-	-	320,243	311,746	24,505	15,500	-	-
Other Revenue:								
Unrealized gain (loss) on investments	84	43	1,705	114	477	-	-	-
Membership dues	625	710	-	-	-	-	-	-
Sales to public (net of expenses)	-	-	-	-	-	-	-	-
Residential services	-	-	-	-	-	-	-	-
Interest and dividend income	650	725	12,601	9,881	3,185	3,339	-	-
Gain (loss) on sale of investments	770	-	15,723	-	4,395	-	-	-
Gain (loss) on sale of assets	-	-	2,385	-	-	-	-	-
Miscellaneous	-	811	1,200	900	-	-	-	-
<b>Total Public Support and Other Revenue</b>	<b>\$ 3,587</b>	<b>\$ 5,117</b>	<b>\$ 353,857</b>	<b>\$ 322,641</b>	<b>\$ 32,562</b>	<b>\$ 18,839</b>	<b>\$ 1,800</b>	<b>\$ -</b>



**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**(A NOT FOR PROFIT ORGANIZATION)**  
**SCHEDULES OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 1999 AND 1998**

	Napoleonville Manor		Thibaut Manor		Activity Center		Project Fund	
	1999	1998	1999	1998	1999	1998	1999	1998
Salaries	\$ 143,008	\$ 153,523	\$ 120,973	\$ 121,641	\$ 228,426	\$ 226,961	\$ 132,840	\$ 137,197
Client Allowance	-	1,139	-	2,272	-	-	-	-
Employee benefits	2,676	2,841	6,748	7,173	16,086	20,996	3,189	3,002
Activity center services	56,434	49,280	64,085	58,875	-	-	-	-
Dues	-	-	-	-	-	-	-	-
Insurance	6,100	4,988	5,238	5,149	27,275	29,560	264	264
Office supplies	-	-	-	390	783	40	-	-
Auto expense	2,605	4,918	1,933	2,464	28,637	18,799	-	-
Postage	-	-	-	-	-	-	-	-
Professional services	10,232	14,163	9,942	13,082	-	-	-	-
Telephone	1,351	1,201	1,761	1,367	3,420	2,724	-	-
Training	250	863	250	733	504	(68)	-	-
Travel and entertainment	197	203	636	354	752	2,252	-	-
Food	15,354	15,410	18,174	15,237	909	1,074	-	-
Payroll taxes	10,666	11,573	9,247	9,249	9,127	15,214	10,448	10,453
Contract work	840	1,232	-	160	165	95	-	-
Other	3,038	4,613	6,074	3,518	1,063	597	564	249
Repairs & maintenance	940	4,145	2,004	3,300	15,153	13,233	-	-
Depreciation	14,373	9,419	15,332	10,164	17,164	17,598	1,398	2,266
Gifts	-	-	-	-	-	-	-	-
Advertising	16	13	30	85	134	373	-	-
Utilities	4,525	4,404	8,057	8,158	11,283	11,481	-	-
Supplies	5,078	4,420	7,055	4,048	10,910	6,293	98	-
Medical services	2,040	1,582	3,055	2,432	-	114	-	-
Clothing	-	368	-	1,211	-	-	-	-
Rent	-	-	-	-	-	-	-	-
Interest	-	-	-	-	4,767	-	-	-
Bed fee	24,646	24,546	27,923	28,052	-	-	-	-
<b>Total expense before central office</b>	<b>\$ 304,369</b>	<b>\$ 314,844</b>	<b>\$ 308,517</b>	<b>\$ 299,114</b>	<b>\$ 376,558</b>	<b>\$ 367,336</b>	<b>\$ 148,801</b>	<b>\$ 153,431</b>
Central office overhead	\$ 44,947	\$ 33,629	\$ 41,524	\$ 37,536	\$ 51,504	\$ 41,817	\$ 22,738	\$ 20,326
Transfer to (from) other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Income (Loss)</b>	<b>\$ 55,070</b>	<b>\$ (1,464)</b>	<b>\$ 91,724</b>	<b>\$ 61,898</b>	<b>\$ 51,166</b>	<b>\$ 34,891</b>	<b>\$ (23,363)</b>	<b>\$ (11,085)</b>



**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**

**(A NOT FOR PROFIT ORGANIZATION)**

**SCHEDULES OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 1999 AND 1998**

	Association Fund		Waiver Services		Fee for Services		Central Office	
	1999	1998	1999	1998	1999	1998	1999	1998
Salaries	\$ 50	\$ 12,752	\$ 223,927	\$ 164,341	\$ 12,953	\$ 4,554	\$ 111,591	\$ 102,024
Client allowance	-	-	-	-	-	-	-	-
Employee Benefits	176	101	3,059	3,471	-	-	7,691	7,602
Activity center services	-	-	36,561	52,191	-	-	-	-
Dues	2,301	1,980	-	-	-	-	-	-
Insurance	-	-	2,763	1,627	-	-	32,508	23,924
Office supplies	-	-	(10)	6	-	-	12,495	7,589
Auto Expense	-	-	1,656	712	(989)	(356)	-	149
Postage	-	6	-	-	-	-	1,916	2,198
Professional Service	158	-	-	248	-	-	9,496	8,944
Telephone	-	-	-	-	-	-	5,260	4,590
Training	-	-	-	-	-	-	840	-
Travel and entertainment	770	1,837	3,950	1,493	343	1,814	2,163	2,205
Food	21	(2)	51	-	-	-	353	149
Payroll Taxes	-	790	17,138	12,572	838	330	8,537	7,805
Contract Work	708	1,435	-	-	-	-	1,118	-
Other	1,260	1,927	1,187	911	330	1,136	459	53
Repairs and Maintenance	-	-	-	-	-	-	1,713	1,461
Depreciation	-	-	8,533	5,937	-	-	4,515	3,155
Gifts	211	1,215	-	-	-	-	-	-
Advertising	-	150	-	-	-	-	567	79
Utilities	-	-	-	141	-	-	-	-
Supplies	-	14	133	232	-	-	-	173
Medical Services	-	-	-	-	-	-	-	-
Clothing	-	-	-	-	-	-	-	-
Rent	-	-	45	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Bed fee	-	-	-	-	-	-	-	-
<b>Total expense before central office</b>	<b>\$ 5,655</b>	<b>\$ 22,205</b>	<b>\$ 298,993</b>	<b>\$ 243,882</b>	<b>\$ 13,475</b>	<b>\$ 7,478</b>	<b>\$ 201,222</b>	<b>\$ 172,100</b>
<b>Central office overhead</b>	<b>\$ 4,384</b>	<b>\$ 3,768</b>	<b>\$ 33,540</b>	<b>\$ 29,396</b>	<b>\$ 785</b>	<b>\$ 5,628</b>	<b>\$ (199,422)</b>	<b>\$ (172,100)</b>
<b>Transfer to (from) other funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Income (Loss)</b>	<b>\$ (6,452)</b>	<b>\$ (20,856)</b>	<b>\$ 21,324</b>	<b>\$ 49,363</b>	<b>\$ 18,302</b>	<b>\$ 5,733</b>	<b>\$ -</b>	<b>\$ -</b>





# Postlethwaite & Netterville

A Professional Accounting Corporation  
CERTIFIED PUBLIC ACCOUNTANTS

108 MEMORIAL DRIVE • POST OFFICE BOX 1190 • DONALDSONVILLE, LOUISIANA 70346 • TELEPHONE (504) 473-4179 • FAX (504) 473-7204

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

Board of Directors  
Assumption Association for  
Retarded Citizens, Inc.  
Napoleonville, Louisiana

We have audited the financial statements of Assumption Association for Retarded Citizens, Inc. as of and for the years ended June 30, 1999 and 1998, and have issued our report thereon dated October 1, 1999. We conducted our audits 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 Assumption Association for Retarded Citizens, 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 audits 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 audits, we considered Assumption Association for Retarded Citizens, Inc.'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 certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. 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 Assumption Association for Retarded Citizens, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 99-1.

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 the reportable condition described above is not a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to management of the Assumption Association for Retarded Citizens, Inc. in a separate letter dated October 1, 1999.

This report is intended solely for the information and use of the board of directors, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*Postthwaite & Netterville*

Donaldsonville, Louisiana  
October 1, 1999





**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 1999**

**SUMMARY OF AUDIT RESULTS**

1. The auditors' report expressed an unqualified opinion on the financial statements of Assumption Association for Retarded Citizens, Inc.
2. One reportable condition relating to the audit of the financial statements is reported as 99-1 in this schedule. This condition is not a material weakness.
3. No instances of noncompliance material to the financial statements of Assumption Association for Retarded Citizens, Inc. were disclosed during the audit.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**REPORTABLE CONDITIONS**

99-1

*Condition:* The performance of accounting procedures is limited to one person.

*Criteria:* Internal controls should be in place that provide reasonable assurance that financial transactions are properly accounted for. Segregation of duties is an integral part of internal controls.

*Effect:* There is insufficient segregation of duties.

*Recommendation:* No action is recommended.

*Response:* We concur with the recommendation. It would not be cost effective to increase the size of our staff to achieve effective segregation of duties.

