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EVANGELINE A.R.C. – RESPITE PROGRAM OF VILLE PLATTE, INC.

Ville Platte, Louisiana

Financial Report

Year Ended June 30, 2006

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KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Evangeline A.R.C. - Respite Program of Ville Platte, Inc.
Ville Platte, Louisiana

We have audited the accompanying statement of financial position of the Evangeline A.R.C. - Respite Program of Ville Platte, Inc., (a nonprofit organization) as of June 30, 2006, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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 Evangeline A.R.C. - Respite Program of Ville Platte, Inc., as of June 30, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 5, 2006, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Member of:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Member of:
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses on page 11 is presented for purposes of additional analysis and is 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.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
October 5, 2006

FINANCIAL STATEMENTS

EVANGELINE A.R.C. - RESPITE PROGRAM OF VILLE PLATTE, INC.
Ville Platte, Louisiana

Statement of Financial Position
June 30, 2006

ASSETS

Current assets:	
Cash	$ 128,319
Revenue receivable	9,908
Total current assets	138,227
Property and equipment:	
Furniture, fixtures and equipment	27,118
Buildings	145,230
Vehicles	57,152
Accumulated depreciation	(96,556)
Total net property and equipment	132,944
Total assets	$ 271,171

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	$ 10,820
Accrued payroll taxes	2,256
Total current liabilities	13,076
Net assets:	
Unrestricted net assets	258,095
Total liabilities and net assets	$ 271,171

The accompanying notes are an integral part of this statement.

EVANGELINE A.R.C. - RESPITE PROGRAM OF VILLE PLATTE, INC.
Ville Platte, Louisiana

Statement of Activities
Year Ended June 30, 2006

Support:	
OCDD reimbursement	$ 44,938
Medical Assistance Program	279,928
Other income	887
Total support	325,753
Expenses:	
Functional expenses -	
Program services	195,760
Management and general	67,637
Total expenses	263,397
Increase in unrestricted net assets	62,356
Unrestricted net assets, beginning of year	195,739
Unrestricted net assets, end of year	$258,095

The accompanying notes are an integral part of this statement.

EVANGELINE A.R.C. - RESPITE PROGRAM OF VILLE PLATTE, INC.
Ville Platte, Louisiana

Statement of Cash Flows
Year Ended June 30, 2006

Cash flows from operating activities:	
Increase in unrestricted net assets	$ 62,356
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities:	
Depreciation	15,721
Decrease in revenue receivable	1,848
Increase in accounts payable	1,233
Decrease in accrued liabilities	(2,215)
Net cash provided by operating activities	78,943
Cash flows from capital and related financing activities:	
Purchase of property and equipment	(5,722)
Payment on long-term debt	(10,035)
Net cash used by capital and related financing activities	(15,757)
Net increase in cash	63,186
Cash , beginning of period	65,133
Cash , end of period	$ 128,319

The accompanying notes are an integral part of this statement.

EVANGELINE A.R.C. - RESPITE PROGRAM OF VILLE PLATTE, INC.
Ville Platte, Louisiana

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Activities

The Evangeline A.R.C. - Respite Program of Ville Platte, Inc. is a non-profit corporation exempt from income tax under section 501(c) (3) of the Internal Revenue Code. The Organization was created on February 13, 1995 to offer temporary care for handicapped individuals. The priorities of service are to prevent institutionalization, reduce undue tensions or pressure, and offer assistance in crisis or emergency situations.

The Board of Directors of the corporation are elected by the members of the Organization, serve variable terms, and receive no compensation.

B. Financial Statement Presentation

The Organization has adopted the provisions of Statements of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations". Statement No. 117 requires the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. As of June 30, 2006, the Organization had only unrestricted net assets.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The financial statements of the Organization are presented on the accrual basis of accounting.

D. Income Taxes

Income taxes are not provided for in the financial statements since the Organization is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization is not classified as a private foundation.

E. Property and Equipment

Property and equipment are stated at cost. Depreciation is computed on a straight-line basis over the applicable recovery periods, which range from 5 to 40 years. The organization maintains a threshold level of $1,000 or more for capitalizing furniture and equipment.

F. Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid and cannot be carried over from year to year. Any liability the Organization might have in this regard at June 30, 2006 is considered immaterial; therefore, no liability has been recorded in the accounts.

G. Donations

There were no donated funds received for the year ended June 30, 2006.

H. Statement of Cash Flows

The Organization considers all highly liquid investments with maturity of three months or less at the date of acquisition to be cash equivalents.

I. 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.

J. Report Classification

Certain previously reported amounts for the year ended June 30, 2005 have been reclassified to conform to the June 30, 2006 classifications.

(2) Property and Equipment

Property and equipment consisted of the following at June 30, 2006:

Furniture and Fixtures	$ 27,118
Vehicles	57,152
Building and Improvements	145,230
Total	229,500
Less: Accumulated depreciation	(96,556)
Net property and equipment	$ 132,944

(3) Long-term Debt

The following is a summary of long-term debt transactions for the year ended June 30, 2006:

	Payable
Long-term debt, July 1, 2005	$ 10,035
Additions	-
Deletions	(10,035)
Long-term debt, June 30, 2006	$ -

(4) Social Security System

Employees of the Organization are members of the Social Security System. The organization and its employees contribute a percentage of each employee's salary to the System (7.65 percent each). The organization's contribution during the year ended June 30, 2006 amounted to $10,721.

(5) Litigation

There is no litigation pending against the Organization at June 30, 2006 in which the result would have a material adverse effect on the accompanying financial statements, and accordingly, no provision for losses has been recorded.

(6) Third-Party Reimbursements

The Organization receives Medicaid reimbursements (Louisiana Medical Assistance Program) for center-based respite, in-home respite and personal care attendant services. Medicaid reimbursements consisted of 86% of the Organization's total revenue for the years ended June 30, 2006.

(7) Risk Management

The Organization is exposed to risks of loss in the areas of general liability and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

SUPPLEMENTARY INFORMATION

EVANGELINE A.R.C. - RESPITE PROGRAM OF VILLE PLATTE, INC.
Ville Platte, Louisiana

Schedule of Functional Expenses
Year Ended June 30, 2006

	Program Services	Management and General	Total
Cable TV	$ 538	$ -	$ 538
Consulting fees	-	6,450	6,450
Food	5,356	-	5,356
Commercial property/liability insurance	5,519	-	5,519
Interest	-	2,002	2,002
Licenses and fees	-	1,004	1,004
Repairs and maintenance	3,628	4,184	7,812
Management fees	-	39,206	39,206
Miscellaneous	2,751	1,649	4,400
Payroll expenses	151,615	-	151,615
Professional services	-	4,650	4,650
Supplies-janitorial	-	1,646	1,646
Supplies-office	-	2,521	2,521
Supplies-training	60	-	60
Telephone	-	4,325	4,325
Transportation-van	4,513	-	4,513
Utilities	6,059	-	6,059
Total expenses before depreciation	180,039	67,637	247,676
Depreciation expense	15,721	-	15,721
Total expenses	$ 195,760	$ 67,637	$ 263,397

INTERNAL CONTROL

AND

COMPLIANCE

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

To the Board of Directors
Evangeline A.R.C. - Respite Program of Ville Platte, Inc.
Ville Platte, Louisiana

We have audited the financial statements of the Evangeline A.R.C. - Respite Program of Ville Platte, Inc. (a nonprofit organization), as of and for the year ended June 30, 2006, and have issued our report thereon dated October 5, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Evangeline A.R.C. - Respite Program of Ville Platte, 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 an opinion 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 Evangeline A.R.C. - Respite Program of Ville Platte, Inc.'s ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of current and prior year audit findings and corrective action plan as item 06-1(IC).

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 caused by error or fraud 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 a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Evangeline A.R.C. - Respite Program of Ville Platte, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
October 5, 2006

EVANGELINE A.R.C. - RESPITE PROGRAM OF VILLE PLATTE, INC.
Ville Platte, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended June 30, 2006

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (6/30/06) –						
Internal Control:						
06-1(IC)	Unknown	Due to the small number of employees, the organization did not have adequate segregation of functions within the accounting system.	No	Based upon the size of the operation and the cost benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Gary Ortego, Director	N/A
PRIOR YEAR (6/30/05) –						
Internal Control:						
05-1(IC)	Unknown	Due to the small number of employees, the organization did not have adequate segregation of functions within the accounting system.	No	Based upon the size of the operation and the cost benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Gary Ortego, Director	N/A