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CALCADA ASSOCIATION FOR RETARDED CITIZENS, INC.
FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS REPORT

Year Ended June 30, 1968

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the Auditor, or clerk, or other 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 NOV 13 1968

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INDEPENDENT AUDITORS' REPORT

October 18, 1998

To the Board of Directors
Caucasian Association For
Potterized Citizens, Inc.

We have audited the accompanying statement of financial position of Caucasian Association for Potterized Citizens, Inc. (a nonprofit organization), as of June 30, 1998, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Caucasian Association for Potterized Citizens, Inc.'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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These 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 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 Caucasian Association for Potterized Citizens, Inc. as of June 30, 1998, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated October 19, 1998, on our examination of Caucasian Association for Potterized Citizens, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 19 and 20 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.

Clarke, Cashbay & Guilford

GALDASEU ASSOCIATION FOR RETARDED CITIZENS, INC.

Statement of Financial Position

June 30, 1998

ASSETS

CURRENT ASSETS

Cash and cash equivalents, including interest-bearing accounts of \$987,575		\$ 1,110,000
Investments		1,128,428
Securitized promises to give		180,403
Accounts receivable		
Claims and interests	\$ 194,582	
Medicaid	175,750	
Work Activity, net of allowance for doubtful accounts of \$-0-	125,285	
Other	<u>33,865</u>	469,573
Accrued interest receivable		30,857
Machinery inventory		<u>90,842</u>
Total current assets		2,979,668

PROPERTY, PLANT, AND EQUIPMENT

Buildings and improvements	1,088,641	
Leased improvements	83,892	
Furniture, fixtures, and equipment	688,313	
Transportation equipment	555,208	
Construction in progress	<u>131,958</u>	
	2,547,012	
Less accumulated depreciation and amortization	<u>(1,762,548)</u>	
Land	<u>1,084,707</u>	1,791,668

OTHER ASSETS

Deposits		<u>12,189</u>
		\$ 4,714,245

The accompanying notes are an integral part of this statement.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 89,154
Accrued salaries	23,858
Payroll taxes payable	32,408
Accrued expenses - other	<u>11,892</u>
Total current liabilities	157,312

LONG TERM DEBT

-

NET ASSETS

Unrestricted	4,484,832
Temporarily restricted	<u>80,828</u>
	4,565,660

\$ 4,714,947

CALCIFIED ASSOCIATION FOR RETARDED CITIZENS, INC.

Statement of Activities

Year Ended June 30, 1988

	Unrestricted	Temporarily Restricted	Total
REVENUE, GAINS AND OTHER SUPPORT			
Federal, state and local grants/contracts	\$ 1,480,721	\$ -	\$ 1,480,721
Medicaid	1,848,488	-	1,848,488
United Way grant	-	180,000	180,000
Contributions	5,383	-	5,383
Membership dues	2,180	-	2,180
Auxiliary activities	1,815,483	-	1,815,483
Other program fees	158,674	-	158,674
Fund raising	8,048	-	8,048
Investment income	178,738	-	178,738
Gain on disposal of assets	1,353	-	1,353
Net assets released from restrictions			
Expiration of time restrictions- United Way	- 138,850	138,850	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	4,848,284	4,883	4,853,167
EXPENSES AND LOSSES			
Program services	4,483,894	-	4,483,894
Supporting services			
Management and general	7,848	-	7,848
Fund raising	- 2,358	-	- 2,358
TOTAL EXPENSES AND LOSSES	4,473,418	-	4,473,418
INCREASE IN NET ASSETS	475,836	4,883	480,719
NET ASSETS AT BEGINNING OF YEAR	1,088,898	80,808	1,169,706
NET ASSETS AT END OF YEAR	\$ 1,564,734	\$ 85,691	\$ 1,650,425

The accompanying notes are an integral part of this statement.

CALCASELLI ASSOCIATION FOR RETIRED CITIZENS, INC.

Statement of Functional Expenses

Year Ended June 30, 1988

	Program Services		
	Wen. Activity	Adult Education	Infant Hospitality
Salaries and wages	\$ 548,640	\$ 408,360	\$ 401,100
Payroll taxes	41,802	52,728	30,208
Total salaries and related expenses	590,442	461,088	431,308
Accounting	88	340	1,071
Bad debts	-	200	198
Central office overhead	50,032	128,514	62,898
Consultants	18	732	-
Contract services	7,768	-	640
Day care tuition	-	-	3,675
Designated donations expense	-	-	885
Fees and subscriptions	-	1,860	787
Employee benefits	3,670	20,118	14,213
Hotel/inn activities	-	-	-
Insurance	28,870	55,680	18,042
Licenses	1,485	520	438
Medical provider fees	-	-	-
Medical	28	220	-
Miscellaneous	4,817	8,121	1,828
Office expenses	573	808	1,072
Professional services	25,174	-	182
Purchases-usable items	184,808	-	-
Rent	-	-	2,880
Repairs and maintenance	28,378	32,898	14,880
Supplies	304	2,793	8,430
Supplies	18,082	7,025	22,487
Telephone	5,087	6,241	8,382
Transportation	15,805	44,475	2,900
Travel	8,482	2,880	23,488
Utilities	7,688	38,472	8,100
Washing machines/parkings	-	-	214
Total expenses before depreciation expense	1,026,714	1,071,848	620,802
Depreciation expense	30,293	20,388	8,158
	\$ 1,057,007	\$ 1,092,236	\$ 628,960

The accompanying notes are an integral part of this statement.

Program Services

Volunteer Services	Supervised Living	Outlets	Electronics	Total
\$ 554,544	\$ 48,987	\$ 713,276	\$ -	\$ 2,294,129
<u>42,353</u>	<u>3,865</u>	<u>8,885</u>	<u>-</u>	<u>175,949</u>
506,727	63,547	132,183	-	2,514,079
44	120	131	-	1,765
501	-	-	-	987
335,422	17,863	24,248	-	618,834
63,633	382	-	-	64,544
212	-	-	-	8,865
-	-	-	-	3,875
54	-	-	-	942
2,401	217	143	-	4,661
54,444	955	1,255	-	62,654
185,115	-	-	(185,115)	-
20,353	1,209	3,709	-	128,724
2,820	-	282	-	8,514
124,127	-	-	-	124,127
1,619	-	-	-	1,818
21,655	2,113	89	(1,458)	21,872
120	58	24	-	2,804
-	-	-	-	22,278
-	-	-	-	194,808
-	-	-	-	2,848
62,685	-	-	(43,538)	43,135
1,485	715	321	-	53,217
114,262	-	813	(428)	223,628
2,056	247	708	-	54,812
23,814	2,718	-	(2,825)	86,312
1,228	2,808	7,204	-	44,422
22,825	-	-	-	78,178
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214</u>
1,528,180	83,672	181,218	(204,180)	4,276,298
<u>37,080</u>	<u>42</u>	<u>541</u>	<u>-</u>	<u>158,026</u>
\$ 1,573,170	\$ 83,754	\$ 181,659	\$ (204,180)	\$ 4,483,699

CALEGRIU ASSOCIATION FOR RETARDED CITIZENS, INC.

Statement of Financial Expenses - Continued

Year Ended June 30, 1988

	Supporting Services	
	Management and General	Fund Raising
Salaries and wages	\$ -	\$ -
Payroll taxes	-	-
Total salaries and related expenses	-	-
Advertising	-	-
AIRC membership fees	260	-
BAD debts	-	-
Central office overhead	264	-
Consultants	-	-
Contract services	-	-
Day care tuition	-	-
Designated donations expense	254	-
Dues and subscriptions	1,835	-
Employee benefits	-	-
Habitat services	-	-
Insurance	218	-
Licenses	-	-
Medical provider fees	-	-
Medical	-	-
Miscellaneous	1,128	345
Office expense	-	-
Professional services	-	-
Postcards - resale items	-	-
Print	-	-
Repairs and maintenance	208	-
Services	448	-
Supplies	1,051	1,090
Telephone	-	-
Transportation	-	-
Taxes	-	-
Utilities	823	81
Vending machines purchases	-	-
Total expenses before depreciation expense	6,680	2,284
Depreciation expense	280	-
	\$ 2,960	\$ 2,284

The accompanying notes are an integral part of this statement.

CALGARY ASSOCIATION FOR RETARDED CITIZENS, INC.

Statement of Cash Flows

Year Ended June 30, 1998

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 480,336
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	258,689
Bad debts	881
Gain on the disposition of assets	(7,343)
Non cash grants	(52,796)
Unrealized appreciation of investments	(15,299)
(Increase) decrease in:	
Unconditional promises to give	(114,953)
Accounts receivable	(28,054)
Accrued interest receivable	7,626
Inventory	(5,241)
Deposits	(908)
Increase (decrease) in:	
Accounts payable	5,020
Accrued salaries	300
Payroll taxes payable	184
Accrued expenses - other	3,237
NET CASH PROVIDED BY OPERATIONS	698,389
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from maturity of investments	55,000
Proceeds from sale of fixed assets	2,780
Purchases of fixed assets and construction in progress	(189,307)
NET CASH USED BY INVESTING ACTIVITIES	(131,527)
CASH FLOWS FROM FINANCING ACTIVITIES	
	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	567,203
Cash and cash equivalents, July 1, 1997	1,242,787
Cash and cash equivalents, June 30, 1998	\$ 1,810,000

The accompanying notes are an integral part of this statement.

CALCAGREU ASSOCIATION FOR RETARDED CITIZENS, INC.

Notes to Financial Statements

June 30, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Calcagreu Association for Retarded Citizens, Inc. (CARC) is presented to assist in understanding CARC's financial statements. The financial statements and notes are representations of CARC's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles, which have been consistently applied in the preparation of the financial statements.

1. Nature of Activities

Calcagreu Association for Retarded Citizens, Inc. was organized under Section 501 (c) (2) of the Internal Revenue Code as a nonprofit organization for the purpose of providing the following services to mentally and physically handicapped persons (clients) in Southern Louisiana:

Work Activity - Clients provide services to area businesses on a contract basis and produce various merchandise for resale to the public.

Adult Habilitation - Adults are taught day to day living skills and work opportunities.

Infant Habilitation - Infants through three years of age are taught basic developmental skills.

Residential Services - The Association maintains six community homes which house six clients each on a "round the clock" supervised basis.

Supervised Independent Living - Clients are placed in local apartments and are on a day-to-day, part-time basis.

Family Services - The Association provides sisters for parents and guardians of clients.

The majority of the funding for the above programs is provided by Medicaid and the State Office of the Louisiana Department of Health and Hospitals. Without this funding, the Association would be forced to find alternative funding sources in order to maintain operations.

2. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

CALGASRU ASSOCIATION FOR RETARDED CITIZENS, INC.

Notes to Financial Statements - Continued

June 30, 1968

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, CARGO 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.

4. Basis 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.

5. Cash and Cash Equivalents

The Association considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

6. Investments

Investments consist of U.S. Treasury Notes with a cost of \$898,387 which do not meet the Association's definition of cash equivalents. The investments are carried at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Unrealized appreciation in assets classified as investments at June 30, 1968 was \$11,113.

7. Property, Plant, and Equipment

The Association follows the practice of recording assets at cost or estimated fair value of donated assets at date of donation. All assets with estimated useful life in excess of one year are capitalized. Depreciation and amortization is provided on the straight-line method at rates calculated to allocate the recorded amounts over the estimated useful lives of the assets. Depreciation and amortization amounted to \$208,686, of which \$23,811 is included in central office overhead expense in the accompanying statement of functional expenses, for the year ended June 30, 1968 and may be allocated as follows:

Assets stated at historical cost	\$ 200,351
Donated assets recorded at fair value	<u>7,335</u>
Total	<u>\$ 207,686</u>

CALCASIEU ASSOCIATION FOR RETIRED CITIZENS, INC.

Notes to Financial Statements - Continued

June 30, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Expense Allocation

Direct costs are charged directly to the grants and programs in which the expense is incurred or they are allocated to the grants and programs based on the proportion of benefit resulting from the particular expenditure. All other costs not identifiable as direct charges are reported as "central office overhead" and accumulated in a pool. This pool is distributed monthly to the grants and programs based on the proportion of each grant/program's direct costs to total direct costs, computed on a monthly basis.

9. Eliminations

For report purposes, all significant inter-departmental accounts and transactions have been eliminated.

10. Income Taxes

The Association is a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and generally is not subject to income taxes according to the provisions of Federal and Louisiana State income tax laws and regulations. In addition, CARC has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a)(1) of the Code.

11. Donated Services

No amounts have been reflected in the statements for donated services measured as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time to the organization's program services.

12. Designated Net Assets

At its discretion, the board may designate revenue for specific purposes. Any board-designated funds would be segregated under the unrestricted net assets.

13. Inventory

Inventory is stated at the lower of cost or market. Cost is determined under the first-in, first-out method of accounting.

OLDAGEIU ASSOCIATION FOR RETIRED CITIZENS, INC.

Notes to Financial Statements - Continued

June 30, 1988

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Restricted and Unrestricted Revenue and Assets

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose 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.

15. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 1988 includes the principal amount of a donation received in a prior fiscal year. The donor placed certain stipulations on the use of these funds. As of June 30, 1988, none of the original donation of \$18,000 had been expended.

Also included in temporarily restricted net assets as of June 30, 1988 is the remaining United Way allocation yet to be received for calendar year 1988 amounting to \$46,800.

16. Provision to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

NOTE B - CASH AND CASH EQUIVALENTS

As of June 30, 1988, cash and cash equivalents consisted of the following:

Operating accounts, net of outstanding items	\$ 390,854
Mutual funds	265,079
Certificates of Deposit	<u>544,073</u>
	<u>\$1,199,996</u>

Mutual funds with a cost basis of \$184,208 are considered marketable equity securities and are carried at their fair value. Certificates of deposit are carried at their amortized cost which approximates market value.

CAJALOUSE ASSOCIATION FOR RETARDED CITIZENS, INC.

Notes to Financial Statements - Continued

June 30, 1998

NOTE B - CASH AND CASH EQUIVALENTS (CONTINUED)

All cash deposits in operating accounts and certificates of deposit were fully collateralized at June 30, 1998, either by FDIC limits or by pledged securities. However, a significant risk of loss existed at June 30, 1998 with regard to the monies invested in mutual funds because those funds are not insured against market risk.

NOTE C - MEDICARE PROVIDER FEE

The Association's residential services program is required, under Louisiana R.S. 46:2081-2095, to pay to the Department of Health and Hospitals a fee per patient day for each bed which is in use or reserved for a patient. The total of such fees for the year ended June 30, 1998 is \$124,107.

NOTE D - RELATED PARTY TRANSACTIONS

Included in accounts receivable noted at June 30, 1998 are operating advances of \$31,800 made in prior fiscal years to Louisiana Disabled Persons Finance Corporation, an affiliated non-profit organization under a common board of directors. In addition, Louisiana Disabled Persons Finance Corporation paid \$4,158 in management fees to Calcasieu Association for Retarded Citizens, Inc. for the year ended June 30, 1998. Commercial financial data of Louisiana Disabled Persons Finance Corporation as of and for the year ended June 30, 1998 is as follows:

Total Assets	\$ 479,546
Total Liabilities	925,584
Net Assets	<u>\$-446,038</u>
Total Revenue	\$ 86,184
Total Expenses	172,823
Change in Net Assets	<u>\$ -86,639</u>

NOTE E - INVESTMENT INCOME

Investment income included in the statement of activities is summarized as follows:

Interest Income	\$ 138,880
Net unrealized gains	.87,283
Total unrestricted investment income	<u>\$ 226,163</u>

NOTE F - NONCASH INVESTING AND FINANCING ACTIVITIES

During the year ended June 30, 1998, the Organization received two vehicle gifts totaling \$52,158.

CALCASIEU ASSOCIATION FOR RETARDED CITIZENS, INC.

Notes to Financial Statements - Continued

June 30, 1988

NOTE G - RETIREMENT PLAN

Effective September 1, 1987, a retirement savings plan and trust for the benefit of eligible employees was adopted. The plan covers substantially all of the employees, with the exception of clerical employees, of Calcasieu Association of Retarded Citizens, Inc. who have attained the age of 21 and completed one year of service (at least 1,080 hours of service in a plan year). The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Each participant of the plan may elect to defer from two to fifteen percent of his compensation. The maximum annual amount that an employee could contribute as an elective deferral for calendar years 1987 and 1988 was \$9,500 and \$10,800, respectively. For the year ended June 30, 1988, salary deferrals by eligible participants totaled \$ 76,178. The employer may make a matching contribution to each participant based on the participant's elective deferrals in a percentage set by the employer prior to the end of each plan year. For the year ended June 30, 1988, the Board of Directors adopted an employer contribution of 50% of the first 4% that an employee contributes. Additional amounts may be contributed at the option of the Board of Directors. For the year ended June 30, 1988, the employer match totaled \$28,026.

NOTE H - PROMISES TO GIVE

Unconditional promises to give at June 30, 1988 are as follows:

1988 United Way Allocation	\$ 80,000
Rescheduled for building renovations to new infant rehabilitation center	228,483
	<u>\$ 308,483</u>
Receivable in less than one year	\$ 160,483
Receivable in one to five years	-
Receivable in more than five years	-
Total unconditional promises to give	160,483
Less discounts to net present value	-
Less allowance for uncollectible promises receivable	-
Net unconditional promises to give at June 30, 1988	<u>\$ 160,483</u>

Conditional promises to give include \$30,804 for additional building renovations to the new infant rehabilitation center.

CALLAHAN ASSOCIATION FOR RETIRED CITIZENS, INC.

Notes to Financial Statements - Continued

June 30, 1998

NOTE 1 - CENTRAL OFFICE OVERHEAD

Included in central office overhead expense in the accompanying Statement of Functional Expenses are the following actual expense categories:

Salaries and wages	\$ 413,681
Federal taxes	25,185
Total salary and related expenses	444,866
Advertising	507
Contract services	4,125
Dues and subscriptions	6,876
Employee benefits	13,621
Insurance	24,749
Miscellaneous	3,752
Office expenses	8,183
Professional services	14,080
Repairs and maintenance	18,040
Services	2,721
Supplies	18,081
Telephone	5,825
Transportation	6,678
Travel	4,283
Utilities	12,742
Wearing machine purchases	3,333
Total expenses before depreciation expense	\$94,664
Depreciation expense	22,611
Total central office overhead	\$ 812,285

SUPPLEMENTARY INFORMATION

DAKOTA ASSOCIATION FOR RETARDED CITIZENS, INC.

Schedule of Support, Revenue, and Expenses - Departmental

Year Ended June 30, 1988

	Central Office	Work Centers	Adult Habitat	Other Activities
Public support and revenue				
Public support				
Federal, state and local grants/contracts	\$ 94,170	\$ -	\$ 894,050	\$ 575,711
Medical	-	-	137,200	88,058
United Way grant	-	58,280	43,280	58,800
Contributors	1,180	-	-	4,323
Total public support	95,350	58,280	937,482	696,841
Revenue				
Membership dues	5,150	-	-	-
Other program fees	-	-	208,714	21,736
Fund raising income	491	-	-	5,208
Auxiliary activities	4,303	1,053,884	1,843	1,583
Investment income	170,738	-	-	-
Gain (loss) on disposition of assets	-	-	1,852	-
Total revenue	180,612	1,053,884	1,211,814	28,527
Total public support and revenue	285,972	1,112,164	1,079,296	725,418
Expenses				
Program services	-	1,190,137	1,141,208	627,368
Supporting services				
Management and general	7,548	-	-	-
Fund raising	2,383	-	-	-
Total expenses	9,931	1,190,137	1,141,208	627,368
Excess (deficiency) of public support and revenue over expenses	\$ 285,972	\$ 4,752	\$ 658,112	\$ 108,050

Residential Services	Supervised Independent Living	Respite	Education	Total
\$ -	\$ 48,328	\$ 73,945	\$ -	\$ 1,482,721
1,080,420	82,325	88,441	-	1,848,885
-	-	-	-	958,050
-	-	-	-	5,282
<u>1,080,420</u>	<u>128,653</u>	<u>158,886</u>	<u>-</u>	<u>3,298,558</u>
-	-	-	-	2,180
118,888	-	-	(187,603)	158,478
-	-	-	-	8,048
-	-	-	(88,787)	1,218,828
-	-	-	-	178,738
<u>190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,262</u>
<u>117,984</u>	<u>-</u>	<u>-</u>	<u>(274,180)</u>	<u>1,294,204</u>
1,200,804	128,653	158,886	(274,180)	4,083,754
1,277,170	82,724	181,258	(274,180)	4,483,894
-	-	-	-	7,848
-	-	-	-	2,288
<u>1,277,170</u>	<u>82,724</u>	<u>181,258</u>	<u>(274,180)</u>	<u>4,473,618</u>
\$ 1,278,654	\$ 82,828	\$ 181,258	\$ -	\$ 4,480,336

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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

October 18, 1999

To the Board of Directors
Catawissa Association for Retarded Citizens, Inc.

We have audited the financial statements of Catawissa Association for Retarded Citizens, Inc. as of and for the year ended June 30, 1999, and have issued our report thereon dated October 19, 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 Catawissa 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 these 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 Catawissa 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. 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 or omissions 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 for the information of the Board of Directors, Management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Craggson, Cannon & Gilbert