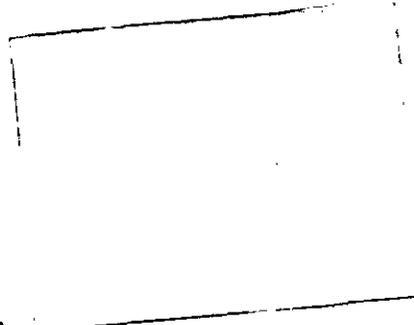


RECEIVED  
LEGISLATIVE AUDITOR  
04 DEC 22 AM 11:16



**AVOYELLES SOCIETY FOR THE  
DEVELOPMENTALLY DISABLED, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2004 and 2003**

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 1-26-05

***DUCOTE & COMPANY***  
***Certified Public Accountants***  
***219 North Washington Street***  
***P. O. Box 309***  
***Marksville, Louisiana 71351***

**AVOYELLES SOCIETY FOR  
THE DEVELOPMENTALLY DISABLED, INC.**

**TABLE OF CONTENTS**

	<u>Page No.</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1-2
<b>REPORT ON COMPLIANCE AND ON INTERNAL CONTROL STRUCTURE OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u></b>	3
<b>STATEMENTS OF FINANCIAL POSITION</b>	4
<b>STATEMENTS OF ACTIVITIES</b>	5
<b>STATEMENTS OF CASH FLOW</b>	6
<b>NOTES TO FINANCIAL STATEMENTS</b>	7-10
<b>SUPPLEMENTAL INFORMATION</b>	11
<b>USDA – REQUIRED SUPPLEMENTAL INFORMATION</b>	12-13

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Avoyelles Society for the Developmentally Disabled, Inc.  
Marksville, Louisiana

We have audited the accompanying statement of financial position of the Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization) as of June 30, 2004 and 2002, and the related statements of activities and cash flows for the years 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 Avoyelles Society for the Developmentally Disabled, Inc. as of June 30, 2004 and 2002, and the changes in its net assets and cash flows for the years 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 a report dated December 3, 2004, on our consideration of Avoyelles Society of the Developmentally Disabled, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

To the Board of Directors  
Avoyelles Society for the Developmentally Disabled, Inc.  
Page 2

Our audit was performed for the purpose of forming an opinion on the financial statements referred to in the first paragraph taken as a whole. The accompanying information on pages 11 to 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements referred to above, and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**DUCOTE & COMPANY**  
Marksville, Louisiana  
December 3, 2004

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

To the Board of Directors  
Avoyelles Society for the Developmentally Disabled, Inc.  
Marksville, Louisiana

We have audited the statement of financial statements of the Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization) as of June 30, 2004, and the related statements of activities and cash flows for the year then ended, and have issued our report thereon dated December 3, 2004. 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 the Avoyelles Society for the Developmentally Disabled, 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 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 the Avoyelles Society for the Developmentally Disabled, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose 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 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. 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 for the information and use of management, State of Louisiana and Federal granting agencies, and the Legislative Auditor of the State of Louisiana, is not intended to be, and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



**DUCOTE & COMPANY**

Marksville, Louisiana  
December 3, 2004

**AVOYELLES SOCIETY FOR  
THE DEVELOPMENTALLY DISABLED, INC.  
Statement of Financial Position  
June 30, 2004 and 2002**

<b>ASSETS</b>	<b>2004</b>	<b>2003</b>
Current assets:		
Cash and cash equivalents	\$ 35,927	\$ 33,636
Accounts receivable	27,146	19,480
Deposits	<u>-</u>	<u>13,440</u>
Total current assets	<u>63,073</u>	<u>66,556</u>
Restricted assets:		
Cash and cash equivalents	<u>6,034</u>	<u>30,680</u>
Total restricted assets	<u>6,034</u>	<u>30,680</u>
Fixed assets:		
Buildings	464,907	464,907
Furniture and fixtures	4,559	4,559
Machinery and equipment	35,082	35,082
Training equipment	13,910	13,910
Transportation equipment	<u>44,167</u>	<u>31,066</u>
	562,625	549,524
Less accumulated depreciation	<u>(129,037)</u>	<u>(118,885)</u>
Net fixed assets	<u>433,588</u>	<u>430,639</u>
<b>Total assets</b>	<b><u>\$ 502,695</u></b>	<b><u>\$ 527,875</u></b>
 <b>LIABILITIES AND NET ASSETS</b>  		
Current liabilities:		
Accounts payable	\$ 1,313	\$ 633
Accrued expenses	1,448	1,571
Notes payable (current portion)	<u>5,649</u>	<u>5,388</u>
Total current liabilities	<u>8,410</u>	<u>7,592</u>
Long-term liabilities:		
Notes payable	<u>79,341</u>	<u>84,989</u>
Total long-term liabilities	<u>79,341</u>	<u>84,989</u>
Total liabilities	<u>87,751</u>	<u>92,581</u>
Net assets:		
Restricted	6,034	30,680
Unrestricted	<u>408,910</u>	<u>404,614</u>
Total net assets	<u>441,944</u>	<u>435,294</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 502,695</u></b>	<b><u>\$ 527,875</u></b>

See accompanying notes to financial statements.

**AVOYELLES SOCIETY FOR  
THE DEVELOPMENTALLY DISABLED, INC.  
Statement of Activities  
Years Ended June 30, 2004 and 2002**

	<b>2004</b>	<b>2003</b>
Support:		
Dues and donations	\$ 5,014	\$ 4,672
Interest earned	147	621
Client service	65,376	55,643
Grants	280,776	294,616
In-kind revenue	4,400	3,900
Miscellaneous revenue	<u>3,953</u>	<u>3,485</u>
Total support	<u>359,666</u>	<u>362,937</u>
Expenses:		
Program services:		
Adult day services	307,855	269,653
Client service activities	67,761	71,873
In-kind expenditures	<u>4,400</u>	<u>3,900</u>
Total program services	<u>380,016</u>	<u>345,426</u>
<b>Increase (decrease) in net assets</b>	(20,350)	17,511
<b>Net assets, beginning of year</b>	<u>435,294</u>	<u>417,783</u>
<b>Net assets, end of year</b>	<u>\$ 414,944</u>	<u>\$ 435,294</u>

See accompanying notes to financial statements.

**AVOYELLES SOCIETY FOR  
THE DEVELOPMENTALLY DISABLED, INC.  
Statement of Cash Flows  
Years Ended June 30, 2004 and 2003**

	<b>2004</b>	<b>2003</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ (20,350)	\$ 17,511
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	23,504	21,602
(Increase) decrease in operating assets:		
Accounts receivable	(7,666)	5,255
Deposits	13,440	(13,440)
Increase (decrease) in operating liabilities:		
Accounts payable	680	(1,155)
Accrued expenses	<u>(123)</u>	<u>530</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>9,485</u>	<u>30,303</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for purchases of property and equipment	<u>(26,453)</u>	<u>(15,895)</u>
<b>NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(26,453)</u>	<u>(15,895)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Decrease in long-term notes payable	<u>( 5,387)</u>	<u>(5,054)</u>
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>( 5,387)</u>	<u>(5,054)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(22,355)	9,354
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<u>64,316</u>	<u>54,962</u>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u>\$ 41,961</u>	<u>\$ 64,316</u>

See accompanying notes to financial statements.

**AVOYELLES SOCIETY FOR  
THE DEVELOPMENTALLY DISABLED, INC.**  
Notes to Financial Statements  
June 30, 2004

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

Organization

The Avoyelles Society for the Developmentally Disabled, Inc. is a nonprofit organization exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code. The Society was formed in 1968 to provide day services for and assistance to the adult handicapped residents of Avoyelles Parish, Louisiana. The Society participates as a provider agency in the Department of Health & Hospitals Title XX Day Developmental training services.

Basis of Accounting

The Society maintains its accounting records on the accrual method of accounting, except that membership dues and donations are included in support in the period received.

Fixed Assets

Fixed assets are recorded at cost. Assets are depreciated over their estimated useful lives using the straight-line method, using the following lives:

Furniture & fixtures	3 - 5 years
Machinery & equipment	5 - 8 years
Vans	4 years
Buildings	30 years

Donated Services

Donated labor is valued at the minimum wage rate in effect at the time of the donated services. Professional time, which is donated, is valued at the current market rate of the specific project. Donated materials are valued at current market value at the time of the donation.

Cash and cash equivalents

For purposes of the statement of cash flows, the Society considers all highly liquid investments with an initial maturity of less than three months, as cash and cash equivalents.

**AVOYELLES SOCIETY FOR  
THE DEVELOPMENTALLY DISABLED, INC.  
Notes to Financial Statements (continued)**

**NOTE B - GRANTS**

The Society participated in the following grants for the years ended June 30, 2004 and 2003:

	2003	2002
Cash Grants:		
Federal/State Grant - Medical Assistance Program		
MR/DD Waiver Services	\$ 48,034	\$ 27,239
JTPA	356	-
United Way	12,089	51,859
State of Louisiana Grant - Department of Health and Hospitals Title XX Adult Day Programs	<u>220,297</u>	<u>215,518</u>
Total cash grants received	<u>\$ 280,776</u>	<u>\$ 294,616</u>

**NOTE C - FIXED ASSETS**

A summary of fixed assets for the year ended June 30, 2004 is as follows:

	<u>Balance</u> <u>June 30, 2003</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2004</u>
Buildings	\$ 464,907	\$ -	\$ -	\$ 464,907
Furniture & fixtures	4,559	-	-	4,559
Machinery & equipment	35,082	-	-	35,082
Training equipment	13,910	-	-	13,910
Transportation equipment	<u>31,066</u>	<u>26,453</u>	<u>(13,352)</u>	<u>44,167</u>
	549,524	<u>26,453</u>	<u>(13,352)</u>	562,625
Accumulated depreciation	<u>(118,885)</u>	<u>\$ (23,504)</u>	<u>\$ 13,352</u>	<u>(129,037)</u>
Net fixed assets	<u>\$ 430,639</u>			<u>\$ 433,588</u>

**AVOYELLES SOCIETY FOR  
THE DEVELOPMENTALLY DISABLED, INC.  
Notes to Financial Statements (continued)  
June 30, 2004**

**NOTE C - FIXED ASSETS (continued)**

A summary of fixed assets for the year ended June 30, 2003 is as follows:

	Balance <u>June 30, 2002</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2003</u>
Buildings	\$ 449,012	\$ 15,895	\$ -	\$ 464,907
Furniture & fixtures	4,559	-	-	4,559
Machinery & equipment	35,082	-	-	35,082
Training equipment	13,910	-	-	13,910
Transportation equipment	<u>31,066</u>	<u>-</u>	<u>-</u>	<u>31,066</u>
	533,629	<u>15,895</u>	<u>-</u>	549,524
Accumulated depreciation	( <u>97,283</u> )	\$ <u>(21,602)</u>	\$ <u>-</u>	<u>(118,885)</u>
Net fixed assets	\$ <u>436,346</u>			\$ <u>430,639</u>

**NOTE D - RESTRICTED NET ASSETS**

The loan covenant for the outstanding loan with the USDA requires a reserve account deposit each month in the amount of \$80.34, until the balance of \$9,642 is accumulated. Funds from this account may be used to (1) pay the cost of repairs or damage to the facility which may have been caused by catastrophe or (2) to make extensions or improvements to the facility. If these funds are utilized, monthly installments must be resumed until the minimum balance is reached. The reserve account was funded in the amount of \$6,034 and \$4,680 at June 30, 2004 and 2003, respectively, and these funds are presented as restricted net assets on the financial statements.

For the year ended June 30, 2003, the Society received a \$26,000 grant from United Way on June 17, 2003. These monies are restricted for capital improvements and are presented as restricted net assets on the financial statements for the year ended June 30, 2003.

**NOTE E - GRANTS RECEIVABLE**

Grants and contracts receivable are deemed to be fully collectible by management and are comprised of the following amounts due at June 30, 2004 and 2003:

	<b>2004</b>	<b>2003</b>
Dept of Health & Hospitals - MR/DD Waiver Services	\$ 8,417	\$ 5,653
Dept of Health & Hospitals - Adult Day Program	<u>18,729</u>	<u>13,827</u>
	<u>\$ 27,146</u>	<u>\$ 19,480</u>

**AVOYELLES SOCIETY FOR  
THE DEVELOPMENTALLY DISABLED, INC.  
Notes to Financial Statements (continued)  
June 30, 2004**

**NOTE F – LONG-TERM NOTES**

The Society has a 4.75% note that is payable to the USDA in monthly installments of \$797 that is secured by the land and building and has principal outstanding of \$90,377 at June 30, 2004.

Future debt service requirements are:

<b>Fiscal Year Ended: June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2005	5,649	3,915	9,564
2006	5,923	3,641	9,564
2007	6,210	3,354	9,564
2008	6,512	3,052	9,564
2009	7,160	2,404	9,564
2010 – 2015	<u>53,536</u>	<u>9,271</u>	<u>62,807</u>
Totals	<u>\$ 84,990</u>	<u>\$ 25,637</u>	<u>\$110,627</u>

**NOTE G – DEFERRED ANNUITY CONTRACT**

The Society established a tax-deferred annuity arrangement, effective January 1, 2001, under the provisions of Section 403(B) of the Internal Revenue Code. Under the plan, eligible employees may elect a salary reduction up to the maximum allowable annual amount as established by Section 402(g) of the Internal Revenue Code. No employer (Society) contributions are made to the plan.

**NOTE H – SUBSEQUENT EVENTS**

In October 2004, the Society applied for a \$375,000 capital outlay request from the State of Louisiana. The Society received a Priority II status funding of \$75,000 and Priority V status funding of \$300,000 in Act 24 of 2003 - the State of Louisiana General Appropriations Bill for the fiscal year ending June 30, 2004. The Society has filed the appropriate request with the State of Louisiana to receive its allocated funding. To date, the Society's request has not been presented before the State Bond Commission for approval. The purpose of the capital outlay request is to receive funding to complete Phase III of the Society's renovation plan. Phase III would complete the renovations to the remaining 50% of the building, which is currently only 25% improved. The completion of Phase III would allow the Society to provide services to many more clients and to provide additional training projects and facilities for all clients.

**SUPPLEMENTAL INFORMATION**

**AVOYELLES SOCIETY FOR  
THE DEVELOPMENTALLY DISABLED, INC.  
United States Department of Agriculture  
Required Supplemental Information  
Unaudited  
June 30, 2004**

1. Current list of the Board of Directors, offices held, addresses, telephone numbers, and term of office

<u>Board Member</u>	<u>Address</u>	<u>Telephone</u>	<u>Term Expires</u>
Lionel Bordelon President	P.O. Box 267 Moreauville, LA 71355	318-985-2708	6/30/05
Oscar Goody Vice-President	625 Lemoine St. Moreauville, LA 71355	318-985-2179	6/30/05
Eleanor Gremillion Secretary	P.O. Box 365 Marksville, LA 71351	318-253-9222	6/30/05
Joslyn Meaux Treasurer	P.O. Box 300 Dupont, LA 71329	318-922-3953	6/30/05
Frank Havard Parliamentarian	P.O. Box 380 Marksville, LA 71351	318-253-7518	6/30/05
Rev. Gary Jones Director	4178 Hwy 1192 Marksville, LA 71351	318-253-5875	6/30/05
Chris Barbry Director	711 Paragon Place Marksville, LA 71351	318-253-2008	6/30/05
Harold Quebedeaux Director	P.O. Box 366 Mansura, LA 71350	318-964-2688	6/30/05
Lennie Neyland Director	204 Leglise St. Mansura, LA 71350	318-964-5268	6/30/05
Dr. Rene' Desselle Director	1837 Leglise St. Mansura, LA 71350	318-964-2300	6/30/05
Roy Gremillion Director	P.O. Box 81 Mansura, LA 71350	318-964-2948	6/30/05

**AVOYELLES SOCIETY FOR  
THE DEVELOPMENTALLY DISABLED, INC.  
United States Department of Agriculture  
Required Supplemental Information (continued)  
Unaudited  
June 30, 2004**

2. List the number of residential and commercial users of the utility system.

Not applicable

3. Number of commercial users having a meter larger than the residential size (3/4").

Not applicable

4. The present water and/or sewer rates.

Not applicable

5. Schedule of Insurance:

<b>Description of Insurance</b>	<b>Limits</b>	<b>Exp. Date</b>
Property Insurance:		
Building & Contents	\$615,000 Blanket	July 1, 2005
Employee Dishonesty	\$ 50,000	July 1, 2005
Liability Insurance:		
General Liability:		July 1, 2005
Each Occurrence	\$ 1,000,000	
Aggregate	\$ 3,000,000	
Fire Damage	\$ 200,000	
Medical Payments	\$ 15,000	
Deductible Per Claim	None	
Sexual/Physical Abuse	\$ 1,000,000	
Aggregate	\$ 3,000,000	
Professional Liability:		July 1, 2005
Each Occurrence	\$ 1,000,000	
Aggregate	\$ 3,000,000	
Automobile:		July 1, 2005
Liability	\$ 1,000,000	
Deductible	None	
Medical Payments	\$ 5,000	
Uninsured Motorists	\$ 1,000,000	
Comprehensive	\$500 Deductible	
Collision	\$500 Deductible	
Non-Owned/Hired		
Auto	\$ 1,000,000	
Directors & Officers		
Liability Umbrella	\$ 1,000,000	July 1, 2005
Workers' Compensation Insurance:		
Insured Through Louisiana Workers'		
Compensation Corporation		June 30, 2005