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**EVANGELINE A.R.C. – RESPITE
PROGRAM OF VILLE PLATTE, INC.**
Ville Platte, Louisiana

Financial Report
Year Ended June 30, 2004

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

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Evangeline A.R.C. - Respite Program of Ville Platte, Inc.
Ville Platte, Louisiana

We have audited the accompanying statement of financial position of the Evangeline A.R.C. - Respite Program of Ville Platte, Inc., (a nonprofit organization) as of June 30, 2004, and the related statements of activities, functional expenses and cash flows for the year 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 Evangeline A.R.C. - Respite Program of Ville Platte, Inc., as of June 30, 2004, and the changes in its net assets and its cash flows for the year 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 our report dated December 7, 2004, on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provision 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.

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Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses on page 11 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.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the financial statements.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 7, 2004

FINANCIAL STATEMENTS

EVANGELINE A.R.C. - RESPITE PROGRAM OF VILLE PLATTE, INC.
Ville Platte, Louisiana

Statements of Financial Position
June 30, 2004 and 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Current assets:		
Cash	\$ 46,254	\$ 12,292
Revenue receivable	22,910	18,362
Total current assets	<u>69,164</u>	<u>30,654</u>
Property and equipment:		
Furniture, fixtures and equipment	23,123	23,123
Buildings	145,230	145,230
Vehicles	27,457	27,457
Accumulated depreciation	<u>(70,991)</u>	<u>(60,892)</u>
Total net property and equipment	<u>124,819</u>	<u>134,918</u>
 Total assets	 <u>\$ 193,983</u>	 <u>\$ 165,572</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 8,271	\$ 7,840
Accrued payroll taxes	6,717	7,392
Notes payable - current portion	<u>6,591</u>	<u>5,857</u>
Total current liabilities	21,579	21,089
Long term liabilities:		
Notes payable, less current portion	<u>1,074</u>	<u>47,957</u>
Total liabilities	22,653	69,046
Net assets:		
Unrestricted net assets	<u>171,330</u>	<u>96,526</u>
Total liabilities and net assets	<u>\$ 193,983</u>	<u>\$ 165,572</u>

The accompanying notes are an integral part of this statement.

EVANGELINE A.R.C. - RESPITE PROGRAM OF VILLE PLATTE, INC.
Ville Platte, Louisiana

Statements of Activities
Years Ended June 30, 2004 and 2003

	2004	2003
Support:		
OCDD reimbursement	\$ 9,984	\$ 6,670
Medical Assistance Program	210,984	131,044
Private Pay	-	67
Donations	36,033	32,861
Other income	251	1,113
Total support	257,252	171,755
Expenses:		
Functional expenses -		
Program services	152,879	137,098
Management and general	29,569	19,455
Total expenses	182,448	156,553
Increase in unrestricted net assets	74,804	15,202
Unrestricted net assets, beginning of year	96,526	81,324
Unrestricted net assets, end of year	\$ 171,330	\$ 96,526

The accompanying notes are an integral part of this statement.

EVANGELINE A.R.C. - RESPITE PROGRAM OF VILLE PLATTE, INC.
Ville Platte, Louisiana

Statements of Cash Flows
Years Ended June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Increase in unrestricted net assets	\$ 74,804	\$ 15,202
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities:		
Depreciation	10,100	10,100
Increase in revenue receivable	(4,548)	(2,318)
Decrease in prepaid insurance	-	571
Increase (decrease) in accounts payable	431	(12,533)
Increase (decrease) in accrued liabilities	(675)	4,412
Net cash provided by operating activities	<u>5,308</u>	<u>232</u>
Cash flows from financing activities:		
Payment on long-term debt	<u>(46,150)</u>	<u>(11,259)</u>
Net increase in cash	33,962	4,175
Cash , beginning of period	<u>12,292</u>	<u>8,117</u>
Cash , end of period	<u>\$ 46,254</u>	<u>\$ 12,292</u>

The accompanying notes are an integral part of this statement.

EVANGELINE A.R.C. - RESPITE PROGRAM OF VILLE PLATTE, INC.
Ville Platte, Louisiana

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Activities

The Evangeline A.R.C. - Respite Program of Ville Platte, Inc., is a non-profit corporation exempt from income tax under section 501(c)(3) of the Internal Revenue Code. The Organization was created on February 13, 1995 to offer temporary care for handicapped individuals. The priorities of service are to prevent institutionalization, reduce undue tensions or pressure, and offer crisis or emergency situations.

The board of directors of the corporation are elected by the members of the Organization, serve variable terms, and receive no compensation.

B. Financial Statement Presentation

The Organization has adopted the provisions of Statements of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations". Statement No. 117 requires the Organization 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. As of June 30, 2004, the Organization had only unrestricted net assets.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The financial statements of the Organization are presented on the accrual basis of accounting.

D. Income Taxes

Income taxes are not provided for in the financial statements since the Organization is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization is not classified as a private foundation.

E. Property and Equipment

Property and equipment are stated at cost. Depreciation is computed on a straight-line basis over the applicable recovery periods, which range from 5 to 31.5 years. The organization maintains a threshold level of \$1,000 or more for capitalizing furniture and equipment.

EVANGELINE A.R.C. - RESPITE PROGRAM OF VILLE PLATTE, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

F. Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid and cannot be carried over from year to year. Any liability the Organization might have in this regard at June 30, 2004 is considered immaterial; therefore, no liability has been recorded in the accounts.

G. Donations

Donated funds in the amount of \$36,033 were received from Evangeline Association for Retarded Children and are included on the Statement of Activities.

H. Statement of Cash Flows

The Organization considers all highly liquid investments with maturity of three months or less at the date of acquisition to be cash equivalents.

I. 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.

(2) Property and Equipment

Property and equipment consisted of the following at June 30, 2004:

Furniture and Fixtures	\$ 23,123
Vehicles	27,457
Building and Improvements	145,230
Total	<u>195,810</u>
Less: Accumulated depreciation	<u>(70,991)</u>
Net property and equipment	<u>\$ 124,819</u>

EVANGELINE A.R.C. - RESPITE PROGRAM OF VILLE PLATTE, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(3) Long-term Debt

Long-term debt consists of the following at June 30, 2004:

\$27,457 note payable to Evangeline Bank dated 7/20/00, due in monthly payments of \$589 through 8/15/05, interest at 10.0%. \$ 7,665

The annual requirements to amortize all notes outstanding at June 30, 2004, including interest payments of \$497 follows:

Year Ending June 30,	Note Payable
2005	\$ 7,063
2006	<u>1,099</u>
	8,162
	Less amount representing interest <u>497</u>
	<u>\$ 7,665</u>

(4) Social Security System

Employees of the Organization are members of the Social Security System. The organization and its employees contribute a percentage of each employee's salary to the System (7.65 percent each). The organization's contribution during the year ended June 30, 2004 amounted to \$7,815.

(5) Litigation

There is no litigation pending against the Organization at June 30, 2004 in which the result would have a material adverse effect on the accompanying financial statements, and accordingly, no provision for losses has been recorded.

(6) Third-Party Reimbursements

The Organization receives Medicaid reimbursements (Louisiana Medical Assistance Program) for center-based respite, in-home respite and personal care attendant services. Medicaid reimbursements consisted of 82% of the Organization's total revenue for the year ended June 30, 2004.

(7) Risk Management

The Organization is exposed to risks of loss in the areas of general liability and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

SUPPLEMENTARY INFORMATION

EVANGELINE A.R.C. - RESPITE PROGRAM OF VILLE PLATTE, INC.
Ville Platte, Louisiana

Schedule of Functional Expenses
Year Ended June 30, 2004
With Comparative Totals for Year Ended June 30, 2003

	2004			2003 Total
	Program Services	Management and General	Total	
Cable TV	\$ 486	\$ -	\$ 486	\$ 314
Clients entertainment	1,160	-	1,160	756
Consulting fees	-	15,349	15,349	-
Food	2,757	-	2,757	2,883
Commercial property/liability insurance	6,852	-	6,852	7,763
Workman's compensation insurance	3,176	-	3,176	7,109
Interest	-	1,095	1,095	4,026
Licenses and fees	-	1,004	1,004	1,004
Repairs and maintenance	3,504	-	3,504	4,398
In service class	-	-	-	410
Miscellaneous	-	722	722	265
Nurses	5,850	-	5,850	5,682
Other services	550	-	550	2,227
Payroll expenses	113,166	-	113,166	92,224
Postage	-	-	-	329
Professional services	-	5,375	5,375	6,025
Supplies-janitorial	-	-	-	674
Supplies-office	-	2,255	2,255	3,567
Supplies-training	510	-	510	-
Telephone	-	3,769	3,769	3,832
Transportation-van	1,908	-	1,908	-
Utilities	2,860	-	2,860	2,965
Total expenses before depreciation	<u>142,779</u>	<u>29,569</u>	<u>172,348</u>	<u>146,453</u>
Depreciation expense	<u>10,100</u>	<u>-</u>	<u>10,100</u>	<u>10,100</u>
Total expenses	<u>\$ 152,879</u>	<u>\$ 29,569</u>	<u>\$ 182,448</u>	<u>\$ 156,553</u>

**COMPLIANCE
AND
INTERNAL CONTROL**

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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
Evangeline A.R.C. - Respite Program of Ville Platte, Inc.
Ville Platte, Louisiana

We have audited the financial statements of the Evangeline A.R.C. - Respite Program of Ville Platte, Inc. (a nonprofit organization), as of and for the year ended June 30, 2004, and have issued our report thereon dated December 7, 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 Evangeline A.R.C. - Respite Program of Ville Platte, 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 Evangeline A.R.C. - Respite Program of Ville Platte, 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Evangeline A.R.C. - Respite Program of Ville Platte, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of current and prior year audit findings and corrective action plan as item 04-1(IC).

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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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

This report is intended solely for the information of management and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 7, 2004

EVANGELINE A.R.C. - RESPITE PROGRAM OF VILLE PLATTE, INC.
 Ville Platte, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
 and Corrective Action Plan
 Year Ended June 30, 2004

<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>	
CURRENT YEAR (6/30/04) --						
<u>Internal Control:</u>						
04-1(IC)	Unknown	Due to the small number of employees, the organization did not have adequate segregation of functions within the accounting system.	No	Based upon the size of the operation and the cost benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Gary Ortego, Director	N/A
PRIOR YEAR (6/30/03) --						
<u>Internal Control:</u>						
03-1(IC)	Unknown	Due to the small number of employees, the organization did not have adequate segregation of functions within the accounting system.	No	Based upon the size of the operation and the cost benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Gary Ortego, Director	N/A