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**ASSOCIATION FOR RETARDED CITIZENS--  
IBERVILLE, INC.  
PLAQUEMINE, LOUISIANA  
ANNUAL FINANCIAL REPORT**

**JUNE 30, 1999**

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 DEC 2 2 1999

**ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.**  
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**JUNE 30, 1999**

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# HFB

HUGH F. BAXLEY, CPA  
A Professional Accounting Corporation

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Terrell D. Martin, CPA

## INDEPENDENT AUDITORS' REPORT

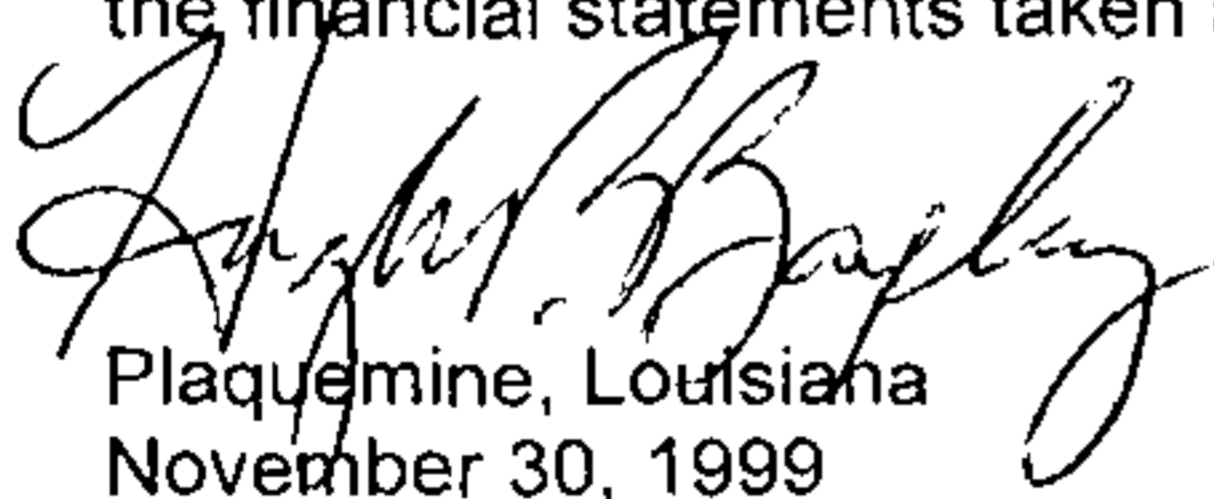
Board of Directors  
Association for Retarded Citizens--Iberville, Inc.

We have audited the accompanying statement of financial position of the Association for Retarded Citizens--Iberville, Inc. (a non-profit organization) as of June 30, 1999, and the related statements of activities, and cash flows for the year 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 audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 Association for Retarded Citizens--Iberville, Inc. as of June 30, 1999, and the changes in its net assets and cash flows for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Association for Retarded Citizens--Iberville, Inc. Such information, except for the Schedule of Insurance in Force marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

  
Plaquemine, Louisiana  
November 30, 1999



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**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  
Association for Retarded Citizens--Iberville, Inc.

We have audited the general purpose financial statements of the Association for Retarded Citizens--Iberville, Inc. (a non-profit organization) as of and for the year ended June 30, 1999, and have issued our report thereon dated November 30, 1999. 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

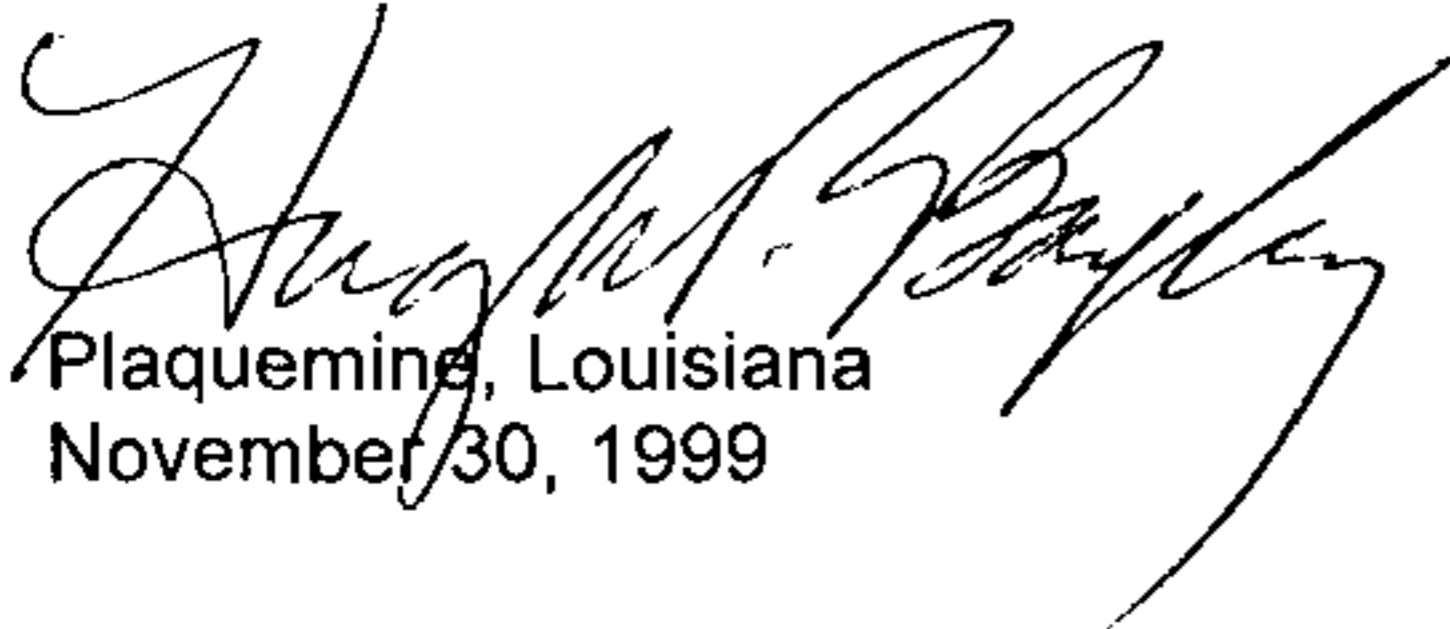
As part of obtaining reasonable assurance about whether Association for Retarded Citizens--Iberville, Inc.'s general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statements 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 Association for Retarded Citizens--Iberville, 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 Association for Retarded Citizens--Iberville, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 99-1, 99-2 and 99-3.

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. 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 none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the audit committee, management, others within the organization, City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Plaquemine, Louisiana  
November 30, 1999

## **FINANCIAL STATEMENTS**

**ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 1999**

<b>ASSETS</b>	
<b>Current Assets</b>	
Cash	\$219,052
Accounts receivable--contracts	88,985
Prepaid insurance and expense	<u>16,967</u>
<b>Total Current Assets</b>	<b><u>325,004</u></b>
<b>Property and Equipment</b>	
Vehicles	84,268
Workshop tools	8,650
Furniture and fixtures	<u>25,826</u>
	118,744
Less accumulated depreciation	<u>(106,066)</u>
<b>Total Property and Equipment</b>	<b><u>12,678</u></b>
<b>Other Assets</b>	
Utility deposit	<u>25</u>
<b>TOTAL ASSETS</b>	<b><u>\$337,707</u></b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>Current Liabilities</b>	
Account payable	\$1,334
Payroll taxes withheld and accrued	<u>16,142</u>
<b>Total Current Liabilities</b>	<b><u>17,476</u></b>
<b>Net Assets:</b>	
Unrestricted	<u>320,231</u>
<b>Total Net Assets</b>	<b><u>320,231</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$337,707</u></b>

The accompanying notes are an integral part of this statement

**ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 1999**

	<u>Total</u>	<u>Adult Day Care</u>	<u>Supervised Living</u>	<u>Personal Care Attendant</u>	<u>In-Home Respite</u>
<b>REVENUE</b>					
Social (Adult Habilitation Services)	\$185,524	\$185,524	-	-	-
Iberville Parish Council	19,968	19,968	-	-	-
Community Network, Inc.	136,593	136,593	-	-	-
Office of Community Services, Div. of Rehabilitation Services	23,564	23,564	-	-	-
Capital Area United Way Allocation	12,577	12,577	-	-	-
Structured Work Program	118,430	118,430	-	-	-
Contributions	3,850	3,850	-	-	-
Interest	2,534	2,534	-	-	-
Dues	180	180	-	-	-
Recycling	218	218	-	-	-
Miscellaneous	6,327	6,327	-	-	-
Medicaid	442,583	39,754	209,380	159,794	33,655
	<u>\$952,348</u>	<u>\$549,519</u>	<u>\$209,380</u>	<u>\$159,794</u>	<u>\$33,655</u>
<b>TOTAL REVENUE</b>	<b>\$952,348</b>	<b>\$549,519</b>	<b>\$209,380</b>	<b>\$159,794</b>	<b>\$33,655</b>

(Continued)

The accompanying notes are an integral part of this statement.



**ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 1999**

<b>EXPENSES</b>	<b>Total</b>	<b>Adult Day Care</b>	<b>Supervised Living</b>	<b>Personal Care Attendant</b>	<b>In-Home Respite</b>
Salaries	\$641,690	\$366,947	\$137,371	\$123,634	\$13,738
Payroll taxes	52,146	28,680	11,472	10,429	1,565
Repairs and maintenance	6,309	6,309	-	-	-
Professional fees	5,550	3,885	1,110	278	277
Supplies	69,801	68,939	431	215	216
Telephone	4,628	3,240	1,388	-	-
Postage	728	510	146	36	36
Occupancy	3,854	-	3,854	-	-
Travel	30,991	24,793	3,099	3,099	-
Dues	1,315	1,315	-	-	-
Miscellaneous	4,993	3,994	499	500	-
Depreciation	8,237	8,237	-	-	-
Utilities	13,175	13,175	-	-	-
Convention meetings	3,417	2,734	341	342	-
Licenses	102	-	34	34	34
Insurance	34,681	25,533	4,531	4,015	602
Cleaning	4,183	4,183	-	-	-
Training and workshops	3,579	895	895	895	894
Client assistance	6,933	-	6,933	-	-
Loss on retirement of asset	156	156	-	-	-
	<b>896,468</b>	<b>563,525</b>	<b>172,104</b>	<b>143,477</b>	<b>17,362</b>
		<b>(14,006)</b>	<b>37,276</b>	<b>16,317</b>	<b>16,293</b>
	<b>55,880</b>				
	<b>264,351</b>	<b>65,167</b>	<b>8,225</b>	<b>97,037</b>	<b>93,922</b>
	<b>\$320,231</b>	<b>\$51,161</b>	<b>\$45,501</b>	<b>\$113,354</b>	<b>\$110,215</b>

(Concluded)

The accompanying notes are an integral part of this statement.

**ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 1999**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Increase in net assets	\$55,880
Adjustments to reconcile net assets to net cash provided by operating activities:	
Depreciation	8,237
Loss on retirement of assets	156
Changes in assets and liabilities:	
Decrease in accounts receivable	39,666
Decrease in prepaid insurance and expense	3,481
Increase in payroll taxes withheld	1,760
Increase in accounts payable	<u>1,090</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u><b>110,270</b></u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Proceeds from note payable	
Acquisition of capital assets	(1,000)
Principal payments on note payable	<u>(1,510)</u>
<b>NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u><b>(2,510)</b></u>

**NET INCREASE (DECREASE) IN  
CASH AND CASH EQUIVALENTS**

107,760

**CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR**

111,292

**CASH AND CASH EQUIVALENTS AT END OF YEAR**

\$219,052

The accompanying notes are an integral part of this statement.

**ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30,1999**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Association is not a component unit of another primary government nor does it have any component units which are related to it. Therefore, the Association has presented its financial statements as a separate special-purpose government.

**Basis of accounting**

The financial statements are prepared on the accrual basis wherein revenues are recognized when earned and expenses are recognized when incurred.

**Property and equipment and depreciation**

Property and equipment is stated at cost, unless donated. Donated property and equipment is stated at fair market value as of the date of the gift. Depreciation is charged to operations using the straight-line method at various rates calculated to extinguish the book value of items over their useful lives.

**Income taxes**

The Association is a nonprofit organization and has been granted tax exempt status under Section 501(c) (3) of the Internal Revenue Code of 1954.

**Financial Statement Presentation**

The organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by the statement, the Organization has discontinued its use of fund accounting.

**Contributions**

The Organization has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Association for Retarded Citizens--Iberville, Inc. considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

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

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE B - PROPERTY AND EQUIPMENT**

Property and equipment is scheduled as follows:

	<u>BALANCE 6-30-98</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 6-30-99</u>
Vehicles	\$84,268			\$84,268
Workshop tools	7,649	1,001		8,650
Furniture and fixtures	26,975		1,149	25,826
	<u>118,892</u>	<u>1,001</u>	<u>1,149</u>	<u>118,744</u>
Accumulated depreciation	(98,822)	\$8,237	\$993	(106,066)
<b>Total Property and Equipment</b>	<b><u>\$20,070</u></b>			<b><u>\$12,678</u></b>

**NOTE C - ACCOUNTS RECEIVABLE**

State of Louisiana Department of Health & Hospitals, Office of Human Services, Division of Mental Retardation: Cost Reimbursement	\$30,310
Community Network, Inc.	13,755
Other Receivables (including Medicaid)	44,920
<b>TOTAL ACCOUNTS RECEIVABLE</b>	<b><u>\$88,985</u></b>

**NOTE D - YEAR 2000 ISSUES**

As of June 30, 1999 the Association for Retarded Citizens - Iberville, Inc. has completed the validation/testing stage of making changes to their system and equipment. Based upon work completed by Advent Systems, the Association's effort to be Year 2000 compliant is complete. The cost for additional software and installation is reported at approximately \$550.

**SUPPLEMENTARY INFORMATION**

SCHEDULE 1

ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.  
 INSURANCE IN FORCE  
 JUNE 30, 1999  
 (Unaudited)

Insurer	Type of Coverage	Amount	Inception Date	Term in Months
St. Paul Insurance Company	Comprehensive General Liability and Comprehensive Auto and Liability	BI & PD Combined \$1,000,000 per occurrence	July 1, 1998	12
Great American Insurance Savant Insurance Services Western Surety Co.	Janitorial bond		February 28, 1999	12
Louisiana Habilitation Providers, Inc.	Workers' Compensation	Statutory	July 1, 1998	12
Seaboard Surety Company	NARC Director/Officers' Liability	\$1,000,000	April 1, 1999	12

ASSOCIATION FOR RETARDED CITIZENS-IBERVILLE, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED JUNE 30, 1999

A. SUMMARY OF AUDIT RESULTS

*Financial Statements*

Type of auditor's report issued: *unqualified*

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_yes      X  no
- Reportable condition identified that are  
 not considered to be material weaknesses?   X  yes    \_\_\_\_\_no
- Noncompliance material to financial statements  
 noted? \_\_\_\_\_yes      X  no

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

REPORTABLE CONDITION

99-1 BANK RECONCILIATIONS

Condition:

Bank reconciliations were not performed on a timely basis.

Criteria:

Internal controls should be established to reconcile bank statements monthly after the cash receipts and cash disbursements have been properly recorded in the books.

Effect:

Because of the failure to reconcile timely, a deposit was recorded in the bank, but not on the books.

Recommendation:

Reconciliations should be prepared monthly to confirm that transactions recorded per the books and bank agree. Timely reconciliation facilitates correction of any differences that might exist.

Management's Response:

Management agrees with the above finding and bank reconciliations will be prepared on a monthly basis.

## **99-2 FDIC INSURANCE COVERAGE**

### Condition:

At June 30, 1999, deposits with the financial institutions exceed the FDIC insurance coverage.

### Criteria:

Internal controls should be placed to verify FDIC coverage and securities pledged particularly at peak times during the year when larger deposits are made.

### Effect:

At year end, deposits are uninsured due to the excess of deposits over FDIC insurance.

### Recommendation:

Reconciliations should be performed to insure that FDIC coverage and securities pledged exceed deposits made particularly during peak times of the year.

### Management's Response:

The Association will insure that FDIC coverage and securities pledged exceed deposits. Management agrees with this recommendation.

## **99-3 ACCOUNT RECEIVABLE**

### Condition:

During the audit, it was noted that several transactions were posted in error to the accounts receivable account.

### Criteria:

Procedures should be placed to perform monthly reconciliations to insure appropriate amounts are being recorded in the general ledger.

### Effect:

Because of failure to reconcile accounts receivable to the general ledger, there is a possibility of an overstatement or understatement of accounts receivable.

### Recommendation:

Proper reconciliation should be made between the detail listing of accounts receivable and the amount recorded in the general ledger.

### Management's Response:

Management concurs with the above recommendation. Proper reconciliation will be made between the detail listing of accounts receivable and the general ledger.