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*Financial Report*  
*Lafourche ARC*  
*Thibodaux, Louisiana*  
*June 30, 1999*

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Release Date 1-18-00

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June 30, 1999

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Bourgeois Bennett

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,  
LaFourche ARC,  
Thibodaux, Louisiana.

We have audited the accompanying statements of financial position of LaFourche ARC (the Association), a nonprofit organization, as of June 30, 1999 and 1998, and the related statements of activities, functional expenses and cash flows for the years 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 audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 audits provide 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 as of June 30, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 23, 1999, on our consideration of the Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Bourgeois Bennett, LLC.*

Certified Public Accountants

Houma, La.,  
September 23, 1999.

**STATEMENTS OF FINANCIAL POSITION****Lafayette ARC**

June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<b>Assets</b>		
Cash	\$ 1,458,948	\$ 750,792
Investments	1,423,087	2,096,998
Due from State of Louisiana	542,592	649,817
Accounts receivable	32,094	45,793
Unconditional promises to give	145,412	162,147
Prepaid insurance	27,042	18,877
Deposits	4,791	29,538
Buildings, furniture and equipment, net	<u>1,388,749</u>	<u>1,542,946</u>
<b>Totals</b>	<u>\$ 5,358,617</u>	<u>\$ 5,276,908</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 136,784	\$ 200,394
Notes payable	<u>          </u>	<u>350,000</u>
<b>Total liabilities</b>	<u>136,784</u>	<u>550,394</u>
<b>Net Assets</b>		
Unrestricted	5,036,421	4,561,167
Temporarily restricted	<u>145,412</u>	<u>162,147</u>
<b>Total net assets</b>	<u>5,181,833</u>	<u>4,723,314</u>
<b>Totals</b>	<u>\$ 5,358,617</u>	<u>\$ 5,276,908</u>

See notes to financial statements.

## STATEMENTS OF ACTIVITIES

Lafayette ARC

For the years ended June 30, 1999 and 1998

	1999	1998
<b>Changes in Unrestricted Net Assets</b>		
<b>Support and Revenues</b>		
<b>Support:</b>		
Governmental Grants:		
Office for Children with Developmental Disabilities	\$ 403,878	\$ 318,974
Group Services:		
Habilitation services	1,990,882	1,998,578
Recreational services	1,999,493	2,293,463
Sheltered workshop, net of \$121,868 (\$1 13,968 in 1998) of direct costs	193,081	129,774
Contributions	6,945	3,311
Client income	248,314	208,872
<b>Total unrestricted support</b>	<u>3,952,723</u>	<u>4,958,968</u>
<b>Revenues:</b>		
Interest income	124,897	113,773
Miscellaneous	81,848	39,264
<b>Total unrestricted revenue</b>	<u>206,745</u>	<u>153,037</u>
<b>Net Assets Released from Restrictions</b>		
Expiration of time restriction	16,763	13,871
<b>Total unrestricted support, revenue and     net assets released from restrictions</b>	<u>5,991,487</u>	<u>5,135,877</u>
<b>Expenses</b>		
<b>Program services:</b>		
Medical and nursing	47,750	18,358
Therapeutic and training	1,998,618	1,664,563
Recreational	8,197	8,174
Counselors	143,887	73,578
<b>Total program services</b>	<u>4,198,422</u>	<u>3,581,669</u>
<b>Support services:</b>		
Administrative and general	788,785	714,858
Plant operations and maintenance	89,316	83,848
Costs related to capital assets	112,541	196,426
Dietary expenses	97,286	87,511
Laundry and linen	5,182	3,833
Housekeeping supplies	45,227	42,578
Personal client needs	22,936	21,512
<b>Total support services</b>	<u>1,282,811</u>	<u>1,151,255</u>
<b>Total expenses</b>	<u>5,481,233</u>	<u>4,732,924</u>
<b>Increase in Unrestricted Net Assets (carryforward)</b>	475,254	402,953

**Exhibit B  
(Continued)**

	<u>1999</u>	<u>1998</u>
Income in Unrestricted Net Assets (brought forward)	475,254	434,634
<b>Changes in Temporarily Restricted Net Assets</b>		
Expiration of time restriction	<u>(16,735)</u>	<u>(15,677)</u>
<b>Increase in Net Assets</b>	458,519	418,957
<b>Net Assets</b>		
Beginning of year	<u>4,723,314</u>	<u>4,384,357</u>
End of year	<u>\$ 5,181,833</u>	<u>\$ 4,723,314</u>

See notes to financial statements.

**STATEMENT OF FUNCTIONAL EXPENSES**

**Lakehead AGC**

For the year ended June 30, 1999

	Program Services				
	Medical and Nursing	Therapeutic and Training	Screening	Community	Total
United office	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle - gas, oil and repairs	-	-	-	-	-
Salary, payroll taxes and benefits	-	3,957,031	-	-	3,957,031
Insurance	-	-	-	-	-
Supplies	23,338	1,750	6,167	-	31,255
Tel and cell phone	-	-	-	-	-
Telephone	-	-	-	-	-
Data and video tapes	-	-	-	-	-
Training in course	-	-	-	-	-
Licence	-	-	-	-	-
Passage	-	-	-	-	-
Professional fees	-	-	-	-	-
Other	1,984	1,516	-	-	3,500
Contracts - outside services	-	5,485	-	141,887	147,372
Maintenance and repairs	-	-	-	-	-
Utilities	-	-	-	-	-
Depreciation	-	-	-	-	-
Deprec of assets	-	-	-	-	-
Lease	-	-	-	-	-
Food	-	-	-	-	-
Lease and building	-	-	-	-	-
Printing	-	-	-	-	-
Medical services	21,393	-	-	-	21,393
Travel expenses	8,849	-	-	-	8,849
Subsidies	-	31,196	-	-	31,196
Bad debt	-	-	-	-	-
<b>Total expenses</b>	<b>\$ 37,720</b>	<b>\$ 3,998,648</b>	<b>\$ 6,167</b>	<b>\$ 141,887</b>	<b>\$ 4,184,422</b>

See notes to financial statements.

Supporting Services

Administrative and Clerical	Food Operations and Maintenance	Capital Assets	Utility	Laundry and Linen	House-keeping Supplies	Personal Care Products	Total	Grand Total
\$ 108,548	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,548	\$ 305,308
48,649	-	-	-	-	-	-	48,649	48,649
-	-	-	-	-	-	-	-	3,973,111
139,112	-	-	-	-	-	-	139,112	150,115
21,493	-	-	3,479	1,028	41,117	-	71,117	93,938
16,843	-	-	-	-	-	-	16,843	30,643
17,428	-	-	-	-	-	-	17,428	71,426
366	-	-	-	-	-	-	366	366
2,493	-	-	-	-	-	-	2,493	2,645
3,878	-	-	-	-	-	-	3,878	3,878
2,188	-	-	-	-	-	-	2,188	2,188
13,581	-	-	-	-	-	-	13,581	15,361
14,911	-	-	-	-	-	10,668	25,579	30,511
-	-	-	8,436	-	-	-	8,436	700,888
-	32,607	-	-	-	-	-	32,607	32,607
-	50,500	-	-	-	-	-	50,500	50,500
-	-	10,400	-	-	-	-	10,400	103,499
-	-	7,700	-	-	-	-	7,700	7,700
-	-	44,388	-	-	-	-	44,388	61,800
-	-	-	81,341	-	-	-	81,341	81,341
-	-	-	-	4,840	-	-	4,840	4,840
-	-	-	-	-	-	10,914	10,914	11,914
-	-	-	-	-	-	-	-	21,951
-	-	-	-	-	-	-	-	8,644
-	-	-	-	-	-	-	-	31,714
-	-	-	-	-	-	-	-	126,189
<u>\$ 378,795</u>	<u>\$ 83,214</u>	<u>\$ 111,400</u>	<u>\$ 93,281</u>	<u>\$ 1,182</u>	<u>\$ 41,317</u>	<u>\$ 20,574</u>	<u>\$ 1,060,841</u>	<u>\$ 3,494,211</u>

**STATEMENT OF FUNCTIONAL EXPENSES**

Lakewood 4487

For the year ended June 30, 1958

	Program Services				
	Medical and Nursing	Therapeutic and Training	Home- based	Outpatient	Total
Control office	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles - gas, oil and repairs	-	-	-	-	-
Salaries, payroll taxes and benefits	-	3,402,187	-	-	3,402,187
Insurance	-	-	-	-	-
Supplies	5,867	49,797	6,174	-	61,738
Travel and seminars	-	-	-	-	-
Telephone	-	-	-	-	-
Training-in-service	-	-	-	-	-
Licenses	-	-	-	-	-
Postage	-	-	-	-	-
Professional fees	-	-	-	-	-
Office	1,150	-	-	783	1,933
Contract - outside services	-	19,488	-	75,091	94,579
Maintenance and repairs	-	-	-	-	-
Utilities	-	-	-	-	-
Depreciation	-	-	-	-	-
Furniture	-	-	-	-	-
Food	-	-	-	-	-
Linens and bedding	-	-	-	-	-
Clothing	-	-	-	-	-
Medical services	19,954	-	-	-	19,954
Prescriptions	7,884	-	-	-	7,884
Materials	-	2,183	-	-	2,183
Fuel fees	-	-	-	-	-
<b>Total expenses</b>	<b>\$ 15,556</b>	<b>\$ 3,461,562</b>	<b>\$ 6,174</b>	<b>\$ 75,776</b>	<b>\$ 3,559,068</b>

See notes to financial statements.

Supporting Schedule

Administrative and General	Fleet Operations and Maintenance	Capital Assets	Dining	Laundry and Linen	House-keeping Supplies	Personal Client Meals	Total	Fiscal Total
\$ 292,628	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 292,628	\$ 292,628
55,550	-	-	-	-	-	-	55,550	55,550
-	-	-	-	-	-	-	-	5,482,387
155,220	-	-	-	-	-	-	155,220	155,220
20,805	-	-	1,885	2,925	48,579	-	53,294	178,802
29,520	-	-	-	-	-	-	29,520	29,520
15,050	-	-	-	-	-	-	15,050	15,760
3,293	-	-	-	-	-	-	3,293	3,293
4,420	-	-	-	-	-	-	4,420	4,420
3,058	-	-	-	-	-	-	3,058	3,058
14,880	-	-	-	-	-	-	14,880	14,880
11,400	-	-	-	-	-	11,400	22,770	24,000
-	657	-	20,563	-	-	-	21,220	21,220
-	28,758	-	-	-	-	-	28,758	28,758
-	81,624	-	-	-	-	-	81,624	81,624
-	-	125,000	-	-	-	-	125,000	125,000
-	-	70,400	-	-	-	-	70,400	74,400
-	-	-	71,904	-	-	-	71,904	71,904
-	-	-	-	1,188	-	-	1,188	1,188
-	-	-	-	-	-	20,000	20,000	18,500
-	-	-	-	-	-	-	-	18,493
-	-	-	-	-	-	-	-	7,984
-	-	-	-	-	-	-	-	2,882
126,408	-	-	-	-	-	-	126,408	126,408
<u>\$ 716,858</u>	<u>\$ 82,680</u>	<u>\$ 195,400</u>	<u>\$ 73,411</u>	<u>\$ 3,870</u>	<u>\$ 48,579</u>	<u>\$ 31,811</u>	<u>\$ 1,120,511</u>	<u>\$ 4,278,223</u>

## STATEMENTS OF CASH FLOWS

## LaBourde ABC

For the years ended June 30, 1999 and 1998

	1999	1998
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 458,519	\$ 498,717
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	140,499	125,038
Loss on disposition of assets	7,242	-
Decrease (increase) in operating assets:		
Receivables	100,924	(79,345)
Unconditional promises to give	16,715	15,877
Prepaid insurance	(8,165)	193
Deposits	24,807	(8,241)
Increase (decrease) in operating liabilities:		
Accounts payable	(26,800)	167,488
Total adjustments	258,152	161,993
Net cash provided by operating activities	716,671	660,710
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(2,296,411)	(2,353,697)
Proceeds from maturity of investments	2,500,572	2,198,371
Proceeds from sale of vehicles	2,000	-
Purchase of land	(23,508)	-
Purchase of building	192,978	(100,000)
Purchase of vehicles	(199,303)	(97,239)
Purchase of fixtures and fixtures	(12,531)	(48,683)
Net cash provided by (used by) investing activities	353,437	(401,239)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of note payable	(548,800)	-
Net increase in cash	720,308	159,261
<b>CASH</b>		
Beginning of year	236,782	377,231
End of year	\$ 1,450,940	\$ 793,792
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest paid	\$ 213	\$ 14,156

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****Lafayette ABC**

June 30, 1999 and 1998

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a) Nature of Organization**

The Association operates six residential community homes and three day care facilities to provide intermediate care and habilitation for the mentally retarded. The Association also provides respite services to families of mentally retarded individuals.

**b) Financial Statement 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, the Association 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. The Association had no permanently restricted net assets at June 30, 1999 and 1998.

**c) Basis of Accounting**

The financial statements of the Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**d) 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 reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from these estimates.

**Note 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Association considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Association had no cash equivalents at June 30, 1999 and 1998.

**f) Investments**

Investments which are comprised of certificates of deposit, a U.S. Treasury Bill and a Federal National Mortgage Association note at June 30, 1999 and 1998, are stated at cost, which approximates market.

**g) Accounts Receivable**

The financial statements of the Association contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position.

**h) Buildings, Furniture and Equipment**

Buildings, furniture and equipment are stated at cost. Additions, improvements and expenditures that add materially to productive capacity or extend the life of an asset are capitalized. Depreciation is computed on a straight-line basis over the following estimated useful lives:

Buildings	20 - 30 years
Furniture and fixtures	5 - 8 years
Equipment:	
Vehicles	3 - 5 years
Other	5 years

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions that are restricted by the donor are 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 contributions, if any, are 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.

**ii) Donated Services**

No amounts have been reflected in the financial statements for donated services. The Association pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Association with specific assistance programs, and various committee assignments.

**iii) Compensated Absences**

On July 1<sup>st</sup>, all full-time employees receive from 12 to 21 days of leave depending on years of service. These days are to cover both vacation and sick leave. Leave must be taken by September 1<sup>st</sup> of the next fiscal year or the leave is lost. There is no monetary accumulated leave at June 30, 1999 and accordingly, the financial statements do not include a provision for compensated absences.

**iv) Functional Expenses**

The costs of providing various services and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses in accordance with cost reporting regulations of the Louisiana Department of Health and Hospitals. Accordingly, certain costs have been allocated among the services and activities benefited. Transactions and resulting balances of charges for services between the Association's programs have been eliminated from the financial statements.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m) Income Taxes**

The Association is a non-profit organization and is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code of 1954, as amended. Therefore, no provisions for income taxes have been made.

**n) Reclassifications**

Support reported in 1998 as group services; receipts, state institution and unassociated group have been reported as group services; habilitation services in order to conform to the 1999 presentation.

**Note 2 - CASH AND INVESTMENTS**

During the year ended June 30, 1999 and 1998, the Association maintained its cash deposits and certificates of deposit with a single bank. As of June 30, 1999 and 1998, all deposits, certificates of deposit and the U.S. Treasury bill were secured by FHC insurance, the United States government and United States and other government securities pledged to the Association. Investments in the Federal National Mortgage Association are unsecured.

**Note 3 - DUE FROM STATE OF LOUISIANA**

Amounts receivable for residential and habilitation services charged to the State of Louisiana at June 30, 1999 and 1998 were as follows:

	<u>1999</u>	<u>1998</u>
Department of Health and Hospitals	\$342,592	\$648,362
Department of Social Services	-	1,515
<b>Totals</b>	<b><u>\$342,592</u></b>	<b><u>\$649,877</u></b>

**Note 4 - UNCONDITIONAL PROMISES TO GIVE**

All restrictions of net assets at June 30, 1999 relate to time restrictions placed on unconditional promises to give. Temporarily restricted net assets consists of unconditional promises to give at June 30, 1999 as follows:

	<u>1999</u>
Unconditional promises	\$175,000
Unamortized discount	(29,588)
<b>Net unconditional promises to give</b>	<b><u>\$145,412</u></b>
Amounts due in:	
Less than one year	\$ 25,000
One to five years	125,000
More than five years	<u>25,000</u>
<b>Total unconditional promises to give</b>	<b><u>\$175,000</u></b>

Unconditional promises to give are reflected at the present value of estimated future cash flows using a discount rate of 5.5% without a provision for uncollectible amounts.

**Note 5 - BUILDINGS, FURNITURE AND EQUIPMENT**

Buildings, furniture and equipment at June 30, 1999 and 1998 consist of the following:

	<u>1999</u>	<u>1998</u>
Land	\$ 58,000	\$ 34,500
Buildings	1,413,396	1,320,426
Life safety code additions	4,349	4,349
Vehicles	675,116	562,300
Furniture and fixtures	484,049	448,545
Medical equipment	2,038	2,038
Minor equipment	<u>14,612</u>	<u>14,612</u>
	2,681,567	2,386,777
Less: Accumulated depreciation	<u>942,818</u>	<u>843,831</u>
<b>Net buildings, furniture and equipment</b>	<b><u>\$1,738,749</u></b>	<b><u>\$1,542,946</u></b>

**Note 6 - LEASE COMMITMENTS**

Commitments under lease agreements for residential community homes provide for future minimum rental payments as follows:

	<u>2000</u>
Chickley	\$19,800
Diplomat Way	19,200
Narrow Street	<u>10,200</u>
<b>Totals</b>	<b><u>\$49,200</u></b>

Rental expenses incurred under leases amounted to \$61,300 and \$34,400 for the years ended June 30, 1999 and 1998, respectively.

**Note 7 - CENTRAL OFFICE OVERHEAD**

The central office was established to account for supporting expenses common to the programs. Each program reimburses the central office for its share. As of July 1, 1997, the amount allocated to each program, an supporting service-administrative and general is based upon time and level of efforts expended as measured by expenses per program compared to total expenses. For the years ended June 30, 1999 and 1998, personal service and occupancy costs amounting to \$358,588 and \$297,628, respectively, were incurred.

The amounts allocated to each residential program are as follows:

	<u>1999</u>	<u>1998</u>
Chickley Community Home	\$ 22,706	\$ 18,774
Country Club Community Home	16,258	13,798
Diplomat Way Community Home	22,291	18,700
Streets Community Home	19,721	16,267
Narrow Street Community Home	16,063	13,267
Terry Community Home	20,975	18,234
Community Support Services	160,651	128,375
Daycare Services	<u>79,923</u>	<u>71,613</u>
<b>Totals</b>	<b><u>\$358,588</u></b>	<b><u>\$297,628</u></b>

**Note 8 - RELATED PARTY TRANSACTIONS**

Various auto repair and maintenance services were provided to the Association by a business partially owned by an employee of the Association. Total payments made to this business for the year ending June 30, 1999 and 1998 amounted to \$11,808 and \$15,649, respectively.

The Association maintains all its cash and investments in one bank. One of the Association's board members is also a board member for this bank.

**Note 9 - ECONOMIC DEPENDENCY**

The Association receives federal and state funding on a per diem per client/unit basis. Federal and state match funding from the Department of Health and Human Services, passed through the Louisiana State Department of Health and Hospitals Office of Family Security, Medical Assistance Program - Medicaid/ Title XIX are on a per diem basis. These payments, reported as residential and habilitation services, are considered a payment for a service as opposed to a grant award.

In addition, the Association receives state grants from the Department of Health and Hospitals Office for Citizens with Developmental Disabilities on a per diem basis.

If significant budget cuts are made at the federal, state and/or local levels the amount of the funds the Association receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Association will receive in the next fiscal year.

**Note 10 - RETIREMENT PLAN**

The Association adopted a 401(k) retirement plan effective July 1, 1997. The plan covers all employees who are at least 21 years of age with one or more years of service. The Association makes contributions to the plan at its discretion. The Association's contributions for the year ended June 30, 1999 and 1998, was \$57,210 and \$44,269, respectively.

**SUPPLEMENTAL INFORMATION**



Bourgeois Bennett

## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors,  
Lafourche ARC,  
Thibodaux, Louisiana.

Our report on our audit of the basic financial statements of Lafourche ARC (the Association), a nonprofit organization, as of and for the year ended June 30, 1999 appears on page 1. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information contained in Schedules 1 through 4 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.

*Bourgeois Bennett, LLC*

Certified Public Accountants

Thibodaux, La.,  
September 23, 1999.

**SCHEDULE OF PROGRAM FINANCIAL POSITIONS****Lafourche ARC**

June 30, 1999

	Community Homes				
	Charligny	Country Club	Diplomat Way	Stovam	Marion Street
<b>Assets</b>					
Cash	\$ 200	\$ 200	\$ 200	\$ 300	\$ 200
Investments	195,018	188,388	186,886	22,669	134,983
Due from State of Louisiana	24,762	20,815	25,243	31,496	21,075
Accounts receivable	3,708	2,098	3,742	43	2,168
Unconditional promises to give	-	-	-	-	-
Due from other programs	78,234	78,323	70,909	92,548	171,646
Prepaid insurance	1,868	1,200	1,432	2,828	793
Deposits	78	33	59	33	100
Buildings, furniture and equipment, net of accumulated depreciation, \$642,818	28,940	111,433	37,133	169,133	36,777
<b>Totals</b>	<b>\$ 314,308</b>	<b>\$ 314,527</b>	<b>\$ 345,636</b>	<b>\$ 432,842</b>	<b>\$ 342,611</b>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 4,713	\$ 3,578	\$ 2,936	\$ 19,900	\$ 2,337
Due to other programs	-	28,900	-	364,354	-
<b>Total liabilities</b>	<b>4,713</b>	<b>32,478</b>	<b>2,936</b>	<b>374,254</b>	<b>2,337</b>
<b>Net Assets</b>					
Unrestricted	315,593	286,949	317,680	78,183	340,274
Temporarily restricted	-	-	-	-	-
<b>Total net assets</b>	<b>315,593</b>	<b>286,949</b>	<b>317,680</b>	<b>78,183</b>	<b>340,274</b>
<b>Totals</b>	<b>\$ 314,308</b>	<b>\$ 314,527</b>	<b>\$ 345,636</b>	<b>\$ 432,842</b>	<b>\$ 342,611</b>

Year	Community Support	Day Care Services	Central Office	Eliminations	Grand Total
\$ 208	\$ -	\$ 888,155	\$ 641,485	\$ -	\$ 1,450,040
94,400	386,827	251,119	46,872	-	1,427,037
94,247	321,215	63,698	-	-	542,360
2,017	2,861	33,507	1,851	-	52,094
-	-	-	145,412	-	145,412
15,905	1,548,865	55,068	150,795	(2,246,279)	-
4,808	6,198	4,246	4,680	-	20,042
105	3,733	595	-	-	4,731
<u>24,099</u>	<u>21,503</u>	<u>678,171</u>	<u>476,360</u>	<u>-</u>	<u>1,388,944</u>
<u>\$ 175,384</u>	<u>\$ 2,306,702</u>	<u>\$ 1,875,511</u>	<u>1,467,375</u>	<u>\$ (2,246,279)</u>	<u>\$ 5,358,617</u>
\$ 8,362	\$ 67,762	\$ 33,929	\$ 24,844	\$ -	\$ 136,794
34,962	163,661	366,180	1,297,119	(2,246,279)	-
43,324	211,428	488,108	1,321,060	(2,246,279)	136,764
132,660	2,070,279	1,473,403	-	-	5,036,421
-	-	-	145,412	-	145,412
<u>132,660</u>	<u>2,070,279</u>	<u>1,473,403</u>	<u>145,412</u>	<u>-</u>	<u>5,181,833</u>
<u>\$ 175,384</u>	<u>\$ 2,301,782</u>	<u>\$ 1,875,511</u>	<u>1,467,375</u>	<u>\$ (2,246,279)</u>	<u>\$ 5,358,617</u>

## SUMMARY OF PROGRAM ACTIVITIES

### Laboratory A991

For the year ended June 30, 1999

	Community Clinics				
	Chickadee	Crosby	DeWitt	Hewson	Mason Street
<b>Changes in Unrestricted Net Assets</b>					
<b>Support and Revenues</b>					
Support:					
Governmental Grants:					
Office for Children with Developmental Disabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Group for the Deaf:					
Educational services					
Recreational services	397,564	250,168	350,946	543,634	256,914
Skilled nursing, net of \$127,863 of direct costs	-	-	-	-	-
Grant activities	29,182	38,962	28,141	58,991	21,911
Fund income	-	-	-	-	-
Total unrestricted support	<u>326,746</u>	<u>289,130</u>	<u>379,087</u>	<u>602,625</u>	<u>278,825</u>
Revenues:					
Interest income	11,882	6,384	13,031	1,234	12,809
Miscellaneous	508	-	-	-	-
Total unrestricted revenues	<u>12,390</u>	<u>6,384</u>	<u>13,031</u>	<u>1,234</u>	<u>12,809</u>
<b>Allocations</b>	-	-	-	-	-
<b>Net Assets Released from Restrictions</b>					
Expenses of prior restrictions	-	-	-	-	-
Total restricted support, revenues and net assets released from restrictions	<u>314,356</u>	<u>282,746</u>	<u>366,056</u>	<u>591,391</u>	<u>266,016</u>
<b>Expenses</b>					
Program services:					
Medical and nursing	11,186	4,452	10,116	5,411	6,491
Transportation and training	289,716	84,124	345,681	248,411	148,111
Educational	483	1,178	524	1,011	411
Construction	61,176	15,671	14,871	18,714	32,841
Total program services	<u>262,961</u>	<u>105,425</u>	<u>375,292</u>	<u>273,547</u>	<u>197,854</u>
Support services:					
Administrative and general	61,816	31,116	64,656	62,666	68,711
Plant operations and maintenance	8,072	7,811	6,288	8,611	7,956
Costs related to capital assets	6,514	89,588	17,516	17,914	24,111
Library expenses	6,266	11,242	17,516	17,956	19,566
Laundry and linen	655	1,116	1,391	411	666
Inventorying supplies	2,172	4,091	6,282	6,471	4,711
Personal travel costs	4,156	1,877	6,276	5,821	7,266
Total support services	<u>83,647</u>	<u>157,687</u>	<u>129,905</u>	<u>119,621</u>	<u>143,941</u>
Total expenses	<u>346,608</u>	<u>263,112</u>	<u>505,197</u>	<u>393,168</u>	<u>341,795</u>
Income allocated to unrestricted net assets	<u>(30,862)</u>	<u>21,120</u>	<u>(27,110)</u>	<u>(5,311)</u>	<u>25,170</u>
<b>Changes in Temporarily Restricted Net Assets</b>					
Expenses of the year between	-	-	-	-	-
Increase (Decrease) in Net Assets	<u>(30,862)</u>	<u>21,120</u>	<u>(27,110)</u>	<u>(5,311)</u>	<u>25,170</u>
<b>Net Assets</b>					
Beginning of year	<u>261,148</u>	<u>232,797</u>	<u>368,938</u>	<u>81,718</u>	<u>384,628</u>
End of year	<u>\$ 230,286</u>	<u>\$ 253,917</u>	<u>\$ 341,828</u>	<u>\$ 76,407</u>	<u>\$ 409,798</u>

Year	Community Support	Fee/Case Services	Existed Office	Elimination	Fund Total
\$ -	\$ 56,873	\$ 300,000	\$ -	\$ -	\$ 400,000
588,036	2,009,099	847,120	-	-	3,444,255
	10,528	117,552	-	(117,563)	1,592,265
880	2,938	141,080	-	-	144,918
14,583	-	1,727	-	-	16,310
102,839	2,831,028	1,197,838	-	(117,563)	5,013,142
5,681	16,991	24,600	18,775	-	65,047
	-	80,500	-	-	80,500
5,681	16,991	105,100	18,775	-	206,547
-	-	-	208,000	(150,500)	-
-	-	-	16,715	-	16,715
118,568	2,864,021	1,303,601	185,000	(190,000)	5,321,189
5,673	5,784	-	-	-	11,457
118,568	2,864,021	1,303,601	-	(117,563)	5,048,027
1,878	-	5,688	-	-	7,566
15,711	48,612	-	-	-	64,323
136,311	2,912,633	1,309,289	-	(117,563)	5,038,069
16,311	219,271	88,500	121,000	111,000	566,182
17,511	710	10,750	12,107	17,500	57,578
17,511	11,319	11,000	22,711	-	62,541
18,000	50	-	-	-	18,050
1,000	-	-	-	-	1,000
2,000	-	15,000	-	-	17,000
2,000	-	-	-	-	2,000
111,478	365,640	101,250	185,000	(150,500)	5,001,811
187,889	2,910,916	1,410,000	185,000	(190,000)	5,403,805
(15,283)	219,881	101,000	-	-	415,208
-	-	-	(16,715)	-	(16,715)
(15,283)	219,881	101,000	(16,715)	-	418,283
150,399	1,794,731	1,511,000	168,442	-	4,534,572
\$ 150,399	\$ 1,794,731	\$ 1,511,000	\$ 168,442	\$ -	\$ 4,534,572

**SCHEDULE OF PROGRAM SERVICES EXPENSES**

**Lakewood ARC**

For the year ended June 30, 1999

	Community Homes				
	Cherry	Country Club	Diplomat Way	Stevens	Narrow Street
<b>Medical and Nursing</b>					
Medical services	\$ 4,145	\$ 2,696	\$ 2,879	\$ 2,355	\$ 4,599
Supplies	4,185	597	4,344	482	816
Prescriptions	2,641	1,006	1,619	453	772
Other	688	200	927	555	345
<b>Total medical and nursing</b>	<b>11,599</b>	<b>4,499</b>	<b>11,669</b>	<b>3,415</b>	<b>6,492</b>
<b>Therapeutic and Training</b>					
Salaries and benefits	169,899	169,899	169,899	204,179	181,383
Payroll taxes	13,274	9,388	14,243	14,556	8,783
Supplies	289	49	388	167	40
Contract labor	-	-	-	-	-
Education	38,312	38,312	38,312	38,312	38,312
Other	781	4	431	657	4
<b>Total therapeutic and training</b>	<b>222,745</b>	<b>141,629</b>	<b>218,687</b>	<b>258,471</b>	<b>140,322</b>
<b>Recreational</b>					
Supplies	487	1,131	534	1,935	472
<b>Consultants</b>					
Registered nurse	7,027	7,027	7,027	7,627	7,927
Pharmacist	351	429	409	543	386
Psychologist	5,078	5,415	5,936	6,319	2,458
Physical therapist	1,125	40	358	148	48
Social worker	1,085	1,260	1,035	1,085	1,155
Speech therapist	180	480	620	448	488
Records Manager	280	280	280	280	280
<b>Total consultants</b>	<b>16,135</b>	<b>15,671</b>	<b>14,471</b>	<b>16,354</b>	<b>12,647</b>
<b>Total program services</b>	<b>\$ 235,884</b>	<b>\$ 180,930</b>	<b>\$ 235,881</b>	<b>\$ 272,575</b>	<b>\$ 168,881</b>

Tory	Community Support	Day Care Services	Central Office	Eliminations	Grand Total
\$ 4,799	\$ -				\$ 21,399
1,008	3,626				15,338
1,538	-				8,945
582	157				2,984
<u>7,927</u>	<u>3,783</u>				<u>43,726</u>
183,738	1,593,588	\$ 783,152		\$ -	3,678,688
13,976	156,146	47,713		-	278,471
42	388	-		-	1,262
-	3,493	-		-	3,899
88,332	79,121	3,938		(232,367)	32,194
5	-	614		-	2,516
<u>210,189</u>	<u>2,128,534</u>	<u>835,697</u>		<u>(232,367)</u>	<u>3,998,618</u>
<u>1,678</u>					<u>6,167</u>
7,857	48,252	3,684			99,438
437	-	-			2,949
6,492	361	-			28,068
120	-	-			3,815
1,125	-	-			6,855
480	-	-			2,588
389	-	-			1,208
<u>16,711</u>	<u>48,613</u>	<u>3,684</u>			<u>142,897</u>
<u>\$ 236,131</u>	<u>\$ 2,286,990</u>	<u>\$ 838,791</u>	<u>\$ -</u>	<u>\$ (232,367)</u>	<u>\$ 4,199,477</u>

**SCHEDULE OF SUPPORT SERVICES EXPENSES**

**Katharine ARC**

For the year ended June 30, 2009

	Community Events				
	Charitable	County Club	Deportivo Wyo	Services	Parish Street
<b>Administrative and General</b>					
Control office	\$ 22,700	\$ 16,248	\$ 12,291	\$ 19,211	\$ 16,861
Vehicles	4,217	2,261	3,861	2,348	1,826
Salaries and benefits	-	-	-	-	-
Insurance	8,999	6,211	8,879	11,216	6,211
Office supplies	317	601	208	361	291
Traavel and recreation	1,805	499	208	1,639	1,089
Interest	-	-	-	-	-
Telephone	1,534	1,480	1,644	1,482	1,184
Travel and membership	-	158	-	-	158
Printing-in-service	-	-	-	-	-
Licenses	615	600	675	615	675
Postage	31	-	46	30	31
Professional fees	2,000	2,265	2,180	2,000	2,180
Rent fees	21,868	21,268	21,268	21,268	21,268
Other	1,211	471	21	611	46
<b>Total administrative and general</b>	<b>65,814</b>	<b>55,146</b>	<b>61,649</b>	<b>62,266</b>	<b>50,214</b>
<b>Plant Operations and Maintenance</b>					
Maintenance - building and grounds	424	1,181	199	361	199
Maintenance - furniture and fixtures	2,980	1,244	1,224	2,291	1,218
Utilities	4,091	3,123	3,261	3,715	4,221
<b>Total plant operations and maintenance</b>	<b>8,073</b>	<b>6,029</b>	<b>6,086</b>	<b>7,015</b>	<b>7,869</b>
<b>Costs Related to Capital Assets</b>					
Depreciation and amortization	2,117	4,288	1,228	12,074	1,208
Disposal of assets	-	-	1,580	-	-
Lease expense	18,880	1,880	22,280	-	20,280
<b>Total costs related to capital assets</b>	<b>21,077</b>	<b>6,168</b>	<b>25,088</b>	<b>12,074</b>	<b>21,488</b>
<b>Dietary Expenses</b>					
Food	18,270	20,840	15,640	15,271	12,240
Supplies	281	341	1,241	211	61
Contracts - dietitians	1,280	1,180	1,280	1,280	1,280
<b>Total dietary expenses</b>	<b>19,831</b>	<b>22,361</b>	<b>17,161</b>	<b>17,062</b>	<b>14,581</b>
<b>Laundry and linen</b>					
Supplies	231	280	18	-	-
Laundry and bedding	881	429	1,629	421	380
<b>Total laundry and linen</b>	<b>1,112</b>	<b>709</b>	<b>1,647</b>	<b>421</b>	<b>380</b>
<b>Housekeeping</b>					
Supplies	1,121	4,204	4,280	3,671	4,271
<b>Personal Effect Needs</b>					
Charitable	1,121	1,699	1,624	1,898	1,121
Other	2,881	1,278	2,181	1,891	1,274
<b>Total personal effect needs</b>	<b>4,002</b>	<b>2,977</b>	<b>3,805</b>	<b>3,789</b>	<b>2,395</b>
<b>Total support services</b>	<b>\$ 124,891</b>	<b>\$ 97,682</b>	<b>\$ 123,989</b>	<b>\$ 123,621</b>	<b>\$ 94,241</b>

Tax	Community Support	Net Cost Increase	Grand Sales	Eliminations	Grand Total
\$ 20,914	\$ 200,004	\$ 78,900	\$ -	\$ -	\$ 298,818
1,990	5,994	20,140	-	-	28,124
-	-	-	249,295	(249,295)	-
9,279	12,914	51,790	(1,478)	(1,478)	17,426
465	15,647	5,400	26,152	(26,152)	25,445
897	20,417	5,907	10,747	(10,747)	56,062
-	-	-	35	(35)	-
1,240	2,710	6,200	8,142	(8,142)	17,426
70	-	-	3,881	(3,881)	150
-	2,855	-	-	-	2,855
675	115	-	-	-	1,909
571	968	490	5,840	(5,840)	2,169
2,180	3,542	2,130	2,979	(2,979)	15,231
20,849	-	-	-	-	15,180
250	(5,292)	4,794	11,760	(11,760)	14,311
<u>20,713</u>	<u>250,715</u>	<u>184,300</u>	<u>300,000</u>	<u>(300,000)</u>	<u>788,728</u>
399	-	3,820	140	-	4,359
5,811	60	-	16,657	(16,657)	24,211
5,921	710	20,180	15,900	(15,900)	26,711
<u>11,831</u>	<u>770</u>	<u>24,000</u>	<u>32,707</u>	<u>(32,557)</u>	<u>89,271</u>
3,411	11,810	70,998	70,711	-	143,830
6,380	-	-	-	-	7,791
<u>11,791</u>	<u>11,810</u>	<u>70,998</u>	<u>70,711</u>		<u>151,621</u>
30,850	-	-	-	-	30,850
480	70	-	-	-	550
<u>2,834</u>	<u>-</u>				<u>3,400</u>
<u>19,360</u>	<u>70</u>				<u>19,430</u>
60	-	-	-	-	60
<u>1,811</u>					<u>1,871</u>
<u>1,880</u>					<u>1,880</u>
5,897	-	15,000	-	-	20,897
1,834	-	-	-	-	1,834
<u>1,701</u>					<u>1,701</u>
<u>2,899</u>					<u>2,899</u>
<u>\$ 111,478</u>	<u>\$ 260,004</u>	<u>\$ 503,120</u>	<u>\$ 540,000</u>	<u>\$ (540,000)</u>	<u>\$ 1,263,597</u>

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**



**Emergent Bennett**

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

To the Board of Directors,  
Lafourche ARC,  
Thibodaux, Louisiana.

We have audited the financial statements of Lafourche ARC, (the Association), as of and for the year ended June 30, 1999, and have issued our report thereon dated September 23, 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 the Association's financial statements are free of material misstatements, 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 Association'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 operations that we consider to be material weaknesses.

This report is intended for the information of the Board of Directors, management, the Legislative Auditor for the State of Louisiana and various federal and state audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Bourgeois Bennett, LLC*

Certified Public Accountants

Houma, La.,  
September 23, 1999.

## SCHEDULE OF FINDINGS

### Lafourche ARC

For the year ended June 30, 1999

#### Section I Summary of Auditor's Results

##### a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified?                     yes     no
- Reportable condition(s) identified that are not  
  considered to be material weaknesses?             yes     none reported

Noncompliance material to financial statements noted?     yes     no

##### b) Federal Awards

Lafourche ARC did not receive federal awards during the year ended June 30, 1999.

#### Section II Financial Statement Findings

No financial statement findings were noted for the year ended June 30, 1999.

#### Section III Federal Award Findings and Questioned Costs

Not applicable.

## **REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS**

### **Lafayette ARC**

For the year ended June 30, 1999

#### **Section I Internal Control and Compliance Material to the Statements of Financial Position**

##### **Internal Control**

No material weaknesses were reported for the year ended June 30, 1998.  
No reportable conditions were reported for the year ended June 30, 1998.

##### **Compliance**

No compliance findings material to the statements of financial position were noted during the year ended June 30, 1998.

#### **Section II Internal Control and Compliance Material to Federal Awards**

Lafayette ARC did not receive federal awards during the year ended June 30, 1998.

#### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended June 30, 1998.

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

### **Lafayette ABC**

For the year ended June 30, 1999

#### **Section I Internal Control and Compliance Material to the Statements of Financial Position**

##### **Internal Control**

No material weaknesses were reported for the year ended June 30, 1999.  
No reportable conditions were reported for the year ended June 30, 1999.

##### **Compliance**

No compliance findings material to the statements of financial position were noted during the year ended June 30, 1999.

#### **Section II Internal Control and Compliance Material to Federal Awards**

Lafayette ABC did not receive federal awards during the year ended June 30, 1999.

#### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended June 30, 1999.