

RECEIVED
LEGISLATIVE AUDITOR
01 OCT 18 AM 9:45

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

JUNE 30, 2001

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 10/24/01

ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
TABLE OF CONTENTS
JUNE 30, 2001

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
<i>Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards</i>	2
FINANCIAL STATEMENTS	3
Statement of Financial Position	4
Statement of Activities	5-6
Statement of Cash Flows	7
Notes to Financial Statements	8-9
SUPPLEMENTARY INFORMATION	10
Schedule 1: Insurance in Force (Unaudited)	11
Schedule 2: Summary of Findings and Questioned Costs	12
Schedule 3: Summary Schedule of Prior Audit Findings	13

HFB

HUGH F. BAXLEY, CPA
A Professional Accounting Corporation

Hugh F. Baxley, CPA/PFS/CVA
Margaret A. Pritchard, CPA
Terrell D. Martin, CPA

INDEPENDENT AUDITORS' REPORT

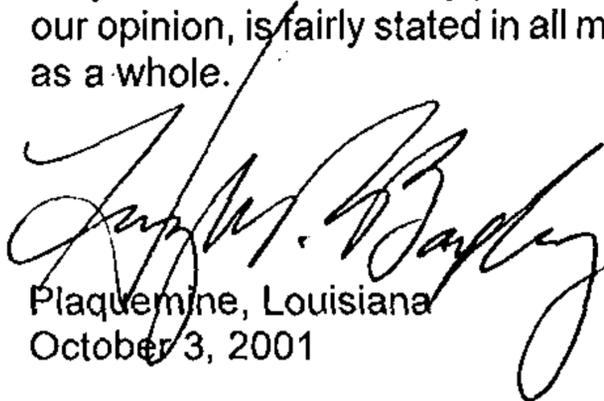
Board of Directors
Association for Retarded Citizens--Iberville, Inc.

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, 2001, 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 auditing standards generally accepted in the United States of America. 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, 2001, and the changes in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic 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 basic financial statements. 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 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.



Plaquemine, Louisiana
October 3, 2001

HFB

HUGH F. BAXLEY, CPA
A Professional Accounting Corporation

Hugh F. Baxley, CPA/PFS/CVA
Margaret A. Pritchard, CPA
Terrell D. Martin, CPA

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 financial statements of the Association for Retarded Citizens--Iberville, Inc. (a non-profit organization) as of and for the year ended June 30, 2001, and have issued our report thereon dated October 3, 2001. 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.

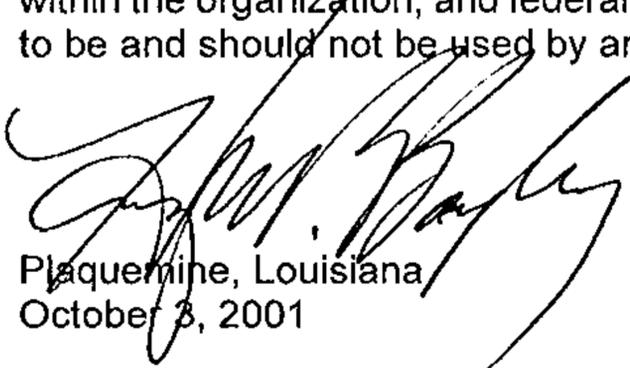
Compliance

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, 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
October 3, 2001

FINANCIAL STATEMENTS

ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2001

ASSETS	
Current Assets	
Cash	\$256,485
Accounts receivable--contracts	<u>210,629</u>
Total Current Assets	<u>467,114</u>
Property and Equipment	
Vehicles	88,987
Workshop tools	8,649
Furniture and fixtures	<u>28,826</u>
	126,462
Less accumulated depreciation	<u>(82,520)</u>
Total Property and Equipment	<u>43,942</u>
Other Assets	
Utility deposit	<u>25</u>
TOTAL ASSETS	<u>\$511,081</u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable	1,999
Payroll taxes withheld and accrued	<u>11,546</u>
Total Current Liabilities	<u>13,545</u>
Net Assets:	
Unrestricted	<u>497,536</u>
Total Net Assets	<u>497,536</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$511,081</u>

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, 2001

	Total	Adult Day Care	Supervised Living	Personal Care Attendant	In-Home Respite
REVENUE					
Social (Adult Habilitation Services)	\$180,859	\$180,859	-	-	-
Iberville Parish Council	19,968	19,968	-	-	-
Community Network, Inc.	149,917	149,917	-	-	-
Office of Community Services, Div. of Rehabilitation Services	29,100	29,100	-	-	-
Capital Area United Way Allocation	27,200	27,200	-	-	-
Structured Work Program	102,972	102,972	-	-	-
Contributions	2,713	2,713	-	-	-
Interest	7,637	7,637	-	-	-
Dues	75	75	-	-	-
Recycling	223	223	-	-	-
Miscellaneous	4,617	4,617	-	-	-
Medicaid	739,578	73,296	424,090	211,656	30,536
TOTAL REVENUE	\$1,264,859	\$598,577	\$424,090	\$211,656	\$30,536

(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, 2001

	<u>Total</u>	<u>Adult Day Care</u>	<u>Supervised Living</u>	<u>Personal Care Attendant</u>	<u>In-Home Respite</u>
EXPENSES					
Salaries	\$853,457	\$443,746	\$204,855	\$184,370	\$20,486
Payroll taxes	68,395	32,941	17,727	15,954	1,773
Repairs and maintenance	6,664	6,664	-	-	-
Professional fees	8,200	5,740	1,640	410	410
Supplies	68,670	67,391	639	320	320
Telephone	5,326	3,728	1,598	-	-
Postage	1,330	931	266	67	66
Occupancy	-	-	-	-	-
Travel	30,473	24,379	3,047	3,047	-
Dues	810	810	-	-	-
Miscellaneous	1,478	1,182	148	148	-
Depreciation	10,431	10,431	-	-	-
Utilities	13,623	13,623	-	-	-
Convention meetings	5,624	4,500	562	562	-
Licenses	751	-	251	250	250
Insurance	49,436	33,699	7,946	7,012	779
Cleaning	6,162	6,162	-	-	-
Training and workshops	2,041	510	510	510	511
Client assistance	6,091	-	6,091	-	-
Medical	6,094	-	6,094	-	-
	1,145,056	656,437	251,374	212,650	24,595
TOTAL EXPENSES					
	119,803	(57,860)	172,716	(994)	5,941
CHANGE IN NET ASSETS					
	377,733	932	138,815	117,476	120,510
NET ASSETS, BEGINNING					
	\$497,536	(\$56,928)	\$311,531	\$116,482	\$126,451
NET ASSETS, ENDING					

(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, 2001**

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$119,804
<i>Adjustments to reconcile net assets to net cash provided by operating activities:</i>	
Depreciation	10,431
Loss on retirement of assets	
<i>Changes in assets and liabilities:</i>	
Increase in accounts receivable	(61,705)
Decrease in prepaid insurance and expense	17,394
Decrease in payroll taxes withheld	(1,106)
Increase in accounts payable	<u>1,999</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>86,817</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	<u>(46,880)</u>
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(46,880)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	39,937
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>216,548</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$256,485</u>

The accompanying notes are an integral part of this statement.

ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2001

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 6-30-00</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 6-30-01</u>
Vehicles	\$84,268	\$46,880	(\$42,161)	\$88,987
Workshop tools	8,649			8,649
Furniture and fixtures	28,826			28,826
	<u>121,743</u>	<u>46,880</u>	<u>(42,161)</u>	<u>126,462</u>
Accumulated depreciation	<u>(114,250)</u>	<u>(\$10,431)</u>	<u>\$42,161</u>	<u>(82,520)</u>
Total Property and Equipment	<u>\$7,493</u>			<u>\$43,942</u>

NOTE C - ACCOUNTS RECEIVABLE

Iberville Parish Council	\$1,664
State of Louisiana Department of Health & Hospitals, Office of Human Services, Division of Mental Retardation: Cost Reimbursement	16,342
Community Network, Inc.	13,579
Other Receivables (including Medicaid)	<u>179,044</u>
TOTAL ACCOUNTS RECEIVABLE	<u>\$210,629</u>

SUPPLEMENTARY INFORMATION

SCHEDULE 1

ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
 INSURANCE IN FORCE
 JUNE 30, 2001
 (Unaudited)

Insurer	Type of Coverage	Amount	Inception Date	Term in Months
Transcontinental Insurance Co.	Comprehensive General Liability and Comprehensive Auto and Liability	BI & PD Combined \$1,000,000 per occurrence	July 1, 2000	12
Transcontinental Insurance Co. Savant Insurance Services Western Surety Co.	Janitorial bond		February 28, 2001	12
Louisiana Habilitation Providers, Inc.	Workers' Compensation	Statutory	July 1, 2000	12
Frontier Insurance Co.	NARC Director/Officers' Liability	\$1,000,000	April 1, 2001	12

ASSOCIATION FOR RETARDED CITIZENS-IBERVILLE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2001

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? _____yes X no
- Noncompliance material to financial statements
noted? _____yes X no

ASSOCIATION FOR RETARDED CITIZENS-IBERVILLE, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2001

00-1 BANK RECONCILIATIONS

Condition:

Bank reconciliations were not performed timely and accurately. This was a repeat finding.

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.

Current Status:

Bank reconciliations were prepared and reconciled in a timely fashion.