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VERMILION ASSOCIATION FOR
RETARDED CITIZENS, INC.
ERATH, LOUISIANA

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED

JUNE 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 ~~JUN 15 1999~~

VERMILION ASSOCIATION FOR RETARDED CITIZENS, INC.

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ALLEN J. LaBRY, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

ALLEN J. LaBRY, CPA

August 27, 1999

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Vermilion Association for Retarded Citizens, Inc.
809 S. Severin
Erath, Louisiana 70533

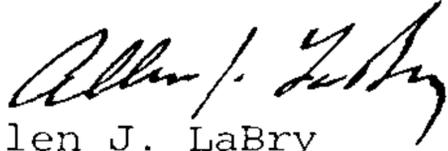
I have audited the accompanying statements of financial position of Vermilion Association for Retarded Citizens, Inc. (a nonprofit organization) as of June 30, 1999 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based upon my audit.

I conducted my audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vermilion Association for Retarded Citizens, Inc., at June 30, 1999, 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, I have also issued a report dated August 27, 1999, on my conclusion of

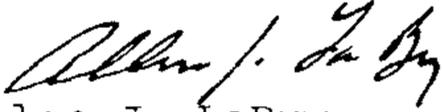
Vermilion Association for Retarded Citizens, Inc.'s internal control structure and a report dated August 27, 1999, on its compliance with laws and regulations.



Allen J. LaBry
Certified Public Accountant

AL:sd

This report is intended for the information of the audit committee, management, and board of directors. However this report is a matter of public record, and its distribution is not limited.



Allen J. LaBry
Certified Public Accountant

AL:sd



ALLEN J. LaBRY, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

ALLEN J. LaBRY, CPA

August 27, 1999

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Vermilion Association For Retarded Citizens, Inc.
809 S Severin
Erath, LA 70533

I have audited the financial statements of Vermilion Association For Retarded Citizens, Inc. (The Association), as of and for the year ended June 30, 1999, and have issued my report thereon dated August 27, 1999.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Association is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any

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evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the financial statements of the Association for the year ended June 30, 1999, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

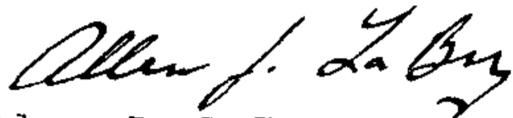
I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

In my consideration of the internal control structure, I noted that, as a reportable condition, the limited number of employees preclude an adequate segregation of duties and other features of an adequate internal control structure. To employ such controls may not be cost beneficial for the Association.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the audit committee, management, and board of directors. However, this report is a matter of public record, and its distribution is not limited.



Allen J. LaBry
Certified Public Accountant

AL:sd

VERMILION ASSOCIATION FOR RETARDED CITIZENS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1999

ASSETS

CURRENT ASSETS

| | |
|-------------------------|---------------|
| CASH (NOTE 2) | \$ 25,332 |
| CERTIFICATES OF DEPOSIT | 282,870 |
| ACCOUNTS RECEIVABLE | <u>10,126</u> |

TOTAL CURRENT ASSETS 318,328

NONCURRENT ASSETS

| | |
|---|---------------|
| PROPERTY, PLANT & EQUIPMENT AT COST, NET OF ACCUMULATED DEPRECIATION (NOTE 3) | <u>40,565</u> |
|---|---------------|

TOTAL ASSETS \$ 358,893

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|-----------------------|-----------|
| STATE W/H TAX PAYABLE | \$ 437 |
| SUTA PAYABLE | <u>21</u> |

TOTAL CURRENT LIABILITIES 437

UNRESTRICTED NET ASSETS 358,435

TOTAL LIABILITIES AND NET ASSETS \$ 358,893

VERMILION ASSOCIATION FOR RETARDED CITIZENS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 1999

UNRESTRICTED NET ASSETS:

| | |
|---|------------------|
| SUPPORT | |
| SUPPORT-OFFICE OF MENTAL RETARDATION | \$109,637 |
| CONTRIBUTIONS AND GRANTS | 23,968 |
| TOTAL UNRESTRICTED SUPPORT | <u>133,605</u> |
| | |
| REVENUE | |
| PARAMAX INCOME | 11,899 |
| CLIENT WORK INCOME | 16,931 |
| INTEREST INCOME | 15,368 |
| DUES | 475 |
| GAIN SALE OF AN ASSET | 2,000 |
| TOTAL UNRESTRICTED REVENUE | <u>46,673</u> |
| TOTAL UNRESTRICTED REVENUES AND SUPPORT | <u>180,278</u> |
| | |
| EXPENSES - PROGRAM SERVICES | |
| ACCOUNTING | 2,725 |
| AUTO EXPENSE | 13,126 |
| CLIENT ADVOCACY | 2,000 |
| CONVENTION | 862 |
| DEPRECIATION | 17,311 |
| DUES | 2,018 |
| INSURANCE | 9,363 |
| OFFICE SUPPLIES | 4,921 |
| PLANT SUPPLIES & REPAIRS | 1,660 |
| POSTAGE | 218 |
| REPAIRS & MAINTENANCE | 220 |
| SALARIES | 81,282 |
| SALARIES-CLIENT WORK | 11,965 |
| SECURITY | 380 |
| SUPPLIES-CLIENT WORK | 608 |
| TAXES-PAYROLL | 7,164 |
| TELEPHONE | 819 |
| TRAINING STAFF | 787 |
| UTILITIES | 1,934 |
| TOTAL EXPENSES | <u>159,363</u> |
| | |
| INCREASE IN UNRESTRICTED NET ASSETS | 20,915 |
| NET ASSETS AT BEGINNING OF YEAR | 337,664 |
| PRIOR PERIOD ADJUSTMENT | <u>(144)</u> |
| | |
| NET ASSETS AT END OF YEAR | <u>\$358,435</u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT
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VERMILION ASSOCIATION FOR RETARDED CITIZENS, INC
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1999

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|--|----------|
| CHANGE IN NET ASSETS | \$20,771 |
| ADJUSTMENTS TO RECONCILE INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | |
| DEPRECIATION | 17,311 |
| INCREASE IN ACCOUNTS RECEIVABLE | (602) |
| DECREASE IN ACCOUNTS PAYABLE | (1,225) |
| INCREASE IN SUTA PAYABLES | 21 |
| INCREASE IN STATE W/H TAX PAYABLE | 437 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 36,713 |

CASH FLOWS FROM INVESTING ACTIVITIES:

| | |
|---------------------------------------|----------|
| SHORT - TERM INVESTMENTS, NET | (25,619) |
| BUILDING IMPROVEMENTS | (7,739) |
| NET CASH USED BY INVESTING ACTIVITIES | (33,358) |

| | |
|--|----------|
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 3,355 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 21,977 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | \$25,332 |

VERMILION ASSOCIATION FOR RETARDED CITIZENS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Vermilion Association for Retarded Citizens, Inc. have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2: CASH AND CASH EQUIVALENTS

For purposes of the statement 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.

Cash includes amounts in demand deposits. At June 30, 1999, the Association had cash totaling \$25,332 as follows:

| | General Fund |
|-----------------|-----------------|
| Cash | \$ 78 |
| Demand Deposits | 25,254 |
| | ----- |
| Total | \$ 25,332 |
| | ===== |

NOTE 3: PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

All Property, Plant, and Equipment are stated at historical cost. Donated fixed assets are stated at their estimated fair value on the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation of buildings and equipment is provided over the estimated useful lives of the respective asset on a straight-line basis. A summary of Plant Assets is as follows:

| | |
|--------------------------------|----------------|
| Buildings and Improvements | \$ 103,236 |
| Autos | <u>44,308</u> |
| | 147,544 |
| Less: Accumulated Depreciation | <u>106,979</u> |
| | \$ 40,565 |
| | ===== |

NOTE 4: ACCUMULATED UNPAID VACATION, SICK PAY AND OTHER EMPLOYEE BENEFITS

There is no unpaid vacation or sick pay.

NOTE 5: CONTRIBUTED SERVICES

There are no services contributed to the association.

NOTE 6: MANagements CORRECTIVE ACTION PLAN

No management recommendation letter has been issued for the current year or the prior year.

NOTE 7: INCOME TAXES

The Association is a not-for-profit organization that is exempt from income taxes under Section 501 (C) (3) of the Internal Revenue Code.